



# Comprehensive Annual Financial Report

For Fiscal Year Ending  
December 31, 2007

**Whatcom County**  
Washington

# Comprehensive Annual Financial Report

## Whatcom County Washington

Fiscal Year Ending December 31, 2007



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

June 2008

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**Photo on Cover:  
A view of Bellingham Bay from Boulevard Park  
by Kristin Frank**

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, 2006

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.



*Charles S. Cox*

President

*Jeffrey R. Enow*

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, 2006. 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, 2008

Citizens of Whatcom County:

We are pleased to submit the Comprehensive Annual Financial Report of Whatcom County for the year ended December 31, 2007, 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. Whatcom County has established a comprehensive internal control system to provide a reasonable basis for making these representations. Internal controls are designed both to protect the government's assets from loss, theft, or misuse and to compile reliable information for the preparation of the County's financial statements in conformity with GAAP. The County's internal controls have been designed to provide reasonable assurance that the financial statements will be free from material misstatements. 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.

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 2007 is estimated at 188,300.

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 14.5% since 2000. The County's greatest employment sector is "government." Employment of Whatcom County's workforce of approximately 101,380 includes the following sectors:

Agriculture, Forestry, Fishing and Hunting	3.43%
Mining	.19%
Utilities	.26%
Construction	9%
Manufacturing	10.76%
Transportation and Warehousing	2.18%
Wholesale/Retail Trade	16.38%
Professional/Technical Services	3.56%
Finance/Insurance/Real Estate	3.76%
Management of Companies & Enterprises	0.63%
Administrative/Waste Services	3.77%
Educational Services	.73%
Healthcare & Social Assistance	10.78%
Arts, Entertainment & Recreation	1.82%
Accommodation & Food Services	9.90%
Government	17.14%
Information	2.02%
Other Services, except Public Administration	3.70%

*Source: Office of Financial Management, State of Washington, 2007 Data Book*

### **International Transportation**

Whatcom County is home to one of the highest volume border crossings between the United States 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 1,600 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 200 companies operate on Port property.

## **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 2007 enrollment was over 13,000. 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 2,100 full-time faculty and staff in the fall of 2005.

## **Retail Trade**

Between 1997 and 2007, annual taxable retail sales in Whatcom County grew by \$1.35 billion or a 72% increase. The strong Canadian dollar makes shopping in Whatcom County attractive to residents of British Columbia. Growth in sales tax is expected to slow in the short term, due to a slow down in construction.

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. 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 major initiatives that will be implemented in the 2007-2008 Biennium.

### **Concurrency & Growth Management**

The biennial budget includes \$1.3 million for new parks projects and parks facilities upgrades, the addition of a Design and Development Supervisor for parks projects, the addition of a Critical Areas Ordinance planning position and the funding to continue a temporary Growth Management position in Planning and Development Services. It also includes the addition of a Land Use Policy Analyst to assist County Council members in making quality land use decisions, the addition of one full-time and one half-time position in Public Works to implement storm water regulations, \$100,000 for a Birch Bay community incorporation study, and \$70,000 to help fund the community-wide long-term planning project. In addition, to address growth issues, we added

six new Sheriff's deputies including two specific neighborhood deputies for urban growth areas, and six new road crew worker positions to alleviate safety concerns resulting from road congestion. Planning and Development Services and Public Works are redesigning the building permit process to improve efficiency and effectiveness. This project includes \$150,000 funding to streamline the zoning and subdivision code.

### **Agriculture**

Over the next biennium, we will be adding a planning position in Planning and Development Services to work specifically with the agricultural community on issues that affect this vital sector of our economy. In addition, Whatcom County will invest \$150,000 in a Conservation Program for Agricultural Lands (CPAL), \$120,000 for consultant support for the agriculture program and \$127,000 to support the Integrated Pest Management Program through WSU Extension.

### **Lake Whatcom Watershed and Other Water Resources**

This budget includes significant funding aimed at protecting and preserving our water resources in Whatcom County. In addition to the positions mentioned above to implement storm water regulations, the budget contains \$330,000 to pursue conveyance to Whatcom County of a substantial amount of Department of Natural Resource trust land located in the Lake Whatcom Watershed. We will maintain this land as parkland for the use of future generations. \$1.1 million has also been appropriated for various water resource projects including Lake Whatcom management, salmon habitat restoration, marine resources projects, monitoring support for Bertrand and Ten Mile Creeks, and water resource priority project development.

State law also mandates a major new program requiring inspection of all septic systems on a regular basis. We have added four positions to the Health Department to implement this program, and expect fee revenues to cover the program costs. The program will begin in 2007 with critical watersheds given first priority.

### **Natural Disasters/Pandemics**

Through the coordination and facilitation of exercises and planning sessions by the Sheriff's Office Department of Emergency Management and the Health Department, the county is well on its way to achieving preparedness against disasters and pandemics. The Emergency Management budget includes funding from the Department of Homeland Security for planning, training, and exercises for first responders across the community. The Health Department has created a Disease Response and Control Unit to investigate possible disease conditions and provide technical assistance to local health care personnel.

### **Facilities Investments**

In conjunction with projects envisioned in the county's Capital Improvements Plan (CIP), the budget contains funding for the initial phases of several capital projects. Park planning projects include South Fork County Park, Sunnyside Landing, Dittrich Park, extensions to Chuckanut Mountain Trails, and the Olsen Property Trail.

Funding is included for engineering studies for the Civic Center Annex parking structure repair, the jail and juvenile controls replacement, and the Courthouse exterior façade repair. Whatcom County plans to replace single pane windows in the Courthouse, and remodel the basement. We will also demolish the 401 Grand Ave building, which is at the end of its useful life. Initial planning for the new Smith & Northwest Consolidated Services Building is also budgeted. Several unfinished road projects are included in the budget. We will adopt other multi-year facilities and road capital projects in phases as capital project budgets throughout the 2007-2008 biennium. The county expects to issue bonds in 2008 or 2009 to begin funding several capital projects included in the CIP. These projects include acquisition of the Central Plaza Building currently leased for the Public Defender, acquisition of land for the new long-term jail facility and Sheriff's Office, and construction of the Consolidated Services Building mentioned above.

### **Productivity Through Technology**

One of the largest areas of investment in this budget is in the area of technology. Over \$1 million is budgeted for improvements in the Information Technology Division of Administrative Services. This will include the addition of four positions and significant investments in the areas of support for GIS, law & justice and other departmental applications support. Significant technology investments are budgeted to improve efficiencies in the Sheriff's Department through electronic report writing capabilities, laptops in vehicles, and a firearms training simulator. The Auditor's Office is implementing technology to improve access to on-line records and signature verification for elections.

### **Significant Changes from Prior Biennium**

A change in governmental accounting rules requiring governments to record the liability for unfunded post-retirement benefits has led to the decision to fund a law enforcement officer health benefit reserve at \$3.5 million. The reserve will be tapped when annual benefit amounts exceed the standard amount budgeted per employee during the biennial budget process. This reserve is approximately half of the amount needed to fund post-retirement medical benefits, exclusive of required long-term care benefits.

## **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, 2006. 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 2007-2008 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,

A handwritten signature in black ink, appearing to read "Pete Kremen", with a long, sweeping horizontal flourish extending to the right.

Pete Kremen

County Executive

## Elected Officials

as of December 31, 2007

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Executive	Term Ends January, 2012	Pete Kremen
Assessor	Term Ends January, 2012	Keith Willnauer
Auditor	Term Ends January, 2012	Shirley Forslof
Prosecuting Attorney	Term Ends January, 2011	David S. McEachran
Sheriff	Term Ends January, 2012	Bill Elfo
Treasurer	Term Ends January, 2012	Steve Oliver

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### COUNTY COUNCIL

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District No. 1, Position A	Term Ends January, 2010	Ward Nelson
District No. 1, Position B.	Term Ends January, 2012	Bob Kelly
District No. 2, Position A	Term Ends January, 2010	Laurie Caskey-Schreiber
District No. 2, Position B.	Term Ends January, 2012	Sam Crawford
District No. 3, Position A	Term Ends January, 2010	Carl Weimer
District No. 3, Position B.	Term Ends January, 2012	Barbara Brenner
Councilperson At Large	Term Ends January, 2010	Seth Fleetwood

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### SUPERIOR COURT JUDGES

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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

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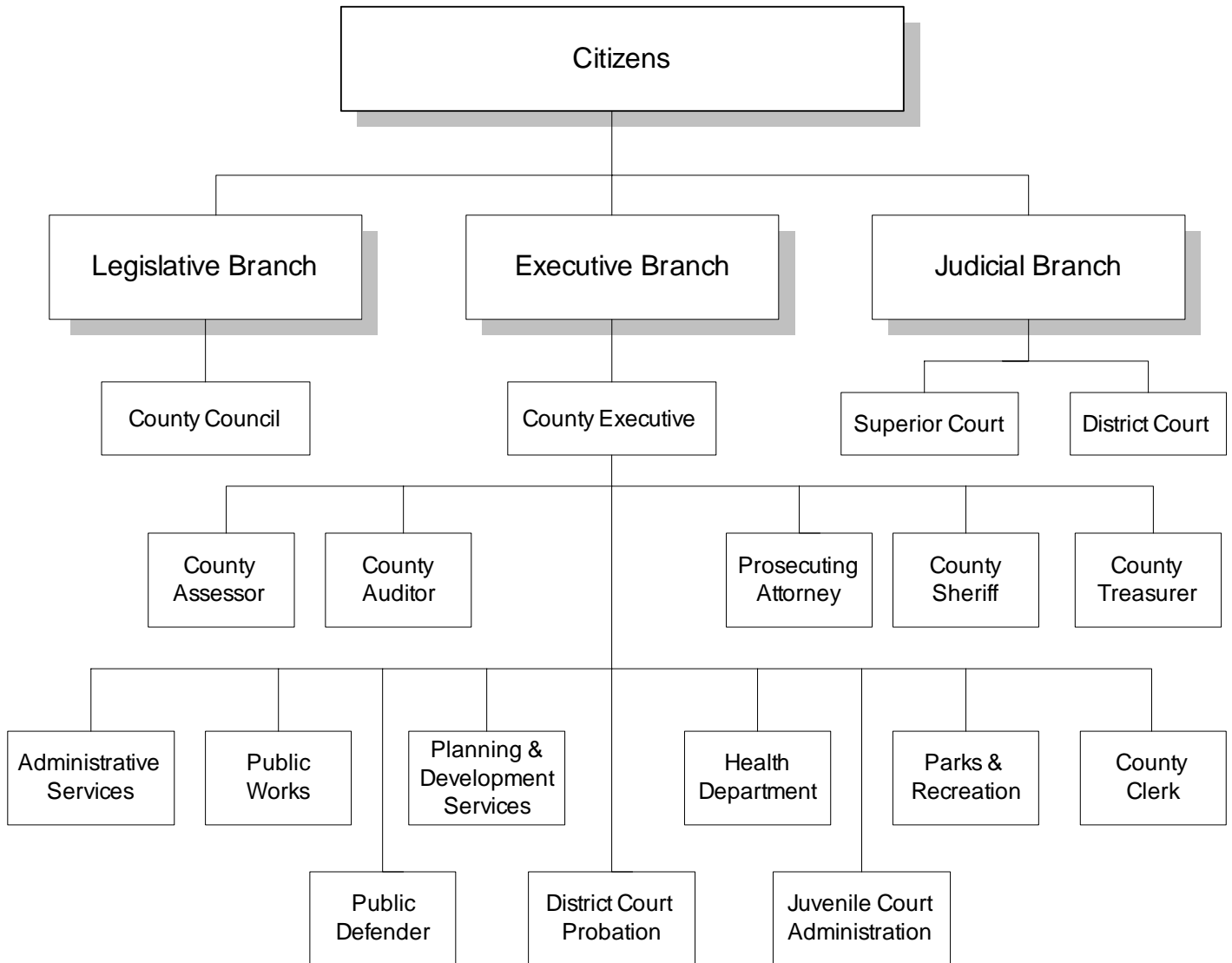
### DISTRICT COURT JUDGES

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Position No. 1	Term Ends January, 2011	David Grant
Position No. 2	Term Ends January, 2011	Matthew Elich

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# Whatcom County Organizational Chart







**Washington State Auditor  
Brian Sonntag**

**INDEPENDENT AUDITOR'S REPORT**

June 27, 2008

County Council  
Whatcom County  
Bellingham, Washington

We have audited the accompanying financial statements of the 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, 2007, which collectively comprise the County's basic financial statements 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 opinions.

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, 2007, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 13, during the year ended December 31, 2007, the County has implemented the Governmental Accounting Standards Board's Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

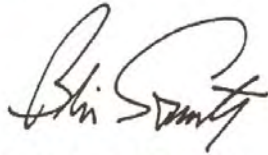
The management's discussion and analysis on pages 13 through 22, budgetary comparison information on pages 70 through 73, and pension trust information on page 74 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Independent Auditor's Report continued

Our audit was 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 Supplemental Information on pages 80 through 169 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.

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 stylized and cursive.

**BRIAN SONNTAG, CGFM**  
STATE AUDITOR

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Year Ended December 31, 2007**

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, 2007. 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 2007 on a government-wide financial statement basis, Whatcom County's net assets totaled \$238,865,389. Net assets are calculated by subtracting the liabilities of the County from its total assets. \$43,487,269 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 2007, the County's total long-term debt decreased by \$52,725. No new general obligation or special assessment debt was issued during the year. Under Washington State law, the County is authorized to issue approximately \$333 million in non-voted debt. At the end of 2007, the County's outstanding general obligation debt totaled \$9 million.

Whatcom County's total net assets increased by \$5,502,179 resulting primarily from the increase of cash and cash equivalents. The County also purchased \$2.5 million in land, including \$1.6 million for conservation easements.

### **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 and the Ferry System are 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 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 funds (one type of proprietary fund) are 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 include investment trust funds, used to report investment activity conducted by the County on behalf of legally separate entities, such as special purpose districts that are not part of the County's reporting entity, and agency funds. Since these are not available to support the County's own programs, they are not reflected in the government-wide financial statements. 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	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 107,349,442	\$ 101,632,391	\$ 1,555,496	\$ 1,718,114	\$ 108,904,938	\$ 103,350,505
Capital assets	161,416,995	157,892,969	-	-	161,416,995	157,892,969
Total assets	<u>268,766,437</u>	<u>259,525,360</u>	<u>1,555,496</u>	<u>1,718,114</u>	<u>270,321,933</u>	<u>261,243,474</u>
Long-term debt	19,548,446	19,601,168	104,838	99,075	19,653,284	19,700,243
Other liabilities	11,470,617	7,917,961	332,643	262,060	11,803,260	8,180,021
Total liabilities	<u>31,019,063</u>	<u>27,519,129</u>	<u>437,481</u>	<u>361,135</u>	<u>31,456,544</u>	<u>27,880,264</u>
Net assets:						
Invested in capital, net of debt	152,741,995	147,777,970	-	-	152,741,995	147,777,970
Restricted	42,636,125	37,138,374	-	-	42,636,125	37,138,374
Unrestricted	42,369,254	47,089,887	1,118,015	1,356,979	43,487,269	48,446,866
Total net assets	<u>\$ 237,747,374</u>	<u>\$ 232,006,231</u>	<u>\$ 1,118,015</u>	<u>\$ 1,356,979</u>	<u>\$ 238,865,389</u>	<u>\$ 233,363,210</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 \$238,865,389 at the close of the most recent fiscal year. The largest portion of Whatcom County's net assets (64 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 (18 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$43,487,269) may be used to meet the government's ongoing obligations to citizens and creditors.

Net assets reserved for capital projects increased \$3.6 million in 2007. Real Estate Tax I and II Funds' net assets were \$2.7 million greater than 2006. Real estate tax collections exceeded expenditures for capital projects and bond payments. Public Utilities Improvement Fund's sales and use tax collections were greater than capital expenditures by \$877,807.

Unrestricted net assets decreased \$5.0 million. The decrease is the result of one-time expenditures which included purchases of vehicles, equipment, software, and short-term staffing increases. Also, \$436,088 was recognized as an increase to the County's net other post-employment benefit (OPEB) obligation.

Special revenue restricted net assets increased \$1.9 million. The Whatcom Jail Fund and the Countywide Emergency Medical Services Fund increased net assets by \$1.4 million and \$1.3 million, respectively. The Low-Income Housing Fund decreased net assets by \$598,668. \$504,214 was spent for capital projects in conjunction with the Bellingham Whatcom County Housing Authorities.

During the current fiscal year, total net assets for the County increased by \$5,502,179. This increase resulted primarily from the increase in cash and cash equivalents.

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

**Table MDA2 - Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
Program revenue:						
Charges for services	\$ 15,529,728	\$ 16,031,569	\$ 1,352,430	\$ 1,085,280	\$ 16,882,158	\$ 17,116,849
Operating grants & contributions	18,649,931	20,823,563	-	-	18,649,931	20,823,563
Capital grants & contributions	6,780,293	8,920,486	-	-	6,780,293	8,920,486
General revenue:						
Property taxes	42,763,435	40,919,106	-	-	42,763,435	40,919,106
Timber taxes	278,895	198,732	-	-	278,895	198,732
Retail taxes	20,126,476	19,145,002	-	-	20,126,476	19,145,002
Excise taxes	5,181,286	5,266,333	-	-	5,181,286	5,266,333
Penalties and interest	1,659,701	1,603,642	-	-	1,659,701	1,603,642
Other	7,681,239	7,278,338	-	-	7,681,239	7,278,338
<b>Total revenues</b>	<b>118,650,984</b>	<b>120,186,771</b>	<b>1,352,430</b>	<b>1,085,280</b>	<b>120,003,414</b>	<b>121,272,051</b>
<b>Expenses</b>						
General government	28,158,688	25,962,056	-	-	28,158,688	25,962,056
Public safety	37,224,359	32,987,070	-	-	37,224,359	32,987,070
Physical environment	5,347,914	6,834,562	-	-	5,347,914	6,834,562
Transportation	22,278,320	20,255,214	-	-	22,278,320	20,255,214
Economic environment	3,124,810	1,699,968	-	-	3,124,810	1,699,968
Mental and physical health	11,434,223	10,391,837	-	-	11,434,223	10,391,837
Culture and recreation	4,477,382	4,127,397	-	-	4,477,382	4,127,397
Interest on long-term debt	455,019	520,685	-	-	455,019	520,685
Whatcom Co. Investment Pool	-	-	121,904	166,927	121,904	166,927
Ferry System	-	-	1,878,616	1,853,340	1,878,616	1,853,340
<b>Total expenses</b>	<b>112,500,715</b>	<b>102,778,789</b>	<b>2,000,520</b>	<b>2,020,267</b>	<b>114,501,235</b>	<b>104,799,056</b>
Change in net assets before transfers	6,150,269	17,407,982	(648,090)	(934,987)	5,502,179	16,472,995
Transfers	(409,126)	(2,153,572)	409,126	2,153,572	-	-
<b>Change in net assets</b>	<b>5,741,143</b>	<b>15,254,410</b>	<b>(238,964)</b>	<b>1,218,585</b>	<b>5,502,179</b>	<b>16,472,995</b>
Net assets-beginning	232,006,231	216,751,821	1,356,979	138,394	233,363,210	216,890,215
<b>Net assets-ending</b>	<b>\$237,747,374</b>	<b>\$ 232,006,231</b>	<b>\$ 1,118,015</b>	<b>\$ 1,356,979</b>	<b>\$238,865,389</b>	<b>\$233,363,210</b>

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

Governmental activities increased Whatcom County's net assets by \$5,741,143, thereby accounting for all the growth in the net assets of Whatcom County.

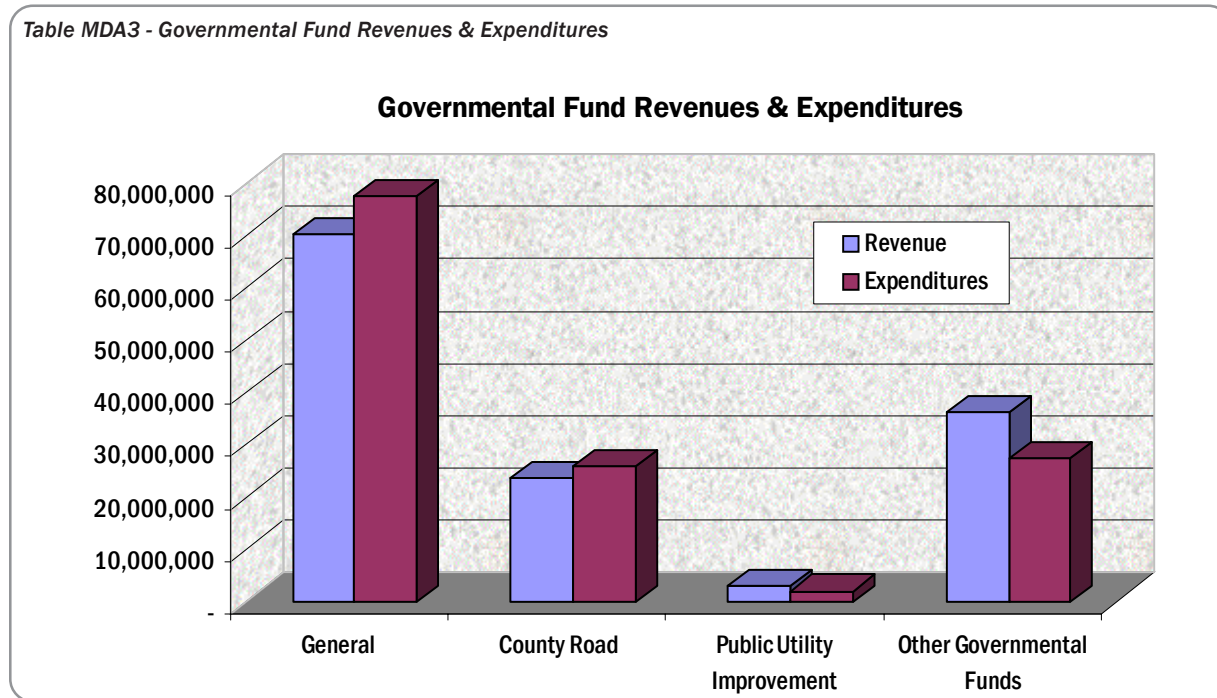
- Property tax revenue is \$1.8 million greater than last year, due to new construction added to the tax roll.
- Interest income is \$1,030,710, or 22 percent, higher than 2006 due to higher investment interest rates.
- Operating grants and contributions decreased \$2,173,632 or (10 percent) during 2007. In 2006, Whatcom County received a \$2.2 million one-time contribution from local governments to support costs of the new jail alternative work center.
- Capital grants and contributions fluctuate based on construction activity. Capital grants and contributions are \$2,140,193, or 24 percent, less than 2006 as a result of the completion of a large federally-funded bridge project.

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

**Governmental Funds** The General Fund, County Road Fund and Public Utilities Improvement Fund are the County's major funds. Together these three funds account for 52 percent of total governmental fund assets and 47 percent of total governmental fund balance.

As of December 31, 2007, the County's governmental funds reported combined fund balances of \$73 million. Of the total amount, nearly \$60 million or 82 percent is unreserved and available for spending within designated funds. Reserved fund balance of \$13 million is not available for new spending because it has already been committed to encumbrances, advances, long-term loans, and debt service.

The chart below compares revenues and expenditures for the major governmental funds and all other governmental funds combined for 2007.



In the General Fund, the County budgeted for a decrease in fund balance of \$12,512,110. The actual decrease was \$7,239,582, which was due primarily from one-time expenditures, including \$3.5 million that was transferred out to establish a LEOFF I Healthcare Fund for the future healthcare costs of retired sheriff deputies.

The fund balance of the Road Fund decreased \$2.3 million. Actual revenues were 106 percent of budget due to higher than anticipated property tax and intergovernmental revenue. Expenditures fluctuate each year based on capital projects. Road fund expenditures were within the 2007 authorized budget.

## 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, 2007.

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

### General Fund

	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$ 37,239,961	\$ 37,239,961	\$ 37,562,083
Intergovernmental	13,075,086	13,504,527	13,529,483
Other	18,286,361	18,317,543	17,444,215
Total revenues	<u>68,601,408</u>	<u>69,062,031</u>	<u>68,535,781</u>
Expenditures:			
Expenditures	67,004,518	69,581,106	64,639,645
Other financing sources (uses)	(11,541,312)	(11,993,035)	(11,135,718)
Total expenditures	<u>78,545,830</u>	<u>81,574,141</u>	<u>75,775,363</u>
Change to fund balance	<u>\$ (9,944,422)</u>	<u>\$ (12,512,110)</u>	<u>\$ (7,239,582)</u>

*For more detailed information see page 71 for the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual.*

**Tax Revenues.** Tax revenues exceed budgeted amounts by \$322,122 or 1 percent. Property tax collections for 2007 totaled \$22,121,259 and are \$963,371 greater than 2006 collections. This increase is a result of greater than expected new construction added to the tax roll.

**Intergovernmental Revenues.** The budget for intergovernmental revenues was increased \$429,441 for grant awards that were received during the year. Actual intergovernmental revenue received is 100 percent of budgeted revenue.

**Other.** Other revenues are \$873,328 less than budgeted amounts. Subdivision review revenue is \$752,152 less than budgeted. The 2007 subdivision budgeted revenue was based on continued strong development activity and an increase in subdivision fees. The fee increase was delayed until April 2007, and development activity was less than anticipated. Building permit revenues total \$1,313,009 and are \$531,695 short of budgeted revenues. Interest earnings are \$663,951 greater than budget expectations due to rising interest rates.

**Expenditures.** Overall expenditures for the General Fund are 93 percent of the approved budget at year-end. Continuing appropriations will carry over \$1,342,082 of spending authority into 2008 to complete contract obligations that span fiscal reporting periods. All departments' expenditures were within their budgeted authority.

**Capital Assets**

The County’s capital assets for its governmental activities as of December 31, 2007, totaled \$161 million (net of accumulated depreciation). This includes land, buildings, improvements, machinery and equipment, and infrastructure.

New investment in capital assets for 2007 was \$12.7 million. Depreciation expense in 2007 totaled \$9.2 million, resulting in an \$3.5 million increase in net assets.

The County invested \$8.4 million in infrastructure, which includes roads, bridges and road-related improvements.

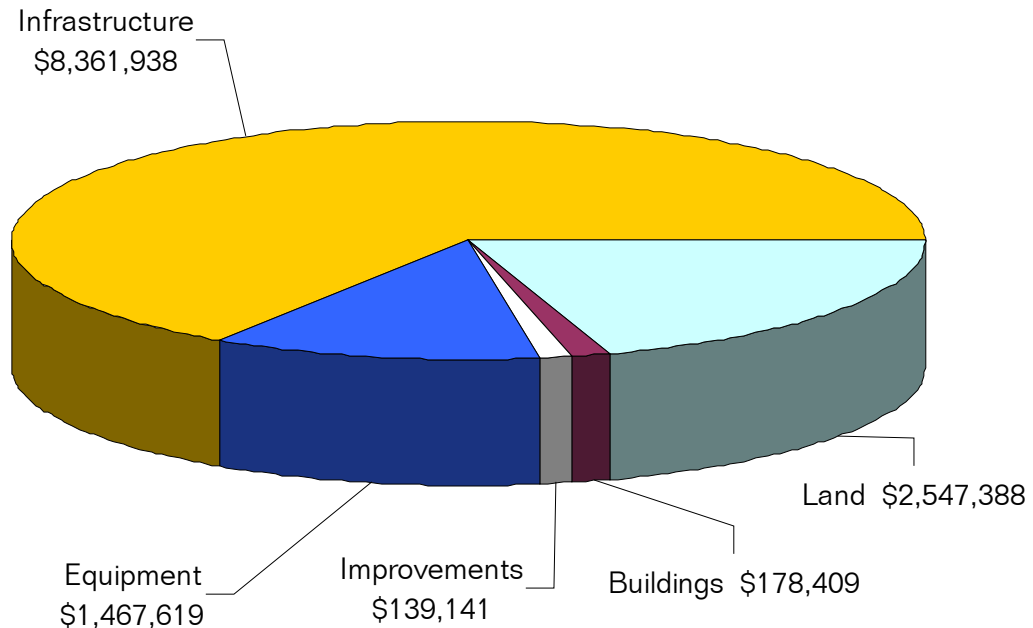
*Table MDA5 - Capital Assets*

	Governmental Activities	Governmental Activities
	2007	2006
Land	\$31,094,299	\$28,546,911
Buildings	46,239,677	47,340,892
Improvements	1,361,462	1,334,275
Equipment	10,103,825	9,848,851
Infrastructure	72,617,732	70,822,041
<b>Totals</b>	<b>\$161,416,995</b>	<b>\$157,892,970</b>

*For more detailed information see page 49 for Capital Asset Activity.*

*Table MDA6 - Change in Capital Assets*

**Change in Capital Assets**



Whatcom County purchased \$2.5 million of land, including \$1.6 million for conservation easements. \$328,000 was spent for two properties purchased from the Washington State Department of Natural Resources that will be used for River and Flood purposes. \$596,000 was used to purchase right of way acquisitions. The County's investment in new equipment, including vehicles and road maintenance equipment, increased capital assets by \$1.5 million.

