



Comprehensive Annual Financial Report

For Fiscal Year Ending
December 31, 2008

Whatcom County
Washington

Comprehensive Annual Financial Report

Whatcom County Washington

Fiscal Year Ending December 31, 2008



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

June 2009

CONTACT INFORMATION

Brad Bennett, Finance Manager

Kristin Frank, Finance Associate Manager

Phone (360) 676-6734

FAX (360) 738-4553

E-Mail finance@co.whatcom.wa.us

<http://www.co.whatcom.wa.us>

**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, 2007

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.



Handwritten signature of the President of the GFOA.

President

Handwritten signature of the Executive Director of the GFOA.

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, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



Table of Contents

Introductory Section

Letter of Transmittal	1
Elected Officials	8
Organization Chart	9

Financial Section

Independent Auditor’s Opinion	11
-------------------------------------	----

Management Discussion & Analysis	13
--	----

Basic Financial Statements 23

Statement of Net Assets	23
Statement of Activities	24
Balance Sheet, Governmental Funds	25
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	26
Statement of Revenues, Expenditures, and Changes in Fund Balance, Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Statement of Net Assets, Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Fund Net Assets, Proprietary Funds	30
Statement of Cash Flows, Proprietary Funds	31
Statement of Fiduciary Net Assets, Fiduciary Funds	32
Statement of Changes in Fiduciary Net Assets, Fiduciary Funds	33

Notes to the Financial Statements	35
Note 1 - Summary of Significant Accounting Policies	37
Note 2 - Stewardship, Compliance, and Accountability	43
Note 3 - Deposits and Investments	43
Note 4 - Property Taxes	47
Note 5 - Capital Assets and Depreciation	49
Note 6 - Pension Plans	50
Note 7 - Risk Management	58
Note 8 - Long-Term Debt and Capital Leases	61
Note 9 - Contingencies	65
Note 10 - Commitments	65
Note 11 - Interfund Balances and Transfers	66
Note 12 - Joint Ventures	67
Note 13 - Other Postemployment Benefit (OPEB) Plans	67
Note 14 - Postclosure Care Cost	70
Note 15 - Other Disclosures	70

Required Supplemental Information	71
General Fund	71
Road Fund	72
Notes to Budgetary Comparison Schedule	73
LEOFF I Retiree Medical Benefits	74

Supplemental Information	75
Non-Major Funds Definitions	75
Governmental Funds	80
Combining Balance Sheet - Non-Major Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Funds	81
Special Revenue Funds	82
Combining Balance Sheet - Non-Major Funds	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Funds	88
Election Reserve	94
Veterans' Relief	95
Treasurer's O & M	96
Water Resources	97
Whatcom County Jail	98
Low-Income Housing	99
Homeless Housing	100
Countywide Emergency Medical Services	101
Whatcom County Trial Court Improvement	102
Solid Waste	103
Convention Center	104
Victim/Witness Assistance	105

Community Development	106
Whatcom County Drug	107
Auditor's O & M	108
Emergency Management	109
Flood Control Zone District	110
Point Roberts Fuel Tax	111
Conservation Futures	112
Road Improvement Districts	113
Lynden/Everson Sub-Zone	114
Sumas/Nooksack/Everson Sub-Zone	115
Acme/Van Zandt Sub-Zone	116
Samish Watershed Sub-Zone	117
Debt Service Funds	118
Combining Balance Sheet - Non-Major Funds	118
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Funds	120
1997 Ltd. Tax General Obligation Bond	122
1998 Ltd. Tax General Obligation Bond	123
2003 Ltd. Tax General Obligation Bond	124
Capital Project Funds	126
Combining Balance Sheet - Non-Major Funds	126
Combining Statement of Revenues, Expenditures & Changes in Fund Balance - Non-Major Funds	128
Real Estate Excise Tax I	130
County Park Improvement	131
East Whatcom Regional Resource Center Construction	132
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Major Funds	133
Real Estate Excise Tax II	133
Public Utilities Improvement	134
Internal Service Funds	135
Combining Statement of Net Assets - Internal Service Funds	135
Combining Statement of Revenues, Expenses & Changes in Net Assets - Internal Service Funds	136
Combining Statement of Cash Flows - Internal Service Funds	137
Enterprise Funds	138
Combining Statement of Net Assets - Non-Major Enterprise Funds	138
Combining Statement of Revenues, Expenses and Changes in Net Assets - Non-Major Enterprise Funds	139
Combining Statement of Cash Flows - Non-Major Enterprise Funds	140
Investment Trust Funds	141
Combining Statement of Net Assets - Investment Trust Funds	141
Combining Statement of Changes in Net Assets - Investment Trust Funds	142
Agency Funds	144
Combining Balance Sheet	144
Combining Statement of Changes in Assets and Liabilities	
Cemetery Districts	147
Drainage Diking & Flood Control Districts	148
Park & Recreation Districts	149
Watershed Mgmt Project Joint Board	150
Rural Library	151

Northwest Regional Council	152
Council of Governments	153
Hospital Districts	154
Port	155
P.U.D. District	156
Whatcom Transit	157
School Districts	158
Watershed Districts	159
Fire Districts	160
Water Districts	161
Treasurer's Suspense	162
Inmate Trust Fund	163
Claims Fund	164
Salary Fund	165
Total Agency Funds	166
General Fund Schedule of Expenditures - Budget and Actual	167

Statistical Section

169

Table 1 - Net Assets by Component	172
Table 2 - Changes in Net Assets	174
Table 3 - Fund Balances, Governmental Funds	178
Table 4 - Changes in Fund Balances, Governmental Funds	180
Table 5 - Assessed Value of Taxable Property	182
Table 6 - Direct & Overlapping Property Tax Rates	184
Table 7 - Principal Property Tax Payers	186
Table 8 - Property Tax Levies & Collections	187
Table 9 - Ratio of Outstanding Debt by Type	188
Table 10 - Ratio of General Bonded Debt Outstanding	189
Table 11 - Direct & Overlapping Governmental Activities Debt	190
Table 12 - Legal Debt Margin Information	192
Table 13 - Pledged Revenue Coverage	194
Table 14 - Demographic & Economic Statistics	195
Table 15 - Principal Employers	196
Table 16 - Full-Time Equivalent County Government Employees by Function/Program	197
Table 17 - Operating Indicators by Function/Program	198
Table 18 - Capital Asset Statistics by Function/Program	200

**WHATCOM COUNTY
EXECUTIVE'S OFFICE**

County Courthouse

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



Pete Kremen
County Executive

June 30, 2009

Citizens of Whatcom County:

We are pleased to submit the Comprehensive Annual Financial Report of Whatcom County for the year ended December 31, 2008, 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 2008 is estimated at 191,000.

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 an Administrative Services department. Effective July 1994, financial accounting and reporting responsibilities were transferred to the Administrative Services Finance division 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 12.0% since 2001. The County's greatest employment sector is "government." Employment of Whatcom County's workforce of approximately 103,750 includes the following sectors:

Agriculture, Forestry, Fishing and Hunting	3.33%
Mining	.19%
Utilities	.26%
Construction	8.39%
Manufacturing	10.94%
Transportation and Warehousing	2.16%
Wholesale/Retail Trade	16.04%
Professional/Technical Services	3.56%
Finance/Insurance/Real Estate	3.78%
Management of Companies & Enterprises	.70%
Administrative/Waste Services	4.37%
Educational Services	.80%
Healthcare & Social Assistance	10.92%
Arts, Entertainment & Recreation	1.84%
Accommodation & Food Services	10.01%
Government	17.06%
Information	1.98%
Other Services, except Public Administration	3.67%

Source: Employment Security Department

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 250 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 91 buildings on its 212 acre main campus and 169 acres of off-campus property, which includes a 95 acre facility in Anacortes and a 15 acre facility at nearby Lake Whatcom. The university's 2008 enrollment was 13,777. On-campus student enrollment is estimated to increase by 15 percent over the next decade. As one of the county's largest employers, WWU employed 1,664 full-time faculty and staff in the fall of 2007.

Retail Trade

Between 1999 and 2008, annual taxable retail sales in Whatcom County grew by \$1.07 billion or a 51% 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 2009-2010 Biennium.

Water Quality Projects/Stormwater Management

During the 2007-2008 biennium, Whatcom County developed a prioritized countywide water resource project list. The project list was compiled from projects previously approved in several water-related strategic plans (e.g., Water Resource Inventory Plan, Drayton Harbor Shellfish Plan, Shoreline Management Plan). In order to implement projects on the list, the Council proposed and adopted a 4 cent per thousand dollars of assessed valuation Flood Fund tax increase that should generate an additional \$940,000 per year. The Council also proposed and adopted using \$500,000 per year of REET II funding during the 2009-2010 biennium for water quality projects. A new stormwater management fund has been created and is initially being funded by

transfers from the Flood Fund with instructions to develop a stormwater utility district to provide permanent funding. The 2009-2010 budget also includes \$300,000 to pursue conveyance to Whatcom County of a substantial amount of Washington State Department of Natural Resources trust land located in the Lake Whatcom Watershed. We will maintain this land as parkland for use of future generations while protecting and preserving a significant amount of the watershed. We have also received a \$443,000 grant to develop a Birch Bay watershed action plan.

Agriculture

Whatcom County is investing \$110,000 per year in a Conservation Program for Agricultural Lands (CPAL), as well as budgeting \$1.8 million for purchase of development rights and land acquisitions in the Conservation Futures Fund.

Growth Management

The biennial budget includes \$2,350,000 for new parks projects and parks facilities upgrades as envisioned in the Parks comprehensive plan, \$550,000 to review and update Whatcom County's comprehensive plan, the addition of a Critical Areas Ordinance planning position, and \$40,000 for Smart Trips commuter program.

Maintain a Safe, Secure Community

Our county continues to have one of the highest ratios of sworn law enforcement officers to population among comparable Washington State counties. We will continue to fund public safety programs despite reductions in program related revenue. And we will continue to fund alternatives to incarceration, including jail work crews, drug court, and adult probation. A position will be added to the Jail to increase the electronic home monitoring program.

Facilities Investments

In conjunction with projects envisioned in Whatcom County's Capital Improvements Plan (CIP), this budget contains funding for the initial phases of several capital projects. Our proposed budget funds high priority road and flood projects along with capital improvements to the Civic Center building. We will be reducing some lease payments by consolidating many of the Public Works staff into the Civic Center Building. Further, by exercising an option to acquire the Central Plaza Building for use by the Public Defenders Office, we will eliminate monthly lease payments that provide savings to the General Fund Budget. Parks projects include improvements to Bay Horizon, Silver Lake, South Fork, Lighthouse Marine, and Hovander Parks, as well as three trail projects. We will adopt other multi-year facilities and road capital projects in phases as capital project budgets throughout the 2009-2010 biennium.

Productivity Through Technology

Over \$350,000 is budgeted for improvements in technology, which will enhance productivity. This will include automating regional lands records, enabling the Assessor's Office to maintain land records with geographic information systems instead of the current use of pen and mylar. The Administrative Services Finance office will implement electronic timekeeping that will download directly into the payroll system and decrease data entry errors. Installation of an e-mail archiving device will reduce time spent retrieving emails in response to public information requests. Enhancements to the jail records management system will decrease data entry time by using bar code scanning and decrease time spent in retrieving paper files. In addition, jail electronic files will also be available to other parts of the law & justice system. Other enhancements include Auditor's maps that will be available on the Internet, and courtroom video recording equipment that will be upgraded and replaced.

Technology Infrastructure

Whatcom County will be spending \$2.9 million to replace its 26 year old Assessor-Treasurer software system. We will also be investing another \$900,000 in various hardware component replacements, improvements and software upgrades to our system i520 and network infrastructure. These systems form the core of our computer systems upon which a myriad of applications are run.