### Debt Administration

At year-end, the County had \$19,548,446 in outstanding debt compared to \$19,601,171 last year. That is a decrease of \$52,725.

### 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 1.92 percent during the past five years. Per capita income of Whatcom County is growing at approximately 1.68 percent. Unemployment has remained

consistent, averaging 5.1 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 7.8 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 21 percent in 2007.

### Contacting the County's Financial Management

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

*Table MDA7 - Outstanding Debt*

	Governmental Activities	
	2007	2006
General Obligation Bonds	\$ 8,721,063	\$ 10,169,199
Capital Leases	418,255	394,926
Estimated Self-Insurance Claims	3,859,665	3,118,665
Other Postemployment Benefits Payable	436,088	-
Compensated Absences	5,627,809	5,400,938
Other Long-term Liabilities	485,566	517,443
	<u>\$ 19,548,446</u>	<u>\$ 19,601,171</u>

*For more detailed information see page 62 for Changes in Long-Term Debt.*

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 94,399,174	\$ 1,315,298	\$ 95,714,472
Cash with fiscal agent	6,657	-	6,657
Investments	126,271	-	126,271
Receivables	2,898,610	239,487	3,138,097
Due from other governments	8,759,314	3,253	8,762,567
Internal balances	2,542	(2,542)	-
Inventories	1,156,874	-	1,156,874
Capital assets:			
Non-depreciable	31,094,299	-	31,094,299
Depreciable, net	130,322,696	-	130,322,696
<b>Total assets</b>	<b>268,766,437</b>	<b>1,555,496</b>	<b>270,321,933</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses	10,689,014	329,677	11,018,691
Due to other governments	392,603	2,966	395,569
Unearned revenue	389,000	-	389,000
Noncurrent liabilities(Note 8):			
Due within one year	10,681,935	79,642	10,761,577
Due in more than one year	8,866,511	25,196	8,891,707
<b>Total liabilities</b>	<b>31,019,063</b>	<b>437,481</b>	<b>31,456,544</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	152,741,995	-	152,741,995
Restricted for:			
Special revenue	19,920,770	-	19,920,770
Debt service	151,200	-	151,200
Capital projects	22,564,155	-	22,564,155
Unrestricted (deficit)	42,369,254	1,118,015	43,487,269
<b>Total net assets</b>	<b>\$ 237,747,374</b>	<b>\$ 1,118,015</b>	<b>\$ 238,865,389</b>

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

Functions/ Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets - Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 28,158,688	\$ 4,961,311	\$ 6,426,694	\$ -	\$ (16,770,683)	\$ -	\$ (16,770,683)
Public safety	37,224,359	4,493,174	3,867,797	-	(28,863,388)	-	(28,863,388)
Physical environment	5,347,914	872,539	864,621	-	(3,610,754)	-	(3,610,754)
Transportation	22,278,320	1,927,735	-	6,780,293	(13,570,292)	-	(13,570,292)
Economic environment	3,124,810	727,247	567,335	-	(1,830,228)	-	(1,830,228)
Mental and physical health	11,434,223	2,172,139	6,914,368	-	(2,347,716)	-	(2,347,716)
Culture and Interest on long-term debt	4,477,382 455,019	375,583 -	9,116 -	- -	(4,092,683) (455,019)	- -	(4,092,683) (455,019)
<b>Total government activities</b>	<b>112,500,715</b>	<b>15,529,728</b>	<b>18,649,931</b>	<b>6,780,293</b>	<b>(71,540,763)</b>	<b>-</b>	<b>(71,540,763)</b>
Business-type activities:							
Whatcom County Investment Pool	121,904	136,550	-	-	-	14,646	14,646
Ferry	1,878,616	1,215,880	-	-	-	(662,736)	(662,736)
<b>Total Business-Type Activities</b>	<b>2,000,520</b>	<b>1,352,430</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(648,090)</b>	<b>(648,090)</b>
<b>Total primary government</b>	<b>\$114,501,235</b>	<b>\$16,882,158</b>	<b>\$ 18,649,931</b>	<b>\$ 6,780,293</b>	<b>(71,540,763)</b>	<b>(648,090)</b>	<b>(72,188,853)</b>
General Revenues:							
Taxes:							
Property taxes					42,763,435	-	42,763,435
Timber taxes					278,895	-	278,895
Retail taxes					20,126,476	-	20,126,476
Excise taxes					5,181,286	-	5,181,286
Penalties and interest					1,659,701	-	1,659,701
Unrestricted investment earnings					5,648,889	-	5,648,889
Gain/loss on sale of capital assets					406,285	-	406,285
Miscellaneous					1,626,065	-	1,626,065
Transfers					(409,126)	409,126	-
<b>Total general revenues &amp; transfers</b>					<b>77,281,906</b>	<b>409,126</b>	<b>77,691,032</b>
Change in net assets					5,741,143	(238,964)	5,502,179
Net assets-beginning					232,006,231	1,356,979	233,363,210
<b>Net assets-ending</b>					<b>\$ 237,747,374</b>	<b>\$1,118,015</b>	<b>\$238,865,389</b>

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

	General	County Road	Public Utilities Improvement	Other Govt'l Funds	Total Govt'l Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 16,387,887	\$ 9,541,155	\$ 7,690,369	\$ 39,282,428	\$ 72,901,839
Deposits with fiscal agent	6,657	-	-	-	6,657
Investments at cost	-	-	-	126,271	126,271
Taxes receivable	769,659	560,878	-	144,161	1,474,698
Accounts receivable	270,663	94,919	-	232,819	598,401
Special assessments	-	-	-	19,901	19,901
Interest receivable	461,336	-	-	520	461,856
Notes receivable	3,958	-	-	83,735	87,693
Due from other funds	239,010	280,922	-	117,808	637,740
Interfund loan receivable	150,000	-	-	-	150,000
Due from other governments	2,484,029	634,568	4,645,828	898,690	8,663,115
Employee advances	2,067	381	-	133	2,581
Prepayments	150,203	28,973	-	24,855	204,031
<b>Total assets</b>	<b>\$ 20,925,469</b>	<b>\$ 11,141,796</b>	<b>\$ 12,336,197</b>	<b>\$ 40,931,321</b>	<b>\$ 85,334,783</b>
<b>Liabilities and fund balance</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,783,777	\$ 1,088,129	\$ 2,112,325	\$ 1,430,721	\$ 6,414,952
Due to other funds	755,578	231,062	3,364	230,643	1,220,647
Interfund loans payable	-	-	-	150,000	150,000
Revenue collected in advance	-	8,184	-	51	8,235
Due to other governments	340,957	27,436	-	24,210	392,603
Other accrued liabilities	1,254,680	317,039	-	211,618	1,783,337
Custodial accounts	-	-	-	81,940	81,940
Other current liabilities	-	161,935	-	-	161,935
Deferred revenue	1,074,923	655,762	-	247,796	1,978,481
Deferred credits	190,421	163,872	-	37,507	391,800
<b>Total liabilities</b>	<b>5,400,336</b>	<b>2,653,419</b>	<b>2,115,689</b>	<b>2,414,486</b>	<b>12,583,930</b>
<b>Fund balances</b>					
Reserved for:					
Encumbrances	1,342,082	4,153,088	15,733	2,501,386	8,012,289
Federal Forest Title III	86,064	-	-	-	86,064
Advances	150,000	-	-	-	150,000
Long-term loans	-	-	4,645,828	-	4,645,828
Debt service	-	-	-	220,490	220,490
Unreserved	13,946,987	4,335,289	5,558,947	-	23,841,223
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	24,492,822	24,492,822
Capital projects funds	-	-	-	11,302,137	11,302,137
<b>Total fund balance</b>	<b>15,525,133</b>	<b>8,488,377</b>	<b>10,220,508</b>	<b>38,516,835</b>	<b>72,750,853</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$ 20,925,469</b>	<b>\$ 11,141,796</b>	<b>\$ 12,336,197</b>	<b>\$ 40,931,321</b>	<b>\$ 85,334,783</b>

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, 2007



Fund balance - total governmental funds	\$ 72,750,853
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	150,429,492
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.	27,747,433
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,589,481
Liabilities, including \$9,206,628 of bonds payable, \$5,127,169 of compensated absences and \$436,088 of other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	(14,769,885)
Net assets of governmental activities.	<u>\$ 237,747,374</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, 2007



	General	County Road	Public Utilities Improvement	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 37,562,083	\$ 15,160,522	\$ 2,829,290	\$ 14,555,339	\$ 70,107,234
Licenses and permits	2,122,503	152,034	-	-	2,274,537
Intergovernmental	13,529,483	6,780,293	-	4,875,681	25,185,457
Charges for service	6,779,174	1,157,900	-	3,087,646	11,024,720
Fines and forfeits	1,868,490	-	-	346,740	2,215,230
Miscellaneous	6,674,048	60,751	7,500	510,368	7,252,667
<b>Total revenues</b>	<b>68,535,781</b>	<b>23,311,500</b>	<b>2,836,790</b>	<b>23,375,774</b>	<b>118,059,845</b>
<b>Expenditures</b>					
Current:					
General government	23,413,842	308,556	25,000	1,118,784	24,866,182
Public safety	22,923,335	-	-	12,765,557	35,688,892
Physical environment	547,398	-	-	4,769,510	5,316,908
Transportation	-	15,599,960	-	26,516	15,626,476
Economic environment	2,059,277	-	-	1,047,482	3,106,759
Mental and physical health	11,392,901	-	-	-	11,392,901
Culture and recreation	4,048,922	-	-	363,557	4,412,479
Capital outlay	203,749	8,978,181	1,933,983	2,350,484	13,466,397
Debt service:					
Principal	31,877	-	-	1,440,000	1,471,877
Interest	18,344	-	-	425,364	443,708
<b>Total expenditures</b>	<b>64,639,645</b>	<b>24,886,697</b>	<b>1,958,983</b>	<b>24,307,254</b>	<b>115,792,579</b>
Excess (deficiency) of revenues over expenditures	3,896,136	(1,575,197)	877,807	(931,480)	2,267,266
<b>Other financing sources (uses)</b>					
Sales of capital assets	168,805	206,615	-	30,865	406,285
Transfers in	1,547,337	71,031	-	12,801,147	14,419,515
Transfers out	(12,851,860)	(1,013,979)	-	(3,218,563)	(17,084,402)
<b>Total other financing sources (uses)</b>	<b>(11,135,718)</b>	<b>(736,333)</b>	<b>-</b>	<b>9,613,449</b>	<b>(2,258,602)</b>
Net change in fund balances	(7,239,582)	(2,311,530)	877,807	8,681,969	8,664
Fund balance as of January 1	22,764,715	10,799,907	9,342,701	29,834,866	72,742,189
<b>Fund balance as of December 31</b>	<b>\$ 15,525,133</b>	<b>\$ 8,488,377</b>	<b>\$ 10,220,508</b>	<b>\$ 38,516,835</b>	<b>\$ 72,750,853</b>

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

Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Year Ended December 31, 2007



Net change in fund balances-total governmental funds	\$ 8,664
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 (\$11,496,979) exceeded depreciation expense (\$8,751,679) in the current period.	2,745,300
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.	2,278,258
Revenues in the funds that are related to prior periods are not revenues in the statement of activities.	(108,542)
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.	(654,414)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	<u>1,471,877</u>
Change in net assets of governmental activities	<u>\$ 5,741,143</u>

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

	Enterprise Funds	Internal Service Funds
<b>Assets</b>		
Current assets		
Cash & cash equivalents	\$ 1,315,298	\$ 21,497,335
Accounts receivable	400	10,025
Due from other funds	235,480	688,900
Employee advances	591	867
Due from other governments	3,253	96,199
Inventory	-	1,156,874
Prepayments	3,016	18,167
<b>Total current assets</b>	<b>1,558,038</b>	<b>23,468,367</b>
Noncurrent assets		
Land	-	750,631
Building & structures (net)	-	1,487,113
Capital leases (net)	-	422,328
Other improvements (net)	-	185,365
Machinery & equipment (net)	-	8,142,066
<b>Total noncurrent assets</b>	<b>-</b>	<b>10,987,503</b>
<b>Total assets</b>	<b>1,558,038</b>	<b>34,455,870</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	39,006	1,626,868
Claims cost payable	-	3,799,766
Due to other funds	253,781	87,691
Due to other governments	2,966	17,021
Other accrued liabilities	36,890	195,510
<b>Total current liabilities</b>	<b>332,643</b>	<b>5,726,856</b>
Noncurrent liabilities		
Employee leave benefits	104,838	500,640
Other noncurrent liabilities	-	485,571
<b>Total noncurrent liabilities</b>	<b>104,838</b>	<b>986,211</b>
<b>Total liabilities</b>	<b>437,481</b>	<b>6,713,067</b>
<b>Net assets</b>		
Invested in capital assets, net of related debt	-	10,987,503
Unrestricted	1,120,557	16,755,300
<b>Total net assets</b>	<b>1,120,557</b>	<b>\$ 27,742,803</b>
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.		
<b>Net assets of business-type activities</b>	<b>\$ 1,118,015</b>	<b>(2,542)</b>

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, 2007



	Enterprise Funds	Internal Service Funds
<b>Operating revenues</b>		
Intergovernmental	\$ 241,777	\$ 188,182
Charges for service	907,020	12,245,920
Rents and parking	-	5,445,837
Interest income	136,550	-
Fines & foreits	-	2,612
Insurance premiums	-	7,625,962
Other miscellaneous revenues	67,083	24,151
<b>Total operating revenues</b>	1,352,430	25,532,664
<b>Operating expenses</b>		
General operations	1,877,156	23,400,737
General administration	121,019	573,395
Depreciation	-	1,722,975
<b>Total operating expenses</b>	1,998,175	25,697,107
<b>Operating income (loss)</b>	(645,745)	(164,443)
<b>Non-operating revenues (expenses)</b>		
Gain (loss) on sale of capital assets	-	154,654
Interest revenue	-	466
Interest expense	-	(19,447)
<b>Total non-operating revenues (expenses)</b>	-	135,673
<b>Income (loss) before contributions and transfers</b>	(645,745)	(28,770)
Capital contributions	-	48,922
Transfers in	409,126	2,780,400
Transfers out	-	(524,639)
<b>Changes in net assets</b>	(236,619)	2,275,913
<b>Total net assets-beginning</b>		25,466,890
<b>Total net assets-ending</b>		\$ 27,742,803
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.		(2,345)
<b>Change in net assets of business-type activities</b>	\$ (238,964)	

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

	Enterprise Funds	Internal Service Funds
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 1,122,329	\$ 25,311,542
Cash payments for goods and services	(919,566)	(16,254,663)
Cash payments to employees	(1,002,263)	(6,142,661)
<b>Net cash provided by operating activities</b>	<b>(799,500)</b>	<b>2,914,218</b>
<b>Cash flows from non-capital financing activities:</b>		
Transfers in	409,126	1,763,920
Transfers out	-	(493,582)
<b>Net cash provided by non-capital financing activities</b>	<b>409,126</b>	<b>1,270,338</b>
<b>Cash flows from capital financing activities:</b>		
Interest paid on lease purchase	-	(19,447)
Proceeds from sale of assets	-	231,363
Transfer in (out)	-	985,423
Payments For capital assets	-	(2,506,160)
<b>Net cash used by capital financing activities</b>	<b>-</b>	<b>(1,308,821)</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	-	466
<b>Total cash flows from investing activities</b>	<b>-</b>	<b>466</b>
Net increase (decrease) in cash and cash	(390,374)	2,876,201
Balances - beginning of the year	1,705,672	18,621,134
Balances - end of the year	<b>\$ 1,315,298</b>	<b>\$ 21,497,335</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (645,745)	\$ (164,443)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation expense	-	1,722,975
Change in assets and liabilities:		
Receivables, net	(230,101)	(221,121)
Inventories	-	83,684
Accounts and other payables	71,581	1,418,108
Accrued expenses	4,765	75,015
<b>Net cash provided by operating activities</b>	<b>\$ (799,500)</b>	<b>\$ 2,914,218</b>
<b>Noncash investing &amp; capital financing activities:</b>		
Lease purchases	\$ -	\$ 187,250
<b>Total noncash investing &amp; capital financing activities</b>	<b>\$ -</b>	<b>\$ 187,250</b>

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

	Investment Trust Fund	Agency Funds
<b>Assets</b>		
Cash & cash equivalents	\$ -	\$ 18,212,606
Assets held in trust-external investment pool	-	139,994,373
Investments at cost	139,994,373	-
Accounts receivable (net)	-	670
	-	670
<b>Total assets</b>	<b>\$ 139,994,373</b>	<b>\$ 158,207,649</b>
<b>Liabilities</b>		
Warrants payable	\$ -	\$ 7,962,285
Accounts payable	-	1,255,447
Other accrued liabilities	-	51,680
Revenue collected in advance	-	439,694
Custodial accounts	-	148,498,543
	-	148,498,543
<b>Total liabilities</b>	<b>-</b>	<b>\$ 158,207,649</b>
<b>Net Assets</b>		
Held in trust for pool participants	<b>\$ 139,994,373</b>	

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

Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds

Year Ended December 31, 2007



	Investment Trust Fund
<b>Additions</b>	
Contributions	\$ 143,902,740
Net investment earnings (losses)	
Interest	7,586,944
<b>Total additions</b>	151,489,684
<b>Deductions</b>	
Distributions	162,229,206
Change in net assets	(10,739,522)
Net assets - January 1, 2007	150,733,895
<b>Net assets - December 31, 2007</b>	\$ 139,994,373

*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 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 county 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.

**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 and the Ferry System are the County's enterprise funds.

**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 and a Statement of Changes in Net Assets (for Investment Trust Funds). Fiduciary Funds are accounted for using the accrual basis of accounting, as are proprietary funds explained above. Whatcom County has two types of Fiduciary Funds: Investment Trust Funds and Agency Funds.

Investment Trust Funds are used to report investment activity conducted by Whatcom County on behalf of legally separate entities such as special purpose districts that are not part of the County's reporting entity.

Agency Funds account for cash received and disbursed in the County's capacity as ex officio treasurer or collection agent for special purpose districts. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

### **C. Budgetary Information**

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, LEOFF I Healthcare, CERB, 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, CRID No. 9 General Debt, LRID No. 10 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.

Whatcom County implemented project budgeting in 2006. Project budgets are limited to capital appropriations. Project budgets may be adopted by project phase or for the entire project. Once adopted, project budgets continue until the project is complete, abandoned, or until no expenditures have been made for three years.

Except for project budgets, 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 Cash Equivalents:** Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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. Investments are shown on the balance sheet at cost, net of amortized premium or discount.

**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.

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*

<u>Capital Asset</u>	<u>Useful Life</u>	<u>Capitalization Threshold</u>
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 percent of their accrued sick leave balance. An employee hired after that date with three years of service can receive 25 percent of their accrued sick leave. The amount reported for the employee leave benefit accrual includes 100 percent of the vacation leave accrual as of December 31, 2007 and 2006. Sick leave accruals are recorded at 50 percent if hired prior to May 15, 1984 or 25 percent 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, 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.

## NOTE 3 – DEPOSITS AND INVESTMENTS

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 and 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, 2007 the carrying amount of the county's cash demand deposits was \$113,927,080.

The County's cash and investments are subject to several types of risk, which are examined in more detail on the following pages.

**Custodial Credit Risk of Bank Deposits:** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. Whatcom 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 State Public Deposit Protection Commission (WPDPC). The FDIC insures the first \$100,000 of the county's deposits. The deposit balances over \$100,000 are insured by the WPDPC. State statute permits additional amounts to be assessed on a pro rata basis to members of the WPDPC pool in the event the pool's collateral should be insufficient to cover a loss.

**Custodial Credit Risk of Investments:** Custodial credit risk of investments is the risk that, in the event of the failure of a counterparty, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The county investment policy requires that all deliverable

securities will be settled delivery versus payment (DVP), which ensures that securities are deposited at a third party, such as a safekeeping and custodian bank acting as an agent for the county. A signed safekeeping and custodial agreement(s) shall be entered into with a federally-regulated financial institution, currently Union Bank of California. The custodian institution shall hold the securities as evidenced by a safekeeping receipt. Non-negotiable CD's, public funds deposit accounts and investments in the LGIP are not handled on a DVP basis, and therefore are exempt from this process. In addition, BA's and repurchase agreements (provided a signed master repurchase agreement is on file) shall be held in the Trust safekeeping department of the financial institution in the name of Whatcom County. Certificates of deposit in the County Treasurer's name, or a copy thereof, will be delivered to and held by the Treasurer's Office.

The Local Government Investment Pool (LGIP) operates in a manner consistent with SEC Rule 2a7. Participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. Per GASB 40 guidelines the balances are also not subject to custodial credit risk. The credit risk of the LGIP is limited, as most investments are either obligations of the US government, government sponsored enterprises, or insured demand deposit accounts and certificates of deposit. There is no statutory regulatory oversight of the LGIP other than annual audits through the Washington State Auditor's Office. As a 2a7-like pool, investments in the LGIP are reported at amortized cost. The fair value of County shares in the LGIP is dollar for dollar equal to the value of pool shares.

As of December 31, 2007, the county had the following investments and maturities:

*Table FN2 - Investment Maturities*

**Investments and Maturities (In Years)**

<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than 1</b>	<b>1 to 5</b>
LGIP	\$ 67,686,362	\$ 67,686,362	\$ -
Federal Farm Credit Bank	6,991,590	6,991,590	-
Federal Home Loan Bank	64,912,299	10,968,460	53,943,839
Federal Home Loan Mortgage	32,137,130	12,004,980	20,132,150
Federal National Mortgage Assoc.	51,264,090	4,013,760	47,250,330
Government National Mortgage Assoc.	71,852	-	71,852
General Obligation Municipal Bonds	8,142,582	2,011,340	6,131,242
Bank Deposit Note	1,991,900	1,991,900	-
Public Funds Deposit	5,020,425	5,020,425	-
Certificates of Deposit	15,447,000	15,447,000	-
<b>Total</b>	<b>\$ 253,665,230</b>	<b>\$ 126,135,817</b>	<b>\$ 127,529,413</b>

**Interest Rate Risk:** As a means of limiting its exposure to interest rate risk, the county diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The county coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to five years from the purchase date unless matched to a specific cash flow. In the case of collateralized mortgage obligations, the average expected life at time of purchase must be under five years. The Whatcom County Treasurer’s Office Investment Policy details the County’s interest rate risk management criteria.

**Credit Risk.** State law and county policy limit investments to those authorized by state statute. Allowable investments must have, at the time of investment, one of the three highest credit ratings of a nationally recognized rating agency. The county allows 100 percent investment in US Treasuries or the LGIP. The county limits its holdings in US Government operated and sponsored entities to 90 percent of the portfolio; certificates of deposit, public funds deposit accounts and repurchase agreements to 40 percent of the portfolio; bankers acceptances to 25 percent of the portfolio; commercial paper to 25 percent of the portfolio; WA state and local government bonds to 20 percent, general obligation bonds outside the state of WA to 15 percent and deposit notes of financial institutions and reverse repurchase agreements to 10 percent of the portfolio. At December 31, 2007 the county held no investments in bankers acceptances, repurchase agreements or commercial paper.

As of year-end, the credit quality ratings of debt securities (other than US government and US government guaranteed) are as follows:

*Table FN3 - Credit Quality Distribution for Securities with Credit Exposure as a Percentage of Total Investments*

<b>Investment Type</b>	<b>Standard and Poor's Rating</b>	<b>Percentage of Portfolio</b>
Federal Farm Credit Bank	AAA	3%
Federal Home Loan Bank	AAA	26%
Federal Home Loan Mortgage	AAA	13%
Federal National Mortgage Association	AAA	20%
General Obligation Municipal Bonds	AA	1%
General Obligation Municipal Bonds	Not Rated	2%
Bank Deposit Note	AA	1%
LGIP	Not Rated	27%

**Concentration Risk.** The county allows 100 percent investment in US Treasuries and the LGIP. The county limits its holdings in US Government operated and sponsored entities to 90 percent of the portfolio and 35 percent per issuer; certificates of deposit, public funds deposit accounts and repurchase agreements to 40 percent of the portfolio and 10 percent per issuer; bankers acceptances to 25 percent of the portfolio and 10 percent per issuer; commercial paper to 25 percent of the portfolio and 5 percent per issuer; WA state and local government bonds to 20 percent, general obligation bonds outside the state of WA to 15 percent, and deposit notes of financial institutions and reverse repurchase agreements to 10 percent of the portfolio.

GASB statement 31 requires adjustments be made to the financial statements to reflect the difference between amortized cost and fair value of investments. Fair value of investments has been determined using quoted market prices and is equivalent to market value. In 2007, the difference between amortized cost and fair value was not material. Therefore, no adjustments have been made. Investments are shown on the balance sheet at cost, net of amortized premium or discount. Gains or losses on investments sold or exchanged are recognized at the time the transactions are completed.

### **External Investment Pool**

The Whatcom County Investment Pool (WCIP) operates on an amortized cost-book value basis. The County Finance Committee perform oversight of the pool's performance. There are no legally binding guarantees for the WCIP. Authorized investments for the WCIP are the same as investments held outside of the pool and are defined in the Whatcom County Treasurer's Office Investment Policy.

All funds deposited in the WCIP are available to the participant at full face value without regard to current market values. Earnings distributions, including any realized transactions in the pool, are distributed monthly, calculated on the average daily balance of the participant's account. The Whatcom County Treasurer, by law, is the treasurer of most governments within the county, including schools, fire and library districts. These districts do not have a legal option to have their cash handled by other than the County Treasurer.

The WCIP did experience a net increase in the fair value of the investments during 2007. At 12/31/07, the market value of investments was \$761,314 greater than the amortized cost. These unrealized gains will not be recognized in the various funds as management intends to hold these investments to maturity.

Fair value of the WCIP is reviewed by the County Finance Committee quarterly. Fair value is determined using information from our safekeeping agent, Union Bank of California, and with Bloomberg, an on-line financial services system.

There is no involuntary participation in the WCIP. Districts can have the County Treasurer manage their cash in investments outside of the WCIP if they meet the criteria specified by WCIP policy 200.

The Whatcom County Investment Pool's Condensed Statement of Net Assets and Changes in Net Assets as of December 31, 2007, are as follows:

*Table FN4 - Condensed Statement of Net Assets*

Assets	\$ 254,144,277
Less: Liabilities	-
<u>Net assets held in trust for pool participants</u>	<u>\$ 254,144,277</u>
Equity of internal pool participants	\$ 114,149,904
Equity of external pool participants	<u>139,994,373</u>
<u>Total equity</u>	<u>\$ 254,144,277</u>

*Table FN5 - Condensed Statement of Changes in Net Assets*

Net assets - January 1, 2007	\$ 259,697,540
Net change in investments by pool participants	<u>(5,553,263)</u>
<u>Net assets - December 31, 2007</u>	<u>\$ 254,144,277</u>

## NOTE 4 - PROPERTY TAXES

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

### Property Tax Calendar

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

Property taxes are recorded as a receivable when levied, offset by 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 is as follows:

*Table FN6 - Tax Collection Record*

Collection Year	Regular Assessed Valuation (1)	Ad Valorem Tax Levy (2)	Year of Levy Tax Collection
2007	\$20,279,044,466	\$23,277,301	97.6%
2006	16,740,749,814	22,187,688	97.7%
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%

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

(2) Does not include conservation futures, county road district, and flood control zone 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 101 percent 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 2007 was \$1.14785 per \$1,000 on an assessed valuation of \$20.3 billion for a regular levy of \$23,277,301. This levy was used for general governmental purposes.

The road fund levied \$1.51562 per \$1,000 on an assessed value of \$10.4 billion in 2007. This resulted in a total levy of \$15,794,428 to be used for county road maintenance and construction.

## NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2007 was as follows:

*Table FN7 - Capital Assets Activity*

Governmental activities	January 1	Increases	Decreases	December 31
Not being depreciated:				
Land	\$ 28,546,911	\$ 2,547,388	\$ -	\$ 31,094,299
Subtotal	<u>28,546,911</u>	<u>2,547,388</u>	<u>-</u>	<u>31,094,299</u>
Other capital assets:				
Buildings	65,700,760	178,409	-	65,879,169
Improvements	5,169,998	139,141	-	5,309,139
Equipment	31,593,391	2,871,542	(1,403,923)	33,061,010
Infrastructure	118,664,613	8,361,938	-	127,026,551
Subtotal	<u>221,128,762</u>	<u>11,551,030</u>	<u>(1,403,923)</u>	<u>231,275,869</u>
Accumulated depreciation				
Buildings	(18,359,868)	(1,279,624)	-	(19,639,492)
Improvements	(3,835,723)	(111,954)	-	(3,947,677)
Equipment	(21,744,540)	(2,516,829)	1,304,184	(22,957,185)
Infrastructure	(47,842,572)	(6,566,247)	-	(54,408,819)
Subtotal	<u>(91,782,703)</u>	<u>(10,474,654)</u>	<u>1,304,184</u>	<u>(100,953,173)</u>
Net other capital assets	<u>129,346,059</u>	<u>1,076,376</u>	<u>(99,739)</u>	<u>130,322,696</u>
Net capital assets	<u>\$ 157,892,970</u>	<u>\$ 3,623,764</u>	<u>\$ (99,739)</u>	<u>\$ 161,416,995</u>

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

*Table FN8 - Depreciation Expense*

Governmental activities:	
General governments	\$1,762,416
Public safety	697,274
Physical environment	28,062
Transportation	7,837,331
Economic environment	2,539
Mental & physical health	69,413
Culture & recreation	77,619
Total depreciation expense	<u>\$10,474,654</u>

## NOTE 6 - PENSION PLANS

Substantially all county full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380. The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

### **Public Employees' Retirement System (PERS) Plans 1, 2, and 3**

#### **Plan Description**

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component. 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 members are vested after the completion of 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. Plan 1 retirements from inactive status prior to age of 65 may receive actuarially reduced benefits. The benefit is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, increased by three percent annually. Plan 1 members may also elect to receive an additional COLA amount (indexed to the

Seattle Consumer Price Index), capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the 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. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (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 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. Effective June 7, 2006, Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65, or at age 55 with 10 years of service. 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. The benefit is also actuarially reduced to reflect the choice of a survivor option. 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.

### **Judicial Benefit Multiplier**

Beginning January 1, 2007 through December 31, 2007, judicial members of PERS may choose to participate in the Judicial Benefit Multiplier Program (JBM). Current justices or judges in PERS Plan 1 and 2 may make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of average financial compensation. Judges in PERS Plan 3 can elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of average compensation.

Members who choose to participate in JBM will accrue service credit at the higher multiplier beginning with the date of their election, pay higher contributions, stop contributing to the Judicial Retirement Account (JRA), and be given the option to increase the multiplier on past judicial service. Members who do not choose to participate will: continue to accrue service credit at the regular multiplier; continue to participate in JRA, if applicable; never be a participant in JBM Program; and continue to pay contributions at the regular PERS rate.

Justices and judges who are newly elected or appointed to judicial service and choose to become PERS members on or after January 1, 2007, or who have not previously opted into PERS membership, are required to participate in the JBM Program.

Justices and judges who are newly elected or appointed to judicial service will: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

There are 1,188 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2006:

*Table FN9 - PERS Membership*

Retirees and Beneficiaries Receiving Benefits	70,201
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	25,610
Active Plan Members Vested	105,215
Active Plan Members Nonvested	49,812
TOTAL	250,838

The County covered payroll for the year ended December 31, 2007 was \$45,561,962. The County's total payroll for all employees was \$53,490,817.

## 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. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2007, were as follows:

*Table FN10 - PERS Contribution Rates*

**Members not participating in JBM:**

	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
Employer*	6.13%	6.13%	6.13%**
Employee	6.00%	4.15%	***

\*The employer rates include the employer administrative expense fee currently set at 0.16%.

\*\*Plan 3 defined benefit portion only.

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

**Members participating in JBM:**

	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
Employer-Local Govt*	6.13%	6.13%	6.13%**
Employee-Local Govt	12.26%	10.38%	7.50%***

\*The employer rates include the employer administrative expense fee currently set at 0.16%.

\*\*Plan 3 defined benefit portion only.

\*\*\*Minimum rate.

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 FN11 - County Contribution to PERS*

	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
2007	\$ 200,375	\$ 1,750,066	\$ 689,115
2006	\$ 108,857	\$ 897,629	\$ 338,949
2005	\$ 74,173	\$ 525,705	\$ 184,754

## 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. 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. Membership in the system includes all full-time, fully compensated, local law enforcement officers and firefighters. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003 being an exception. In addition, effective July 24, 2005, current members of PERS who are emergency medical technicians can elect to become members of LEOFF Plan 2. 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. LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays 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 members are vested after the completion of 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 FN12 - LEOFF Plan 1 Benefit Calculation*

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

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

Plan 2 members are vested after the completion of 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 actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If a member has at least 20 years of service and is age 50, the reduction is 3 percent for each year 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 383 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2006:

**Table FN13 - LEOFF Membership**

Retirees and Beneficiaries Receiving Benefits	8,951
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	602
Active Plan Members Vested	12,711
Active Plan Members Non-vested	<u>3,603</u>
<b>TOTAL</b>	<b>25,867</b>

**Funding Policy**

Starting on July 1, 2000, Plan 1 employers and employees 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 LEOFF Plan 2 Retirement Board. 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 2 in accordance with the requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute.

The County’s covered payroll for the year ended December 31, 2007 was \$5,843,397. The County’s total payroll for all employees was \$53,490,817.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2007, were:

**Table FN14 - LEOFF Contribution Rates**

	<b>LEOFF Plan 1</b>	<b>LEOFF Plan 2</b>
Employer*	0.16%	5.35%
Employee	0.00%	8.64%
State	N/A	3.45%

*\*The employer rates include the employer administrative expense fee currently set at 0.16%.*

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 FN15 - County Contribution to LEOFF*

	<b>LEOFF Plan 1</b>	<b>LEOFF Plan 2</b>
2007	\$ 135	\$295,486
2006	\$ 229	\$243,845
2005	\$ 237	\$192,250

## **Public Safety Employees' Retirement System (PSERS) Plan 2**

### **Plan Description**

PSERS was created by the 2004 legislature and became effective July 1, 2006. PSERS is a cost-sharing multiple-employer retirement system comprised of a single benefit plan, PSERS Plan 2.

PSERS was created by the 2004 legislature and became effective July 1, 2006. PSERS is a cost-sharing multiple-employer retirement system comprised of a single benefit plan, PSERS Plan 2.

PSERS Plan 2 membership includes full-time employees of a covered employer on or before July 1, 2006, who met at least one of the PSERS eligibility criteria, and elected membership during the election period of July 1, 2006 to September 30, 2006; and those full-time employees, hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

A covered employer is one that participates in PSERS. Covered employers include: State of Washington agencies: Department of Corrections, Department of Natural Resources, Parks and Recreation Commission, Gambling Commissions, Washington State Patrol, Liquor Control Board; Washington state counties; and Washington state cities except for Seattle, Tacoma and Spokane.

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

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

PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PSERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 2 members are vested after the completion of five years of eligible service. PSERS Plan 2 members may retire at the age of 65 with five years of service, or at the age of 60 with at least 10 years of PSERS service credit, with an allowance of 2 percent of the average final compensation per year of service. The average final compensation is the monthly average of the member’s 60 consecutive highest-paid service credit months, excluding any severance pay such as lump-sum payments for deferred sick leave, vacation or annual leave. Plan 2 retirees prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3 percent per year reduction for each year between the age at retirement and age 60 applies. 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 69 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of September 30, 2006:

Retirees and Beneficiaries Receiving Benefits	0
Terminated Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members Vested	0
Active Plan Members Non-vested	<u>2,073</u>
<b>TOTAL</b>	<b>2,073</b>

**Funding Policy**

Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. All Employers are required to contribute at the level established by the Legislature. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.37 and 41.45 RCW.

The County’s covered payroll for the year ended December 31, 2007 was \$2,085,458. The County’s total payroll for all employees was \$53,490,817.

The required contributions rates expressed as a percentage of current-year covered payroll, as of December 31, 2007, were as follows:

*Table FN17 - PSERS Required Contribution Rates*

<b>PSERS Plan 2</b>	
Employer*	8.55%
Employee	6.57%

*\*The employer rates include the employer administrative expense fee at 0.16%.*

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

*Table FN18 - County Contribution to PSERS*

<b>PSERS Plan 2</b>	
2007	\$ 118,628
2006	\$ 10,162

## 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, 2007, the amount of these liabilities was \$3,859,665. Changes in the balances of claims liabilities during 2006 and 2007 were as follows:

*Table FN19 - Claims Liability Balance Changes*

	Beginning of Year Claims Liability	Claims Paid During the Year	Estimated Additional Liability Incurred	Balance at Year End
2006	\$ 3,598,798	\$ (4,182,544)	\$ 3,702,411	\$ 3,118,665
2007	\$ 3,118,665	\$ (4,638,795)	\$ 5,379,795	\$ 3,859,665

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, 2007, the estimate of the present value of the future cash payments totals \$76,400.

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

The Pool allows members to jointly purchase property and excess third-party liability insurance, to establish a plan of self-insurance, and to provide and / or obtain related services such as risk management, etc. All Pool joint self-insurance third-party liability coverages, including public officials' errors and omissions, and the property insurance program are on an "occurrence" basis. The Pool provides the following forms of group purchased insurance coverage for its members: "following form" excess liability, and property that includes vehicles, mobile equipment, EDP equipment, and equipment breakdown, etc.

Members make an annual contribution to fund the Pool. The Pool acquires third-party liability reinsurance that is subject to a "per-occurrence" self-insured retention of the greater of \$100,000 or the member-selected deductible and "following form" excess insurance from unrelated underwriters. Based upon their individual deductible selections, members are responsible for the first \$10,000 to \$500,000 of each claim, while the Pool is responsible for the remaining self-insured retention up to \$100,000. Insurance carriers cover all losses above the (\$100,000 to \$500,000) self-insured retention to the maximum limits of each policy.

Since the Pool is a cooperative program, there is joint liability among the participating members. This contingent liability is established if a program's assets are insufficient to cover the program's liabilities. Deficits of the Pool are financed through reassessments of the responsible members. The Pool's reassessments receivable balance as of December 31, 2007 is \$260,770, none of which Whatcom County remains responsible for.

The Pool also acquires member-option property insurance from unrelated underwriters that is subject to a member-selected "per-occurrence" deductible of between \$5,000 and \$50,000. Participating members are responsible for the entire deductible amount of each claim. Insurance carriers cover all losses over the member deductibles to the maximum limits of each policy.

Each new member pays the Pool an admittance fee. This amount covers the member's share of organizational expenses and the cost of analyzing their loss data and risk profile. Members contract to remain in the Pool for a minimum of five years, and may terminate their memberships at the conclusion of any Pool fiscal year if the county timely files the required twelve months' notice. The Interlocal Governmental Agreement is renewed automatically each year after the initial 5-year period. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the interlocal governmental agreement.

The Pool is fully funded by its member participants. Claims are filed by members and handled by the Pool's staff. Reserves are established for both reported and unreported insured events and include estimates of the undiscounted future cash payments of losses and related claim adjustment expenses.

The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. An executive committee is elected from the member designated directors and alternate directors at the annual meeting. Also at the annual meeting, the Pool's officers (president and secretary-treasurer) are elected from the executive committee persons. The officers and the executive committee are responsible for conducting the business affairs of the Pool.

## 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 percent (depending on maturity date) with final maturity in 2012. These bonds will be repaid from General Fund revenues. As of December 31, 2007, bonds outstanding total \$4,515,000.

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 percent (depending on maturity date) with final maturity in 2018. Repayment will be made from General Fund revenues. As of December 31, 2007, outstanding bonds totaled \$2,175,000.

Whatcom County issued general obligation bonds in the amount of \$3,385,000 (interest rate 2.0 percent - 3.35 percent) 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, 2007, outstanding bonds totaled \$1,985,000. Repayment will be made from General Fund revenues.

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

**Table FN20 - GO Bonds**

Year Ending December 31	General Obligation Bonds	
	Principal	Interest
2008	\$ 1,530,000	\$ 360,505
2009	1,600,000	293,618
2010	1,685,000	220,912
2011	1,750,000	142,725
2012	795,000	87,031
2013 - 2017	1,070,000	209,485
2018 - 2022	245,000	11,515
Total	<u>\$ 8,675,000</u>	<u>\$ 1,325,791</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, 2007, the County had \$69,290 available in debt service funds to service the general bonded debt.

## Changes In Long-Term Debt

During the year ended December 31, 2007, the following changes occurred in long-term liabilities:

*Table FN21 - Changes in Long-Term Debt*

<b>Governmental Activities</b>	<u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31</u>	<u>Due Within One Year</u>
Bonds payable					
General obligation debt	\$ 10,115,000	\$ -	\$ 1,440,000	\$ 8,675,000	\$ 1,530,000
Less deferred amounts for issuance discounts/premiums	54,199	-	8,136	46,063	-
Total bonds payable	<u>10,169,199</u>	<u>-</u>	<u>1,448,136</u>	<u>8,721,063</u>	<u>1,530,000</u>
Capital leases	394,926	194,361	171,032	418,255	133,998
Claims and judgements (see Note 7)	3,118,665	5,379,795	4,638,795	3,859,665	3,792,349
Other postemployment benefits payable	-	436,088	-	436,088	-
Compensated absences	5,400,938	5,266,989	5,040,118	5,627,809	5,191,322
Loans payable	267,443	-	31,877	235,566	34,266
Landfill post-closure costs	250,000	-	-	250,000	-
<b>Total Governmental Activities</b>	<u>\$ 19,601,171</u>	<u>\$ 11,277,233</u>	<u>\$ 11,329,958</u>	<u>\$ 19,548,446</u>	<u>\$ 10,681,935</u>
<b>Business-Type Activities</b>					
Compensated absences	\$ 99,075	\$ 83,085	\$ 77,322	\$ 104,838	\$ 79,642
<b>Total Business-Type Activities</b>	<u>\$ 99,075</u>	<u>\$ 83,085</u>	<u>\$ 77,322</u>	<u>\$ 104,838</u>	<u>\$ 79,642</u>

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 FN22 - Capital Lease Assets*

	Governmental Activities	
Asset:		
Machinery and equipment	\$	810,449
Less: Accumulated depreciation		(388,121)
Total	\$	422,328

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2007 are as follows:

*Table FN23 - Future Minimum Lease Obligations*

	Governmental Activities	
2008		\$150,366
2009		131,440
2010		99,282
2011		72,857
2012		15,841
2013 and Beyond		-
Total Minimum Lease Payments		469,786
Less: Interest		51,531
Present Value of Minimum Lease Payments		\$418,255

## 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 FN24 - Long-Term Debt Capacity*

<u>Purpose of Indebtedness</u>	<u>Remaining Capacity</u>
General Government (No vote required)	\$ 315,042,936
General Government (With 3/5 majority vote)	\$ 537,039,584

## 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 countywide emergency medical care and transportation services. These services are funded by a combination of sales taxes, user fees and contributions from Whatcom County's General Fund and the City of Bellingham's General Fund. In 2007, Whatcom County contributed \$1,349,562 and the City of Bellingham contributed \$1,005,982. Both the City and the County contributions will increase by 1 percent per year. If revenues and contributions are inadequate to fund emergency medical services, 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, 2007, due to and from other funds balances were as follows:

*Table FN25 - Due To / From Other Funds*

Due To	Due From					
	General Fund	County Road	Public Utilities Improvement	Internal Service	All Others	Total
General Fund	\$ -	\$ 19,392	\$ -	\$ 48,083	\$ 171,535	\$ 239,010
County Road	2,727	-	3,364	13,423	261,408	280,922
Internal Service	569,429	43,440	-	24,548	51,483	688,900
All Others	183,422	168,230	-	1,637	-	353,289
<b>Total</b>	<b>\$755,578</b>	<b>\$ 231,062</b>	<b>\$ 3,364</b>	<b>\$87,691</b>	<b>\$ 484,426</b>	<b>\$1,562,121</b>

The Interfund balances resulted from the time lag between the dates when interfund goods and services were provided or reimbursable expenditures incurred and when interfund payments were made.

Interfund loans outstanding as of December 31, 2007 were as follows:

*Table FN26 - Interfund Loans Receivable / Payable*

Interfund Loan Receivable	Interfund Loan Payable	
	Election Reserve	
General Fund	\$	150,000
<b>Total</b>	<b>\$</b>	<b>150,000</b>

## Interfund Transfers

Transfers provide funding for capital projects, debt service, reallocations of special revenues, and to support the operations of other funds. Interfund transfers for the year ended December 31, 2007, consisted of the following:

Table FN27 - Interfund Transfers

Transfer To	Transfers From				Total
	General Fund	County Road	Internal Service	All Others	
General Fund	\$ 10,464	\$ 33,326	\$ 177,472	\$ 1,326,075	\$ 1,547,337
County Road	70,000	-	-	1,031	71,031
Internal Service	1,961,143	497,976	56,467	264,814	2,780,400
All Others	10,810,253	482,677	290,700	1,626,643	13,210,273
<b>Total</b>	<b>\$12,851,860</b>	<b>\$1,013,979</b>	<b>\$ 524,639</b>	<b>\$ 3,218,563</b>	<b>\$17,609,041</b>

## NOTE 12 - JOINT VENTURES

Whatcom County participates with the City of Bellingham and other local governmental jurisdictions to provide a law enforcement, fire and emergency medical communications dispatching service (What-Comm Communications Center). The governing board of What-Comm consists of three members from the county, three from the city, one representing county fire districts and one elected official to be selected by the other members. The board is responsible for establishing the budget for What-Comm and for establishing the annual financial contributions to be made by the member jurisdictions. Whatcom County and the City of Bellingham share the expenditures equally. Whatcom County contributed \$750,044 as its share of operations in 2007. Whatcom County did not have an equity interest in What-Comm in 2007. Financial statements for What-Comm Communications Center can be obtained from the City of Bellingham, 210 Lottie Street, Bellingham, Washington 98225.

## NOTE 13 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

### Plan Description

As required by the Revised Code of Washington (RCW) Chapter 41.26, the County provides lifetime medical, dental and vision care for members of the Law Enforcement Officers and Fire Fighters (LEOFF) retirement system hired on or before September 30, 1977 under a defined benefit healthcare plan administered by the County. Medical coverage for eligible pre-Medicare retirees is provided by one of the County's employee medical insurance programs. The County also pays a fixed amount of \$159 - \$204 per month for a Medicare supplement for each retiree eligible for Medicare. There is currently 1 active LEOFF I member and 26 retired LEOFF I

members who are receiving benefits. Financial reporting for the LEOFF retiree healthcare plan is included in the County's Comprehensive Annual Financial Report.

### Funding Policy

Funding for LEOFF retiree healthcare costs is provided entirely by the County as required by RCW. The County's contributions are financed on a pay-as-you-go basis.

### Annual OPEB Cost and Net OPEB Obligation

Whatcom County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The County has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period of fifteen years as of January 1, 2007. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB. The net OPEB obligation of \$436,088 is included as a noncurrent liability on the Statement of Net Assets.

Table FN28 - Annual OPEB Cost

<b>Annual OPEB Cost</b>	
<b>Annual Required Contribution:</b>	<b>12/31/07</b>
Normal Cost at Year End	\$ 9,381
Amortization of UAAL*	615,490
Annual Required Contribution	<u>\$ 624,871</u>
<b>Net OPEB Obligation:</b>	
Annual Required Contribution	\$ 624,871
Interest on Prior Year Net OPEB Obligation	-
Adjustment to ARC	-
Annual OPEB Cost	<u>624,871</u>
Contributions Made	<u>(188,783)</u>
Increase in Net OPEB Obligation	436,088
Net OPEB Obligation-Beginning of Year	<u>-</u>
Net OPEB Obligation-End of Year	<u><u>\$ 436,088</u></u>

\*Unfunded Actuarial Accrued Liability (UAAL)

The County's OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2007 were as follows:

*Table FN29 - Net OPEB Obligation*

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Percentage of OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
12/31/07	\$ 624,871	30.2%	\$ 436,088

### Funded Status and Funding Progress

As of January 1, 2007, the most recent actuarial valuation date, the plan was 0 percent funded. The accrued liability for benefits was \$6,610,086 and the actuarial value of the assets was 0 percent resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$6,610,086.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits (However, 2007 is the first year Whatcom County implemented GASB 45 and only one year is presented).

### Method and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

The following assumptions were made:

A single retirement age of 56.22 was assumed for all active members for the purpose of determining the actuarial accrued liability. Termination and mortality rates were assumed to follow the LEOFF I termination and mortality rates used in the September 30, 2006 actuarial valuation report issued by the Office of the State Actuary (OSA). Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF I medical study performed in 2007. The results were based on grouped data with 4 active groupings and 4 inactive groupings. The actuarial cost method used to determine the actuarial accrued liability was Projected Unit Credit.

### **Other Information**

In 2007, the County created a fund to account for the LEOFF I postemployment benefits (LEOFF I Healthcare Fund). \$3.5 million was transferred from the General Fund to the LEOFF I Healthcare Fund to fund future health care costs of LEOFF I members.

### **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 2007, the following funds were added: LEOFF I Healthcare, and Samish Watershed Sub-Zone.



Required Supplemental Information  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual  
General Fund  
Year Ended December 31, 2007



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 37,239,961	\$ 37,239,961	\$ 37,562,083	\$ 322,122
Licenses and permits	2,769,629	2,769,629	2,122,503	(647,126)
Intergovernmental	13,075,086	13,504,527	13,529,483	24,956
Charges for service	7,863,289	7,875,223	6,779,174	(1,096,049)
Fines and forfeits	1,765,722	1,765,722	1,868,490	102,768
Miscellaneous	5,887,721	5,906,969	6,674,048	767,079
<b>Total revenues</b>	<b>68,601,408</b>	<b>69,062,031</b>	<b>68,535,781</b>	<b>(526,250)</b>
<b>Expenditures</b>				
Current:				
General government	24,124,178	24,759,744	23,413,842	1,345,902
Public safety	23,588,585	24,020,904	22,923,335	1,097,569
Physical environment	417,846	603,990	547,398	56,592
Economic environment	1,702,040	2,327,312	2,059,277	268,035
Mental and physical health	12,345,953	12,406,206	11,392,901	1,013,305
Culture and recreation	4,169,653	4,181,034	4,048,922	132,112
Capital outlay	656,263	1,281,916	203,749	1,078,167
Debt service:				
Principal	-	-	31,877	(31,877)
Interest	-	-	18,344	(18,344)
<b>Total expenditures</b>	<b>67,004,518</b>	<b>69,581,106</b>	<b>64,639,645</b>	<b>4,941,461</b>
Excess (deficiency) of revenues over expenditures	1,596,890	(519,075)	3,896,136	4,415,211
<b>Other financing sources (uses)</b>				
Sales of capital assets	754,000	754,000	168,805	(585,195)
Transfers in	1,446,403	1,775,316	1,547,337	(227,979)
Transfers out	(13,741,715)	(14,522,351)	(12,851,860)	1,670,491
<b>Total other financing sources (uses)</b>	<b>(11,541,312)</b>	<b>(11,993,035)</b>	<b>(11,135,718)</b>	<b>857,317</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(9,944,422)	(12,512,110)	(7,239,582)	5,272,528
Fund balance as of January 1	-	2,567,689	22,764,715	20,197,026
<b>Fund balance as of December 31</b>	<b>\$ (9,944,422)</b>	<b>\$ (9,944,421)</b>	<b>\$ 15,525,133</b>	<b>\$ 25,469,554</b>

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

Required Supplemental Information  
 Schedule of Revenues, Expenditures and Changes in Fund  
 Balance - Budget and Actual  
 County Road  
 Year Ended December 31, 2007



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 14,833,000	\$ 14,833,000	\$ 15,160,522	\$ 327,522
Licenses and permits	50,100	50,100	152,034	101,934
Intergovernmental	5,364,258	5,444,258	6,780,293	1,336,035
Charges for service	860,320	860,320	1,157,900	297,580
Miscellaneous	13,000	13,000	60,751	47,751
<b>Total revenues</b>	<b>21,120,678</b>	<b>21,200,678</b>	<b>23,311,500</b>	<b>2,110,822</b>
<b>Expenditures</b>				
Current:				
General government	230,000	230,000	308,556	(78,556)
Transportation	19,122,794	19,125,019	15,599,960	3,525,059
Capital outlay	8,961,000	15,053,001	8,978,181	6,074,820
<b>Total expenditures</b>	<b>28,313,794</b>	<b>34,408,020</b>	<b>24,886,697</b>	<b>9,521,323</b>
Excess (deficiency) of revenues over expenditures	(7,193,116)	(13,207,342)	(1,575,197)	11,632,145
<b>Other financing sources (uses)</b>				
Sales of capital assets	900,000	900,000	206,615	(693,385)
Transfers in	78,821	78,821	71,031	(7,790)
Transfers out	(1,301,751)	(1,531,473)	(1,013,979)	517,494
<b>Total other financing sources (uses)</b>	<b>(322,930)</b>	<b>(552,652)</b>	<b>(736,333)</b>	<b>(183,681)</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(7,516,046)	(13,759,994)	(2,311,530)	11,448,464
Fund balance as of January 1	-	6,243,947	10,799,907	4,555,960
<b>Fund balance as of December 31</b>	<b>\$ (7,516,046)</b>	<b>\$ (7,516,047)</b>	<b>\$ 8,488,377</b>	<b>\$ 16,004,424</b>

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

### **A. Budgetary Basis**

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

### **B. Material Violations**

There were no material violations of finance-related legal or contractual provisions in the general fund and special revenue funds. In addition, these fund's expenditures did not exceed legal appropriation for 2007.

Required Supplemental Information  
 LEOFF I Retiree Medical Benefits  
 Schedule of Funding Progress  
 Year Ended December 31, 2007



Fiscal Year Ended*	Actuarial Value of Assets	Actuarial Accrued Liability Entry Age	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/07	\$ -	\$ 6,610,086	\$ 6,610,086	0%	\$ 77,809	8495.27%

\*2007 is the first year Whatcom County implemented GASB 45, and only one year is presented.