Significant Changes from Prior Biennium

Normally, General Fund revenues increase an average of 4-5% each year. However, since revenues have been so sluggish, we are projecting an increase of only 1.2% in ongoing General Fund revenues in 2009 over the 2008 budget. We project that the 2010 revenues will increase by 1.9% over 2009. We are experiencing a sharp downturn in building and development activity. This negatively impacts our revenues by reducing growth in property tax from new construction. Sales tax, building and development permits, and real estate excise taxes are also negatively impacted. A major source of county revenue is interest earned on cash balances. Investment interest rates are at historic lows and Whatcom County's cash balances are declining. Interest earnings are projected to be down significantly from the prior biennium.

Projected revenues will not be sufficient to continue all programs and staff at the 2008 budget levels. The increases needed to cover the rising costs of salaries, medical insurance, pension rates, as well as energy and fuel, exceed the limited increase in revenue. We must reduce staffing and programs. Overall, 32 positions throughout county government will be eliminated. These are as follows: 3 of the 424 positions in Law and Justice Services, 6.5 of the 176 positions in Public Works, 5 of 81 in Administrative Services and 17 positions out of 285.5 in other departments. Almost all of these positions will be eliminated through attrition. In addition, all departmental budgets reflect reductions in non-personnel accounts.

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, 2007. 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,



Pete Kremen

County Executive

Elected Officials

as of December 31, 2008

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

COUNTY COUNCIL

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

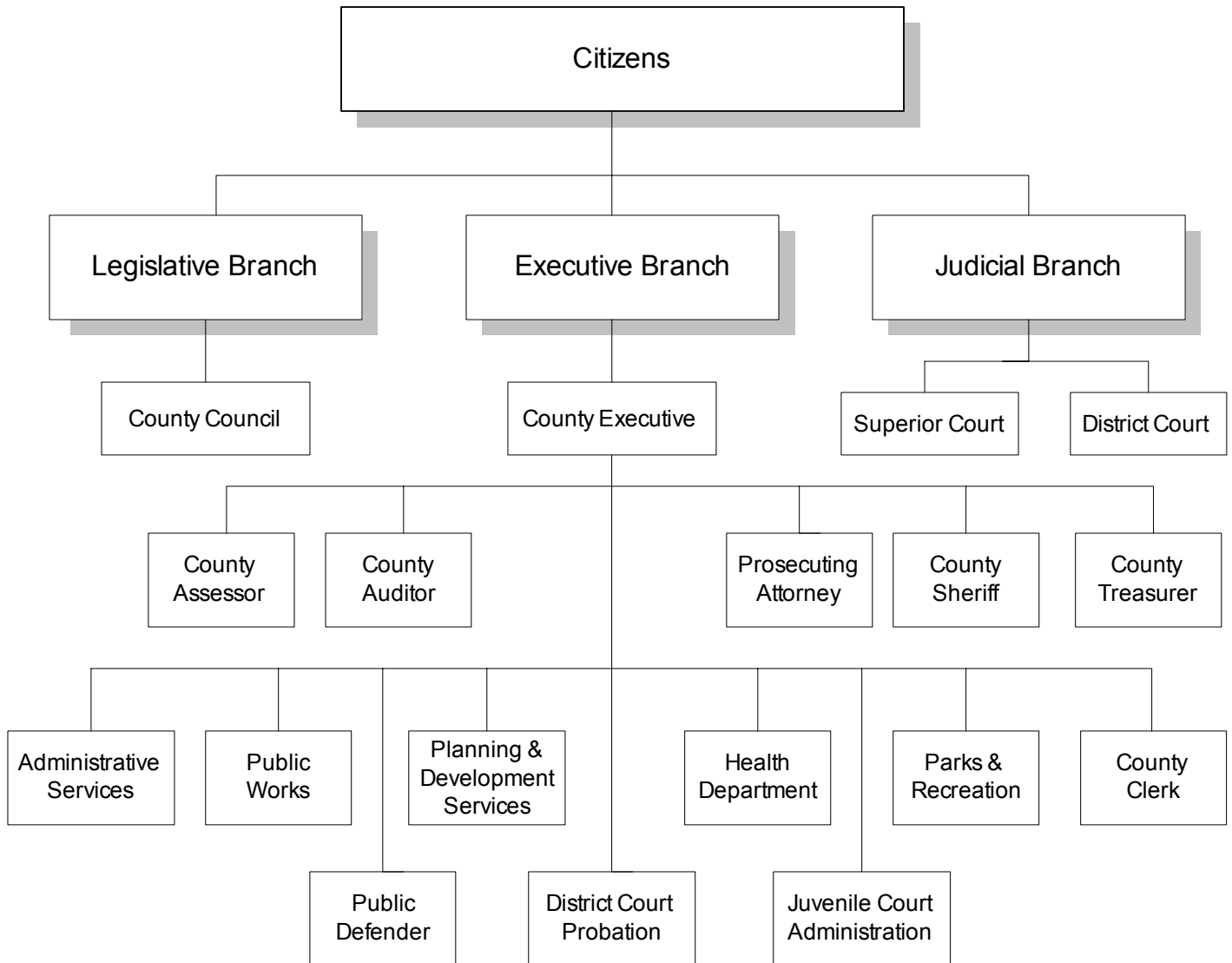
SUPERIOR COURT JUDGES

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

DISTRICT COURT JUDGES

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

Whatcom County Organizational Chart







**Washington State Auditor
Brian Sonntag**

INDEPENDENT AUDITOR'S REPORT

July 31, 2009

County Council
Whatcom County
Bellingham, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Whatcom County, Washington, as of and for the year ended December 31, 2008, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2008, 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.

In accordance with *Government Auditing Standards*, we will also issue our report dated July 31, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That

Continued on next page

Independent Auditor's Report continued

report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 13 through 22, budgetary comparison information on pages 71 through 73, and information on postemployment benefits other than pensions 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.

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 75 through 168 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, 2008

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, 2008. 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 2008 on a government-wide financial statement basis, Whatcom County's net assets totaled \$245,033,370. Net assets are calculated by subtracting the liabilities of the County from its total assets. \$41,559,075 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 2008, the County's total long-term debt decreased by \$181,824. No new general obligation or special assessment debt was issued during the year. Under Washington State law, the County is authorized to issue approximately \$364 million in non-voted debt. At the end of 2008, the County's outstanding general obligation debt totaled \$7 million.

The unreserved fund balance for the general fund was \$10 million at the close of 2008 or 14 percent of total general fund expenditures.

Whatcom County's total net assets increased by \$6,167,981. Approximately half of this increase is in funds established to accumulate resources to pay for capital improvements (Real Estate Excise Tax Fund and Public Utilities Improvement Fund). The other half of the increase is in funds established to pay for the operating costs and capital needs in specific service areas, (Emergency Medical Services and the Whatcom County Jail).

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	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 109,100,255	\$ 107,349,442	\$ 1,456,381	\$1,555,496	\$ 110,556,636	\$ 108,904,938
Capital assets	162,348,085	161,416,995	14,607	-	162,362,692	161,416,995
Total assets	271,448,340	268,766,437	1,470,988	1,555,496	272,919,328	270,321,933
Long-term debt	19,366,622	19,548,446	119,113	104,838	19,485,735	19,653,284
Other liabilities	8,329,673	11,470,617	70,550	332,643	8,400,223	11,803,260
Total liabilities	27,696,295	31,019,063	189,663	437,481	27,885,958	31,456,544
Net assets:						
Invested in capital, net of debt	154,711,058	152,741,995	-	-	154,711,058	152,741,995
Restricted	48,763,237	42,636,125	-	-	48,763,237	42,636,125
Unrestricted	40,277,750	42,369,254	1,281,325	1,118,015	41,559,075	43,487,269
Total net assets	\$ 243,752,045	\$ 237,747,374	\$ 1,281,325	\$1,118,015	\$ 245,033,370	\$ 238,865,389

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 \$245,033,370 at the close of the most recent fiscal year. The largest portion of Whatcom County's net assets (63 percent) reflects its investment in capital assets (e.g., land, buildings, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. Whatcom County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Whatcom County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Whatcom County's net assets (20 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$41,559,075) may be used to meet the government's ongoing obligations to citizens and creditors.

For 2008, capital assets increased net assets by \$2 million. Whatcom County spent \$2.6 million for purchases of park land, road right of way and development rights on agricultural land.

Restricted net assets increased \$6.1 million. The Whatcom County Jail Fund and the Countywide Emergency Medical Services Fund increased net assets by \$1.7 million and \$1.4 million, respectively. These increases resulted primarily from increases in cash and cash equivalents. The Emergency Medical Services fund was projected to accumulate net assets through 2008, beginning in 2009 the costs of providing emergency medical services were projected to exceed fund revenues. The net assets of the Whatcom County Jail Fund are projected to grow in order to partially fund a new jail facility. The Convention Center Fund increased net assets by \$389,899 due to a 2 percent increase tax on lodging. This money will be programmed for future tourism promotion. Real Estate Tax II Fund increased net assets by \$1.1 million and the Public Utilities Improvement Fund increased net assets by \$1.4 million. Both of these funds are established to accumulate resources for capital improvements.

Unrestricted net assets decreased \$1.9 million. This is primarily a result of a \$4.6 million decrease in the fund balance of the General Fund and \$1.5 million net increase in the fund balance of the Road Fund.

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	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenue:						
Charges for services	\$ 15,764,489	\$ 15,529,728	\$ 1,551,139	\$ 1,352,430	\$ 17,315,628	\$ 16,882,158
Operating grants & contributions	20,863,909	18,649,931	-	-	20,863,909	18,649,931
Capital grants & contributions	5,945,726	6,780,293	-	-	5,945,726	6,780,293
General revenue:						
Property taxes	44,559,288	42,763,435	-	-	44,559,288	42,763,435
Timber taxes	329,173	278,895	-	-	329,173	278,895
Retail taxes	21,174,687	20,126,476	-	-	21,174,687	20,126,476
Excise taxes	3,744,369	5,181,286	-	-	3,744,369	5,181,286
Penalties and interest	1,582,257	1,659,701	-	-	1,582,257	1,659,701
Other	8,187,642	7,681,239	-	-	8,187,642	7,681,239
Total revenues	<u>122,151,540</u>	<u>118,650,984</u>	<u>1,551,139</u>	<u>1,352,430</u>	<u>123,702,679</u>	<u>120,003,414</u>
Expenses						
General government	27,997,779	28,158,688	-	-	27,997,779	28,158,688
Public safety	38,232,242	37,224,359	-	-	38,232,242	37,224,359
Physical environment	6,186,344	5,347,914	-	-	6,186,344	5,347,914
Transportation	22,798,444	22,278,320	-	-	22,798,444	22,278,320
Economic environment	2,850,280	3,124,810	-	-	2,850,280	3,124,810
Mental and physical health	12,120,599	11,434,223	-	-	12,120,599	11,434,223
Culture and recreation	4,629,266	4,477,382	-	-	4,629,266	4,477,382
Interest on long-term debt	386,777	455,019	-	-	386,777	455,019
Whatcom Co. Investment Pool	-	-	210,241	121,904	210,241	121,904
Ferry System	-	-	2,122,726	1,878,616	2,122,726	1,878,616
Total expenses	<u>115,201,731</u>	<u>112,500,715</u>	<u>2,332,967</u>	<u>2,000,520</u>	<u>117,534,698</u>	<u>114,501,235</u>
Change in net assets before transfers	6,949,809	6,150,269	(781,828)	(648,090)	6,167,981	5,502,179
Transfers	(945,138)	(409,126)	945,138	409,126	-	-
Change in net assets	<u>6,004,671</u>	<u>5,741,143</u>	<u>163,310</u>	<u>(238,964)</u>	<u>6,167,981</u>	<u>5,502,179</u>
Net assets-beginning	<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>
Net assets-ending	<u>\$243,752,045</u>	<u>\$237,747,374</u>	<u>\$ 1,281,325</u>	<u>\$ 1,118,015</u>	<u>\$245,033,370</u>	<u>\$238,865,389</u>

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

Governmental activities increased Whatcom County's net assets by \$6,004,671, thereby accounting for 97 percent of 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. Sales tax revenue is up \$1.0 million due to increased retail sales. Excise taxes are down \$1.4 million from 2007 as a result of Real Estate Excise Tax revenue decreasing because of the decline in volume of real estate transactions.
- Interest income is \$1.3 million less than 2007 due to lower investment interest rates.
- Operating grants and contributions increased \$2.2 million or (12 percent) during 2008. Federal payments in lieu of taxes, intergovernmental services for prisoner room and board and a homeless housing grant contributed to the increase in operating grants and contributions.
- Capital grants and contributions fluctuate based on construction activity. Capital grants and contributions are \$834,567, or 12 percent, less than 2007.