## 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** - A 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.

**Countywide Emergency Medical Services** - A fund to account for an additional sales and use tax in the amount of one-tenth of one percent. Two-thirds of the tax is to be used solely for costs associated with the provisions of countywide emergency medical services, and one-third is to be used for criminal justice purposes, as authorized by RCW 82.14.450.

**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.

**LEOFF I Healthcare** - A fund established to account for the post-employment healthcare costs of LEOFF I retirees.

**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.

**Flood Control Zone District** - A fund used to finance the maintenance and operations of flood control projects.

**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 of 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.

**Samish Watershed Sub-Zone** - A fund established to account for charges to those who are receiving or will receive benefit from flood control work in the Samish Watershed 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 type of fund follows:

**General Obligation Bond** - A fund to account for redemption of bonds which are general obligations of the county. The county has ten general obligation bond funds.

**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. The county has four road improvement district special assessment bond funds.

## **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.

## **NON-MAJOR PROPRIETARY FUNDS**

### **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.

### **Enterprise Funds**

Enterprise funds are used by Whatcom County to account for operations that are financed and operated in a manner similar to a private business enterprise.

**Whatcom County Investment Pool** - A fund established to account for the operations of the WCIP, and to provide greater accountability to all pool participants.

**Ferry System** - A fund established to account for the Lummi Island Ferry operations.

## FIDUCIARY FUNDS

### **Investment Trust Funds**

Investment Trust Funds are established to account for the investment activity conducted by Whatcom County on behalf of legally separate entities such as special purpose districts.

### **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.

Combining Balance Sheet  
Non-Major Governmental Funds

December 31, 2007



	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 26,761,530	\$ 220,490	\$ 12,300,408	\$ 39,282,428
Investments at cost	-	-	126,271	126,271
Taxes receivable	144,151	10	-	144,161
Accounts receivable	232,819	-	-	232,819
Special assessments	12,618	7,283	-	19,901
Interest receivable	-	-	520	520
Notes receivable	83,735	-	-	83,735
Due from other funds	117,808	-	-	117,808
Due from other governments	898,690	-	-	898,690
Employee advances	133	-	-	133
Prepayments	24,855	-	-	24,855
<b>Total assets</b>	<b>\$ 28,276,339</b>	<b>\$ 227,783</b>	<b>\$ 12,427,199</b>	<b>\$ 40,931,321</b>
<b>Liabilities and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,347,263	\$ -	\$ 83,458	\$ 1,430,721
Due to other funds	230,643	-	-	230,643
Interfund loans payable	150,000	-	-	150,000
Revenue collected in advance	-	-	51	51
Due to other governments	24,210	-	-	24,210
Other accrued liabilities	211,618	-	-	211,618
Custodial accounts	81,940	-	-	81,940
Deferred revenue	240,503	7,293	-	247,796
Deferred credits	37,507	-	-	37,507
<b>Total liabilities</b>	<b>2,323,684</b>	<b>7,293</b>	<b>83,509</b>	<b>2,414,486</b>
<b>Fund balances</b>				
Reserved for:				
Encumbrances	1,459,833	-	1,041,553	2,501,386
Debt service	-	220,490	-	220,490
Unreserved, reported in:				
Special revenue funds	24,492,822	-	-	24,492,822
Capital projects funds	-	-	11,302,137	11,302,137
<b>Total fund balance</b>	<b>25,952,655</b>	<b>220,490</b>	<b>12,343,690</b>	<b>38,516,835</b>
<b>Total liabilities and fund balance</b>	<b>\$ 28,276,339</b>	<b>\$ 227,783</b>	<b>\$ 12,427,199</b>	<b>\$ 40,931,321</b>

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Non-Major Governmental Funds  
 Year Ended December 31, 2007



	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
<b>Revenues</b>				
Taxes	\$ 10,148,222	\$ -	\$ 4,407,117	\$ 14,555,339
Intergovernmental	4,825,110	-	50,571	4,875,681
Charges for service	3,087,646	-	-	3,087,646
Fines and forfeits	346,740	-	-	346,740
Miscellaneous	413,503	10,000	86,865	510,368
<b>Total revenues</b>	<b>18,821,221</b>	<b>10,000</b>	<b>4,544,553</b>	<b>23,375,774</b>
<b>Expenditures</b>				
Current:				
General government	1,118,784	-	-	1,118,784
Public safety	12,765,557	-	-	12,765,557
Physical environment	4,568,941	-	200,569	4,769,510
Transportation	26,516	-	-	26,516
Economic environment	1,047,482	-	-	1,047,482
Culture and recreation	200,003	-	163,554	363,557
Capital outlay	2,072,566	-	277,918	2,350,484
Debt service:				
Principal	-	1,440,000	-	1,440,000
Interest	-	425,364	-	425,364
<b>Total expenditures</b>	<b>21,799,849</b>	<b>1,865,364</b>	<b>642,041</b>	<b>24,307,254</b>
Excess (deficiency) of revenues over expenditures	(2,978,628)	(1,855,364)	3,902,512	(931,480)
<b>Other financing sources (uses)</b>				
Sales of capital assets	30,865	-	-	30,865
Transfers in	10,935,747	1,865,400	-	12,801,147
Transfers out	(2,003,615)	-	(1,214,948)	(3,218,563)
<b>Total other financing sources (uses)</b>	<b>8,962,997</b>	<b>1,865,400</b>	<b>(1,214,948)</b>	<b>9,613,449</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	5,984,369	10,036	2,687,564	8,681,969
Fund balance as of January 1	19,968,286	210,454	9,656,126	29,834,866
<b>Fund balance as of December 31</b>	<b>\$ 25,952,655</b>	<b>\$ 220,490</b>	<b>\$ 12,343,690</b>	<b>\$ 38,516,835</b>

Combining Balance Sheet  
 Non-Major Special Revenue Funds

December 31, 2007

Page 1 of 5

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Water Resources	Whatcom County Jail
<b>Assets</b>						
Cash and cash equivalents	\$ 359,508	\$ 458,703	\$ 64	\$ 249,024	\$ 558,797	\$ 2,730,337
Taxes receivable	12,024	7,163	11	-	-	-
Accounts receivable	-	-	-	-	-	14,637
Special assessments	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Due from other funds	-	19,873	-	-	-	38,458
Due from other governments	119,224	-	-	-	-	289,029
Employee advances	-	-	-	-	-	133
Prepayments	1,115	-	-	-	-	22,042
<b>Total assets</b>	<b>\$ 491,871</b>	<b>\$ 485,739</b>	<b>\$ 75</b>	<b>\$ 249,024</b>	<b>\$ 558,797</b>	<b>\$ 3,094,636</b>
<b>Liabilities and fund balance</b>						
<b>Liabilities</b>						
Accounts payable	\$ 28,484	\$ 1,501	\$ -	\$ 874	\$ 66,750	\$ 375,709
Due to other funds	-	15	-	53,871	-	45,603
Interfund loans payable	150,000	-	-	-	-	-
Due to other governments	1,088	-	-	-	-	21,474
Other accrued liabilities	10,562	226	-	-	-	183,640
Custodial accounts	-	-	-	-	-	-
Deferred revenue	12,024	7,163	11	-	-	-
Deferred credits	1,620	37	-	-	-	33,567
<b>Total liabilities</b>	<b>203,778</b>	<b>8,942</b>	<b>11</b>	<b>54,745</b>	<b>66,750</b>	<b>659,993</b>
<b>Fund balances</b>						
Reserved for:						
Encumbrances	-	-	-	-	100,971	321,838
Unreserved, reported in:						
Special revenue funds	288,093	476,797	64	194,279	391,076	2,112,805
<b>Total fund balance</b>	<b>288,093</b>	<b>476,797</b>	<b>64</b>	<b>194,279</b>	<b>492,047</b>	<b>2,434,643</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$ 491,871</b>	<b>\$ 485,739</b>	<b>\$ 75</b>	<b>\$ 249,024</b>	<b>\$ 558,797</b>	<b>\$ 3,094,636</b>

REET Electronic Tech.	Low- Income Housing	Homeless Housing	Countywide Emergency Medical Services	Park ORV	WC Trial Court Impr	LEOFF I Healthcare	Solid Waste Mgmt	Convention Center	Victim/ Witness Assist.
\$ 107,927	\$ 834,087	\$ 858,994	\$ 2,768,100	\$ -	\$ 23,708	\$ 3,500,000	\$ 1,350,817	\$ 333,067	\$ 89,386
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	218,182	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,249	-	-	7	1,637
-	-	-	-	-	-	-	122,994	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	569	-	175
<u>\$ 107,927</u>	<u>\$ 834,087</u>	<u>\$ 858,994</u>	<u>\$ 2,768,100</u>	<u>\$ -</u>	<u>\$ 24,957</u>	<u>\$ 3,500,000</u>	<u>\$ 1,692,562</u>	<u>\$ 333,074</u>	<u>\$ 91,198</u>
\$ -	\$ 425,055	\$ 4,180	\$ -	\$ -	\$ -	\$ -	\$ 82,645	\$ 37,294	\$ 869
-	52,500	20,000	-	-	1,246	-	10,616	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	569	-	175
-	-	-	-	-	-	-	3,495	-	1,698
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	530	-	258
-	477,555	24,180	-	-	1,246	-	97,855	37,294	3,000
-	-	-	-	-	-	-	7,966	-	-
107,927	356,532	834,814	2,768,100	-	23,711	3,500,000	1,586,741	295,780	88,198
107,927	356,532	834,814	2,768,100	-	23,711	3,500,000	1,594,707	295,780	88,198
<u>\$ 107,927</u>	<u>\$ 834,087</u>	<u>\$ 858,994</u>	<u>\$ 2,768,100</u>	<u>\$ -</u>	<u>\$ 24,957</u>	<u>\$ 3,500,000</u>	<u>\$ 1,692,562</u>	<u>\$ 333,074</u>	<u>\$ 91,198</u>

continued on next page

Combining Balance Sheet  
 Non-Major Special Revenue Funds

December 31, 2007

Page 3 of 5

	CERB	Emerg. Contingency	Drug Task Force	Community Development	Imminent Threat Grant	Sewer Imp Dist No. 1	Emergency Communications	Whatcom County Drug
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ 5,250	\$ 16,170	\$ 26,237	\$ 3	\$ 5,066	\$ 81,940	\$ 905,068
Taxes receivable	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	83,735	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	56,584
Due from other governments	-	-	-	-	-	-	-	-
Employee advances	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 5,250</b>	<b>\$ 16,170</b>	<b>\$ 109,972</b>	<b>\$ 3</b>	<b>\$ 5,066</b>	<b>\$ 81,940</b>	<b>\$ 961,652</b>
<b>Liabilities and fund balance</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,487
Due to other funds	-	-	-	-	-	-	-	14,181
Interfund loans payable	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-	-	-
Custodial accounts	-	-	-	-	-	-	81,940	-
Deferred revenue	-	-	-	83,735	-	-	-	-
Deferred credits	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,735</b>	<b>-</b>	<b>-</b>	<b>81,940</b>	<b>65,668</b>
<b>Fund balances</b>								
Reserved for:								
Encumbrances	-	-	-	-	-	-	-	-
Unreserved, reported in:								
Special revenue funds	-	5,250	16,170	26,237	3	5,066	-	895,984
<b>Total fund balance</b>	<b>-</b>	<b>5,250</b>	<b>16,170</b>	<b>26,237</b>	<b>3</b>	<b>5,066</b>	<b>-</b>	<b>895,984</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$ -</b>	<b>\$ 5,250</b>	<b>\$ 16,170</b>	<b>\$ 109,972</b>	<b>\$ 3</b>	<b>\$ 5,066</b>	<b>\$ 81,940</b>	<b>\$ 961,652</b>

Auditor's O & M	Emergency Management	Sumas Sub- Flood Control Zone Dist	Flood Control Zone District	Point Roberts Fuel Tax	Conser- vation Futures	Lake Mgmt District No. 1	Road Improve- ment Districts	Lynden/ Everson Sub-Zone
\$ 544,482	\$ 113,511	\$ -	\$ 7,008,809	\$ 260,541	\$ 2,633,410	\$ 1,878	\$ 172,385	\$ 217,195
-	-	-	95,302	-	29,651	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	363	-	-	-	2,120	1,454
-	-	-	-	-	-	-	-	-
-	49,252	-	318,191	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	954	-	-	-	-	-	-	-
<u>\$ 544,482</u>	<u>\$ 163,717</u>	<u>\$ -</u>	<u>\$ 7,422,665</u>	<u>\$ 260,541</u>	<u>\$ 2,663,061</u>	<u>\$ 1,878</u>	<u>\$ 174,505</u>	<u>\$ 218,649</u>
\$ 26,524	\$ 3,586	\$ -	\$ 240,045	\$ -	\$ -	\$ -	\$ 2,225	\$ -
27,960	-	-	3,620	-	-	-	1,031	-
-	-	-	-	-	-	-	-	-
-	904	-	-	-	-	-	-	-
-	11,997	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	95,664	-	29,651	-	2,120	1,454
-	1,495	-	-	-	-	-	-	-
<u>54,484</u>	<u>17,982</u>	<u>-</u>	<u>339,329</u>	<u>-</u>	<u>29,651</u>	<u>-</u>	<u>5,376</u>	<u>1,454</u>
63,035	135,664	-	830,359	-	-	-	-	-
426,963	10,071	-	6,252,977	260,541	2,633,410	1,878	169,129	217,195
<u>489,998</u>	<u>145,735</u>	<u>-</u>	<u>7,083,336</u>	<u>260,541</u>	<u>2,633,410</u>	<u>1,878</u>	<u>169,129</u>	<u>217,195</u>
<u>\$ 544,482</u>	<u>\$ 163,717</u>	<u>\$ -</u>	<u>\$ 7,422,665</u>	<u>\$ 260,541</u>	<u>\$ 2,663,061</u>	<u>\$ 1,878</u>	<u>\$ 174,505</u>	<u>\$ 218,649</u>

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Combining Balance Sheet  
 Non-Major Special Revenue Funds  
 December 31, 2007

	Sumas/ Nooksack/ Everson Sub-Zone	Acme/ Van Zandt Sub-Zone	Samish Watershed Sub-Zone	Total Non Major Special Revenue Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 426,171	\$ 103,866	\$ 17,029	\$ 26,761,530
Taxes receivable	-	-	-	144,151
Accounts receivable	-	-	-	232,819
Special assessments	6,442	1,974	265	12,618
Notes receivable	-	-	-	83,735
Due from other funds	-	-	-	117,808
Due from other governments	-	-	-	898,690
Employee advances	-	-	-	133
Prepayments	-	-	-	24,855
<b>Total assets</b>	<b>\$ 432,613</b>	<b>\$ 105,840</b>	<b>\$ 17,294</b>	<b>\$ 28,276,339</b>
<b>Liabilities and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 35	\$ -	\$ 1,347,263
Due to other funds	-	-	-	230,643
Interfund loans payable	-	-	-	150,000
Due to other governments	-	-	-	24,210
Other accrued liabilities	-	-	-	211,618
Custodial accounts	-	-	-	81,940
Deferred revenue	6,442	1,974	265	240,503
Deferred credits	-	-	-	37,507
<b>Total liabilities</b>	<b>6,442</b>	<b>2,009</b>	<b>265</b>	<b>2,323,684</b>
<b>Fund balances</b>				
Reserved for:				
Encumbrances	-	-	-	1,459,833
Unreserved, reported in:				
Special revenue funds	426,171	103,831	17,029	24,492,822
<b>Total fund balance</b>	<b>426,171</b>	<b>103,831</b>	<b>17,029</b>	<b>25,952,655</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$ 432,613</b>	<b>\$ 105,840</b>	<b>\$ 17,294</b>	<b>\$ 28,276,339</b>



Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 Year Ended December 31, 2007

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Water Resources	Whatcom County Jail
<b>Revenues</b>						
Taxes	\$ 363,461	\$ 229,235	\$ 5	\$ -	\$ -	\$ 3,387,140
Intergovernmental	73,585	204	-	-	-	2,031,140
Charges for service	569,475	-	-	72,423	-	623,796
Fines and forfeits	-	-	-	-	-	-
Miscellaneous	2,792	20,014	-	(65)	-	299,056
<b>Total revenues</b>	<b>1,009,313</b>	<b>249,453</b>	<b>5</b>	<b>72,358</b>	<b>-</b>	<b>6,341,132</b>
<b>Expenditures</b>						
Current:						
General government	1,005,847	-	-	19,293	-	-
Public safety	-	-	-	-	-	11,035,201
Physical environment	-	-	-	-	408,148	-
Transportation	-	-	-	-	-	-
Economic environment	-	120,868	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	22,460
<b>Total expenditures</b>	<b>1,005,847</b>	<b>120,868</b>	<b>-</b>	<b>19,293</b>	<b>408,148</b>	<b>11,057,661</b>
Excess (deficiency) of revenues over expenditures	3,466	128,585	5	53,065	(408,148)	(4,716,529)
<b>Other financing sources (uses)</b>						
Sales of capital assets	2,530	1,590	-	-	-	-
Transfers in	219,405	-	-	-	619,000	6,417,910
Transfers out	-	-	-	(53,871)	(35,000)	(310,415)
<b>Total other financing sources (uses)</b>	<b>221,935</b>	<b>1,590</b>	<b>-</b>	<b>(53,871)</b>	<b>584,000</b>	<b>6,107,495</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	225,401	130,175	5	(806)	175,852	1,390,966
Fund balance as of January 1	62,692	346,622	59	195,085	316,195	1,043,677
<b>Fund balance as of Dec. 31</b>	<b>\$ 288,093</b>	<b>\$ 476,797</b>	<b>\$ 64</b>	<b>\$ 194,279</b>	<b>\$ 492,047</b>	<b>\$ 2,434,643</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 Year Ended December 31, 2007



REET Electronic Technology	Low-Income Housing	Homeless Housing	Countywide Emerg. Medical Srv	Park ORV	WC Trial Court Improvement	LEOFF I Healthcare	Solid Waste Mgmt	Conven- tion Center
\$ -	\$ -	\$ -	\$ 1,883,374	\$ -	\$ -	\$ -	\$ -	\$ 213,824
38,847	-	-	763,893	-	51,079	-	293,742	-
-	283,694	443,052	-	-	-	-	872,470	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,249	-	2,869	-
38,847	283,694	443,052	2,647,267	-	52,328	-	1,169,081	213,824
-	-	-	-	-	-	-	-	-
-	-	-	1,042,212	-	-	-	-	-
-	-	-	-	-	-	-	1,028,190	-
-	-	-	-	-	-	-	-	-
-	882,362	37,102	-	-	-	-	-	-
-	-	-	-	-	-	-	-	200,003
-	-	-	-	-	-	-	-	-
-	882,362	37,102	1,042,212	-	-	-	1,028,190	200,003
38,847	(598,668)	405,950	1,605,055	-	52,328	-	140,891	13,821
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,500,000	-	-
-	-	(20,000)	(336,687)	-	(35,234)	-	(79,846)	-
-	-	(20,000)	(336,687)	-	(35,234)	3,500,000	(79,846)	-
38,847	(598,668)	385,950	1,268,368	-	17,094	3,500,000	61,045	13,821
69,080	955,200	448,864	1,499,732	-	6,617	-	1,533,662	281,959
\$ 107,927	\$ 356,532	\$ 834,814	\$ 2,768,100	\$ -	\$ 23,711	\$ 3,500,000	\$ 1,594,707	\$ 295,780

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Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 Year Ended December 31, 2007

	Victim/ Witness Assistance	CERB	Emergency Contin- gency	Drug Task Force	Community Develop- ment	Imminent Threat Grant	Sewer Imp Dist No. 1
<b>Revenues</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	11,326	-	-	-	-	-	-
Charges for service	96,644	-	-	-	-	-	-
Fines and forfeits	25,626	-	-	-	-	-	-
Miscellaneous	-	-	-	-	13,160	-	-
<b>Total revenues</b>	<b>133,596</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,160</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>							
Current:							
General government	68,077	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>68,077</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	65,519	-	-	-	13,160	-	-
<b>Other financing sources (uses)</b>							
Sales of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(51,061)	-	-	-	(5,000)	-	-
<b>Total other financing sources (uses)</b>	<b>(51,061)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	14,458	-	-	-	8,160	-	-
Fund balance as of January 1	73,740	-	5,250	16,170	18,077	3	5,066
<b>Fund balance as of Dec. 31</b>	<b>\$ 88,198</b>	<b>\$ -</b>	<b>\$ 5,250</b>	<b>\$ 16,170</b>	<b>\$ 26,237</b>	<b>\$ 3</b>	<b>\$ 5,066</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 Year Ended December 31, 2007

Emergency Communica- tions	Whatcom County Drug	Auditor's O & M	Emergency Manage- ment	Sumas Sub- Flood Control Zone Dist.	Flood Control Zone District	Point Roberts Fuel Tax	Conser- vation Futures	Lake Manage- ment District No. 1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,935,987	\$ 42,208	\$ 910,510	\$ -
-	-	119,107	465,500	-	570,879	-	405,808	-
-	-	126,023	-	-	69	-	-	-
-	321,114	-	-	-	-	-	-	-
-	60,050	5,600	5,304	-	1,876	-	567	-
-	381,164	250,730	470,804	-	3,508,811	42,208	1,316,885	-
-	-	25,567	-	-	-	-	-	-
-	171,334	-	516,810	-	-	-	-	-
-	-	-	-	-	3,109,230	-	-	3,789
-	-	-	-	-	-	-	7,150	-
-	-	-	-	-	-	-	-	-
-	-	98,360	-	-	328,000	-	1,623,746	-
-	171,334	123,927	516,810	-	3,437,230	-	1,630,896	3,789
-	209,830	126,803	(46,006)	-	71,581	42,208	(314,011)	(3,789)
-	-	-	-	-	20,412	-	6,333	-
-	-	-	113,274	-	66,158	-	-	-
-	(516,228)	(87,550)	(54,388)	-	(417,304)	-	-	-
-	(516,228)	(87,550)	58,886	-	(330,734)	-	6,333	-
-	(306,398)	39,253	12,880	-	(259,153)	42,208	(307,678)	(3,789)
-	1,202,382	450,745	132,855	-	7,342,489	218,333	2,941,088	5,667
\$ -	\$ 895,984	\$ 489,998	\$ 145,735	\$ -	\$ 7,083,336	\$ 260,541	\$ 2,633,410	\$ 1,878

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Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 Year Ended December 31, 2007

	Road Improvement Districts	Lynden/ Everson Sub-Zone	Sumas/ Nooksack/ Everson Sub-Zone	Acme/ Van Zandt Sub-Zone	Samish Watershed Sub-Zone	Total Non Major Special Revenue Funds
<b>Revenues</b>						
Taxes	\$ 26,133	\$ 31,408	\$ 87,258	\$ 20,650	\$ 17,029	\$ 10,148,222
Intergovernmental	-	-	-	-	-	4,825,110
Charges for service	-	-	-	-	-	3,087,646
Fines and forfeits	-	-	-	-	-	346,740
Miscellaneous	1,031	-	-	-	-	413,503
<b>Total revenues</b>	<b>27,164</b>	<b>31,408</b>	<b>87,258</b>	<b>20,650</b>	<b>17,029</b>	<b>18,821,221</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	1,118,784
Public safety	-	-	-	-	-	12,765,557
Physical environment	-	13,659	3,413	2,512	-	4,568,941
Transportation	26,516	-	-	-	-	26,516
Economic environment	-	-	-	-	-	1,047,482
Culture and recreation	-	-	-	-	-	200,003
Capital outlay	-	-	-	-	-	2,072,566
<b>Total expenditures</b>	<b>26,516</b>	<b>13,659</b>	<b>3,413</b>	<b>2,512</b>	<b>-</b>	<b>21,799,849</b>
Excess (deficiency) of revenues over expenditures	648	17,749	83,845	18,138	17,029	(2,978,628)
<b>Other financing sources (uses)</b>						
Sales of capital assets	-	-	-	-	-	30,865
Transfers in	-	-	-	-	-	10,935,747
Transfers out	(1,031)	-	-	-	-	(2,003,615)
<b>Total other financing sources (uses)</b>	<b>(1,031)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,962,997</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(383)	17,749	83,845	18,138	17,029	5,984,369
Fund balance as of January 1	169,512	199,446	342,326	85,693	-	19,968,286
<b>Fund balance as of Dec. 31</b>	<b>\$ 169,129</b>	<b>\$ 217,195</b>	<b>\$ 426,171</b>	<b>\$ 103,831</b>	<b>\$ 17,029</b>	<b>\$ 25,952,655</b>



Schedule of Revenues, Expenditures and Changes in Fund

Balance

Budget and Actual (GAAP Basis)

Election Reserve

Year Ended December 31, 2007

(With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 361,200	\$ 363,461	\$ 2,261	\$ 364,264
Intergovernmental	253,004	73,585	(179,419)	153,992
Charges for service	583,122	569,475	(13,647)	380,199
Miscellaneous	-	2,792	2,792	4,239
<b>Total revenues</b>	<u>1,197,326</u>	<u>1,009,313</u>	<u>(188,013)</u>	<u>902,694</u>
<b>Expenditures</b>				
Current:				
General government	1,225,330	1,005,847	219,483	1,126,352
Capital outlay	203,101	-	203,101	21,264
<b>Total expenditures</b>	<u>1,428,431</u>	<u>1,005,847</u>	<u>422,584</u>	<u>1,147,616</u>
Excess (deficiency) of revenues over expenditures	(231,105)	3,466	234,571	(244,922)
<b>Other financing sources (uses)</b>				
Sales of capital assets	12,000	2,530	(9,470)	6,880
Transfers in	219,405	219,405	-	49,106
<b>Total other financing sources (uses)</b>	<u>231,405</u>	<u>221,935</u>	<u>(9,470)</u>	<u>55,986</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	300	225,401	225,101	(188,936)
Fund balance as of January 1	-	62,692	62,692	251,628
<b>Fund balance as of December 31</b>	<u>\$ 300</u>	<u>\$ 288,093</u>	<u>\$ 287,793</u>	<u>\$ 62,692</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Veteran's Relief  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 186,314	\$ 229,235	\$ 42,921	\$ 189,839
Intergovernmental	-	204	204	10
Miscellaneous	-	20,014	20,014	11,672
<b>Total revenues</b>	<b>186,314</b>	<b>249,453</b>	<b>63,139</b>	<b>201,521</b>
<b>Expenditures</b>				
Current:				
Economic environment	191,441	120,868	70,573	106,927
<b>Total expenditures</b>	<b>191,441</b>	<b>120,868</b>	<b>70,573</b>	<b>106,927</b>
Excess (deficiency) of revenues over expenditures	(5,127)	128,585	133,712	94,594
<b>Other financing sources (uses)</b>				
Sales of capital assets	5,127	1,590	(3,537)	3,405
<b>Total other financing sources (uses)</b>	<b>5,127</b>	<b>1,590</b>	<b>(3,537)</b>	<b>3,405</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	130,175	130,175	97,999
Fund balance as of January 1	-	346,622	346,622	248,623
<b>Fund balance as of December 31</b>	<b>\$ -</b>	<b>\$ 476,797</b>	<b>\$ 476,797</b>	<b>\$ 346,622</b>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Treasurer's O & M  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Charges for service	\$ 218,693	\$ 72,423	\$ (146,270)	\$ 94,324
Miscellaneous	-	(65)	(65)	2,801
<b>Total revenues</b>	<u>218,693</u>	<u>72,358</u>	<u>(146,335)</u>	<u>97,125</u>
<b>Expenditures</b>				
Current:				
General government	132,550	19,293	113,257	17,530
Capital outlay	4,939	-	4,939	-
<b>Total expenditures</b>	<u>137,489</u>	<u>19,293</u>	<u>118,196</u>	<u>17,530</u>
Excess (deficiency) of revenues over expenditures	<u>81,204</u>	<u>53,065</u>	<u>(28,139)</u>	<u>79,595</u>
<b>Other financing sources (uses)</b>				
Transfers out	(65,000)	(53,871)	11,129	(67,819)
<b>Total other financing sources (uses)</b>	<u>(65,000)</u>	<u>(53,871)</u>	<u>11,129</u>	<u>(67,819)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>16,204</u>	<u>(806)</u>	<u>(17,010)</u>	<u>11,776</u>
Fund balance as of January 1	-	195,085	195,085	183,309
<b>Fund balance as of December 31</b>	<u>\$ 16,204</u>	<u>\$ 194,279</u>	<u>\$ 178,075</u>	<u>\$ 195,085</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Water Resources  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Current:				
Physical environment	\$ 905,569	\$ 408,148	\$ 497,421	\$ 64
<b>Total expenditures</b>	<u>905,569</u>	<u>408,148</u>	<u>497,421</u>	<u>64</u>
Excess (deficiency) of revenues over expenditures	(905,569)	(408,148)	497,421	(64)
<b>Other financing sources (uses)</b>				
Transfers in	619,000	619,000	-	-
Transfers out	-	(35,000)	(35,000)	(162,014)
<b>Total other financing sources (uses)</b>	<u>619,000</u>	<u>584,000</u>	<u>(35,000)</u>	<u>(162,014)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(286,569)	175,852	462,421	(162,078)
Fund balance as of January 1	264,557	316,195	51,638	478,273
<b>Fund balance as of December 31</b>	<u>\$ (22,012)</u>	<u>\$ 492,047</u>	<u>\$ 514,059</u>	<u>\$ 316,195</u>

Schedule of Revenues, Expenditures and Changes in Fund

Balance

Budget and Actual (GAAP Basis)

Whatcom County Jail

Year Ended December 31, 2007

(With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 3,382,987	\$ 3,387,140	\$ 4,153	\$ 3,279,216
Intergovernmental	2,186,701	2,031,140	(155,561)	1,807,350
Charges for service	569,967	623,796	53,829	826,545
Miscellaneous	223,690	299,056	75,366	203,402
<b>Total revenues</b>	<u>6,363,345</u>	<u>6,341,132</u>	<u>(22,213)</u>	<u>6,116,513</u>
<b>Expenditures</b>				
Current:				
Public safety	11,500,651	11,035,201	465,450	9,857,598
Capital outlay	41,615	22,460	19,155	190,982
<b>Total expenditures</b>	<u>11,542,266</u>	<u>11,057,661</u>	<u>484,605</u>	<u>10,048,580</u>
Excess (deficiency) of revenues over expenditures	<u>(5,178,921)</u>	<u>(4,716,529)</u>	<u>462,392</u>	<u>(3,932,067)</u>
<b>Other financing sources (uses)</b>				
Transfers in	6,669,749	6,417,910	(251,839)	5,798,939
Transfers out	(584,905)	(310,415)	274,490	(2,480,198)
<b>Total other financing sources (uses)</b>	<u>6,084,844</u>	<u>6,107,495</u>	<u>22,651</u>	<u>3,318,741</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>905,923</u>	<u>1,390,966</u>	<u>485,043</u>	<u>(613,326)</u>
Fund balance as of January 1	404,625	1,043,677	639,052	1,657,003
<b>Fund balance as of December 31</b>	<u>\$ 1,310,548</u>	<u>\$ 2,434,643</u>	<u>\$ 1,124,095</u>	<u>\$ 1,043,677</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Low-Income Housing  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Charges for service	\$ 320,000	\$ 283,694	\$ (36,306)	\$ 304,859
<b>Total revenues</b>	<u>320,000</u>	<u>283,694</u>	<u>(36,306)</u>	<u>304,859</u>
<b>Expenditures</b>				
Current:				
Economic environment	914,214	882,362	31,852	372,566
<b>Total expenditures</b>	<u>914,214</u>	<u>882,362</u>	<u>31,852</u>	<u>372,566</u>
Excess (deficiency) of revenues over expenditures	(594,214)	(598,668)	(4,454)	(67,707)
Fund balance as of January 1	504,214	955,200	450,986	1,022,907
<b>Fund balance as of December 31</b>	<u>\$ (90,000)</u>	<u>\$ 356,532</u>	<u>\$ 446,532</u>	<u>\$ 955,200</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Homeless Housing  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Charges for service	\$ 330,000	\$ 443,052	\$ 113,052	\$ 314,328
<b>Total revenues</b>	<u>330,000</u>	<u>443,052</u>	<u>113,052</u>	<u>314,328</u>
<b>Expenditures</b>				
Current:				
Economic environment	300,000	37,102	262,898	9,315
<b>Total expenditures</b>	<u>300,000</u>	<u>37,102</u>	<u>262,898</u>	<u>9,315</u>
Excess (deficiency) of revenues over expenditures	<u>30,000</u>	<u>405,950</u>	<u>375,950</u>	<u>305,013</u>
<b>Other financing sources (uses)</b>				
Transfers out	(20,000)	(20,000)	-	(4,856)
<b>Total other financing sources (uses)</b>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>(4,856)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>10,000</u>	<u>385,950</u>	<u>375,950</u>	<u>300,157</u>
Fund balance as of January 1	-	448,864	448,864	148,707
<b>Fund balance as of December 31</b>	<u>\$ 10,000</u>	<u>\$ 834,814</u>	<u>\$ 824,814</u>	<u>\$ 448,864</u>

Schedule of Revenues, Expenditures and Changes in Fund  
Balance  
Budget and Actual (GAAP Basis)  
Countywide Emergency Medical Services  
Year Ended December 31, 2007  
(With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 2,283,711	\$ 1,883,374	\$ (400,337)	\$ 1,100,815
Intergovernmental	-	763,893	763,893	489,254
<b>Total revenues</b>	<u>2,283,711</u>	<u>2,647,267</u>	<u>363,556</u>	<u>1,590,069</u>
<b>Expenditures</b>				
Current:				
Public safety	1,042,212	1,042,212	-	-
<b>Total Expenditures</b>	<u>1,042,212</u>	<u>1,042,212</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	1,241,499	1,605,055	363,556	1,590,069
<b>Other financing sources (uses)</b>				
Transfers out	(336,687)	(336,687)	-	(90,337)
<b>Total other financing sources (uses)</b>	<u>(336,687)</u>	<u>(336,687)</u>	<u>-</u>	<u>(90,337)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	904,812	1,268,368	363,556	1,499,732
Fund balance as of January 1	-	1,499,732	1,499,732	-
<b>Fund balance as of December 31</b>	<u>\$ 904,812</u>	<u>\$ 2,768,100</u>	<u>\$ 1,863,288</u>	<u>\$ 1,499,732</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Whatcom County Trial Court Improvement  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$ 36,000	\$ 51,079	\$ 15,079	\$ 17,444
Miscellaneous	-	1,249	1,249	631
<b>Total revenues</b>	<u>36,000</u>	<u>52,328</u>	<u>16,328</u>	<u>18,075</u>
Excess (deficiency) of revenues over expenditures	36,000	52,328	16,328	18,075
<b>Other financing sources (uses)</b>				
Transfers out	(40,083)	(35,234)	4,849	(15,679)
<b>Total other financing sources (uses)</b>	<u>(40,083)</u>	<u>(35,234)</u>	<u>4,849</u>	<u>(15,679)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(4,083)	17,094	21,177	2,396
Fund balance as of January 1	32,000	6,617	(25,383)	4,221
<b>Fund balance as of December 31</b>	<u>\$ 27,917</u>	<u>\$ 23,711</u>	<u>\$ (4,206)</u>	<u>\$ 6,617</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Solid Waste Management  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$ 285,081	\$ 293,742	\$ 8,661	\$ 283,599
Charges for service	800,000	872,470	72,470	860,493
Miscellaneous	1,800	2,869	1,069	1,350
<b>Total revenues</b>	<u>1,086,881</u>	<u>1,169,081</u>	<u>82,200</u>	<u>1,145,442</u>
<b>Expenditures</b>				
Current:				
Physical environment	1,163,621	1,028,190	135,431	1,041,928
<b>Total expenditures</b>	<u>1,163,621</u>	<u>1,028,190</u>	<u>135,431</u>	<u>1,041,928</u>
Excess (deficiency) of revenues over expenditures	<u>(76,740)</u>	<u>140,891</u>	<u>217,631</u>	<u>103,514</u>
<b>Other financing sources (uses)</b>				
Transfers out	(100,446)	(79,846)	20,600	(79,865)
<b>Total other financing sources (uses)</b>	<u>(100,446)</u>	<u>(79,846)</u>	<u>20,600</u>	<u>(79,865)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(177,186)</u>	<u>61,045</u>	<u>238,231</u>	<u>23,649</u>
Fund balance as of January 1	21,042	1,533,662	1,512,620	1,510,013
<b>Fund balance as of December 31</b>	<u>\$ (156,144)</u>	<u>\$ 1,594,707</u>	<u>\$ 1,750,851</u>	<u>\$ 1,533,662</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Convention Center  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 170,000	\$ 213,824	\$ 43,824	\$ 181,561
<b>Total revenues</b>	<u>170,000</u>	<u>213,824</u>	<u>43,824</u>	<u>181,561</u>
<b>Expenditures</b>				
Current:				
Culture & recreation	227,660	200,003	27,657	161,328
<b>Total expenditures</b>	<u>227,660</u>	<u>200,003</u>	<u>27,657</u>	<u>161,328</u>
Excess (deficiency) of revenues over expenditures	<u>(57,660)</u>	<u>13,821</u>	<u>71,481</u>	<u>20,233</u>
Fund balance as of January 1	-	281,959	281,959	261,726
<b>Fund balance as of December 31</b>	<u>\$ (57,660)</u>	<u>\$ 295,780</u>	<u>\$ 353,440</u>	<u>\$ 281,959</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Victim/Witness Assistance  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$ 9,000	\$ 11,326	\$ 2,326	\$ 10,670
Charges for service	83,000	96,644	13,644	87,086
Fines & forfeits	25,000	25,626	626	24,043
<b>Total revenues</b>	<u>117,000</u>	<u>133,596</u>	<u>16,596</u>	<u>121,799</u>
<b>Expenditures</b>				
Current:				
General government	68,077	68,077	-	64,037
<b>Total expenditures</b>	<u>68,077</u>	<u>68,077</u>	<u>-</u>	<u>64,037</u>
Excess (deficiency) of revenues over expenditures	48,923	65,519	16,596	57,762
<b>Other financing sources (uses)</b>				
Transfers out	(51,061)	(51,061)	-	(63,986)
<b>Total other financing sources (uses)</b>	<u>(51,061)</u>	<u>(51,061)</u>	<u>-</u>	<u>(63,986)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(2,138)	14,458	16,596	(6,224)
Fund balance as of January 1	-	73,740	73,740	79,964
<b>Fund balance as of December 31</b>	<u>\$ (2,138)</u>	<u>\$ 88,198</u>	<u>\$ 90,336</u>	<u>\$ 73,740</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Community Development  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$ -	\$ 13,160	\$ 13,160	\$ -
<b>Total revenues</b>	-	13,160	13,160	-
Excess (deficiency) of revenues over expenditures	-	13,160	13,160	-
<b>Other financing sources (uses)</b>				
Transfers out	(5,000)	(5,000)	-	(5,000)
<b>Total other financing sources (uses)</b>	(5,000)	(5,000)	-	(5,000)
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(5,000)	8,160	13,160	(5,000)
Fund balance as of January 1	-	18,077	18,077	23,077
<b>Fund balance as of December 31</b>	\$ (5,000)	\$ 26,237	\$ 31,237	\$ 18,077

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Whatcom County Drug  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Fines & forfeits	\$ 350,000	\$ 321,114	\$ (28,886)	\$ 629,087
Miscellaneous	30,000	60,050	30,050	57,919
<b>Total revenues</b>	<b>380,000</b>	<b>381,164</b>	<b>1,164</b>	<b>687,006</b>
<b>Expenditures</b>				
Current:				
Public safety	232,000	171,334	60,666	210,333
Capital outlay	50,000	-	50,000	12,949
<b>Total expenditures</b>	<b>282,000</b>	<b>171,334</b>	<b>110,666</b>	<b>223,282</b>
Excess (deficiency) of revenues over expenditures	98,000	209,830	111,830	463,724
<b>Other financing sources (uses)</b>				
Transfers out	(516,228)	(516,228)	-	(484,907)
<b>Total other financing sources (uses)</b>	<b>(516,228)</b>	<b>(516,228)</b>	<b>-</b>	<b>(484,907)</b>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(418,228)	(306,398)	111,830	(21,183)
Fund balance as of January 1	-	1,202,382	1,202,382	1,223,565
<b>Fund balance as of December 31</b>	<b>\$ (418,228)</b>	<b>\$ 895,984</b>	<b>\$ 1,314,212</b>	<b>\$ 1,202,382</b>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Auditor's O & M  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$ 100,000	\$ 119,107	\$ 19,107	\$ 109,578
Charges for service	130,900	126,023	(4,877)	133,012
Miscellaneous	-	5,600	5,600	-
<b>Total revenues</b>	<u>230,900</u>	<u>250,730</u>	<u>19,830</u>	<u>242,590</u>
<b>Expenditures</b>				
Current:				
General government	144,915	25,567	119,348	24,440
Capital outlay	43,275	98,360	(55,085)	174,360
<b>Total expenditures</b>	<u>188,190</u>	<u>123,927</u>	<u>64,263</u>	<u>198,800</u>
Excess (deficiency) of revenues over expenditures	<u>42,710</u>	<u>126,803</u>	<u>84,093</u>	<u>43,790</u>
<b>Other financing sources (uses)</b>				
Transfers out	(90,912)	(87,550)	3,362	(72,449)
<b>Total other financing sources (uses)</b>	<u>(90,912)</u>	<u>(87,550)</u>	<u>3,362</u>	<u>(72,449)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(48,202)</u>	<u>39,253</u>	<u>87,455</u>	<u>(28,659)</u>
Fund balance as of January 1	35,100	450,745	415,645	479,404
<b>Fund balance as of December 31</b>	<u>\$ (13,102)</u>	<u>\$ 489,998</u>	<u>\$ 503,100</u>	<u>\$ 450,745</u>

Schedule of Revenues, Expenditures and Changes in Fund  
Balance  
Budget and Actual (GAAP Basis)  
Emergency Management  
Year Ended December 31, 2007  
(With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$ 666,358	\$ 465,500	\$ (200,858)	\$ 865,569
Miscellaneous	5,000	5,304	304	25,102
<b>Total revenues</b>	<u>671,358</u>	<u>470,804</u>	<u>(200,554)</u>	<u>890,671</u>
<b>Expenditures</b>				
Current:				
Public safety	803,423	516,810	286,613	707,985
Capital outlay	55,550	-	55,550	97,161
<b>Total expenditures</b>	<u>858,973</u>	<u>516,810</u>	<u>342,163</u>	<u>805,146</u>
Excess (deficiency) of revenues over expenditures	<u>(187,615)</u>	<u>(46,006)</u>	<u>141,609</u>	<u>85,525</u>
<b>Other financing sources (uses)</b>				
Transfers in	113,274	113,274	-	106,734
Transfers out	(56,273)	(54,388)	1,885	(165,028)
<b>Total other financing sources (uses)</b>	<u>57,001</u>	<u>58,886</u>	<u>1,885</u>	<u>(58,294)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(130,614)</u>	<u>12,880</u>	<u>143,494</u>	<u>27,231</u>
Fund balance as of January 1	130,615	132,855	2,240	105,624
<b>Fund balance as of December 31</b>	<u>\$ 1</u>	<u>\$ 145,735</u>	<u>\$ 145,734</u>	<u>\$ 132,855</u>

Schedule of Revenues, Expenditures and Changes in Fund

Balance

Budget and Actual (GAAP Basis)

Flood Control Zone District

Year Ended December 31, 2007

(With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 3,000,000	\$ 2,935,987	\$ (64,013)	\$ 2,823,633
Intergovernmental	902,709	570,879	(331,830)	890,820
Charges for service	3,250	69	(3,181)	1,323
Miscellaneous	-	1,876	1,876	2,990
<b>Total revenues</b>	<u>3,905,959</u>	<u>3,508,811</u>	<u>(397,148)</u>	<u>3,718,766</u>
<b>Expenditures</b>				
Current:				
Physical environment	5,222,078	3,109,230	2,112,848	5,080,730
Capital outlay	598,000	328,000	270,000	218,691
<b>Total expenditures</b>	<u>5,820,078</u>	<u>3,437,230</u>	<u>2,382,848</u>	<u>5,299,421</u>
Excess (deficiency) of revenues over expenditures	(1,914,119)	71,581	1,985,700	(1,580,655)
<b>Other financing sources (uses)</b>				
Sales of capital assets	80,000	20,412	(59,588)	52,151
Transfer In	205,622	66,158	(139,464)	465,244
Transfers out	(406,386)	(417,304)	(10,918)	(265,180)
<b>Total other financing sources (uses)</b>	<u>(120,764)</u>	<u>(330,734)</u>	<u>(209,970)</u>	<u>252,215</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(2,034,883)	(259,153)	1,775,730	(1,328,440)
Fund balance as of January 1	1,182,592	7,342,489	6,159,897	8,670,929
<b>Fund balance as of December 31</b>	<u>\$ (852,291)</u>	<u>\$ 7,083,336</u>	<u>\$ 7,935,627</u>	<u>\$ 7,342,489</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Point Roberts Fuel Tax  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 50,000	\$ 42,208	\$ (7,792)	\$ 41,668
<b>Total revenues</b>	<u>50,000</u>	<u>42,208</u>	<u>(7,792)</u>	<u>41,668</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>50,000</u>	<u>42,208</u>	<u>(7,792)</u>	<u>41,668</u>
Fund balance as of January 1	221,665	218,333	(3,332)	176,665
<b>Fund balance as of December 31</b>	<u>\$ 271,665</u>	<u>\$ 260,541</u>	<u>\$ (11,124)</u>	<u>\$ 218,333</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Conservation Futures  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 903,144	\$ 910,510	\$ 7,366	\$ 870,886
Intergovernmental	532,546	405,808	(126,738)	532,547
Miscellaneous	366	567	201	571
<b>Total revenues</b>	<u>1,436,056</u>	<u>1,316,885</u>	<u>(119,171)</u>	<u>1,404,004</u>
<b>Expenditures</b>				
Current:				
Economic environment	25,000	7,150	17,850	2,225
Capital outlay	2,187,250	1,623,746	563,504	1,153,335
<b>Total expenditures</b>	<u>2,212,250</u>	<u>1,630,896</u>	<u>581,354</u>	<u>1,155,560</u>
Excess (deficiency) of revenues over expenditures	(776,194)	(314,011)	462,183	248,444
<b>Other financing sources (uses)</b>				
Sales of capital assets	28,348	6,333	(22,015)	16,189
<b>Total other financing sources (uses)</b>	<u>28,348</u>	<u>6,333</u>	<u>(22,015)</u>	<u>16,189</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(747,846)	(307,678)	440,168	264,633
Fund balance as of January 1	1,604,750	2,941,088	1,336,338	2,676,455
<b>Fund balance as of December 31</b>	<u>\$ 856,904</u>	<u>\$ 2,633,410</u>	<u>\$ 1,776,506</u>	<u>\$ 2,941,088</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Lake Management District No. 1  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Current:				
Physical environment	\$ 4,850	\$ 3,789	\$ 1,061	\$ 5,665
<b>Total expenditures</b>	<u>4,850</u>	<u>3,789</u>	<u>1,061</u>	<u>5,665</u>
Excess (deficiency) of revenues over expenditures	<u>(4,850)</u>	<u>(3,789)</u>	<u>1,061</u>	<u>(5,665)</u>
Fund balance as of January 1	-	5,667	5,667	11,332
<b>Fund balance as of December 31</b>	<u>\$ (4,850)</u>	<u>\$ 1,878</u>	<u>\$ 6,728</u>	<u>\$ 5,667</u>

Schedule of Revenues, Expenditures and Changes in Fund  
Balance  
Budget and Actual (GAAP Basis)  
Road Improvement Districts  
Year Ended December 31, 2007  
(With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 25,377	\$ 26,133	\$ 756	\$ 26,942
Miscellaneous	1,046	1,031	(15)	1,058
<b>Total revenues</b>	<u>26,423</u>	<u>27,164</u>	<u>741</u>	<u>28,000</u>
<b>Expenditures</b>				
Current:				
Transportation	30,600	26,516	4,084	26,293
<b>Total expenditures</b>	<u>30,600</u>	<u>26,516</u>	<u>4,084</u>	<u>26,293</u>
Excess (deficiency) of revenues over expenditures	<u>(4,177)</u>	<u>648</u>	<u>4,825</u>	<u>1,707</u>
<b>Other financing sources (uses)</b>				
Transfers out	(1,046)	(1,031)	15	(8,794)
<b>Total other financing sources (uses)</b>	<u>(1,046)</u>	<u>(1,031)</u>	<u>15</u>	<u>(8,794)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(5,223)</u>	<u>(383)</u>	<u>4,840</u>	<u>(7,087)</u>
Fund balance as of January 1	50,293	169,512	119,219	176,599
<b>Fund balance as of December 31</b>	<u>\$ 45,070</u>	<u>\$ 169,129</u>	<u>\$ 124,059</u>	<u>\$ 169,512</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Lynden/Everson Sub-Zone  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 25,691	\$ 31,408	\$ 5,717	\$ 26,579
Intergovernmental	-	-	-	273
<b>Total revenues</b>	<u>25,691</u>	<u>31,408</u>	<u>5,717</u>	<u>26,852</u>
<b>Expenditures</b>				
Current:				
Physical environment	70,000	13,659	56,341	55,784
<b>Total expenditures</b>	<u>70,000</u>	<u>13,659</u>	<u>56,341</u>	<u>55,784</u>
Excess (deficiency) of revenues over expenditures	<u>(44,309)</u>	<u>17,749</u>	<u>62,058</u>	<u>(28,932)</u>
Fund balance as of January 1	-	199,446	199,446	228,378
<b>Fund balance as of December 31</b>	<u>\$ (44,309)</u>	<u>\$ 217,195</u>	<u>\$ 261,504</u>	<u>\$ 199,446</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Sumas/Nooksack/Everson Sub-Zone  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 76,795	\$ 87,258	\$ 10,463	\$ 78,192
<b>Total revenues</b>	<u>76,795</u>	<u>87,258</u>	<u>10,463</u>	<u>78,192</u>
<b>Expenditures</b>				
Current:				
Physical environment	70,000	3,413	66,587	171,909
<b>Total expenditures</b>	<u>70,000</u>	<u>3,413</u>	<u>66,587</u>	<u>171,909</u>
Excess (deficiency) of revenues over expenditures	<u>6,795</u>	<u>83,845</u>	<u>77,050</u>	<u>(93,717)</u>
Fund balance as of January 1	-	342,326	342,326	436,043
<b>Fund balance as of December 31</b>	<u>\$ 6,795</u>	<u>\$ 426,171</u>	<u>\$ 419,376</u>	<u>\$ 342,326</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Acme/Van Zandt Sub-Zone  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 20,646	\$ 20,650	\$ 4	\$ 20,263
<b>Total revenues</b>	<u>20,646</u>	<u>20,650</u>	<u>4</u>	<u>20,263</u>
<b>Expenditures</b>				
Current:				
Physical environment	39,000	2,512	36,488	4,557
<b>Total expenditures</b>	<u>39,000</u>	<u>2,512</u>	<u>36,488</u>	<u>4,557</u>
Excess (deficiency) of revenues over expenditures	<u>(18,354)</u>	<u>18,138</u>	<u>36,492</u>	<u>15,706</u>
Fund balance as of January 1	-	85,693	85,693	69,987
<b>Fund balance as of December 31</b>	<u>\$ (18,354)</u>	<u>\$ 103,831</u>	<u>\$ 122,185</u>	<u>\$ 85,693</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Samish Watershed Sub-Zone  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 17,254	\$ 17,029	\$ (225)	\$ -
<b>Total revenues</b>	<u>17,254</u>	<u>17,029</u>	<u>(225)</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Physical environment	2,878	-	2,878	-
<b>Total expenditures</b>	<u>2,878</u>	<u>-</u>	<u>2,878</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>14,376</u>	<u>17,029</u>	<u>2,653</u>	<u>-</u>
Fund balance as of January 1	-	-	-	-
<b>Fund balance as of December 31</b>	<u>\$ 14,376</u>	<u>\$ 17,029</u>	<u>\$ 2,653</u>	<u>\$ -</u>



Combining Balance Sheet  
 Non-Major Debt Service Funds  
 December 31, 2007

	1977 Fair GO Bond	1978 Ltd. Tax GO Bond	1981 Ltd. Tax GO Bond	1982 Ltd. Tax GO Bond	1983 Ltd. Tax GO Bond	CRID No. 4 General Debt
<b>Assets</b>						
Cash and cash equivalents	\$ 30,891	\$ 22,312	\$ -	\$ 8,406	\$ 5,271	\$ 219
Taxes receivable	10	-	-	-	-	-
Special assessments	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 30,901</b>	<b>\$ 22,312</b>	<b>\$ -</b>	<b>\$ 8,406</b>	<b>\$ 5,271</b>	<b>\$ 219</b>
<b>Liabilities and fund balance</b>						
<b>Liabilities</b>						
Deferred revenue	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>						
Reserved for:						
Debt service	30,891	22,312	-	8,406	5,271	219
<b>Total fund balance</b>	<b>30,891</b>	<b>22,312</b>	<b>-</b>	<b>8,406</b>	<b>5,271</b>	<b>219</b>
<b>Total liabilities and fund balance</b>	<b>\$ 30,901</b>	<b>\$ 22,312</b>	<b>\$ -</b>	<b>\$ 8,406</b>	<b>\$ 5,271</b>	<b>\$ 219</b>

CRID No. 5 General Debt	CRID No. 9 General Debt	LRID No. 10 General Debt	1991 Ltd. Tax GO Bond	1993 Ltd. Tax GO Bond	1997 Ltd. Tax GO Bond	1998 Ltd. Tax GO Bond	2003 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
\$ 14,602	\$ 7,996	\$ 128,383	\$ 1,337	\$ 188	\$ 60	\$ 404	\$ 421	\$ 220,490
-	-	-	-	-	-	-	-	10
-	7,283	-	-	-	-	-	-	7,283
<u>\$ 14,602</u>	<u>\$ 15,279</u>	<u>\$ 128,383</u>	<u>\$ 1,337</u>	<u>\$ 188</u>	<u>\$ 60</u>	<u>\$ 404</u>	<u>\$ 421</u>	<u>\$ 227,783</u>
\$ -	\$ 7,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,293
-	7,283	-	-	-	-	-	-	7,293
14,602	7,996	128,383	1,337	188	60	404	421	220,490
<u>14,602</u>	<u>7,996</u>	<u>128,383</u>	<u>1,337</u>	<u>188</u>	<u>60</u>	<u>404</u>	<u>421</u>	<u>220,490</u>
<u>\$ 14,602</u>	<u>\$ 15,279</u>	<u>\$ 128,383</u>	<u>\$ 1,337</u>	<u>\$ 188</u>	<u>\$ 60</u>	<u>\$ 404</u>	<u>\$ 421</u>	<u>\$ 227,783</u>

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Non-Major Debt Service Funds  
 Year Ended December 31, 2007

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

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Non-Major Debt Service Funds  
 Year Ended December 31, 2007