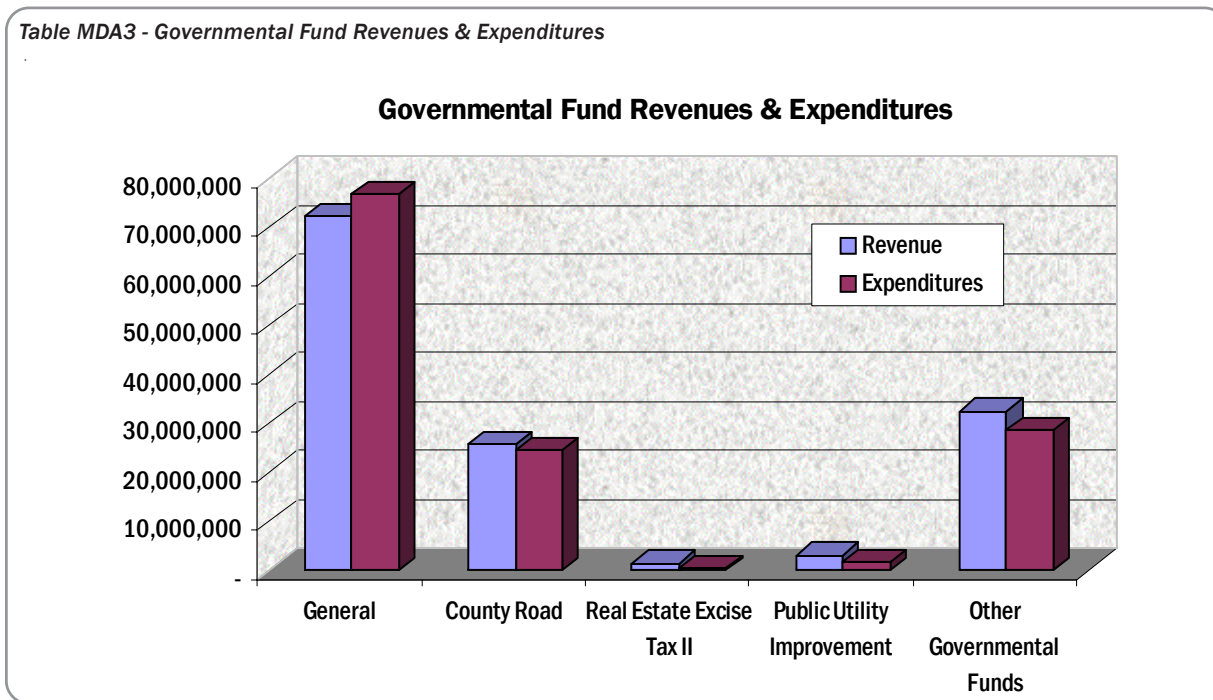
Financial Analysis of the County's Funds

Governmental Funds. The General Fund, County Road Fund, Real Estate Excise Tax II Fund and Public Utilities Improvement Fund are the County's major funds. Together these four funds account for 58 percent of total governmental fund assets and 55 percent of total governmental fund balance.

As of December 31, 2008, the County's governmental funds reported combined fund balances of \$76 million. Of the total amount, nearly \$68 million or 90 percent is unreserved and available for spending within designated funds. Reserved fund balance of \$8 million is not available for new spending because it has already been committed to encumbrances, 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 2008.

Table MDA3 - Governmental Fund Revenues & Expenditures



In the General Fund, the budgeted decrease in fund balance was \$9,310,731. The county projected that four percent of expenditure authority would not be used therefore the county projected a \$6.1 million decrease in fund balance. The county implemented cost containment measures mid year, including a hiring freeze in response to the declining revenues. The actual decrease in fund balance for the year was \$4,579,850.

The fund balance of the Road Fund increased \$1.5 million. For 2008, expenditures for county road construction projects is down from 2007 and revenue from state timber sales is up from 2007.

Real Estate Excise Tax II Fund's excise tax revenue is \$710,508 less than 2007. Ending fund balance for 2008 increased \$1.1 million. This is \$413,661 less than projected.

In 2008, the fund balance for the Public Utilities Improvement Fund increased \$1.4 million. Rural county sales taxes exceeded expenditures for capital projects.

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, 2008.

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

General Fund	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$ 38,711,210	\$ 38,711,210	\$ 38,655,667
Intergovernmental	12,823,011	13,741,496	14,641,837
Other	18,486,520	18,764,557	16,191,827
Total revenues	70,020,741	71,217,263	69,489,331
Expenditures:			
Expenditures	69,680,649	72,548,814	67,628,438
Other financing sources (uses)	(7,316,912)	(7,979,180)	(6,440,743)
Total expenditures	76,997,561	80,527,994	74,069,181
Change to fund balance	\$ (6,976,820)	\$ (9,310,731)	\$ (4,579,850)

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 are less than budgeted amounts by \$55,543. Property tax collections for 2008 totaled \$24,251,350 and are \$767,229 greater than budgeted amounts due to new construction added to the tax roll. Sales tax and interest and penalty collections on delinquent property tax are less than budgeted revenue by \$516,937 and \$346,289, respectively.

Intergovernmental Revenues. The budget for intergovernmental revenues was increased \$918,485 for grant awards that were received during the year. Actual intergovernmental revenue received is 107 percent of budgeted revenue. Total intergovernmental revenue is \$1.1 million greater than 2007. Federal payments in lieu of taxes increased \$403,764 and Health Department intergovernmental revenue was up \$469,786 over 2007.

Other. Other revenues are \$2.6 million less than budgeted amounts. For 2008, development related revenue is below budget. Subdivision review revenue is \$741,724 less than budget. Building permit and fee review revenues are also below budget by \$651,781 and \$252,697, respectively. Interest earnings totaled \$4.2 million and are \$413,666 less than budgeted revenue. This is a result of declining interest rates.

Expenditures. Overall expenditures for the General Fund are 93 percent of the approved budget at year-end. Continuing appropriations will carry over \$473,236 of spending authority into 2009 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, 2008, totaled \$162 million (net of accumulated depreciation). This includes land, buildings, improvements, machinery and equipment, and infrastructure.

New investment in capital assets for 2008 was \$9.9 million. Depreciation expense in 2008 totaled \$9.0 million, resulting in \$900,000 increase in net assets.

The County invested \$4.4 million in infrastructure, which includes roads, bridges and road-related improvements.

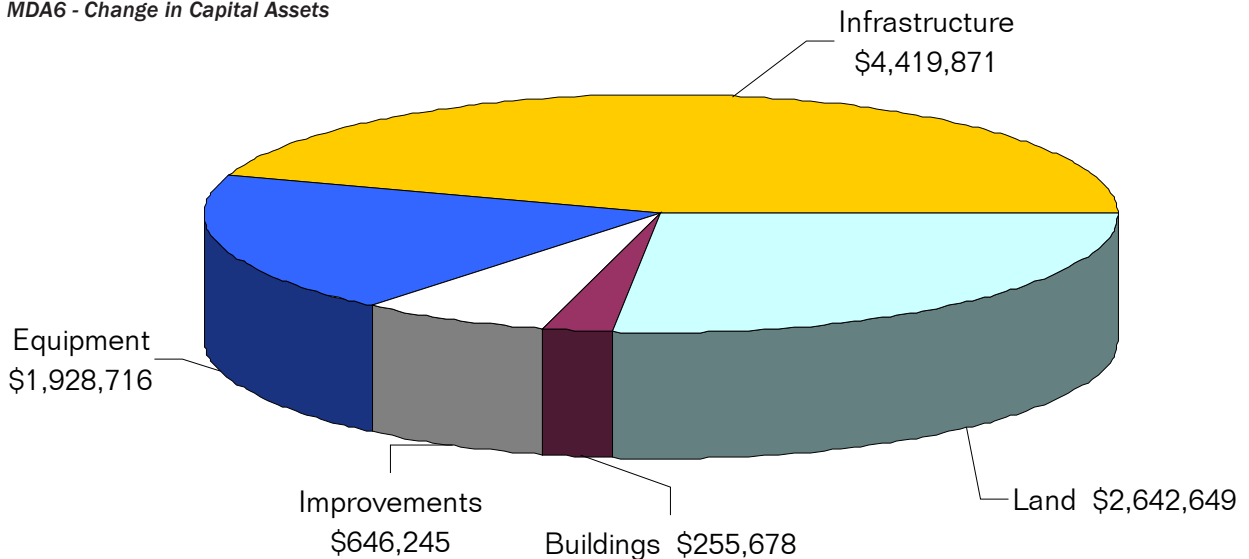
Whatcom County purchased \$2.6 million of land, including \$561,881 for conservation easements, \$600,000 for a nature reserve and \$383,480 for public park purposes. \$1.1 million was used to purchase road right of way. The County’s investment in new equipment, including vehicles and road maintenance equipment, increased capital assets by \$1.9 million.

Table MDA5 - Capital Assets

	Governmental Activities	
	2008	2007
Land	\$33,736,948	\$31,094,299
Buildings	45,195,493	46,239,677
Improvements	1,900,376	1,361,462
Equipment	10,430,449	10,103,825
Infrastructure	71,084,819	72,617,732
Totals	\$162,348,085	\$161,416,995

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

Table MDA6 - Change in Capital Assets



Debt Administration

At year-end, the County had \$19,366,622 in outstanding debt compared to \$19,548,446 last year. That is a decrease of \$181,824.

Economic Factors and Next Year's Budgets and Rates

The local economy of Whatcom County is suffering from the effects of the global recession. Retail sales have consistently grown over recent years, averaging approximately 7.8 percent annual growth, however retail sales for the county were down 2.4 percent in 2008. Unemployment in Whatcom County grew from 4.8 percent in January 2008 to 6.1 percent in December 2008. 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 has been growing at approximately 1.68 percent. The two largest employers in the community, Western Washington University and St. Joseph Hospital have both recently made significant investments to expand their facilities. 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 9 percent in 2008.

Table MDA7 - Outstanding Debt

	Governmental Activities	
	2008	2007
General Obligation Bonds	\$ 7,182,181	\$ 8,721,063
Capital Leases	454,846	418,255
Estimated Self-Insurance Claims	4,245,560	3,859,665
Other Postemployment Benefits Payable	813,759	436,088
Compensated Absences	6,218,976	5,627,809
Other Long-term Liabilities	451,300	485,566
	<u>\$ 19,366,622</u>	<u>\$ 19,548,446</u>

For more detailed information see page 63 for Changes in Long-Term Debt.