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
\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
-	-	10,000	-	-	-	-	-	10,000
-	-	-	-	-	925,000	155,000	360,000	1,440,000
-	-	-	-	-	255,794	102,649	66,921	425,364
-	-	-	-	-	1,180,794	257,649	426,921	1,865,364
-	-	10,000	-	-	(1,180,794)	(257,649)	(426,921)	(1,855,364)
-	-	-	-	-	1,180,700	257,700	427,000	1,865,400
-	-	-	-	-	1,180,700	257,700	427,000	1,865,400
-	-	10,000	-	-	(94)	51	79	10,036
14,602	7,996	118,383	1,337	188	154	353	342	210,454
<u>\$ 14,602</u>	<u>\$ 7,996</u>	<u>\$ 128,383</u>	<u>\$ 1,337</u>	<u>\$ 188</u>	<u>\$ 60</u>	<u>\$ 404</u>	<u>\$ 421</u>	<u>\$ 220,490</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 1997 Ltd. Tax General Obligation Bond  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$ 925,000	\$ 925,000	\$ -	\$ 880,000
Interest	256,490	255,794	696	305,431
<b>Total expenditures</b>	<u>1,181,490</u>	<u>1,180,794</u>	<u>696</u>	<u>1,185,431</u>
Excess (deficiency) of revenues over expenditures	(1,181,490)	(1,180,794)	696	(1,185,431)
<b>Other financing sources (uses)</b>				
Transfers in	1,181,490	1,180,700	(790)	1,185,500
<b>Total other financing sources (uses)</b>	<u>1,181,490</u>	<u>1,180,700</u>	<u>(790)</u>	<u>1,185,500</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	(94)	(94)	69
Fund balance as of January 1	-	154	154	85
<b>Fund balance as of December 31</b>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 60</u>	<u>\$ 154</u>

Schedule of Revenues, Expenditures and Changes in Fund  
Balance  
Budget and Actual (GAAP Basis)  
1998 Ltd. Tax General Obligation Bond  
Year Ended December 31, 2007  
(With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$ 155,000	\$ 155,000	\$ -	\$ 145,000
Interest	103,345	102,649	696	108,448
<b>Total expenditures</b>	<u>258,345</u>	<u>257,649</u>	<u>696</u>	<u>253,448</u>
Excess (deficiency) of revenues over expenditures	(258,345)	(257,649)	696	(253,448)
<b>Other financing sources (uses)</b>				
Transfers in	258,345	257,700	(645)	253,400
<b>Total other financing sources (uses)</b>	<u>258,345</u>	<u>257,700</u>	<u>(645)</u>	<u>253,400</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	51	51	(48)
Fund balance as of January 1	-	353	353	401
<b>Fund balance as of December 31</b>	<u>\$ -</u>	<u>\$ 404</u>	<u>\$ 404</u>	<u>\$ 353</u>

Schedule of Revenues, Expenditures and Changes in Fund  
Balance  
Budget and Actual (GAAP Basis)  
2003 Ltd. Tax General Obligation Bond  
Year Ended December 31, 2007  
(With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$ 360,000	\$ 360,000	\$ -	\$ 355,000
Interest	67,618	66,921	697	74,021
<b>Total expenditures</b>	<u>427,618</u>	<u>426,921</u>	<u>697</u>	<u>429,021</u>
Excess (deficiency) of revenues over expenditures	(427,618)	(426,921)	697	(429,021)
<b>Other financing sources (uses)</b>				
Transfers in	427,618	427,000	(618)	429,000
<b>Total other financing sources (uses)</b>	<u>427,618</u>	<u>427,000</u>	<u>(618)</u>	<u>429,000</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	79	79	(21)
Fund balance as of January 1	-	342	342	363
<b>Fund balance as of December 31</b>	<u>\$ -</u>	<u>\$ 421</u>	<u>\$ 421</u>	<u>\$ 342</u>



Combining Balance Sheet  
 Non-Major Capital Project Funds  
 December 31, 2007

	Real Estate Excise Tax II	1983 Sewer Construction	Real Estate Excise Tax I	Courthouse Expansion Construction	Road Improvement Dist. No. 10 Construction
<b>Assets</b>					
Cash and cash equivalents	\$ 7,943,719	\$ -	\$ 4,152,723	\$ 43	\$ -
Investments at cost	-	-	-	-	-
Interest receivable	-	-	-	-	-
<b>Total assets</b>	<b>\$ 7,943,719</b>	<b>\$ -</b>	<b>\$ 4,152,723</b>	<b>\$ 43</b>	<b>\$ -</b>
<b>Liabilities and fund balance</b>					
<b>Liabilities</b>					
Accounts payable	\$ 57,913	\$ -	\$ 23,773	\$ -	\$ -
Revenue collected in advance	-	-	-	-	-
<b>Total liabilities</b>	<b>57,913</b>	<b>-</b>	<b>23,773</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>					
Reserved for:					
Encumbrances	333,869	-	706,684	-	-
Unreserved, reported in:					
Capital Projects	7,551,937	-	3,422,266	43	-
<b>Total fund balance</b>	<b>7,885,806</b>	<b>-</b>	<b>4,128,950</b>	<b>43</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 7,943,719</b>	<b>\$ -</b>	<b>\$ 4,152,723</b>	<b>\$ 43</b>	<b>\$ -</b>

Combining Balance Sheet  
 Non-Major Capital Project Funds  
 December 31, 2007

County Park Improvement	Civic Center Building Improvement	Jail Construction Project	Total Non Major Capital Project Funds
\$ 3,170	\$ 32,211	\$ 168,542	\$ 12,300,408
126,271	-	-	126,271
520	-	-	520
<u>\$ 129,961</u>	<u>\$ 32,211</u>	<u>\$ 168,542</u>	<u>\$ 12,427,199</u>
\$ -	\$ -	\$ 1,772	\$ 83,458
51	-	-	51
<u>51</u>	<u>-</u>	<u>1,772</u>	<u>83,509</u>
1,000	-	-	1,041,553
128,910	32,211	166,770	11,302,137
<u>129,910</u>	<u>32,211</u>	<u>166,770</u>	<u>12,343,690</u>
<u>\$ 129,961</u>	<u>\$ 32,211</u>	<u>\$ 168,542</u>	<u>\$ 12,427,199</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Capital Project Funds  
 Year Ended December 31, 2007

	Real Estate Excise Tax II	1983 Sewer Construction	Real Estate Excise Tax I	Courthouse Expansion Construction	Road Improvement District No. 10 Construction
<b>Revenues</b>					
Taxes	\$ 2,198,439	\$ -	\$ 2,208,678	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	32,174	-	-
<b>Total revenues</b>	<u>2,198,439</u>	<u>-</u>	<u>2,240,852</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
Current:					
Physical environment	1,192	-	199,377	-	-
Culture and recreation	33,524	-	117,605	-	-
Capital outlay	155,717	-	-	-	-
<b>Total expenditures</b>	<u>190,433</u>	<u>-</u>	<u>316,982</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,008,006</u>	<u>-</u>	<u>1,923,870</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>					
Transfers out	(34,248)	-	(1,180,700)	-	-
<b>Total other financing sources (uses)</b>	<u>(34,248)</u>	<u>-</u>	<u>(1,180,700)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>1,973,758</u>	<u>-</u>	<u>743,170</u>	<u>-</u>	<u>-</u>
Fund balance as of January 1	5,912,048	-	3,385,780	43	-
<b>Fund balance as of December 31</b>	<u>\$ 7,885,806</u>	<u>\$ -</u>	<u>\$ 4,128,950</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, 2007

County Park Improvement	Civic Center Building Improvement	Jail Construction Project	Total Non Major Capital Project Funds
\$ -	\$ -	\$ -	\$ 4,407,117
-	-	50,571	50,571
7,409	-	47,282	86,865
<u>7,409</u>	<u>-</u>	<u>97,853</u>	<u>4,544,553</u>
-	-	-	200,569
12,425	-	-	163,554
-	-	122,201	277,918
<u>12,425</u>	<u>-</u>	<u>122,201</u>	<u>642,041</u>
(5,016)	-	(24,348)	3,902,512
-	-	-	(1,214,948)
-	-	-	(1,214,948)
(5,016)	-	(24,348)	2,687,564
134,926	32,211	191,118	9,656,126
<u>\$ 129,910</u>	<u>\$ 32,211</u>	<u>\$ 166,770</u>	<u>\$ 12,343,690</u>

Schedule of Revenues, Expenditures and Changes in Fund  
Balance  
Budget and Actual (GAAP Basis)  
Real Estate Excise Tax II  
Year Ended December 31, 2007  
(With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 2,300,000	\$ 2,198,439	\$ (101,561)	\$ 2,271,738
Miscellaneous	-	-	-	(352)
<b>Total revenues</b>	<u>2,300,000</u>	<u>2,198,439</u>	<u>(101,561)</u>	<u>2,271,386</u>
<b>Expenditures</b>				
Current:				
Physical environment	8,136	1,192	6,944	12,500
Culture and Recreation	65,000	33,524	31,476	-
Capital outlay	489,299	155,717	333,582	124,759
<b>Total expenditures</b>	<u>562,435</u>	<u>190,433</u>	<u>372,002</u>	<u>137,259</u>
Excess (deficiency) of revenues over expenditures	<u>1,737,565</u>	<u>2,008,006</u>	<u>270,441</u>	<u>2,134,127</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfer Out	(27,117)	(34,248)	(7,131)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(27,117)</u>	<u>(34,248)</u>	<u>(7,131)</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>1,710,448</u>	<u>1,973,758</u>	<u>263,310</u>	<u>2,134,127</u>
Fund balance as of January 1	141,482	5,912,048	5,770,566	3,777,921
<b>Fund balance as of December 31</b>	<u>\$ 1,851,930</u>	<u>\$ 7,885,806</u>	<u>\$ 6,033,876</u>	<u>\$ 5,912,048</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 Real Estate Excise Tax I  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$ 2,300,000	\$ 2,208,678	\$ (91,322)	\$ 2,279,247
Miscellaneous	9,700	32,174	22,474	(352)
<b>Total revenues</b>	<u>2,309,700</u>	<u>2,240,852</u>	<u>(68,848)</u>	<u>2,278,895</u>
<b>Expenditures</b>				
Current:				
Physical environment	1,009,442	199,377	810,065	1,231
Culture and Recreation	-	117,605	(117,605)	-
Capital outlay	205,500	-	205,500	-
<b>Total expenditures</b>	<u>1,214,942</u>	<u>316,982</u>	<u>897,960</u>	<u>1,231</u>
Excess (deficiency) of revenues over expenditures	<u>1,094,758</u>	<u>1,923,870</u>	<u>829,112</u>	<u>2,277,664</u>
<b>Other financing sources (uses)</b>				
Transfers out	(1,181,490)	(1,180,700)	790	(2,245,379)
<b>Total other financing sources (uses)</b>	<u>(1,181,490)</u>	<u>(1,180,700)</u>	<u>790</u>	<u>(2,245,379)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(86,732)</u>	<u>743,170</u>	<u>829,902</u>	<u>32,285</u>
Fund balance as of January 1	975,000	3,385,780	2,410,780	3,353,495
<b>Fund balance as of December 31</b>	<u>\$ 888,268</u>	<u>\$ 4,128,950</u>	<u>\$ 3,240,682</u>	<u>\$ 3,385,780</u>

Schedule of Revenues, Expenditures and Changes in Fund  
 Balance  
 Budget and Actual (GAAP Basis)  
 County Parks Improvement  
 Year Ended December 31, 2007  
 (With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$ 7,000	\$ 7,409	\$ 409	\$ 25,651
<b>Total revenues</b>	<u>7,000</u>	<u>7,409</u>	<u>409</u>	<u>25,651</u>
<b>Expenditures</b>				
Current:				
Culture & Recreation	15,950	12,425	3,525	-
Capital Outlay	95,880	-	95,880	-
<b>Total Expenditures</b>	<u>111,830</u>	<u>12,425</u>	<u>99,405</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(104,830)</u>	<u>(5,016)</u>	<u>99,814</u>	<u>25,651</u>
Fund balance as of January 1	-	134,926	134,926	109,275
<b>Fund balance as of December 31</b>	<u><u>\$ (104,830)</u></u>	<u><u>\$ 129,910</u></u>	<u><u>\$ 234,740</u></u>	<u><u>\$ 134,926</u></u>

Schedule of Revenues, Expenditures and Changes in Fund  
Balance  
Budget and Actual (GAAP Basis)  
Jail Construction Project  
Year Ended December 31, 2007  
(With comparative totals for December 31, 2006)



	2007			2006
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental revenues	\$ 50,571	\$ 50,571	\$ -	\$ 2,208,020
Miscellaneous	-	47,282	47,282	3,500
<b>Total revenues</b>	<u>50,571</u>	<u>97,853</u>	<u>47,282</u>	<u>2,211,520</u>
<b>Expenditures</b>				
Current:				
Capital outlay	302,530	122,201	180,329	7,691,973
<b>Total expenditures</b>	<u>302,530</u>	<u>122,201</u>	<u>180,329</u>	<u>7,691,973</u>
Excess (deficiency) of revenues over expenditures	<u>(251,959)</u>	<u>(24,348)</u>	<u>227,611</u>	<u>(5,480,453)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	3,675,449
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,675,449</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(251,959)</u>	<u>(24,348)</u>	<u>227,611</u>	<u>(1,805,004)</u>
Fund balance as of January 1	251,959	191,118	(60,841)	1,996,122
<b>Fund balance as of December 31</b>	<u>\$ -</u>	<u>\$ 166,770</u>	<u>\$ 166,770</u>	<u>\$ 191,118</u>

Schedule of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual  
Public Utilities Improvement  
Year Ended December 31, 2007



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 2,500,000	\$ 2,500,000	\$ 2,829,290	\$ 329,290
Miscellaneous	-	-	7,500	7,500
<b>Total revenues</b>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,836,790</u>	<u>336,790</u>
<b>Expenditures</b>				
Current:				
General government	25,000	3,348,363	25,000	3,323,363
Capital outlay	114,237	1,998,398	1,933,983	64,415
<b>Total expenditures</b>	<u>139,237</u>	<u>5,346,761</u>	<u>1,958,983</u>	<u>3,387,778</u>
Excess (deficiency) of revenues over expenditures	<u>2,360,763</u>	<u>(2,846,761)</u>	<u>877,807</u>	<u>3,724,568</u>
Fund balance as of January 1	-	5,207,524	9,342,701	4,135,177
<b>Fund balance as of December 31</b>	<u>\$ 2,360,763</u>	<u>\$ 2,360,763</u>	<u>\$ 10,220,508</u>	<u>\$ 7,859,745</u>

	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
<b>Assets</b>				
Current assets				
Cash & cash equivalents	\$ 9,942,588	\$ 203,193	\$ 11,351,554	\$ 21,497,335
Accounts receivable	7,534	-	2,491	10,025
Due from other funds	1,498	-	687,402	688,900
Due from other governments	2,902	-	93,297	96,199
Employee Advances	4	-	863	867
Inventory	1,085,161	-	71,713	1,156,874
Prepayments	2,961	-	15,206	18,167
<b>Total current assets</b>	<b>11,042,648</b>	<b>203,193</b>	<b>12,222,526</b>	<b>23,468,367</b>
Noncurrent assets				
Land	750,631	-	-	750,631
Building & structures (net)	1,480,181	-	6,932	1,487,113
Capital leases (net)	-	-	422,328	422,328
Other improvements (net)	185,365	-	-	185,365
Machinery & equipment (net)	7,523,811	-	618,255	8,142,066
<b>Total noncurrent assets</b>	<b>9,939,988</b>	<b>-</b>	<b>1,047,515</b>	<b>10,987,503</b>
<b>Total assets</b>	<b>20,982,636</b>	<b>203,193</b>	<b>13,270,041</b>	<b>34,455,870</b>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	851,771	-	775,097	1,626,868
Claims cost payable	7,417	-	3,792,349	3,799,766
Due to other funds	57,694	-	29,997	87,691
Due to Other Governments	2,961	-	14,060	17,021
Other accrued liabilities	36,584	-	158,926	195,510
<b>Total current liabilities</b>	<b>956,427</b>	<b>-</b>	<b>4,770,429</b>	<b>5,726,856</b>
Noncurrent liabilities				
Employee leave benefits	174,771	-	325,869	500,640
Other liabilities	-	-	485,571	485,571
<b>Total noncurrent liabilities</b>	<b>174,771</b>	<b>-</b>	<b>811,440</b>	<b>986,211</b>
<b>Total liabilities</b>	<b>1,131,198</b>	<b>-</b>	<b>5,581,869</b>	<b>6,713,067</b>
<b>Net assets</b>				
Invested in capital assets, net of related debt	9,939,988	-	1,047,515	10,987,503
Unrestricted	9,911,450	203,193	6,640,657	16,755,300
<b>Total net assets</b>	<b>\$ 19,851,438</b>	<b>\$ 203,193</b>	<b>\$ 7,688,172</b>	<b>\$ 27,742,803</b>

Combining Statement of Revenues, Expenses and  
Changes in Net Assets  
Internal Service Funds  
Year Ended December 31, 2007



	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
<b>Operating Revenue</b>				
Intergovernmental	\$ -	\$ -	\$ 188,182	\$ 188,182
Charges for service	4,667,420	-	7,578,500	12,245,920
Rents and parking	4,685,179	-	760,658	5,445,837
Fines & forfeits	-	-	2,612	2,612
Insurance premiums	-	-	7,625,962	7,625,962
Other miscellaneous revenues	-	-	24,151	24,151
<b>Total operating revenues</b>	<b>9,352,599</b>	<b>-</b>	<b>16,180,065</b>	<b>25,532,664</b>
General operations	7,154,368	-	16,246,369	23,400,737
General administration	573,395	-	-	573,395
Depreciation	1,236,252	-	486,723	1,722,975
<b>Total operating expenses</b>	<b>8,964,015</b>	<b>-</b>	<b>16,733,092</b>	<b>25,697,107</b>
<b>Operating income (loss)</b>	<b>388,584</b>	<b>-</b>	<b>(553,027)</b>	<b>(164,443)</b>
<b>Non-operating revenues (expenses)</b>				
Gain (loss) on sale of capital assets	154,654	-	-	154,654
Interest revenue	-	-	466	466
Interest expense	-	-	(19,447)	(19,447)
<b>Total non-operating revenues (expenses)</b>	<b>154,654</b>	<b>-</b>	<b>(18,981)</b>	<b>135,673</b>
<b>Income (loss) before contributions and transfers</b>	<b>543,238</b>	<b>-</b>	<b>(572,008)</b>	<b>(28,770)</b>
Capital contributions	48,922	-	-	48,922
Transfers in	1,016,642	-	1,763,758	2,780,400
Transfers out	(31,057)	-	(493,582)	(524,639)
<b>Changes in net assets</b>	<b>1,577,745</b>	<b>-</b>	<b>698,168</b>	<b>2,275,913</b>
<b>Total net assets-beginning</b>	<b>18,273,693</b>	<b>203,193</b>	<b>6,990,004</b>	<b>25,466,890</b>
<b>Total net assets-ending</b>	<b>\$ 19,851,438</b>	<b>\$ 203,193</b>	<b>\$ 7,688,172</b>	<b>\$ 27,742,803</b>

	Equipment Rental	Whatcom Co. Supplemental Retirement	Administrative Services	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 9,407,428	\$ -	\$ 15,904,114	\$ 25,311,542
Cash payments for goods and services	(5,991,076)	-	(10,263,587)	(16,254,663)
Cash payments to employees	(1,116,910)	-	(5,025,751)	(6,142,661)
<b>Net cash provided by operating activities</b>	<b>2,299,442</b>	<b>-</b>	<b>614,776</b>	<b>2,914,218</b>
<b>Cash flows from non-capital financing activities:</b>				
Transfers in	162	-	1,763,758	1,763,920
Transfers out	-	-	(493,582)	(493,582)
<b>Net cash provided by non-capital financing activities</b>	<b>162</b>	<b>-</b>	<b>1,270,176</b>	<b>1,270,338</b>
<b>Cash flows from capital financing activities:</b>				
Interest paid on lease purchase	-	-	(19,447)	(19,447)
Proceeds from sale of assets	231,363	-	-	231,363
Transfer in (out)	985,423	-	-	985,423
Payments for capital assets	(1,982,883)	-	(523,277)	(2,506,160)
<b>Net cash used by capital financing activities</b>	<b>(766,097)</b>	<b>-</b>	<b>(542,724)</b>	<b>(1,308,821)</b>
<b>Cash flows from investing activities:</b>				
Proceeds from sale of investments	-	-	466	466
<b>Total cash flows from investing activities</b>	<b>-</b>	<b>-</b>	<b>466</b>	<b>466</b>
Net Increase (decrease) in cash and cash equivalents	1,533,507	-	1,342,694	2,876,201
Balances - beginning of the year	8,409,081	203,193	10,008,860	18,621,134
Balances - end of the year	<u>\$ 9,942,588</u>	<u>\$ 203,193</u>	<u>\$ 11,351,554</u>	<u>\$ 21,497,335</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 388,584	\$ -	\$ (553,027)	\$ (164,443)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>				
Depreciation expense	1,236,252	-	486,723	1,722,975
Change in assets and liabilities:				
Receivables	54,830	-	(275,951)	(221,121)
Inventories	143,872	-	(60,188)	83,684
Accounts and other payables	423,477	-	994,631	1,418,108
Accrued expenses	52,427	-	22,588	75,015
<b>Net cash provided by operating activities</b>	<b>\$ 2,299,442</b>	<b>\$ -</b>	<b>\$ 614,776</b>	<b>\$ 2,914,218</b>
<b>Noncash investing &amp; capital financing activities:</b>				
Lease purchases	\$ -	\$ -	\$ 187,250	\$ 187,250
<b>Total noncash investing &amp; capital financing activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 187,250</b>	<b>\$ 187,250</b>

	Enterprise Funds		
	Whatcom County	Ferry System	Totals
<b>Assets</b>			
Current assets			
Cash & cash equivalents	\$ 193,695	\$ 1,121,603	\$ 1,315,298
Accounts receivable	-	400	400
Due from other funds	-	235,480	235,480
Employee advances	-	591	591
Due from other governments	-	3,253	3,253
Prepayments	-	3,016	3,016
<b>Total current assets</b>	<b>193,695</b>	<b>1,364,343</b>	<b>1,558,038</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	6,340	32,666	39,006
Due to other funds	-	253,781	253,781
Due to other governments	-	2,966	2,966
Other accrued liabilities	(132)	37,022	36,890
<b>Total current liabilities</b>	<b>6,208</b>	<b>326,435</b>	<b>332,643</b>
Noncurrent liabilities			
Employee leave benefits	8,850	95,988	104,838
<b>Total noncurrent liabilities</b>	<b>8,850</b>	<b>95,988</b>	<b>104,838</b>
<b>Total liabilities</b>	<b>15,058</b>	<b>422,423</b>	<b>437,481</b>
<b>Net assets</b>			
Unrestricted	178,637	941,920	1,120,557
<b>Total net assets</b>	<b>\$ 178,637</b>	<b>\$ 941,920</b>	<b>\$ 1,120,557</b>

Combining Statement of Revenues, Expenses, and  
 Changes in Fund Net Assets  
 Non-major Enterprise Funds  
 Year Ended December 31, 2007



	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
<b>Operating revenues</b>			
Intergovernmental	\$ -	\$ 241,777	\$ 241,777
Charges for service	-	907,020	907,020
Interest income	136,550	-	136,550
Other miscellaneous revenues	-	67,083	67,083
<b>Total operating revenues</b>	<u>136,550</u>	<u>1,215,880</u>	<u>1,352,430</u>
<b>Operating expenses</b>			
General operations	121,858	1,755,298	1,877,156
General administration	-	121,019	121,019
<b>Total operating expenses</b>	<u>121,858</u>	<u>1,876,317</u>	<u>1,998,175</u>
<b>Operating income (loss)</b>	<u>14,692</u>	<u>(660,437)</u>	<u>(645,745)</u>
Transfers in	-	409,126	409,126
<b>Changes in net assets</b>	<u>14,692</u>	<u>(251,311)</u>	<u>(236,619)</u>
<b>Total net assets-beginning</b>	<u>163,945</u>	<u>1,193,231</u>	<u>1,357,176</u>
<b>Total net assets-ending</b>	<u>\$ 178,637</u>	<u>\$ 941,920</u>	<u>\$ 1,120,557</u>

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 136,550	\$ 985,779	\$ 1,122,329
Cash payments for goods and services	(50,838)	(868,728)	(919,566)
Cash payments to employees	(70,716)	(931,547)	(1,002,263)
<b>Net cash provided by operating activities</b>	<u>14,996</u>	<u>(814,496)</u>	<u>(799,500)</u>
<b>Cash flows from non-capital financing activities:</b>			
Transfers in	-	409,126	409,126
<b>Net cash provided by non-capital financing activities</b>	<u>-</u>	<u>409,126</u>	<u>409,126</u>
Net increase (decrease) in cash and cash equivalents	14,996	(405,370)	(390,374)
Balances - beginning of the year	178,699	1,526,973	1,705,672
Balances - end of the year	<u>\$ 193,695</u>	<u>\$ 1,121,603</u>	<u>\$ 1,315,298</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 14,692	\$ (660,437)	\$ (645,745)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>			
Change in assets and liabilities:			
Receivables, net	-	(230,101)	(230,101)
Accounts and other payables	5,488	66,093	71,581
Accrued expenses	(5,184)	9,949	4,765
<b>Net cash provided by operating activities</b>	<u>\$ 14,996</u>	<u>\$ (814,496)</u>	<u>\$ (799,500)</u>

	Investment Trust Fund
<b>Assets</b>	
Certificates of deposit & saving accounts	\$ 11,957,647
Taxable municipal notes	4,441,873
US agency notes	85,172,090
LGIP	37,284,766
Bank deposit note	1,097,602
CMO	40,395
<b>Total assets</b>	<u>139,994,373</u>
<b>Net assets</b>	
Held in trust for pool participants	139,994,373
<b>Total net assets</b>	<u>\$ 139,994,373</u>

Combining Statement of Changes in Net Assets  
Investment Trust Funds  
Year Ended December 31, 2007



	Investment Trust Fund
<b>Additions</b>	
Contributions	\$ 143,902,740
Net investment earnings (losses)	
Interest	7,586,944
<b>Total additions</b>	151,489,684
<b>Deductions</b>	
Distributions	162,229,206
Change in net assets	(10,739,522)
Net assets - January 1, 2007	150,733,895
Net assets - December 31, 2007	\$ 139,994,373



Combining Balance Sheet  
 Agency Funds  
 December 31, 2007

	Cemetery Districts	Drainage, Diking & Flood Cntr Districts	Park & Recreation Districts	Watershed Mngmt Project Joint Board	Rural Library	Northwest Regional Council
<b>Assets</b>						
Cash & cash equivalents	\$ 490,590	\$ 160,087	\$ 44,048	\$ 1,071,039	\$ 311,621	\$ 1,351,672
Assets held in trust-external investment pool	1,356,727	338,350	760,942	-	4,197,832	639,555
Accounts receivable (net)	-	-	-	-	-	-
<b>Total assets</b>	<b>\$1,847,317</b>	<b>\$ 498,437</b>	<b>\$ 804,990</b>	<b>\$ 1,071,039</b>	<b>\$4,509,453</b>	<b>\$ 1,991,227</b>
<b>Liabilities</b>						
Warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	6,544	8,476	26,827	-	308,121	218,782
Other accrued liabilities	-	-	-	-	-	54
Revenue collected in advance	-	-	-	-	-	-
Custodial accounts	1,840,773	489,961	778,163	1,071,039	4,201,332	1,772,391
<b>Total liabilities</b>	<b>\$1,847,317</b>	<b>\$ 498,437</b>	<b>\$ 804,990</b>	<b>\$ 1,071,039</b>	<b>\$4,509,453</b>	<b>\$ 1,991,227</b>

Council of Government	Hospital Districts	Port	P. U. D. District	Whatcom Transit	School Districts	Bertrand Watershed	Fire Districts
\$ 23,499	\$ 5,932	\$ 108,877	\$ 104,871	\$ -	\$ 7,150,418	\$ 11,636	\$ 780,578
420,246	174,644	-	4,809,255	29,262,635	82,379,314	-	13,335,894
-	-	-	-	-	-	-	-
<u>\$ 443,745</u>	<u>\$ 180,576</u>	<u>\$ 108,877</u>	<u>\$ 4,914,126</u>	<u>\$ 29,262,635</u>	<u>\$ 89,529,732</u>	<u>\$ 11,636</u>	<u>\$ 14,116,472</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,987,537	\$ -	\$ -
60	97	-	219,107	-	-	13,786	240,857
-	-	-	-	-	23,271	-	(711)
-	-	-	-	-	-	-	-
443,685	180,479	108,877	4,695,019	29,262,635	83,518,924	(2,150)	13,876,326
<u>\$ 443,745</u>	<u>\$ 180,576</u>	<u>\$ 108,877</u>	<u>\$ 4,914,126</u>	<u>\$ 29,262,635</u>	<u>\$ 89,529,732</u>	<u>\$ 11,636</u>	<u>\$ 14,116,472</u>

*continued on next page*

Combining Balance Sheet  
 Agency Funds  
 December 31, 2007

	Water Districts	Treasurer's Suspense	Inmate Trust Fund	Claims Fund	Salary Fund	Total
<b>Assets</b>						
Cash & cash equivalents	\$ 798,227	\$ 3,794,017	\$ 29,066	\$ 1,974,748	\$ 1,680	\$ 18,212,606
Assets held in trust-external investment pool	2,318,979	-	-	-	-	139,994,373
Accounts receivable (net)	-	670	-	-	-	670
<b>Total assets</b>	<b>\$ 3,117,206</b>	<b>\$ 3,794,687</b>	<b>\$ 29,066</b>	<b>\$ 1,974,748</b>	<b>\$ 1,680</b>	<b>\$ 158,207,649</b>
<b>Liabilities</b>						
Warrants payable	\$ -	\$ -	\$ -	\$ 1,974,748	\$ -	\$ 7,962,285
Accounts payable	212,790	-	-	-	-	1,255,447
Other accrued liabilities	-	-	29,066	-	-	51,680
Revenue collected in advance	-	439,694	-	-	-	439,694
Custodial accounts	2,904,416	3,354,993	-	-	1,680	148,498,543
<b>Total liabilities</b>	<b>\$ 3,117,206</b>	<b>\$ 3,794,687</b>	<b>\$ 29,066</b>	<b>\$ 1,974,748</b>	<b>\$ 1,680</b>	<b>\$ 158,207,649</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Cemetery Districts  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 527,818	\$ 1,906,443	\$ 1,943,671	\$ 490,590
Assets held in trust-external investment pool	1,201,013	204,142	48,428	1,356,727
<b>Total assets</b>	<b>\$ 1,728,831</b>	<b>\$ 2,110,585</b>	<b>\$ 1,992,099</b>	<b>\$ 1,847,317</b>
<b>Liabilities</b>				
Accounts payable	\$ 13,050	\$ 375,559	\$ 382,065	\$ 6,544
Other accrued liabilities	-	302,593	302,593	-
Custodial accounts	1,715,781	124,992	-	1,840,773
<b>Total liabilities</b>	<b>\$ 1,728,831</b>	<b>\$ 803,144</b>	<b>\$ 684,658</b>	<b>\$ 1,847,317</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Drainage, Diking & Flood Control Districts  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 120,557	\$ 457,283	\$ 417,753	\$ 160,087
Assets held in trust-external investment pool	368,837	18,511	48,998	338,350
<b>Total Assets</b>	<b>\$ 489,394</b>	<b>\$ 475,794</b>	<b>\$ 466,751</b>	<b>\$ 498,437</b>
<b>Liabilities</b>				
Accounts payable	\$ 6,233	\$ 136,713	\$ 134,470	\$ 8,476
Custodial accounts	483,161	6,800	-	489,961
<b>Total liabilities</b>	<b>\$ 489,394</b>	<b>\$ 143,513</b>	<b>\$ 134,470</b>	<b>\$ 498,437</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Park & Recreation Districts  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 40,439	\$ 371,272	\$ 367,663	\$ 44,048
Assets held in trust-external investment pool	755,122	37,822	32,002	760,942
<b>Total Assets</b>	<b>\$ 795,561</b>	<b>\$ 409,094</b>	<b>\$ 399,665</b>	<b>\$ 804,990</b>
<b>Liabilities</b>				
Accounts payable	\$ 2,656	\$ 93,043	\$ 68,872	\$ 26,827
Other accrued liabilities	-	7,813	7,813	-
Custodial accounts	792,905	-	14,742	778,163
<b>Total liabilities</b>	<b>\$ 795,561</b>	<b>\$ 100,856</b>	<b>\$ 91,427</b>	<b>\$ 804,990</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Watershed Mgmt Project Joint Board  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 1,075,169	\$ 301,689	\$ 305,819	\$ 1,071,039
<b>Total assets</b>	<b>\$ 1,075,169</b>	<b>\$ 301,689</b>	<b>\$ 305,819</b>	<b>\$ 1,071,039</b>
<b>Liabilities</b>				
Accounts payable	\$ 3,167	\$ 962	\$ 4,129	\$ -
Custodial accounts	1,072,002	-	963	1,071,039
<b>Total liabilities</b>	<b>\$ 1,075,169</b>	<b>\$ 962</b>	<b>\$ 5,092</b>	<b>\$ 1,071,039</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Rural Library  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 183,016	\$ 18,725,613	\$ 18,597,008	\$ 311,621
Assets held in trust-external investment pool	4,458,928	2,604,646	2,865,742	4,197,832
<b>Total assets</b>	<b>\$ 4,641,944</b>	<b>\$ 21,330,259</b>	<b>\$ 21,462,750</b>	<b>\$ 4,509,453</b>
<b>Liabilities</b>				
Accounts payable	\$ 110,350	\$ 2,885,588	\$ 2,687,817	\$ 308,121
Other accrued liabilities	(1,386)	4,527,604	4,526,218	-
Custodial accounts	4,532,980	-	331,648	4,201,332
<b>Total liabilities</b>	<b>\$ 4,641,944</b>	<b>\$ 7,413,192</b>	<b>\$ 7,545,683</b>	<b>\$ 4,509,453</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Northwest Regional Council  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 1,805,385	\$ 25,417,588	\$ 25,871,301	\$ 1,351,672
Assets held in trust-external Investment pool	176,315	463,378	138	639,555
<b>Total assets</b>	<b>\$ 1,981,700</b>	<b>\$ 25,880,966</b>	<b>\$ 25,871,439</b>	<b>\$ 1,991,227</b>
<b>Liabilities</b>				
Accounts payable	\$ 386,811	\$ 6,358,756	\$ 6,526,785	\$ 218,782
Other accrued liabilities	624	4,443,422	4,443,992	54
Custodial accounts	1,594,265	178,126	-	1,772,391
<b>Total liabilities</b>	<b>\$ 1,981,700</b>	<b>\$ 10,980,304</b>	<b>\$ 10,970,777</b>	<b>\$ 1,991,227</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 22,661	\$ 5,616,856	\$ 5,616,018	\$ 23,499
Assets held in trust-external investment pool	298,520	1,498,312	1,376,586	420,246
<b>Total assets</b>	<b>\$ 321,181</b>	<b>\$ 7,115,168</b>	<b>\$ 6,992,604</b>	<b>\$ 443,745</b>
<b>Liabilities</b>				
Accounts payable	\$ 112	\$ 868,472	\$ 868,524	\$ 60
Other accrued liabilities	(15)	944,875	944,860	-
Custodial accounts	321,084	122,601	-	443,685
<b>Total liabilities</b>	<b>\$ 321,181</b>	<b>\$ 1,935,948</b>	<b>\$ 1,813,384</b>	<b>\$ 443,745</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Hospital Districts  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 8,573	\$ 482,816	\$ 485,457	\$ 5,932
Assets held in trust-external investment pool	146,617	125,440	97,413	174,644
<b>Total assets</b>	<b>\$ 155,190</b>	<b>\$ 608,256</b>	<b>\$ 582,870</b>	<b>\$ 180,576</b>
<b>Liabilities</b>				
Accounts payable	\$ 12,538	\$ 125,580	\$ 138,021	\$ 97
Other accrued liabilities	-	25,233	25,233	-
Custodial accounts	142,652	37,827	-	180,479
<b>Total liabilities</b>	<b>\$ 155,190</b>	<b>\$ 188,640</b>	<b>\$ 163,254</b>	<b>\$ 180,576</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Port  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 79,189	\$ 7,040,790	\$ 7,011,102	\$ 108,877
<b>Total assets</b>	<b>\$ 79,189</b>	<b>\$ 7,040,790</b>	<b>\$ 7,011,102</b>	<b>\$ 108,877</b>
<b>Liabilities</b>				
Custodial accounts	\$ 79,189	\$ 29,688	\$ -	\$ 108,877
<b>Total liabilities</b>	<b>\$ 79,189</b>	<b>\$ 29,688</b>	<b>\$ -</b>	<b>\$ 108,877</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 P.U.D. District  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 30,124	\$ 97,032,110	\$ 96,957,363	\$ 104,871
Assets held in trust-external investment pool	4,012,094	44,158,357	43,361,196	4,809,255
<b>Total assets</b>	<b>\$ 4,042,218</b>	<b>\$ 141,190,467</b>	<b>\$ 140,318,559</b>	<b>\$ 4,914,126</b>
<b>Liabilities</b>				
Accounts payable	\$ 2,969	\$ 3,008,624	\$ 2,792,486	\$ 219,107
Other accrued liabilities	388	1,596,597	1,596,985	-
Custodial accounts	4,038,861	656,158	-	4,695,019
<b>Total liabilities</b>	<b>\$ 4,042,218</b>	<b>\$ 5,261,379</b>	<b>\$ 4,389,471</b>	<b>\$ 4,914,126</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Whatcom Transit  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ -	\$ 43,712,827	\$ 43,712,827	\$ -
Assets held in trust-external investment pool	31,266,611	21,563,446	23,567,422	29,262,635
<b>Total assets</b>	<b>\$ 31,266,611</b>	<b>\$ 65,276,273</b>	<b>\$ 67,280,249</b>	<b>\$ 29,262,635</b>
<b>Liabilities</b>				
Custodial accounts	\$ 31,266,611	\$ -	\$ 2,003,976	\$ 29,262,635
<b>Total liabilities</b>	<b>\$ 31,266,611</b>	<b>\$ -</b>	<b>\$ 2,003,976</b>	<b>\$ 29,262,635</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 School Districts  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 6,553,669	\$ 341,136,204	\$ 340,539,455	\$ 7,150,418
Deposits with fiscal agent	17,724,979	24,110,998	41,835,977	-
Assets held in trust-external investment pool	93,879,811	67,193,626	78,694,123	82,379,314
<b>Total assets</b>	<b>\$ 118,158,459</b>	<b>\$ 432,440,828</b>	<b>\$ 461,069,555</b>	<b>\$ 89,529,732</b>
<b>Liabilities</b>				
Warrants payable	\$ 6,318,601	\$ 131,581,907	\$ 131,912,971	\$ 5,987,537
Matured long-term debt	13,478,612	15,166,348	28,644,960	-
Matured interest payable	4,246,367	9,247,634	13,494,001	-
Other accrued liabilities	23,271	-	-	23,271
Custodial accounts	94,091,608	-	10,572,684	83,518,924
<b>Total liabilities</b>	<b>\$ 118,158,459</b>	<b>\$ 155,995,889</b>	<b>\$ 184,624,616</b>	<b>\$ 89,529,732</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 7,550	\$ 411,353	\$ 407,267	\$ 11,636
<b>Total assets</b>	<b>\$ 7,550</b>	<b>\$ 411,353</b>	<b>\$ 407,267</b>	<b>\$ 11,636</b>
<b>Liabilities</b>				
Accounts payable	\$ 6,055	\$ 119,830	\$ 112,099	\$ 13,786
Custodial accounts	1,495	-	3,645	(2,150)
<b>Total liabilities</b>	<b>\$ 7,550</b>	<b>\$ 119,830</b>	<b>\$ 115,744</b>	<b>\$ 11,636</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Fire Districts  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 643,098	\$ 53,998,943	\$ 53,861,463	\$ 780,578
Assets held in trust-external investment pool	12,270,709	13,815,425	12,750,240	13,335,894
<b>Total assets</b>	<b>\$ 12,913,807</b>	<b>\$ 67,814,368</b>	<b>\$ 66,611,703</b>	<b>\$ 14,116,472</b>
<b>Liabilities</b>				
Accounts payable	\$ 169,992	\$ 9,503,195	\$ 9,432,330	\$ 240,857
Other accrued liabilities	(664)	4,536,597	4,536,644	(711)
Custodial accounts	12,744,479	1,131,847	-	13,876,326
<b>Total liabilities</b>	<b>\$ 12,913,807</b>	<b>\$ 15,171,639</b>	<b>\$ 13,968,974</b>	<b>\$ 14,116,472</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 427,486	\$ 21,424,400	\$ 21,053,659	\$ 798,227
Assets held in trust-external investment pool	1,899,319	919,682	500,022	2,318,979
<b>Total assets</b>	<b>\$ 2,326,805</b>	<b>\$ 22,344,082</b>	<b>\$ 21,553,681</b>	<b>\$ 3,117,206</b>
<b>Liabilities</b>				
Accounts payable	\$ 189,828	\$ 4,081,605	\$ 4,058,643	\$ 212,790
Other accrued liabilities	251	816,254	816,505	-
Custodial accounts	2,136,726	767,690	-	2,904,416
<b>Total liabilities</b>	<b>\$ 2,326,805</b>	<b>\$ 5,665,549</b>	<b>\$ 4,875,148</b>	<b>\$ 3,117,206</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Treasurer's Suspense  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 2,738,726	\$ 119,822,451	\$ 118,767,160	\$ 3,794,017
Accounts receivable (net)	600	1,367,134	1,367,064	670
<b>Total assets</b>	<b>\$ 2,739,326</b>	<b>\$ 121,189,585</b>	<b>\$ 120,134,224</b>	<b>\$ 3,794,687</b>
<b>Liabilities</b>				
Revenue collected in advance	\$ 475,067	\$ 450,021	\$ 485,394	\$ 439,694
Custodial accounts	2,264,259	1,090,734	-	3,354,993
<b>Total liabilities</b>	<b>\$ 2,739,326</b>	<b>\$ 1,540,755</b>	<b>\$ 485,394</b>	<b>\$ 3,794,687</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Inmate Trust Fund  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 51,897	\$ 617,524	\$ 640,355	\$ 29,066
<b>Total assets</b>	<u>\$ 51,897</u>	<u>\$ 617,524</u>	<u>\$ 640,355</u>	<u>\$ 29,066</u>
<b>Liabilities</b>				
Other accrued liabilities	\$ 51,897	\$ 935,115	\$ 957,946	\$ 29,066
<b>Total liabilities</b>	<u>\$ 51,897</u>	<u>\$ 935,115</u>	<u>\$ 957,946</u>	<u>\$ 29,066</u>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Claims Fund  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 2,408,342	\$ 492,200,019	\$ 492,633,613	\$ 1,974,748
<b>Total assets</b>	<u>\$ 2,408,342</u>	<u>\$ 492,200,019</u>	<u>\$ 492,633,613</u>	<u>\$ 1,974,748</u>
<b>Liabilities</b>				
Warrants payable	\$ 2,408,342	\$ 96,106,616	\$ 96,540,210	\$ 1,974,748
<b>Total liabilities</b>	<u>\$ 2,408,342</u>	<u>\$ 96,106,616</u>	<u>\$ 96,540,210</u>	<u>\$ 1,974,748</u>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Salary Fund  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 1,680	\$ -	\$ -	\$ 1,680
<b>Total assets</b>	<b>\$ 1,680</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,680</b>
<b>Liabilities</b>				
Custodial accounts	\$ 1,680	\$ -	\$ -	\$ 1,680
<b>Total liabilities</b>	<b>\$ 1,680</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,680</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Total Agency Funds  
 For the Year Ended December 31, 2007



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$ 16,725,379	\$ 1,230,676,181	\$ 1,229,188,954	\$ 18,212,606
Deposits with fiscal agent	17,724,979	24,110,998	41,835,977	-
Assets held in trust-external investment pool	150,733,896	152,602,787	163,342,310	139,994,373
Accounts receivable (net)	600	1,367,134	1,367,064	670
<b>Total assets</b>	<b>\$ 185,184,854</b>	<b>\$ 1,408,757,100</b>	<b>\$ 1,435,734,305</b>	<b>\$ 158,207,649</b>
<b>Liabilities</b>				
Warrants payable	\$ 8,726,943	\$ 227,688,523	\$ 228,453,181	\$ 7,962,285
Accounts payable	903,761	27,557,927	27,206,241	1,255,447
Matured long-term debt	13,478,612	15,166,348	28,644,960	-
Matured interest payable	4,246,367	9,247,634	13,494,001	-
Other accrued liabilities	74,366	18,136,103	18,158,789	51,680
Revenue collected in advance	475,067	450,021	485,394	439,694
Custodial accounts	157,279,738	4,146,463	12,927,658	148,498,543
<b>Total liabilities</b>	<b>\$ 185,184,854</b>	<b>\$ 302,393,019</b>	<b>\$ 329,370,224</b>	<b>\$ 158,207,649</b>

Schedule of Expenditures - Budget and Actual  
 General Fund by Department  
 Year Ended December 31, 2007



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Expenditures*</b>				
Assessor	\$ 2,388,917	\$ 2,388,917	\$ 2,292,773	\$ 96,144
Auditor	1,154,747	1,162,100	1,123,913	38,187
County Council	923,313	943,313	874,282	69,031
County Executive	530,773	530,773	521,278	9,495
Planning & Development Services	6,693,472	7,273,112	6,277,831	995,281
Treasurer	1,291,718	1,291,718	1,173,059	118,659
Sheriff	12,109,150	12,508,867	12,124,119	384,748
District Court	1,905,681	1,965,521	1,813,460	152,061
District Court Probation	1,499,975	1,509,726	1,435,720	74,006
Hearing Examiner	159,833	170,473	162,488	7,985
Juvenile	4,086,155	4,104,155	3,901,611	202,544
Prosecuting Attorney	4,899,720	5,000,979	4,869,008	131,971
Public Defender	3,500,032	3,500,032	3,439,970	60,062
Superior Court	3,132,883	3,631,307	3,630,630	677
County Clerk	1,729,263	1,647,576	1,562,269	85,307
Extension	350,308	350,308	329,674	20,634
Non-Departmental	18,547,830	20,156,758	17,141,508	3,015,250
Park	3,904,414	3,957,373	3,803,163	154,210
Health	11,938,049	12,010,449	11,014,749	995,700
<b>Total expenditures</b>	<b>\$ 80,746,233</b>	<b>\$ 84,103,457</b>	<b>\$ 77,491,505</b>	<b>\$ 6,611,952</b>

\*Includes transfers out.



## **Statistical Section**

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**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The county implemented GASB 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Net Assets by Component  
 Last Six Fiscal Years  
*(accrual basis of accounting)*  
 Table 1

	Fiscal Year			
	2002	2003	2004	2005
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 120,458,158	\$ 122,122,886	\$ 127,722,278	\$ 134,873,463
Restricted	22,531,548	25,159,510	28,799,551	35,266,155
Unrestricted	41,521,643	45,316,845	45,698,449	46,612,203
<b>Total governmental activities net assets</b>	<b>\$ 184,511,349</b>	<b>\$ 192,599,241</b>	<b>\$ 202,220,278</b>	<b>\$ 216,751,821</b>
<b>Business-type activities</b>				
Unrestricted	\$ 2,088	\$ 4,157	\$ 62,298	\$ 138,394
<b>Total business-type activities net assets</b>	<b>\$ 2,088</b>	<b>\$ 4,157</b>	<b>\$ 62,298</b>	<b>\$ 138,394</b>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 120,458,158	\$ 122,122,886	\$ 127,722,278	\$ 134,873,463
Restricted	22,531,548	25,159,510	28,799,551	35,266,155
Unrestricted	41,523,731	45,321,002	45,760,747	46,750,597
<b>Total primary government net assets</b>	<b>\$ 184,513,437</b>	<b>\$ 192,603,398</b>	<b>\$ 202,282,576</b>	<b>\$ 216,890,215</b>

Net Assets by Component  
 Last Six Fiscal Years  
*(accrual basis of accounting)*  
 Table 1

Fiscal year	
2006	2007

\$ 147,777,970	\$ 152,741,995
37,138,374	42,636,125
47,089,887	42,369,254
<u>\$ 232,006,231</u>	<u>\$ 237,747,374</u>

<u>\$ 1,356,979</u>	<u>\$ 1,118,015</u>
<u>\$ 1,356,979</u>	<u>\$ 1,118,015</u>

\$ 147,777,970	\$ 152,741,995
37,138,374	42,636,125
48,446,866	43,487,269
<u>\$ 233,363,210</u>	<u>\$ 238,865,389</u>

Changes in Net Assets  
 Last Six Fiscal Years  
*(accrual basis of accounting)*  
 Table 2

	Fiscal Year			
	2002	2003	2004	2005
<b>Expenses</b>				
Governmental activities:				
General government	\$ 17,983,238	\$ 19,215,312	\$ 20,640,020	\$ 23,079,350
Public safety	22,976,236	24,030,011	27,370,451	30,495,277
Physical environment	6,538,602	5,897,760	4,241,623	4,735,305
Transportation	18,049,900	19,011,206	20,089,939	21,254,817
Economic environment	1,320,929	1,430,023	1,768,412	2,095,684
Mental and physical health	9,217,719	9,236,054	9,226,067	9,893,505
Culture and recreation	3,490,177	3,800,758	3,737,864	3,918,909
Interest on long-term debt	909,179	824,720	635,089	586,099
<b>Total governmental activities expenses</b>	<b>80,485,980</b>	<b>83,445,844</b>	<b>87,709,465</b>	<b>96,058,946</b>
Business-type activities:				
Whatcom County Investment Pool	186,763	192,156	163,494	162,519
Whatcom County Ferry System	-	-	-	-
<b>Total business-type activities expense</b>	<b>186,763</b>	<b>192,156</b>	<b>163,494</b>	<b>162,519</b>
<b>Total primary government expenses</b>	<b>\$ 80,672,743</b>	<b>\$ 83,638,000</b>	<b>\$ 87,872,959</b>	<b>\$ 96,221,465</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 3,245,552	\$ 3,031,848	\$ 3,364,168	\$ 4,087,134
Public safety	4,205,406	5,745,448	5,411,257	6,318,706
Physical environment	813,201	794,036	818,983	836,399
Transportation	1,972,705	2,310,752	2,266,228	2,386,724
Economic environment	199,754	446,854	341,943	515,901
Mental and physical health	1,700,738	1,830,631	1,971,109	2,092,146
Culture and recreation	317,441	340,336	340,494	334,705
Operating grants and contributions	14,394,509	13,876,354	16,080,469	18,765,699
Capital grants and contributions	6,600,775	5,544,945	5,952,476	7,449,734
<b>Total governmental activities program revenues</b>	<b>33,450,081</b>	<b>33,921,204</b>	<b>36,547,127</b>	<b>42,787,148</b>
Business-type activities:				
Charges for services	188,851	194,225	221,635	238,615
<b>Total business-type activities program revenues</b>	<b>188,851</b>	<b>194,225</b>	<b>221,635</b>	<b>238,615</b>
<b>Total primary government program revenues</b>	<b>\$ 33,638,932</b>	<b>\$ 34,115,429</b>	<b>\$ 36,768,762</b>	<b>\$ 43,025,763</b>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (47,035,899)	\$ (49,524,640)	\$ (51,162,338)	\$ (53,271,798)
Business-type activities	2,088	2,069	58,141	76,096
<b>Total primary government net expense</b>	<b>\$ (47,033,811)</b>	<b>\$ (49,522,571)</b>	<b>\$ (51,104,197)</b>	<b>\$ (53,195,702)</b>

Changes in Net Assets  
 Last Six Fiscal Years  
*(accrual basis of accounting)*  
 Table 2

Fiscal Year	
2006	2007
\$ 25,962,056	\$ 28,158,688
32,987,070	37,224,359
6,834,562	5,347,914
20,255,214	22,278,320
1,699,968	3,124,810
10,391,837	11,434,223
4,127,397	4,477,382
520,685	455,019
<u>102,778,789</u>	<u>112,500,715</u>
166,927	121,904
1,853,340	1,878,616
<u>2,020,267</u>	<u>2,000,520</u>
<u>\$ 104,799,056</u>	<u>\$ 114,501,235</u>
\$ 4,465,927	\$ 4,961,311
5,438,864	4,493,174
861,816	872,539
2,086,524	1,927,735
619,536	727,247
2,200,935	2,172,139
357,967	375,583
20,823,563	18,649,931
8,920,486	6,780,293
<u>45,775,618</u>	<u>40,959,952</u>
1,085,280	1,352,430
<u>1,085,280</u>	<u>1,352,430</u>
<u>\$ 46,860,898</u>	<u>\$ 42,312,382</u>
\$ (57,003,171)	\$ (71,540,763)
(934,987)	(648,090)
<u>\$ (57,938,158)</u>	<u>\$ (72,188,853)</u>

*continued on next page*

Changes in Net Assets  
 Last Six Fiscal Years  
*(accrual basis of accounting)*  
 Table 2

	Fiscal Year			
	2002	2003	2004	2005
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 32,594,343	\$ 32,197,138	\$ 37,287,454	\$ 39,217,958
Timber taxes	263,688	417,291	166,270	165,567
Retail taxes	10,158,252	10,924,526	11,631,120	14,343,922
Excise taxes	5,752,026	6,250,210	4,222,852	5,363,992
Penalties and interest	1,665,074	1,929,056	1,970,312	2,016,817
Unrestricted investment earnings	3,114,455	2,371,918	2,076,569	3,004,248
Gain/loss on sale of capital assets	1,349,487	1,948,251	1,984,251	1,887,188
Miscellaneous	1,267,730	1,574,142	1,314,903	1,803,649
Transfers	-	-	-	-
<b>Total governmental activities</b>	<b>56,165,055</b>	<b>57,612,532</b>	<b>60,653,731</b>	<b>67,803,341</b>
Business-type activities:				
Transfers	-	-	-	-
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 56,165,055</b>	<b>\$ 57,612,532</b>	<b>\$ 60,653,731</b>	<b>\$ 67,803,341</b>
<b>Change in Net Assets</b>				
Governmental activities	\$ 9,129,156	\$ 8,087,892	\$ 9,491,393	\$ 14,531,543
Business-type activities	2,088	2,069	58,141	76,096
<b>Total primary government</b>	<b>\$ 9,131,244</b>	<b>\$ 8,089,961</b>	<b>\$ 9,549,534</b>	<b>\$ 14,607,639</b>

Changes in Net Assets  
 Last Six Fiscal Years  
*(accrual basis of accounting)*  
 Table 2

Fiscal Year	
2006	2007

\$ 40,919,106	\$ 42,763,435
198,732	278,895
19,145,002	20,126,476
5,266,333	5,181,286
1,603,642	1,659,701
4,618,179	5,648,889
1,070,852	406,285
1,589,307	1,626,065
(2,153,572)	(409,126)
<u>72,257,581</u>	<u>77,281,906</u>
2,153,572	409,126
<u>2,153,572</u>	<u>409,126</u>
<u>\$ 74,411,153</u>	<u>\$ 77,691,032</u>
\$ 15,254,410	\$ 5,741,143
1,218,585	(238,964)
<u>\$ 16,472,995</u>	<u>\$ 5,502,179</u>