Contacting the County's Financial Management

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 95,175,397	\$ 894,799	\$ 96,070,196
Cash with fiscal agent	14,257	1,243	15,500
Investments	126,455	-	126,455
Receivables	1,999,486	561,073	2,560,559
Due from other governments	10,477,533	-	10,477,533
Internal balances	734	(734)	-
Inventories	1,306,393	-	1,306,393
Capital assets:			
Non-depreciable	33,736,948	-	33,736,948
Depreciable, net	128,611,137	14,607	128,625,744
Total assets	271,448,340	1,470,988	272,919,328
Liabilities			
Accounts payable and accrued expenses	7,619,849	70,550	7,690,399
Due to other governments	201,382	-	201,382
Unearned revenue	508,442	-	508,442
Noncurrent liabilities(Note 8):			
Due within one year	11,730,107	119,113	11,849,220
Due in more than one year	7,636,515	-	7,636,515
Total liabilities	27,696,295	189,663	27,885,958
Net Assets			
Invested in capital assets, net of related debt	154,711,058	-	154,711,058
Restricted for:			
Special revenue	23,783,752	-	23,783,752
Debt service	158,680	-	158,680
Capital projects	24,820,805	-	24,820,805
Unrestricted (deficit)	40,277,750	1,281,325	41,559,075
Total net assets	\$ 243,752,045	\$ 1,281,325	\$ 245,033,370

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
Primary government:							
Governmental activities:							
General government	\$ 27,997,779	\$ 5,053,605	\$ 7,223,055	\$ -	\$ (15,721,119)	\$ -	\$ (15,721,119)
Public safety	38,232,242	4,792,536	4,302,008	-	(29,137,698)	-	(29,137,698)
Physical environment	6,186,344	814,710	1,074,406	-	(4,297,228)	-	(4,297,228)
Transportation	22,798,444	1,783,013	-	5,945,726	(15,069,705)	-	(15,069,705)
Economic	2,850,280	760,265	856,651	-	(1,233,364)	-	(1,233,364)
Mental and physical health	12,120,599	2,113,196	7,402,789	-	(2,604,614)	-	(2,604,614)
Culture and	4,629,266	447,164	5,000	-	(4,177,102)	-	(4,177,102)
Interest on long-term debt	386,777	-	-	-	(386,777)	-	(386,777)
Total government activities	115,201,731	15,764,489	20,863,909	5,945,726	(72,627,607)	-	(72,627,607)
Business-type activities:							
Whatcom County Investment Pool	210,241	241,143	-	-	-	30,902	30,902
Ferry	2,122,726	1,309,996	-	-	-	(812,730)	(812,730)
Total Business-Type Activities	2,332,967	1,551,139	-	-	-	(781,828)	(781,828)
Total primary government	\$117,534,698	\$17,315,628	\$ 20,863,909	\$ 5,945,726	(72,627,607)	(781,828)	(73,409,435)
General Revenues:							
Taxes:							
Property taxes					44,559,288	-	44,559,288
Timber taxes					329,173	-	329,173
Retail taxes					21,174,687	-	21,174,687
Excise taxes					3,744,369	-	3,744,369
Penalties and interest					1,582,257	-	1,582,257
Unrestricted investment earnings					4,397,348	-	4,397,348
Gain/loss on sale of capital assets					2,041,760	-	2,041,760
Miscellaneous					1,748,534	-	1,748,534
Transfers					(945,138)	945,138	-
Total general revenues & transfers					78,632,278	945,138	79,577,416
Change in net assets					6,004,671	163,310	6,167,981
Net assets-beginning					237,747,374	1,118,015	238,865,389
Net assets-ending					\$ 243,752,045	\$1,281,325	\$245,033,370

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

Assets	General	County Road	Real Estate Excise Tax II	Public Utilities Improvement	Other Gov't	Total Gov't Funds
Cash and cash equivalents	\$ 11,736,783	\$ 10,824,077	\$ 9,153,226	\$ 7,053,146	\$ 33,298,194	\$ 72,065,426
Deposits with fiscal agent	14,257	-	-	-	-	14,257
Investments at cost	-	-	-	-	126,455	126,455
Taxes receivable	745,208	584,606	-	-	139,522	1,469,336
Accounts receivable	353,313	21,448	-	-	207,017	581,778
Special assessments	-	-	-	-	19,370	19,370
Interest receivable	316,509	-	-	-	360	316,869
Notes receivable	3,958	-	-	-	83,735	87,693
Due from other funds	155,463	101,042	-	-	114,769	371,274
Due from other governments	2,601,377	1,173,887	-	4,557,928	2,119,381	10,452,573
Employee advances	645	420	-	-	27	1,092
Prepayments	8,826	511	-	10	55,720	65,067
Total assets	\$ 15,936,339	\$ 12,705,991	\$ 9,153,226	\$ 11,611,084	\$ 36,164,550	\$ 85,571,190
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ 1,457,405	\$ 917,921	\$ 155,511	\$ 20,352	\$ 1,048,206	\$ 3,599,395
Due to other funds	686,942	567,258	-	-	76,706	1,330,906
Revenue collected in advance	-	6,138	-	-	51	6,189
Due to other governments	201,382	-	-	-	-	201,382
Other accrued liabilities	1,287,981	394,775	-	2,408	216,894	1,902,058
Custodial accounts	-	-	-	-	64,277	64,277
Other current liabilities	-	68,749	-	-	-	68,749
Deferred revenue	1,104,787	605,650	-	-	258,256	1,968,693
Deferred credits	252,559	204,517	-	392	41,912	499,380
Total liabilities	4,991,056	2,765,008	155,511	23,152	1,706,302	9,641,029
Fund balances						
Reserved for:						
Encumbrances	473,236	1,375,341	747,268	-	552,286	3,148,131
Federal forest title III	22,883	-	-	-	-	22,883
Long-term loans	-	-	-	4,557,928	-	4,557,928
Debt service	-	-	-	-	230,058	230,058
Unreserved	10,449,164	8,565,642	8,250,447	7,030,004	-	34,295,257
Unreserved, reported in nonmajor:						
Special revenue funds	-	-	-	-	29,579,302	29,579,302
Capital projects funds	-	-	-	-	4,096,602	4,096,602
Total fund balance	10,945,283	9,940,983	8,997,715	11,587,932	34,458,248	75,930,161
Total liabilities & fund balance	\$ 15,936,339	\$ 12,705,991	\$ 9,153,226	\$ 11,611,084	\$ 36,164,550	\$ 85,571,190

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, 2008



Fund balance - total governmental funds	\$ 75,930,161
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	150,610,693
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.	29,880,238
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,460,251
Liabilities, including \$7,633,480 of bonds payable, \$5,682,059 of compensated absences and \$813,759 of other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	<u>(14,129,298)</u>
Net assets of governmental activities.	<u><u>\$ 243,752,045</u></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, 2008



	General	County Road	Real Estate Excise Tax II	Public Utilities Improvement	Other Gov't Funds	Total Gov't Funds
Revenues						
Taxes	\$38,655,667	\$ 15,944,815	\$ 1,487,931	\$ 3,097,383	\$ 12,418,373	\$71,604,169
Licenses and permits	1,989,090	140,633	-	-	-	2,129,723
Intergovernmental	14,641,837	5,945,726	-	-	6,088,816	26,676,379
Charges for service	6,746,725	996,973	-	-	3,271,031	11,014,729
Fines and forfeits	1,907,429	-	-	-	564,596	2,472,025
Miscellaneous	5,548,583	186,160	-	53,855	303,281	6,091,879
Total revenues	69,489,331	23,214,307	1,487,931	3,151,238	22,646,097	119,988,904
Expenditures						
Current:						
General government	24,821,662	334,274	-	25,000	1,624,947	26,805,883
Public safety	23,887,496	-	-	-	12,858,604	36,746,100
Physical environment	510,125	-	-	-	5,649,360	6,159,485
Transportation	-	16,650,838	-	-	27,314	16,678,152
Economic environment	1,746,976	-	-	-	1,105,824	2,852,800
Mental and physical health	12,019,930	-	-	-	-	12,019,930
Culture and recreation	4,218,193	-	44,764	-	231,566	4,494,523
Capital outlay	373,835	5,692,381	296,893	108,814	1,769,896	8,241,819
Debt service:						
Principal	34,266	-	-	-	1,530,000	1,564,266
Interest	15,955	-	-	-	361,415	377,370
Total expenditures	67,628,438	22,677,493	341,657	133,814	25,158,926	115,940,328
Excess (deficiency) of revenues over expenditures	1,860,893	536,814	1,146,274	3,017,424	(2,512,829)	4,048,576
Other financing sources (uses)						
Sales of capital assets	851,148	1,034,424	-	-	156,188	2,041,760
Transfers in	1,871,152	1,579,289	-	-	9,620,304	13,070,745
Transfers out	(9,163,043)	(1,707,454)	(34,365)	(1,650,000)	(3,436,444)	(15,991,306)
Insurance recoveries	-	9,533	-	-	-	9,533
Total other financing sources (uses)	(6,440,743)	915,792	(34,365)	(1,650,000)	6,340,048	(869,268)
Net change in fund balances	(4,579,850)	1,452,606	1,111,909	1,367,424	3,827,219	3,179,308
Fund balance as of January 1	15,525,133	8,488,377	7,885,806	10,220,508	30,631,029	72,750,853
Fund balance as of December 31	\$10,945,283	\$ 9,940,983	\$ 8,997,715	\$ 11,587,932	\$ 34,458,248	\$75,930,161

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, 2008



Net change in fund balances-total governmental funds	\$ 3,179,308
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$8,206,493) exceeded depreciation expense (\$8,025,292) in the current period.</p>	
	181,201
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.</p>	
	2,083,305
<p>Revenues in the funds that are related to prior periods are not revenues in the statement of activities.</p>	
	(79,730)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
	(923,679)
<p>Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	
	<u>1,564,266</u>
Change in net assets of governmental activities	<u><u>\$ 6,004,671</u></u>

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

	Enterprise Funds	Internal Service Funds
Assets		
Current assets		
Cash & cash equivalents	\$ 894,799	\$ 23,109,971
Deposits with fiscal agent	1,243	-
Accounts receivable	1,365	7,481
Due from other funds	559,390	557,350
Employee advances	3	43
Due from other governments	-	24,960
Inventory	-	1,306,393
Prepayments	315	2,447
Total current assets	1,457,115	25,008,645
Noncurrent assets		
Land	-	750,631
Building & structures (net)	-	1,439,975
Capital leases (net)	-	459,957
Other improvements (net)	-	209,388
Machinery & equipment (net)	14,607	8,877,441
Total noncurrent assets	14,607	11,737,392
Total assets	1,471,722	36,746,037
Liabilities		
Current liabilities		
Accounts payable	23,413	1,213,195
Claims cost payable	-	4,224,207
Due to other funds	5,612	151,496
Other accrued liabilities	41,525	230,460
Unearned revenue	-	49,500
Total current liabilities	70,550	5,868,858
Noncurrent liabilities		
Employee leave benefits	119,113	536,917
Other noncurrent liabilities	-	512,346
Total noncurrent liabilities	119,113	1,049,263
Total liabilities	189,663	6,918,121
Net assets		
Net assets, invested in capital assets	14,607	11,737,392
Unrestricted	1,267,452	18,090,524
Total net assets	1,282,059	\$ 29,827,916
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.	(734)	
Net assets of business-type activities	\$ 1,281,325	

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, 2008



	Enterprise Funds	Internal Service Funds
Operating revenues		
Intergovernmental	\$ 144,319	\$ 97,852
Charges for service	1,128,361	12,688,619
Rents and parking	-	6,348,256
Fines & foreits	-	1,509
Insurance premiums	-	8,537,787
Other miscellaneous revenues	278,459	22,867
Total operating revenues	1,551,139	27,696,890
Operating expenses		
General operations	2,228,569	25,226,988
General administration	102,927	617,983
Depreciation	3,279	1,887,718
Total operating expenses	2,334,775	27,732,689
Operating income (loss)	(783,636)	(35,799)
Non-operating revenues (expenses)		
Gain (loss) on sale of capital assets	-	33,001
Interest expense	-	(18,289)
Total non-operating revenues (expenses)	-	14,712
Income (loss) before contributions and transfers	(783,636)	(21,087)
Capital contributions	-	130,777
Transfers in	945,138	2,505,051
Transfers out	-	(529,628)
Changes in net assets	161,502	2,085,113
Total net assets-beginning		27,742,803
Total net assets-ending		\$ 29,827,916
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.	1,808	
Change in net assets of business-type activities	\$ 163,310	

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

	Enterprise Funds	Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 1,231,563	\$ 27,918,767
Cash payments for goods and services	(1,441,405)	(19,277,958)
Cash payments to employees	(1,137,909)	(6,548,068)
Net cash provided by operating activities	(1,347,751)	2,092,741
Cash flows from non-capital financing activities:		
Transfers in	945,138	1,870,578
Transfers out	-	(529,628)
Net cash provided by non-capital financing activities	945,138	1,340,950
Cash flows from capital financing activities:		
Interest paid on lease purchase	-	(18,289)
Proceeds from sale of assets	-	96,101
Transfer in (out)	-	634,473
Payments For capital assets	(17,886)	(2,533,338)
Net cash used by capital financing activities	(17,886)	(1,821,053)
Net increase (decrease) in cash and cash	(420,499)	1,612,638
Balances - beginning of the year	1,315,298	21,497,333
Balances - end of the year	\$ 894,799	\$ 23,109,971
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (783,636)	\$ (35,799)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	3,279	1,887,718
Change in assets and liabilities:		
Receivables, net	(319,576)	187,729
Inventories	-	(115,373)
Accounts and other payables	(263,727)	105,639
Accrued expenses	15,909	62,827
Net cash provided by operating activities	\$ (1,347,751)	\$ 2,092,741
Noncash investing & capital financing activities:		
Contributed vehicles	\$ -	\$ 130,778
Lease purchases	-	150,658
Total noncash investing & capital financing activities	\$ -	\$ 281,436

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

	Investment Trust Fund	Agency Funds
Assets		
Cash & cash equivalents	\$ -	\$ 17,648,147
Deposits with fiscal agent	-	50,000
Assets held in trust-external investment pool	-	117,389,315
Investments at cost	117,389,315	-
Accounts receivable (net)	-	2,532
Total assets	\$ 117,389,315	\$ 135,089,994
Liabilities		
Warrants payable	\$ -	\$ 9,810,820
Accounts payable	-	620,308
Matured long-term debt	-	50,000
Other accrued liabilities	-	67,690
Revenue collected in advance	-	193,681
Custodial accounts	-	124,347,495
Total liabilities	-	\$ 135,089,994
Net Assets		
Held in trust for pool participants	\$ 117,389,315	

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, 2008



	Investment Trust Fund
Additions	
Contributions	\$ 165,002,490
Net investment earnings (losses)	
Interest	5,372,024
Total additions	170,374,514
Deductions	
Distributions	192,979,572
Change in net assets	(22,605,058)
Net assets - January 1, 2008	139,994,373
Net assets - December 31, 2008	\$ 117,389,315

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



NOTES TO THE FINANCIAL STATEMENTS

Note 1	Summary of Significant Accounting Policies	37
Note 2	Stewardship, Compliance, and Accountability	43
Note 3	Deposits and Investments	43
Note 4	Property Taxes	47
Note 5	Capital Assets and Depreciation	49
Note 6	Pension Plans	50
Note 7	Risk Management	58
Note 8	Long-Term Debt and Capital Leases	61
Note 9	Contingencies	65
Note 10	Commitments	65
Note 11	Interfund Balances and Transfers	66
Note 12	Joint Ventures	67
Note 13	Other Postemployment Benefit (OPEB) Plans	67
Note 14	Postclosure Care Cost	70
Note 15	Other Disclosures	70
Table FN1	Capital Assets & Depreciation	42
Table FN2	Investment Maturities	44
Table FN3	Credit Quality Distribution for Securities	45
Table FN4	Condensed Statement of Net Assets	47
Table FN5	Condensed Statement of Changes in Net Assets	47
Table FN6	Tax Collection Record	48
Table FN7	Capital Assets Activity	49
Table FN8	Depreciation Expense	49
Table FN9	PERS Membership	52
Table FN10	PERS Contribution Rates	53
Table FN11	County Contribution to PERS	53
Table FN12	LEOFF Plan 1 Benefit Calculation	54
Table FN13	LEOFF Membership	55
Table FN14	LEOFF Contribution Rates	55
Table FN15	County Contribution to LEOFF	56
Table FN16	PSERS Membership	57
Table FN17	PSERS Required Contribution Rates	57
Table FN18	County Contribution to PSERS	58
Table FN19	Claims Liability Balance Changes	58
Table FN20	GO Bonds	62
Table FN21	Changes in Long-Term Debt	63
Table FN22	Capital Lease Assets	64
Table FN23	Future Minimum Lease Obligations	64
Table FN24	Long-Term Debt Capacity	65

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Table FN25	Due To/From Other Funds	66
Table FN26	Interfund Transfers	66
Table FN27	Annual OPEB Cost	68
Table FN28	Net OPEB Obligation	68

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.

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

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 present 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, Sumas Sub-Flood Control Zone District and Lake Management District 1; 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, Civic Center Building Improvement and Jail Construction Project, 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, with the exception of the Veteran's Relief Fund, Whatcom County Trial Court Improvement Fund, Drug Fund, and the Ferry System 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."

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 (employees with paid time off may accumulate up to 41 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, 2008 and 2007. 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 INVESTMENT

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-officio 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, 2008 the carrying amount of the county's cash demand deposits was \$113,718,344.

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 \$250,000 of the county's deposits. The deposit balances over \$250,000 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, 2008, the county had the following investments and maturities:

Table FN2 - Investments and Maturities*

Investment Type	Fair Value	Less Than 1	1 to 5
LGIP	\$ 29,697,406	\$ 29,697,406	\$ -
Federal Farm Credit Bank	20,181,250	20,181,250	-
Federal Home Loan Bank	68,465,365	42,330,695	26,134,670
Federal Home Loan Mortgage	34,119,440	30,144,400	3,975,040
Federal National Mortgage Assoc.	55,529,750	40,357,850	15,171,900
General Obligation Municipal Bonds	8,584,834	3,318,205	5,266,629
Public Funds Deposit	5,008,728	5,008,728	-
Certificates of Deposit	10,169,193	5,169,193	5,000,000
Total	\$ 231,755,966	\$ 176,207,727	\$ 55,548,239

*Maturity terms= Expected maturity (due to calls/ sales) rather than stated maturity date

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 less than five years. The County does not have a specific interest rate policy; however, it is cognizant of this risk and addresses it in the Whatcom County Treasurer's Office Investment Policy, of which the WCIP is in compliance with as of 12/31/08.

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, 2008 the county held no investments in banker's 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

Investment Type	Moody's Rating	Percentage of Portfolio
Federal Farm Credit Bank	AAA	9%
Federal Home Loan Bank	AAA	30%
Federal Home Loan Mortgage	AAA	15%
Federal National Mortgage Assn	AAA	24%
General Obligation Municipal Bonds	Aaa	1%
General Obligation Municipal Bonds	Aa3	0%
General Obligation Municipal Bonds	Aa2	1%
General Obligation Municipal Bonds	Baa1	1%
LGIP	Not Rated	13%

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 2008, 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 performs 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 2008. At 12/31/08, the market value of investments was \$1,179,869 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 invested 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, 2008, are shown on the following page.

Table FN4 - Condensed Statement of Net Assets

Assets	\$ 230,512,212
Less: Liabilities	<u>-</u>
<u>Net assets held in trust for pool participants</u>	<u><u>\$ 230,512,212</u></u>
Equity of internal pool participants	\$ 113,122,897
Equity of external pool participants	<u>117,389,315</u>
<u>Total equity</u>	<u><u>\$ 230,512,212</u></u>

Table FN5 - Condensed Statement of Changes in Net Assets

Net assets - January 1, 2008	\$ 254,144,277
Net change in investments by pool participants	<u>(23,632,065)</u>
<u>Net assets - December 31, 2008</u>	<u><u>\$ 230,512,212</u></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 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
2008	\$22,199,664,766	\$24,171,883	97.9%
2007	20,279,044,466	23,277,301	97.3%
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%

(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 2008 was \$1.08884 per \$1,000 on an assessed valuation of \$22.2 billion for a regular levy of \$24,171,883. This levy was used for general governmental purposes.

The road fund levied \$1.42476 per \$1,000 on an assessed value of \$11.6 billion in 2008. This resulted in a total levy of \$16,491,867 to be used for county road maintenance and construction.

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2008 was as follows:

Table FN7 - Capital Assets Activity

Governmental activities	January 1	Increases	Decreases	December 31
Not being depreciated:				
Land	\$ 31,094,299	\$ 2,642,649	\$ -	\$ 33,736,948
Subtotal	<u>31,094,299</u>	<u>2,642,649</u>	<u>-</u>	<u>33,736,948</u>
Other capital assets:				
Buildings	65,879,169	255,678	-	66,134,847
Improvements	5,309,139	646,245	-	5,955,384
Equipment	33,061,010	2,947,033	(1,018,317)	34,989,726
Infrastructure	127,026,551	4,419,871	-	131,446,422
Subtotal	<u>231,275,869</u>	<u>8,268,827</u>	<u>(1,018,317)</u>	<u>238,526,379</u>
Accumulated depreciation				
Buildings	(19,639,492)	(1,299,862)	-	(20,939,354)
Improvements	(3,947,677)	(107,331)	-	(4,055,008)
Equipment	(22,957,185)	(2,553,033)	950,941	(24,559,277)
Infrastructure	(54,408,819)	(5,952,784)	-	(60,361,603)
Subtotal	<u>(100,953,173)</u>	<u>(9,913,010)</u>	<u>950,941</u>	<u>(109,915,242)</u>
Net other capital assets	<u>130,322,696</u>	<u>(1,644,183)</u>	<u>(67,376)</u>	<u>128,611,137</u>
Net capital assets	<u>\$ 161,416,995</u>	<u>\$ 998,466</u>	<u>\$ (67,376)</u>	<u>\$ 162,348,085</u>

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

Table FN8 - Depreciation Expense

Governmental activities:	
General governments	\$1,652,128
Public safety	615,070
Physical environment	26,399
Transportation	7,439,763
Economic environment	2,405
Mental & physical health	51,432
Culture & recreation	125,813
Total depreciation expense	<u>\$9,913,010</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* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

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 participating 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. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

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 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 (AFC) per year of service, capped at 60

percent. (The AFC is based on the greatest compensation during any 24 eligible consecutive compensation months.) Plan 1 members who retire 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 3 percent annually. Plan 1 members may also elect to receive an optional COLA amount that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS 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 with an allowance of 2 percent of the AFC per year of service. (The AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Plan 2 members who retire 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 a cost-of-living allowance is granted (based on the 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 AFC per year of service. (The AFC 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 they may retire at age 55 with 10 years of service. Plan 3 members who retire 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 were given the choice to participate in the Judicial Benefit Multiplier Program (JBM). Justices or judges in PERS Plan 1 and 2 were able to 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 AFC. 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 chose to participate in JBM would: accrue service credit at the higher multiplier beginning with the date of their election, be subject to the benefit cap of 75 percent of AFC, 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 did not choose to participate would: 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.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who have not previously opted into PERS membership, were required to participate in the JBM Program. Members required into the JBM program would: 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 1,190 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2007:

Table FN9 - PERS Membership

Retirees and Beneficiaries Receiving Benefits	71,244
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	26,583
Active Plan Members Vested	105,447
Active Plan Members Non-vested	52,575
TOTAL	255,849

The County covered payroll for the year ended December 31, 2008 was \$48,956,353. The County's total payroll for all employees was \$57,830,761.

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, 2008, were as follows:

Table FN10 - PERS Contribution Rates

Members not participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	8.31%	8.31%	8.31%**
Employee	6.00%	5.45%	***

*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:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer-Local Govt*	8.31%	8.31%	8.31%**
Employee-Local Govt	12.26%	13.63%	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

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2008	\$ 224,281	\$ 2,338,533	\$ 971,834
2007	\$ 200,375	\$ 1,750,066	\$ 689,115
2006	\$ 108,857	\$ 897,629	\$ 338,949

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, firefighters and, as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. 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.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 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 by the State Legislature.

LEOFF 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 (FAS) is as follows:

Table FN12 - LEOFF Plan 1 Benefit Calculation

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

The FAS 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. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF 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 FAS per year of service. The FAS is based on the highest consecutive 60 months. Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each

year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the 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 (based on the Consumer Price Index), capped at 3 percent annually.