Fund Balances, Governmental Funds  
 Last Ten Fiscal Years  
*(modified accrual basis of accounting)*  
 Table 3

	Fiscal Year				
	1998	1999	2000	2001	2002
General Fund					
Reserved	\$ 601,285	\$ 2,279,442	\$ 1,859,298	\$ 1,838,556	\$ 1,022,792
Unreserved	9,992,014	10,885,502	14,994,427	14,303,932	15,472,644
Total general fund	<u>\$ 10,593,299</u>	<u>\$ 13,164,944</u>	<u>\$ 16,853,725</u>	<u>\$ 16,142,488</u>	<u>\$ 16,495,436</u>
All Other Governmental Funds					
Reserved	\$ 1,171,925	\$ 891,713	\$ 1,130,083	\$ 2,485,350	\$ 3,469,088
Unreserved, reported in:					
Special revenue funds	18,871,894	24,643,725	25,817,186	26,218,701	24,294,072
Capital projects funds	1,460,005	1,921,217	3,742,542	5,702,098	7,556,558
Debt service funds	382,924	-	-	-	-
Total all other governmental funds	<u>\$ 21,886,748</u>	<u>\$ 27,456,655</u>	<u>\$ 30,689,811</u>	<u>\$ 34,406,149</u>	<u>\$ 35,319,718</u>

Fund Balances, Governmental Funds  
 Last Ten Fiscal Years  
*(modified accrual basis of accounting)*  
 Table 3

Fiscal Year				
2003	2004	2005	2006	2007
\$ 602,066	\$ 961,837	\$ 1,533,073	\$ 1,500,338	\$ 1,578,146
18,891,088	21,314,448	22,074,170	21,264,377	13,946,987
<u>\$ 19,493,154</u>	<u>\$ 22,276,285</u>	<u>\$ 23,607,243</u>	<u>\$ 22,764,715</u>	<u>\$ 15,525,133</u>
\$ 4,969,099	\$ 4,521,743	\$ 4,649,640	\$ 3,555,539	\$ 11,536,525
25,034,534	27,062,122	29,301,974	27,435,371	28,828,111
9,193,792	10,481,786	14,534,527	18,986,564	16,861,084
-	-	-	-	-
<u>\$ 39,197,425</u>	<u>\$ 42,065,651</u>	<u>\$ 48,486,141</u>	<u>\$ 49,977,474</u>	<u>\$ 57,225,720</u>

Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 4

	Fiscal Year				
	1998	1999	2000	2001	2002
<b>Revenues</b>					
Taxes	\$ 39,438,336	\$ 42,343,802	\$ 45,620,265	\$ 47,424,567	\$ 49,257,944
Licenses and permits	1,351,354	1,415,442	1,531,267	1,580,226	1,760,008
Intergovernmental	19,508,309	17,887,435	20,829,740	21,212,913	20,968,672
Charges for services	6,053,392	7,042,730	7,316,680	7,776,574	8,696,953
Fines and forfeits	1,466,255	1,705,223	1,686,828	1,763,991	1,946,964
Miscellaneous	4,753,738	4,796,489	5,411,509	5,582,089	4,296,233
Total Revenues	<u>72,571,384</u>	<u>75,191,121</u>	<u>82,396,289</u>	<u>85,340,360</u>	<u>86,926,774</u>
<b>Expenditures</b>					
General government	14,227,461	15,047,278	15,410,234	16,713,972	16,863,877
Public safety	17,003,381	18,509,529	19,267,342	21,470,121	22,879,744
Physical environment	2,366,215	2,834,910	4,975,846	4,757,938	6,544,045
Transportation	10,990,385	11,444,117	13,154,686	13,528,035	14,126,042
Economic environment	1,183,325	1,235,673	1,126,322	1,167,559	1,322,618
Mental and physical health	7,730,267	8,028,398	8,219,522	9,078,653	9,194,004
Culture and recreation	2,911,750	3,020,587	3,371,446	3,417,835	3,363,082
Capital outlay	13,599,996	6,423,027	7,944,968	8,617,635	7,800,595
Debt service:					
Principal	1,596,406	1,672,398	1,559,956	1,232,728	1,873,976
Interest	1,160,153	1,205,670	1,089,706	1,005,247	925,316
Total expenditures	<u>72,769,339</u>	<u>69,421,587</u>	<u>76,120,028</u>	<u>80,989,723</u>	<u>84,893,299</u>
Excess of revenues over (under) expenditures	(197,955)	5,769,534	6,276,261	4,350,637	2,033,475
<b>Other Financing Sources (Uses)</b>					
Proceeds of refunding long-term debt	3,305,755	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-	-
Proceeds-other note	-	-	-	348,526	-
Sales of capital assets	1,740,249	2,141,340	1,216,708	1,935,288	1,349,487
Transfers in	6,041,467	5,785,319	5,606,683	5,577,417	7,117,775
Transfers out	(6,628,467)	(6,373,941)	(6,177,715)	(8,858,241)	(9,234,220)
Total other financing sources (uses)	<u>4,459,004</u>	<u>1,552,718</u>	<u>645,676</u>	<u>(997,010)</u>	<u>(766,958)</u>
Net change in fund balance	<u>\$ 4,261,049</u>	<u>\$ 7,322,252</u>	<u>\$ 6,921,937</u>	<u>\$ 3,353,627</u>	<u>\$ 1,266,517</u>
Debt service as a percentage of noncapital expenditures	4.7%	4.6%	3.9%	3.1%	3.6%

Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years  
*(modified accrual basis of accounting)*  
 Table 4

Fiscal Year				
2003	2004	2005	2006	2007
\$ 51,872,132	\$ 55,452,648	\$ 61,728,366	\$ 67,370,343	\$ 70,107,234
2,243,794	2,390,146	2,734,130	2,414,757	2,274,537
19,404,333	21,763,095	25,326,753	29,274,897	25,185,457
10,022,119	10,163,856	11,344,374	10,868,913	11,024,720
2,675,698	2,124,567	2,242,373	2,341,077	2,215,230
3,864,099	3,388,809	4,874,670	6,255,152	7,252,667
<u>90,082,175</u>	<u>95,283,121</u>	<u>108,250,666</u>	<u>118,525,139</u>	<u>118,059,845</u>
18,270,858	19,443,137	21,788,506	23,812,063	24,866,182
23,597,879	25,866,906	29,133,971	32,082,423	35,688,892
5,866,598	4,167,394	4,690,061	6,800,424	5,316,908
14,371,656	14,761,101	15,371,674	14,265,469	15,626,476
1,424,252	1,758,741	2,112,155	1,686,264	3,106,759
9,180,782	9,151,500	9,758,671	10,317,834	11,392,901
3,639,514	3,623,601	3,822,326	4,023,630	4,412,479
5,715,028	10,215,134	12,328,740	20,223,545	13,466,397
1,339,612	1,366,817	1,454,054	1,487,667	1,471,877
761,804	630,680	582,938	513,772	443,708
<u>84,167,983</u>	<u>90,985,011</u>	<u>101,043,096</u>	<u>115,213,091</u>	<u>115,792,579</u>
5,914,192	4,298,110	7,207,570	3,312,048	2,267,266
4,535	-	-	-	-
(700,000)	-	-	-	-
-	-	-	-	-
1,948,251	1,984,251	1,887,188	1,070,852	406,285
7,024,604	3,282,824	6,308,650	13,664,755	14,419,515
(7,316,157)	(3,913,828)	(7,651,960)	(17,398,850)	(17,084,402)
<u>961,233</u>	<u>1,353,247</u>	<u>543,878</u>	<u>(2,663,243)</u>	<u>(2,258,602)</u>
<u>\$ 6,875,425</u>	<u>\$ 5,651,357</u>	<u>\$ 7,751,448</u>	<u>\$ 648,805</u>	<u>\$ 8,664</u>

2.7%                      2.5%                      2.3%                      2.1%                      1.8%

Assessed Value of Taxable Property  
 Last Ten Fiscal Years  
 Table 5



Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Public Utilities And Water Craft	Total Assessed Value	Total Direct Tax Rate
1998	\$ 9,938,624,420	\$ 427,546,605	\$ 337,392,696	\$ 10,703,563,721	3.72
1999	\$ 10,130,282,150	\$ 448,738,355	\$ 375,873,011	\$ 10,954,893,516	3.77
2000	\$ 10,606,397,230	\$ 497,440,860	\$ 442,851,475	\$ 11,546,689,565	3.81
2001	\$ 11,152,456,630	\$ 507,675,185	\$ 493,776,133	\$ 12,153,907,948	3.72
2002	\$ 11,594,611,940	\$ 504,666,885	\$ 517,397,735	\$ 12,616,676,560	3.67
2003	\$ 12,090,284,345	\$ 479,760,180	\$ 499,685,106	\$ 13,069,729,631	3.62
2004	\$ 13,528,513,540	\$ 484,414,565	\$ 518,848,465	\$ 14,531,776,570	3.89
2005	\$ 15,734,157,180	\$ 504,068,985	\$ 502,523,649	\$ 16,740,749,814	3.72
2006	\$ 19,234,889,670	\$ 528,565,020	\$ 515,589,776	\$ 20,279,044,466	3.43
2007	\$ 21,046,543,035	\$ 578,359,690	\$ 574,762,041	\$ 22,199,664,766	2.85



Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

Table 6

Direct Rates					Overlapping Rates				
Fiscal Year	General Fund	Special Revenue Funds	Debt Service	Total Direct	School Districts	Fire Districts	Port Districts	Cities & Towns	State of WA
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
2006	1.293	2.141	0.000	3.433	3.565	1.167	0.383	2.258	2.979
2007	1.119	1.733	0.000	2.852	3.292	1.078	0.342	2.345	2.698

Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
*(rate per \$1,000 of assessed value)*  
 Table 6

<b>Overlapping Rates</b>				
Rural Library	Hospital District	Park & Rec District	Water District	Cemetery District
0.500	0.391	0.109	0.861	0.085
0.500	0.474	0.106	0.787	0.085
0.500	0.419	0.105	0.743	0.084
0.500	0.458	0.105	0.887	0.084
0.500	0.450	0.098	0.625	0.086
0.497	0.501	0.099	0.725	0.084
0.495	0.443	0.097	0.650	0.083
0.486	0.180	0.094	0.447	0.085
0.467	0.846	0.091	0.906	0.086
0.374	0.489	0.094	0.806	0.066

Principal Property Tax Payers  
Current Year and Eight Years Ago  
Table 7



Taxpayer	2007			1999*		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
BP West Coast Products LLC	\$ 958,607,910	1	4.32%	\$ 390,416,185	1	3.564%
Tosco Corporation	539,070,135	2	2.43	71,429,165	7	0.65
Puget Sound Energy/ Electric	307,783,572	3	1.39	166,012,557	2	1.52
Alumet Corp 61%, ET AL	92,586,685	4	0.42	163,779,655	3	1.50
Tenaska Washington Partners LP	58,050,505	5	0.26	81,781,055	5	0.75
Semiahmoo Resort Company LLC	47,186,775	6	0.21	-	-	-
Northwest Pipeline Co.	46,722,516	7	0.21	-	-	-
Sumas Cogeneration Co. LP	46,076,705	8	0.21	72,863,200	6	0.67
Cascade Natural Gas	44,951,511	9	0.20	-	-	-
Verizon	43,297,169	10	0.20	-	-	-
Trillium	-	-	-	54,461,650	9	0.50
Bellis Fair Partners	-	-	-	46,383,500	10	0.42
Encogen Northwest LP	-	-	-	118,937,920	4	1.09
Georgia Pacific	-	-	-	63,565,872	8	0.58
<b>Total</b>	<b>\$ 2,184,333,483</b>		<b>9.95%</b>	<b>\$ 1,229,630,759</b>		<b>11.24%</b>

\* 1998 Historical Data Not Available

Property Tax Levies and Collections  
 Last Ten Fiscal Years  
 Table 8



Fiscal Year Ended Dec 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 27,864,587	\$ 27,068,437	97.14%	754,999	27,823,436	99.85%
1999	\$ 28,585,345	\$ 27,646,933	96.72%	858,703	28,505,636	99.72%
2000	\$ 29,404,946	\$ 28,702,921	97.61%	780,380	29,483,301	100.27%
2001	\$ 30,421,642	\$ 29,470,724	96.87%	887,132	30,357,857	99.79%
2002	\$ 31,670,833	\$ 30,534,478	96.41%	902,820	31,437,298	99.26%
2003	\$ 32,226,826	\$ 31,132,304	96.60%	1,181,451	32,313,755	100.27%
2004	\$ 37,107,231	\$ 36,191,377	97.53%	1,093,092	37,284,469	100.48%
2005	\$ 39,257,124	\$ 38,338,843	97.66%	1,145,083	39,483,926	100.58%
2006	\$ 40,938,933	\$ 40,005,937	97.72%	941,230	40,947,167	100.02%
2007	\$ 41,982,591	\$ 40,855,941	97.32%	919,109	41,775,050	99.51%

Ratio of Outstanding Debt by Type  
 Last Ten Fiscal Years  
 Table 9

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds			
1998	\$ 20,705,000	\$ 1,537,639	\$ 22,242,639	0.10%	\$141
1999	\$ 19,430,000	\$ 1,140,241	\$ 20,570,241	0.11%	\$128
2000	\$ 18,035,000	\$ 975,328	\$ 19,010,328	0.12%	\$116
2001	\$ 16,975,000	\$ 802,600	\$ 17,777,600	0.14%	\$104
2002	\$ 15,830,000	\$ 422,150	\$ 16,252,150	0.16%	\$94
2003	\$ 14,075,000	\$ 282,538	\$ 14,357,538	0.19%	\$82
2004	\$ 12,805,000	\$ 194,482	\$ 12,999,482	0.22%	\$73
2005	\$ 11,495,000	\$ 78,013	\$ 11,573,013	0.26%	\$64
2006	\$ 10,115,000	\$ -	\$ 10,115,000	0.31%	\$55
2007	\$ 8,675,000	\$ -	\$ 8,675,000	Not Available	\$46

Ratio of General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
 Table 10

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
1998	\$ 20,705,000	0.19%	\$131.46
1999	\$ 19,430,000	0.18%	\$120.46
2000	\$ 18,035,000	0.16%	\$110.31
2001	\$ 16,975,000	0.14%	\$99.50
2002	\$ 15,830,000	0.13%	\$91.93
2003	\$ 14,075,000	0.11%	\$80.66
2004	\$ 12,805,000	0.09%	\$72.22
2005	\$ 11,495,000	0.07%	\$63.58
2006	\$ 10,115,000	0.05%	\$54.88
2007	\$ 8,675,000	0.04%	\$46.07

Direct and Overlapping Governmental Activities Debt  
Table 11



Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Whatcom County	Amount Applicable to Whatcom County
Whatcom County	\$9,675,000	100%	\$9,675,000
<b>Total Direct Bonded Debt</b>	<b>\$9,675,000</b>		<b>\$9,675,000</b>
Fire Districts	\$4,781,687	100%	\$4,781,687
Water Districts	\$1,482,461	100%	\$1,482,461
School Districts	\$167,830,434	100%	\$167,830,434
Park Districts	\$840,000	100%	\$840,000
<b>Total Overlapping Bonded Debt</b>	<b>\$174,934,582</b>		<b>\$174,934,582</b>
<b>Total Direct &amp; Overlapping Bonded Debt</b>	<b>\$184,609,582</b>		<b>\$184,609,582</b>



Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Table 12

	Fiscal Year				
	1998	1999	2000	2001	2002
Debt limit	\$ 156,663,933	\$ 160,553,456	\$ 173,200,343	\$ 182,308,619	\$ 189,250,148
Total net debt applicable to limit	25,979,615	24,466,621	23,727,010	23,066,034	21,795,681
Legal debt margin	<u>\$ 130,684,318</u>	<u>\$ 136,086,835</u>	<u>\$ 149,473,333</u>	<u>\$ 159,242,585</u>	<u>\$ 167,454,467</u>
Total net debt applicable to the limit as a percentage of debt limit	16.58%	15.24%	13.70%	12.65%	11.52%

Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Table 12

Fiscal Year				
2003	2004	2005	2006	2007
\$ 196,045,944	\$ 217,976,649	\$ 251,111,247	\$ 304,185,667	\$ 332,994,971
19,386,417	19,949,864	20,994,212	18,940,844	17,952,035
<u>\$ 176,659,527</u>	<u>\$ 198,026,785</u>	<u>\$ 230,117,035</u>	<u>\$ 285,244,823</u>	<u>\$ 315,042,936</u>
9.89%	9.15%	8.36%	6.23%	5.39%

**Legal Debt Margin Calculation for Fiscal Year 2007**

Assessed value	\$ 22,199,664,766
Debt limit (1.5% of assessed value without a vote)	332,994,971
Debt applicable to limit:	
Outstanding debt	18,021,335
Less: Amounts set aside for repayment of general obligation debt	(69,300)
Total net debt applicable to limit	<u>17,952,035</u>
Legal debt margin	<u>\$ 315,042,936</u>

Pledged Revenue Coverage  
 Last Ten Fiscal Years  
 Table 13



Fiscal Year	Special Assessment Bonds				
	Assessments Collected	Debt Service		Coverage	
		Principal	Interest		
1998	\$ 332,307	\$ 501,406	\$ 142,160	0.52	
1999	\$ 148,590	\$ 397,398	\$ 107,394	0.29	
2000	\$ 150,434	\$ 164,913	\$ 79,216	0.62	
2001	\$ 490,624	\$ 172,728	\$ 67,630	2.04	
2002	\$ 159,846	\$ 380,450	\$ 55,497	0.37	
2003	\$ 45,660	\$ 139,612	\$ 28,706	0.27	
2004	\$ 77,806	\$ 88,056	\$ 19,213	0.73	
2005	\$ 152,306	\$ 116,469	\$ 13,225	1.17	
2006	\$ 73,940	\$ 78,013	\$ 5,305	0.89	
2007	\$ 7,952	\$ -	\$ -	-	

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
1998	157,500	\$ 3,850,308	\$ 22,732	33.70	24,024	5.8%
1999	161,300	\$ 3,830,750	\$ 23,228	33.88	24,250	5.2%
2000	163,500	\$ 4,063,452	\$ 23,133	34.00	26,024	5.7%
2001	170,600	\$ 4,335,702	\$ 25,450	34.28	26,053	6.8%
2002	172,200	\$ 4,436,904	\$ 25,902	34.48	26,274	6.3%
2003	174,500	\$ 4,746,083	\$ 26,823	34.73	26,637	6.1%
2004	177,300	\$ 5,064,899	\$ 28,116	34.96	26,915	5.8%
2005	180,800	\$ 5,420,349	\$ 29,561	35.23	26,605	5.0%
2006	184,300	\$ 5,793,133	\$ 30,881	35.36	26,807	4.5%
2007	188,300	Not Available	Not Available	35.45	26,755	4.2%

Principal Employers  
Current and Five Years Ago  
Table 15



Employer	2007			2002*		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
St. Joseph Hospital	2,217	1	21.26%	1,800	2	17.26%
Western Washington University	1,664	2	15.96%	1,842	1	17.66%
Bellingham School District	1,300	3	12.47%	1,244	3	11.93%
Whatcom County	956	4	9.17%	801	6	7.68%
City of Bellingham	795	5	7.62%	808	4	7.75%
BP (Cherry Point Refinery)	725	6	6.95%	-		0.00%
Haggen, Inc.	720	7	6.90%	807	5	7.74%
Lummi Indian Business Council	700	8	6.71%	-		0.00%
Ferndale School District	681	9	6.53%	742	7	7.11%
Sodexo Services	671	10	6.43%	-		0.00%
Intalco	-		0.00%	689	8	6.61%
Brown & Cole, Inc	-		0.00%	620	9	5.94%
Voicestream	-		0.00%	563	10	5.40%
<b>Total</b>	<b>10,429</b>		<b>100.00%</b>	<b>9,916</b>		<b>95.08%</b>

\* 1998 Historical Data Not Available

Full-time Equivalent County Government Employees by  
 Function/Program  
 Last Ten Fiscal Years  
 Table 16



Function/ Program	Full-time Equivalent Employees as of December 31									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>General Government</b>										
Administrative Svcs	50.75	50.75	52.25	60.25	60.25	60.75	67.45	72.95	77.55	81.75
Assessor	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Auditor	18.00	18.00	18.00	18.00	18.00	19.00	20.00	22.00	22.00	22.00
County Council	8.50	8.50	8.50	9.50	9.50	9.50	9.50	9.50	9.50	10.50
County Executive	5.50	5.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
District Court Prob.	13.40	13.40	13.40	17.00	18.00	18.00	18.00	19.00	20.00	19.50
District Court	15.00	15.00	15.00	16.00	16.00	16.00	17.00	18.00	19.00	21.00
Prosecuting Attorney	45.50	45.50	45.50	48.50	47.50	48.60	48.60	52.60	52.60	54.60
Public Defender	22.00	25.00	25.00	28.00	28.00	28.00	28.00	33.50	34.50	36.80
Superior Court	26.62	30.00	30.00	33.00	33.00	33.00	34.70	37.20	41.50	44.50
Treasurer	14.50	15.50	15.50	15.50	15.50	15.50	16.00	16.00	16.00	16.00
<b>Public Safety</b>										
Jail	56.00	58.00	58.00	60.00	60.00	60.00	63.00	88.00	88.50	91.50
Juvenile Court Admin	46.50	47.50	45.25	49.75	47.00	45.00	45.10	45.80	45.80	45.80
Planning & Dev't Svcs	44.75	44.75	46.75	47.35	48.35	49.35	57.00	69.60	72.60	74.60
Sheriff	80.00	82.00	82.00	92.00	92.00	92.00	99.80	101.80	102.20	106.20
<b>Transportation</b>										
Public Works	139.50	146.00	149.00	154.00	155.00	153.00	155.00	155.50	163.70	173.70
<b>Economic Environment</b>										
Hearing Examiner	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Mental &amp; Physical Health</b>										
Health	78.40	80.40	82.60	83.85	82.50	80.10	80.10	80.50	80.70	84.70
<b>Culture and Recreation</b>										
Cooperative Extension	6.79	7.79	3.79	3.79	2.79	2.79	2.52	2.52	2.52	2.52
Parks & Recreation	32.55	33.15	33.15	33.55	33.55	33.55	33.55	33.55	33.55	34.75
<b>Total</b>	735.26	757.74	759.19	805.54	802.44	799.64	830.82	893.52	917.72	955.92

Operating Indicators by Function/ Program  
 Last Ten Fiscal Years  
 Table 17

Function/ Program	Fiscal Year				
	1998	1999	2000	2001	2002
<b>General Government</b>					
General Election (1)					
# of Registered Voters	90,258	90,987	98,352	97,828	91,956
# of Votes	57,090	53,038	74,668	44,163	55,066
% of Reg. Voters Voting	63.3%	58.3%	75.9%	45.1%	59.9%
Assessor (2)					
Real Property Parcels	97,502	98,240	98,941	100,483	101,362
Building Permits Evaluated	4,112	4,196	4,516	4,139	3,987
New Single Family Residences	1,592	1,635	1,874	1,887	1,792
Judicial (3)					
District Court Infractions	9,889	11,736	12,435	11,597	16,412
<b>Public Safety (4)</b>					
# of Fire Inspections	100	150	170	200	544
# Sheriffs - Commissioned	63.00	66.00	72.00	74.00	74.00
# Sheriffs - Civilian	15.00	16.00	16.00	18.00	18.00
Calls for Service	N/A	24,759	24,411	24,648	26,930
Average Daily Jail Population	223	253	239	227	236
Building Department					
Permits Applications				1,323	1,514
Mechanical/Plumbing	1,044	900	950	869	778
<b>Physical Environment (5)</b>					
Flood Permits Issued	29	53	64	105	127
<b>Transportation (6)</b>					
Roads Oiled	676.57	667.01	666.72	664.01	662.20
Roads Asphalt	196.70	203.96	205.57	209.35	215.08
Roads Gravel	57.17	56.58	56.35	56.05	52.06
Roads Misc	18.19	21.11	20.99	20.82	20.82
Ferry Passengers	219,902	223,812	224,167	223,713	227,524
Ferry Vehicle Trips	136,889	142,168	144,246	144,361	134,203
<b>Culture and Recreation (7)</b>					
Number of Parks	9	9	9	9	9

(1) Source: Whatcom County Auditors

(2) Source: Whatcom County Assessors

(3) Source: Whatcom County District Court

(4) Source: Whatcom County Sheriff and Planning & Development Departments

(5) Source: Whatcom County Public Works (River & Flood Divisions)

(6) Source: Whatcom County Public Works

(7) Source: Whatcom County Parks

Operating Indicators by Function/ Program  
 Last Ten Fiscal Years  
 Table 17

Fiscal Year				
2003	2004	2005	2006	2007
94,753	106,094	102,118	102,819	102,458
45,786	91,497	63,716	69,782	55,059
48.3%	86.2%	62.4%	67.9%	53.7%
102,025	102,261	105,200	108,076	109,013
4,434	5,276	5,528	5,521	5,821
1,916	1,992	2,295	2,487	2,592
17,810	19,016	18,393	19,837	21,062
446	540	303	163	336
74.00	77.00	78.00	78.00	82.00
19.00	22.80	23.80	24.20	24.20
28,815	26,930	28,815	28,477	29,917
240	246	263	290	262
1,880	2,022	2,050	1,748	1,409
844	800	607	496	515
115	125	115	50	32
665.38	666.03	667.17	668.53	667.15
220.28	226.23	230.75	235.07	236.11
48.50	41.79	38.99	35.24	31.74
17.90	17.90	17.86	15.69	16.04
227,282	230,563	226,933	231,111	222,604
136,441	137,127	133,717	137,366	129,552
10	11	11	12	12

Capital Asset Statistics by Function/ Program  
 Last Ten Fiscal Years  
 Table 18

Function/ Program	Fiscal Year						
	1998	1999	2000	2001	2002	2003	2004
<b>Function</b>							
Public Safety (1)							
Sheriff Patrol Units	74.00	76.70	76.70	78.00	78.00	82.00	82.00
Transportation (1)							
Miles of Road	948.63	948.66	949.63	950.23	950.16	952.06	952.00
Traffic Signals	2	2	4	4	4	4	4
Ferry Vessel	1	1	1	1	1	1	1
Fire Protection (2)							
No. of Districts	17	17	17	18	18	18	18
No. of Paid Firemen	34	49	54	51	50	51	55
No. of Volunteer Firemen	621	631	645	591	609	599	584
Culture and Recreation (3)							
Parks - Number	9	9	9	9	9	9	10
Parks - Acres	3,650.28	3,652.58	3,652.58	3,672.58	3,893.87	4,077.77	6,615.69
Senior Centers	8*	8*	8*	8*	8*	8*	8*
Public Schools (4)							
Number of Schools							
Elementary	34	35	34	36	35	35	36
Middle	10	10	11	11	11	11	12
High	9	10	12	10	10	10	11
Alternative or Special	7	8	10	10	12	16	12
Education							
Community Colleges	1	1	1	1	1	1	1
Technical	1	1	1	1	1	1	1

\*Two Senior Centers are County Owned.

(1) Source: Whatcom County Public Works

(2) Source: Whatcom County Small Taxing Districts

(3) Source: Whatcom County Parks

(4) Source: Education Service District #189

Capital Asset Statistics by Function/ Program  
 Last Ten Fiscal Years  
 Table 18

Fiscal Year		
2005	2006	2007

87.50	87.50	91.50
954.77	954.54	951.04
4	4	4
1	1	1
17	16	16
54	58	58
566	529	528
11	12	12
6,636.69	6,820.35	6,894.88
8*	8*	8*
35	35	35
11	11	11
10	10	10
10	15	17
1	1	1
1	1	1



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