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2007:

Table FN13 - LEOFF Membership

Retirees and Beneficiaries Receiving Benefits	9,085
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	633
Active Plan Members Vested	12,904
Active Plan Members Non-vested	3,708
TOTAL	<u>26,330</u>

Funding Policy

Starting on July 1, 2000, LEOFF 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. LEOFF 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 LEOFF Plan 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, 2008 was \$6,202,039. The County’s total payroll for all employees was \$57,830,761.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2008, were:

Table FN14 - LEOFF Contribution Rates

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.16%	5.46%
Employee	0.00%	8.83%
State	N/A	3.53%

**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

	LEOFF Plan 1	LEOFF Plan 2
2008	\$ 131	\$330,794
2007	\$ 135	\$295,486
2006	\$ 229	\$243,845

Public Safety Employees' Retirement System (PSERS) Plan 2

Plan Description

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

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 Commission, 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.

PSERS 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 (AFC) per year of service. The AFC 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 members who retire 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 (based on the Consumer Price Index), capped at 3 percent annually.

There are 71 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2007:

Table FN16 - PSERS Membership

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>2,755</u>
TOTAL	<u>2,755</u>

Funding Policy

Each biennium, the state Pension Funding Council adopts PSERS 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, 2008 was \$2,672,369. The County’s total payroll for all employees was \$57,830,761.

The required contributions rates expressed as a percentage of current-year covered payroll, as of December 31, 2008, were as follows:

Table FN17 - PSERS Required Contribution Rates

	PSERS Plan 2
Employer*	9.43%
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

	PSERS Plan 2
2008	\$ 240,246
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, 2008, the amount of these liabilities was \$4,245,560. Changes in the balances of claims liabilities during 2007 and 2008 were as follows:

Table FN19 - Claims Liability Changes

	Beginning of Year Claims Liability	Claims Paid During the Year	Estimated Additional Liability Incurred	Balance at Year End
2007	\$ 3,118,665	\$ (4,638,795)	\$ 5,379,795	\$ 3,859,665
2008	\$ 3,859,665	\$ (5,581,629)	\$ 5,967,524	\$ 4,245,560

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, 2008, the estimate of the present value of the future cash payments totals \$67,316.

Whatcom County was one of twenty-eight members of the Washington Counties Risk Pool ("Pool") during 2008. Other members included: Adams, Benton, Chelan and Clallam, Clark, Columbia, Cowlitz and Douglas, Franklin, Garfield, Grays Harbor and Island, Jefferson, Kitsap, Kittitas and Lewis, Mason, Okanogan, Pacific and Pend Oreille, San Juan, Skagit, Skamania and Spokane, Thurston, Walla Walla and Yakima Counties. Klickitat and Whitman Counties were former Pool members, but terminated their memberships effective October 2002 and 2003 respectively.

The Pool was formed August 18, 1988 when several Washington counties signed an Interlocal (Cooperative) Agreement. It was established to provide its member counties with “joint” programs and services including self-insurance, purchasing of insurance, and contracting for or hiring of personnel to provide administrative services, claims handling and risk management. The Pool operates under the state of Washington’s “pooling” laws, more specifically Chapter 48.62 RCW implemented via Chapter 39.34 RCW. It is overseen by the State Risk Manager and is subject to fiscal audits performed annually by the State Auditor.

The enabling Interlocal Agreement was amended once in 2000 to add the Membership Compact, a commitment to strengthen the Pool by helping its member counties implement and/or enhance local risk management efforts to reduce losses and support the best management of the Pool and its resources. The Compact established obligations to support these goals through three major elements: membership involvement, risk control practices, and a targeted risk management program.

The Pool’s mission is: To provide comprehensive and economical risk coverage; to reduce the frequency and severity of losses; and to decrease costs incurred in the managing and litigation of claims. The Pool’s core values include: being committed to learn, understand and respond to the member counties’ insurance needs; being committed to establish working relationships with all members that identify business issues and jointly develop solutions; member counties commit to allocate necessary resources to risk management in their own operations; the Pool’s board of directors and professional staff share a commitment to manage the organization based on sound business principles, benchmarked industry standards and measurable outcomes; and being committed to continuous planning and innovation in product development and service delivery.

New members are required to pay the Pool modest admittance fees to cover the members’ share of organizational expenses and the costs to analyze their loss data and risk profile. Members contract initially to remain in the Pool for at least five years. Counties may terminate their memberships at the conclusion of any Pool fiscal year following the initial term if the county timely files its required advance written notice. Otherwise, the Interlocal Agreement is renewed automatically for another year. Even after termination, a former member remains responsible for reassessments from the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The Pool is governed by a board of directors consisting of one director (and at least one alternate director) designated by each member county. The Pool’s board of directors, made up of both elected and appointed county officials, meets three times each year with the summer meeting being the Annual Meeting. The board of directors is responsible for determining the 3rd-party liability coverage to be offered (approving the insuring agreement or coverage document), the reinsurance program to acquire, the excess insurances to be jointly purchased or offered for optional purchase, and approving the Pool’s annual operating budgets and work programs, and the member deposit assessment formulas.

Regular oversight of the Pool’s operations is furnished by an 11-person executive committee. The committee persons are elected by the Pool’s board of directors from its membership to staggered 3-year terms during each Annual Meeting. The committee meets several times throughout the year to approve all Pool

disbursements and examine the Pool's financial health; to approve case settlements exceeding the members' deductibles by at least \$50,000 and to review all claims with incurred loss estimates exceeding \$100,000; to evaluate the Executive Director and the Pool's operations and program deliverables; and to participate in the board's standing committees (finance, personnel, risk management, and underwriting) for development or review/revision of the organization's policies and coverage documents.

The following constitute the highlights from the Pool's most recently completed Policy (Fiscal) Year (October 2007 through September 2008):

- *Total Assets* grew by \$3.3 million (12%) to nearly \$31.1 million. More specifically, current assets increased \$2.9 million while non-current assets increased \$0.4 million.
- \$800,000 of *Operating Income* was experienced, which represented a \$1 million turn-around from the \$200,000 *Operating Loss* experienced the prior year. A 7% reduction in the estimates for claims reserves (\$8.2 vs. \$8.8 million) by the independent actuary substantially contributed to this positive change.
- 15,506 3rd-party liability claims and lawsuits had been reported during the Pool's first twenty years (October 1988 – September 2008). Of those, only 457 remained classified as "open" at year's end. Estimates by the independent actuary project another 578 claims will be filed for occurrences from all Pool years through September 2008.
- *Interest Income* slipped \$130,000 (17%) even with larger surpluses (funds not needed for current operations) for investing. This reduction is believed to have resulted from the lowering of interest rates to address the declining economy.
- *Net Assets* (sometimes referred to as *Members' Equity*) rose nearly \$900,000 to nearly \$6.8 million at September 30, 2008. \$5.7 million is listed as being 'Restricted' to satisfy, in large part, the Section D provisions of the Pool's Underwriting Policy that were enhanced by the board of directors in March 2007. The remaining \$1.1 million is invested in *Capital Assets* (net of debt). (NOTE: The Pool's board of directors retains the authority to determine if, how much, and when distributions of *Net Assets* are to be made.)

Professionals from some of the most respected organizations worldwide are called upon regularly to address specific needs of the Pool. For example, independent actuarial and claims auditing services are furnished by PricewaterhouseCoopers, LLP; insurance brokerage and advanced loss control services are provided by Arthur J. Gallagher Risk Management Services, Inc.; coverage counsel is provided by Stafford Frey Cooper; and special claims audits are frequently performed by the Pool's insurers and re-insurers. The listed professionals are in addition to the many counselors assigned to defend Pool cases as well as the ongoing oversight provided by the State Risk Manager and the annual financial audits performed by the State Auditor.

Over half of the Pool's 9-person staff handles and/or manages the several hundred liability cases filed upon and submitted by the Pool's member counties each year. These claims professionals have more than eighty years combined claims-handling experience. The Pool's "open" file count remains fairly constant between 400 and 450 cases. Other staffers provide various member services including conducting risk assessments and compliance audits, coordinating numerous trainings, researching other coverages and marketing, with some simply supporting the organization's administrative needs.

Pool member counties presently acquire \$20 million (with another \$5 million optional) of joint liability coverage on a “per occurrence” basis for 3rd-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury, and includes public officials’ errors and omissions. Annually, members select a per occurrence deductible amount of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. The initial \$10 million of coverage, less the retention (the greater of the member’s deductible or \$100,000), is fully reinsured. The remaining insurance, up to \$15 million, is acquired as “following form” excess insurance. There are no aggregate limits to the payments made for any one member county or all member counties combined.

Property insurance, with composite limits of \$500 million for normal (“All Other Perils”) coverage and \$250 million for catastrophe coverage and participant deductibles between \$5,000 and \$50,000, was added to the Pool coverage lines a few years ago as an individual county option. Coverage is for structures, vehicles, mobile equipment, EDP equipment, and equipment breakdown, etc. Participants are responsible for their claims’ deductibles. The insurers are responsible for covered losses exceeding the participant deductibles to the maximum limits of the policy. Twenty-seven counties purchased this program during some or all of 2008.

Additionally, many members use the Pool’s producer (broker) services for other insurance placements, e.g. public officials bonds, and crime & fidelity, special events/concessionaires, and environmental hazards coverages.

The Washington Counties Risk Pool is a cooperative program, so there is joint liability amongst its participating members. Contingent liabilities are established when assets are not sufficient to cover liabilities. Pool member counties are required to timely submit their 3rd-party liability claims which are handled by the Pool’s staff. This includes establishing reserves for both reported and unreported covered events, as well as estimates of the undiscounted future cash payments for losses and related claims adjustment expenses. Deficits resulting from any Pool fiscal year are financed by proportional reassessments against that year’s membership. **The Pool’s reassessments receivable balance at December 31, 2008 was ZERO.**

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, 2008, bonds outstanding total \$3,515,000.

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 is 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, 2008, outstanding bonds totaled \$2,015,000.

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, 2008, outstanding bonds totaled \$1,615,000. 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
2009	\$ 1,600,000	\$ 293,618
2010	1,685,000	220,912
2011	1,750,000	142,725
2012	795,000	87,031
2013	200,000	60,075
2014 - 2018	1,115,000	160,925
Total	\$ 7,145,000	\$ 965,286

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, 2008, the County had \$71,378 available in debt service funds to service the general bonded debt.

Changes In Long-Term Debt

During the year ended December 31, 2008, the following changes occurred in long-term liabilities:

Table FN21 - Changes in Long-Term Debt

Governmental Activities	January 1	Additions	Reductions	December 31	Due Within One Year
Bonds payable					
General obligation debt	\$ 8,675,000	\$ -	\$ 1,530,000	\$ 7,145,000	\$ 1,600,000
Less deferred amounts for issuance discounts/premiums	46,063	-	8,882	37,181	-
Total bonds payable	8,721,063	-	1,538,882	7,182,181	1,600,000
Capital leases	418,255	191,525	154,934	454,846	152,305
Claims and judgements (see Note 7)	3,859,665	5,967,524	5,581,629	4,245,560	4,188,061
Other postemployment benefits payable	436,088	377,671	-	813,759	-
Compensated absences	5,627,809	6,176,515	5,585,348	6,218,976	5,752,907
Loans payable	235,566	-	34,266	201,300	36,834
Landfill post-closure costs	250,000	-	-	250,000	-
Total Governmental Activities	\$ 19,548,446	\$ 12,713,235	\$ 12,895,059	\$ 19,366,622	\$ 11,730,107
Business-Type Activities					
Compensated absences	\$ 104,838	\$ 169,551	\$ 155,276	\$ 119,113	\$ 119,113
Total Business-Type Activities	\$ 104,838	\$ 169,551	\$ 155,276	\$ 119,113	\$ 119,113

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	\$	828,337
Less: Accumulated depreciation		(368,380)
Total	\$	459,957

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2008 are as follows:

Table FN23 - Future Minimum Lease Obligations

		Governmental Activities
	2009	\$170,944
	2010	140,394
	2011	115,577
	2012	58,561
	2013	24,139
2014 and Beyond		-
Total Minimum Lease Payments		509,615
Less: Interest		54,769
Present Value of Minimum Lease Payments		\$454,846

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)	\$ 347,876,948
General Government (With 3/5 majority vote)	\$ 590,525,184

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 2008, Whatcom County contributed \$1,363,058 and the City of Bellingham contributed \$1,015,951. 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, 2008, due to and from other funds balances were as follows:

Table FN25 - Due To / From Other Funds

Due To	Due From				Total
	General Fund	County Road	Internal Service	All Others	
General Fund	\$ -	\$ 287	\$113,555	\$ 41,621	\$ 155,463
County Road	78,533	-	15,328	7,181	101,042
Internal Service	502,431	45,226	-	9,693	557,350
All Others	105,978	521,745	22,613	23,823	674,159
Total	\$686,942	\$ 567,258	\$151,496	\$ 82,318	\$1,488,014

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 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, 2008, consisted of the following:

Table FN26 - Interfund Transfers

Transfer To	Transfers From						Total
	General Fund	County Road	Real Estate Excise Tax II	Public Utilities Improvement	Internal Service	All Others	
General Fund	\$ 20,601	\$ -	\$ 34,365	\$ -	\$224,545	\$1,591,641	\$ 1,871,152
County Road	78,251	-	-	1,500,000	-	1,038	1,579,289
Internal Service	1,665,270	587,316	-	-	15,000	237,465	2,505,051
All Others	7,398,921	1,120,138	-	150,000	290,083	1,606,300	10,565,442
Total	\$9,163,043	\$1,707,454	\$ 34,365	\$1,650,000	\$529,628	\$3,436,444	\$16,520,934

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 \$706,344 as its share of operations in 2008. Whatcom County did not have an equity interest in What-Comm in 2008. 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 \$199 - \$211 per month for a Medicare supplement for each retiree eligible for Medicare. There is currently 1 active LEOFF I member and 25 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 table on the following page 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 \$813,759 is included as a noncurrent liability on the Statement of Net Assets.

Table FN27 - Annual OPEB Cost

Annual Required Contribution:	12/31/08
Normal Cost at Year End	\$ 9,381
Amortization of UAAL*	615,490
Annual Required Contribution	<u>\$ 624,871</u>
 Net OPEB Obligation:	
Annual Required Contribution	\$ 624,871
Interest on Prior Year Net OPEB Obligation	19,624
Annual OPEB Cost	<u>644,495</u>
Contributions Made	<u>(266,824)</u>
Increase in Net OPEB Obligation	377,671
Net OPEB Obligation-Beginning of Year	<u>436,088</u>
Net OPEB Obligation-End of Year	<u><u>\$ 813,759</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 2008 were as follows:

Table FN28 - Net OPEB Obligation

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
12/31/07	\$ 624,871	30.2%	\$ 436,088
12/31/08	\$ 644,495	41.4%	\$ 813,759

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 two years are 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 2008, the following fund was added: East Whatcom Regional Resource Center Construction Fund.

Required Supplemental Information
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
General Fund
Year Ended December 31, 2008



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 38,711,210	\$ 38,711,210	\$ 38,655,667	\$ (55,543)
Licenses and permits	2,853,205	2,853,205	1,989,090	(864,115)
Intergovernmental	12,823,011	13,741,496	14,641,837	900,341
Charges for service	8,145,417	8,203,377	6,746,725	(1,456,652)
Fines and forfeits	1,825,971	1,825,971	1,907,429	81,458
Miscellaneous	5,661,927	5,882,004	5,548,583	(333,421)
Total revenues	70,020,741	71,217,263	69,489,331	(1,727,932)
Expenditures				
Current:				
General government	26,243,908	26,823,085	24,821,662	2,001,423
Public safety	24,683,707	25,326,384	23,887,496	1,438,888
Physical environment	429,900	544,068	510,125	33,943
Economic environment	1,470,391	1,861,616	1,746,976	114,640
Mental and physical health	12,517,633	12,852,049	12,019,930	832,119
Culture and recreation	4,186,210	4,251,447	4,218,193	33,254
Capital outlay	148,900	890,165	373,835	516,330
Debt service:				
Principal	-	-	34,266	(34,266)
Interest	-	-	15,955	(15,955)
Total expenditures	69,680,649	72,548,814	67,628,438	4,920,376
Excess (deficiency) of revenues over expenditures	340,092	(1,331,551)	1,860,893	3,192,444
Other financing sources (uses)				
Sales of capital assets	754,000	754,000	851,148	97,148
Transfers in	1,802,721	2,040,593	1,871,152	(169,441)
Transfers out	(9,873,633)	(10,773,773)	(9,163,043)	1,610,730
Total other financing sources (uses)	(7,316,912)	(7,979,180)	(6,440,743)	1,538,437
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(6,976,820)	(9,310,731)	(4,579,850)	4,730,881
Fund balance as of January 1	-	2,333,910	15,525,133	13,191,223
Fund balance as of December 31	\$ (6,976,820)	\$ (6,976,821)	\$ 10,945,283	\$ 17,922,104

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 15,199,000	\$ 15,199,000	\$ 15,944,815	\$ 745,815
Licenses and permits	50,100	150,100	140,633	(9,467)
Intergovernmental	5,466,087	11,261,087	5,945,726	(5,315,361)
Charges for service	878,062	878,062	996,973	118,911
Miscellaneous	13,000	613,000	186,160	(426,840)
Total revenues	21,606,249	28,101,249	23,214,307	(4,886,942)
Expenditures				
Current:				
General government	230,000	230,000	334,274	(104,274)
Transportation	19,671,312	39,488,174	16,650,838	22,837,336
Capital outlay	100,000	1,598,498	5,692,381	(4,093,883)
Total expenditures	20,001,312	41,316,672	22,677,493	18,639,179
Excess (deficiency) of revenues over expenditures	1,604,937	(13,215,423)	536,814	13,752,237
Other financing sources (uses)				
Sales of capital assets	900,000	900,000	1,034,424	134,424
Transfers in	79,297	79,297	1,579,289	1,499,992
Transfers out	(1,343,628)	(1,750,958)	(1,707,454)	43,504
Insurance recoveries	-	-	9,533	9,533
Total other financing sources (uses)	(364,331)	(771,661)	915,792	1,687,453
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	1,240,606	(13,987,084)	1,452,606	15,439,690
Fund balance as of January 1	-	15,227,691	8,488,377	(6,739,314)
Fund balance as of December 31	\$ 1,240,606	\$ 1,240,607	\$ 9,940,983	\$ 8,700,376

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 2008.

Required Supplemental Information
 LEOFF I Retiree Medical Benefits
 Schedule of Funding Progress
 Year Ended December 31, 2008



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%
12/31/08	\$ -	\$ 6,610,086	\$ 6,610,086	0%	\$ 82,439	8018.15%

*2007 is the first year Whatcom County implemented GASB 45, and only two years are 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:

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.

East Whatcom Regional Resource Center Construction - A fund established to finance the construction of a community facility in eastern Whatcom County for the provision of early childhood education, family support and health services.

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, 2008



	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
Assets				
Cash and cash equivalents	\$ 28,875,903	\$ 230,058	\$ 4,192,233	\$ 33,298,194
Investments at cost	-	-	126,455	126,455
Taxes receivable	139,512	10	-	139,522
Accounts receivable	207,017	-	-	207,017
Special assessments	12,087	7,283	-	19,370
Interest receivable	-	-	360	360
Notes receivable	83,735	-	-	83,735
Due from other funds	114,769	-	-	114,769
Due from other governments	2,119,381	-	-	2,119,381
Employee advances	27	-	-	27
Prepayments	55,720	-	-	55,720
Total assets	\$ 31,608,151	\$ 237,351	\$ 4,319,048	\$ 36,164,550
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 964,410	\$ -	\$ 83,796	\$ 1,048,206
Due to other funds	76,706	-	-	76,706
Revenue collected in advance	-	-	51	51
Other accrued liabilities	216,894	-	-	216,894
Custodial accounts	64,277	-	-	64,277
Deferred revenue	250,963	7,293	-	258,256
Deferred credits	41,912	-	-	41,912
Total liabilities	1,615,162	7,293	83,847	1,706,302
Fund balances				
Reserved for:				
Encumbrances	413,687	-	138,599	552,286
Debt service	-	230,058	-	230,058
Unreserved, reported in:				
Special revenue funds	29,579,302	-	-	29,579,302
Capital projects funds	-	-	4,096,602	4,096,602
Total fund balance	29,992,989	230,058	4,235,201	34,458,248
Total liabilities and fund balance	\$ 31,608,151	\$ 237,351	\$ 4,319,048	\$ 36,164,550

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Non-Major Governmental Funds
 Year Ended December 31, 2008



	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
Revenues				
Taxes	\$ 10,818,302	\$ -	\$ 1,600,071	\$ 12,418,373
Intergovernmental	6,088,816	-	-	6,088,816
Charges for service	3,271,031	-	-	3,271,031
Fines and forfeits	564,596	-	-	564,596
Miscellaneous	278,519	7,480	17,282	303,281
Total revenues	21,021,264	7,480	1,617,353	22,646,097
Expenditures				
Current:				
General government	1,624,947	-	-	1,624,947
Public safety	12,858,604	-	-	12,858,604
Physical environment	4,909,847	-	739,513	5,649,360
Transportation	27,314	-	-	27,314
Economic environment	1,105,824	-	-	1,105,824
Culture and recreation	213,558	-	18,008	231,566
Capital outlay	1,643,681	-	126,215	1,769,896
Debt service:				
Principal	-	1,530,000	-	1,530,000
Interest	-	361,415	-	361,415
Total expenditures	22,383,775	1,891,415	883,736	25,158,926
Excess (deficiency) of revenues over expenditures	(1,362,511)	(1,883,935)	733,617	(2,512,829)
Other financing sources (uses)				
Sales of capital assets	156,188	-	-	156,188
Transfers in	7,476,801	1,893,503	250,000	9,620,304
Transfers out	(2,230,144)	-	(1,206,300)	(3,436,444)
Total other financing sources (uses)	5,402,845	1,893,503	(956,300)	6,340,048
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	4,040,334	9,568	(222,683)	3,827,219
Fund balance as of January 1	25,952,655	220,490	4,457,884	30,631,029
Fund balance as of December 31	\$ 29,992,989	\$ 230,058	\$ 4,235,201	\$ 34,458,248

Combining Balance Sheet
 Non-Major Special Revenue Funds

December 31, 2008

Page 1 of 5

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Water Resources	Whatcom County Jail
Assets						
Cash and cash equivalents	\$ 222,140	\$ 621,249	\$ 63	\$ 198,581	\$ 457,091	\$ 4,328,638
Taxes receivable	11,228	7,383	3	-	-	-
Accounts receivable	-	-	-	-	-	13,972
Special assessments	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Due from other funds	-	21,709	-	-	-	19,380
Due from other governments	222,821	-	-	-	12,953	282,042
Employee advances	4	-	-	-	-	23
Prepayments	7	-	-	-	-	1,196
Total assets	\$ 456,200	\$ 650,341	\$ 66	\$ 198,581	\$ 470,044	\$ 4,645,251
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ 5,724	\$ 4,659	\$ -	\$ 42	\$ 46,004	\$ 260,878
Due to other funds	-	-	-	-	-	222
Other accrued liabilities	11,183	-	-	-	-	193,425
Custodial accounts	-	-	-	-	-	-
Deferred revenue	11,228	7,383	3	-	-	15,630
Deferred credits	2,096	-	-	-	-	37,454
Total liabilities	30,231	12,042	3	42	46,004	507,609
Fund balances						
Reserved for:						
Encumbrances	-	-	-	-	-	213,839
Unreserved, reported in:						
Special revenue funds	425,969	638,299	63	198,539	424,040	3,923,803
Total fund balance	425,969	638,299	63	198,539	424,040	4,137,642
Total liabilities & fund balance	\$ 456,200	\$ 650,341	\$ 66	\$ 198,581	\$ 470,044	\$ 4,645,251

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.
\$ 136,934	\$ 353,344	\$ 1,080,947	\$ 3,363,803	\$ -	\$ 15,892	\$ 3,500,000	\$ 1,335,832	\$ 692,619	\$ 90,778
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	193,045	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	14,453	-	-	-	-
-	-	66,568	930,884	-	25,564	-	117,702	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	54,500	-
<u>\$ 136,934</u>	<u>\$ 353,344</u>	<u>\$ 1,147,515</u>	<u>\$ 4,294,687</u>	<u>\$ -</u>	<u>\$ 55,909</u>	<u>\$ 3,500,000</u>	<u>\$ 1,646,579</u>	<u>\$ 747,119</u>	<u>\$ 90,778</u>
\$ -	\$ 37,522	\$ 119,356	\$ 85,866	\$ -	\$ -	\$ -	\$ 86,312	\$ 61,440	\$ 945
-	-	20,000	-	-	5,369	-	20,024	-	-
-	-	-	-	-	-	-	3,881	-	1,811
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	773	-	360
-	37,522	139,356	85,866	-	5,369	-	110,990	61,440	3,116
-	-	-	-	-	1,534	-	9,104	-	-
136,934	315,822	1,008,159	4,208,821	-	49,006	3,500,000	1,526,485	685,679	87,662
136,934	315,822	1,008,159	4,208,821	-	50,540	3,500,000	1,535,589	685,679	87,662
<u>\$ 136,934</u>	<u>\$ 353,344</u>	<u>\$ 1,147,515</u>	<u>\$ 4,294,687</u>	<u>\$ -</u>	<u>\$ 55,909</u>	<u>\$ 3,500,000</u>	<u>\$ 1,646,579</u>	<u>\$ 747,119</u>	<u>\$ 90,778</u>

continued on next page

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2008

	CERB	Emerg. Contingency	Drug Task Force	Community Develop- ment	Imminent Threat Grant	Sewer Imp Dist No. 1	Emergency Communi- cations	Whatcom County Drug
Assets								
Cash and cash equivalents	\$ -	\$ 5,250	\$16,170	\$ 21,237	\$ 3	\$ 5,066	\$ 64,277	\$ 762,720
Taxes receivable	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	83,735	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	35,404
Due from other governments	-	-	-	-	-	-	-	-
Employee advances	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-
Total assets	\$ -	\$ 5,250	\$16,170	\$ 104,972	\$ 3	\$ 5,066	\$ 64,277	\$ 798,124
Liabilities and fund balance								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,903
Due to other funds	-	-	-	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-	-	-
Custodial accounts	-	-	-	-	-	-	64,277	-
Deferred revenue	-	-	-	83,735	-	-	-	-
Deferred credits	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	83,735	-	-	64,277	48,903
Fund balances								
Reserved for:								
Encumbrances	-	-	-	-	-	-	-	-
Unreserved, reported in:								
Special revenue funds	-	5,250	16,170	21,237	3	5,066	-	749,221
Total fund balance	-	5,250	16,170	21,237	3	5,066	-	749,221
Total liabilities & fund balance	\$ -	\$ 5,250	\$16,170	\$ 104,972	\$ 3	\$ 5,066	\$ 64,277	\$ 798,124

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
\$ 508,376	\$ 76,766	\$ -	\$ 7,156,447	\$ 311,786	\$ 2,463,748	\$ 1,878	\$ 170,808	\$ 226,331
-	-	-	92,203	-	28,695	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	93	-	-	-	2,464	991
-	-	-	-	-	-	-	-	-
-	-	-	23,823	-	-	-	-	-
-	41,975	-	418,872	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	17	-	-	-	-	-	-	-
<u>\$ 508,376</u>	<u>\$ 118,758</u>	<u>\$ -</u>	<u>\$ 7,691,438</u>	<u>\$ 311,786</u>	<u>\$ 2,492,443</u>	<u>\$ 1,878</u>	<u>\$ 173,272</u>	<u>\$ 227,322</u>
\$ -	\$ 28,107	\$ -	\$ 175,970	\$ -	\$ -	\$ -	\$ 2,438	\$ -
6,471	-	-	796	-	-	-	-	-
-	6,594	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	92,295	-	28,695	-	2,464	991
-	1,229	-	-	-	-	-	-	-
<u>6,471</u>	<u>35,930</u>	<u>-</u>	<u>269,061</u>	<u>-</u>	<u>28,695</u>	<u>-</u>	<u>4,902</u>	<u>991</u>
-	4,526	-	181,172	-	-	-	-	-
501,905	78,302	-	7,241,205	311,786	2,463,748	1,878	168,370	226,331
501,905	82,828	-	7,422,377	311,786	2,463,748	1,878	168,370	226,331
<u>\$ 508,376</u>	<u>\$ 118,758</u>	<u>\$ -</u>	<u>\$ 7,691,438</u>	<u>\$ 311,786</u>	<u>\$ 2,492,443</u>	<u>\$ 1,878</u>	<u>\$ 173,272</u>	<u>\$ 227,322</u>

continued on next page

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2008

	Sumas/ Nooksack/ Everson Sub-Zone	Acme/ Van Zandt Sub-Zone	Samish Watershed Sub-Zone	Total Non Major Special Revenue Funds
Assets				
Cash and cash equivalents	\$ 529,582	\$ 127,434	\$ 30,113	\$ 28,875,903
Taxes receivable	-	-	-	139,512
Accounts receivable	-	-	-	207,017
Special assessments	6,838	1,701	-	12,087
Notes receivable	-	-	-	83,735
Due from other funds	-	-	-	114,769
Due from other governments	-	-	-	2,119,381
Employee advances	-	-	-	27
Prepayments	-	-	-	55,720
Total assets	\$ 536,420	\$ 129,135	\$ 30,113	\$ 31,608,151
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 244	\$ 964,410
Due to other funds	23,824	-	-	76,706
Other accrued liabilities	-	-	-	216,894
Custodial accounts	-	-	-	64,277
Deferred revenue	6,838	1,701	-	250,963
Deferred credits	-	-	-	41,912
Total liabilities	30,662	1,701	244	1,615,162
Fund balances				
Reserved for:				
Encumbrances	-	-	3,512	413,687
Unreserved, reported in:				
Special revenue funds	505,758	127,434	26,357	29,579,302
Total fund balance	505,758	127,434	29,869	29,992,989
Total liabilities & fund balance	\$ 536,420	\$ 129,135	\$ 30,113	\$ 31,608,151



Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2008

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Water Resources	Whatcom County Jail
Revenues						
Taxes	\$ 364,744	\$ 252,285	\$ (1)	\$ -	\$ -	\$ 3,406,458
Intergovernmental	171,234	11	-	-	17,661	2,471,335
Charges for service	689,220	-	-	103,966	-	708,261
Fines and forfeits	-	-	-	-	-	-
Miscellaneous	221	22,062	-	-	-	203,013
Total revenues	1,225,419	274,358	(1)	103,966	17,661	6,789,067
Expenditures						
Current:						
General government	1,456,742	-	-	31,647	-	-
Public safety	-	-	-	-	-	11,277,454
Physical environment	-	-	-	-	585,668	-
Transportation	-	-	-	-	-	-
Economic environment	-	121,357	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	15,019
Total expenditures	1,456,742	121,357	-	31,647	585,668	11,292,473
Excess (deficiency) of revenues over expenditures	(231,323)	153,001	(1)	72,319	(568,007)	(4,503,406)
Other financing sources (uses)						
Sales of capital assets	12,328	8,501	-	-	-	-
Transfers in	528,087	-	-	-	500,000	6,288,359
Transfers out	(171,216)	-	-	(68,059)	-	(81,954)
Total other financing sources (uses)	369,199	8,501	-	(68,059)	500,000	6,206,405
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	137,876	161,502	(1)	4,260	(68,007)	1,702,999
Fund balance as of January 1	288,093	476,797	64	194,279	492,047	2,434,643
Fund balance as of Dec. 31	\$ 425,969	\$ 638,299	\$ 63	\$ 198,539	\$ 424,040	\$ 4,137,642

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2008

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
\$ -	\$ -	\$ -	\$ 1,920,837	\$ -	\$ -	\$ -	\$ -	\$ 603,457
29,007	-	312,716	926,717	-	51,258	-	264,553	-
-	230,588	528,938	-	-	-	-	814,650	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,530	-	2,161	-
<u>29,007</u>	<u>230,588</u>	<u>841,654</u>	<u>2,847,554</u>	<u>-</u>	<u>52,788</u>	<u>-</u>	<u>1,081,364</u>	<u>603,457</u>
-	-	-	-	-	-	-	-	-
-	-	-	748,093	-	-	-	-	-
-	-	-	-	-	-	-	1,089,450	-
-	-	-	-	-	-	-	-	-
-	271,298	648,309	-	-	-	-	-	-
-	-	-	-	-	-	-	-	213,558
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>271,298</u>	<u>648,309</u>	<u>748,093</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,089,450</u>	<u>213,558</u>
29,007	(40,710)	193,345	2,099,461	-	52,788	-	(8,086)	389,899
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	(20,000)	(658,740)	-	(25,959)	-	(51,032)	-
-	-	(20,000)	(658,740)	-	(25,959)	-	(51,032)	-
29,007	(40,710)	173,345	1,440,721	-	26,829	-	(59,118)	389,899
107,927	356,532	834,814	2,768,100	-	23,711	3,500,000	1,594,707	295,780
<u>\$ 136,934</u>	<u>\$ 315,822</u>	<u>\$ 1,008,159</u>	<u>\$ 4,208,821</u>	<u>\$ -</u>	<u>\$ 50,540</u>	<u>\$ 3,500,000</u>	<u>\$ 1,535,589</u>	<u>\$ 685,679</u>

continued on next page

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2008

	Victim/ Witness Assistance	CERB	Emergency Contin- gency	Drug Task Force	Community Develop- ment	Imminent Threat Grant	Sewer Imp Dist No. 1
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	11,326	-	-	-	-	-	-
Charges for service	94,696	-	-	-	-	-	-
Fines and forfeits	26,099	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	132,121	-	-	-	-	-	-
Expenditures							
Current:							
General government	73,525	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	73,525	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	58,596	-	-	-	-	-	-
Other financing sources (uses)							
Sales of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(59,132)	-	-	-	(5,000)	-	-
Total other financing sources (uses)	(59,132)	-	-	-	(5,000)	-	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(536)	-	-	-	(5,000)	-	-
Fund balance as of January 1	88,198	-	5,250	16,170	26,237	3	5,066
Fund balance as of Dec. 31	\$ 87,662	\$ -	\$ 5,250	\$ 16,170	\$ 21,237	\$ 3	\$ 5,066

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2008

Emergency Communications	Whatcom County Drug	Auditor's O & M	Emergency Management	Sumas Sub- Flood Control Zone Dist.	Flood Control Zone District	Point Roberts Fuel Tax	Conser- vation Futures	Lake Manage- ment District No. 1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,060,967	\$ 51,245	\$ 949,971	\$ -
-	-	98,594	484,260	-	792,192	-	457,952	-
-	-	100,652	-	-	60	-	-	-
-	538,497	-	-	-	-	-	-	-
-	39,400	-	3,777	-	4,742	-	575	-
-	577,897	199,246	488,037	-	3,857,961	51,245	1,408,498	-
-	-	63,033	-	-	-	-	-	-
-	187,193	-	645,864	-	-	-	-	-
-	-	-	-	-	3,178,111	-	-	-
-	-	-	-	-	-	-	64,860	-
-	-	-	-	-	-	-	-	-
-	-	34,160	9,139	-	40,002	-	1,545,361	-
-	187,193	97,193	655,003	-	3,218,113	-	1,610,221	-
-	390,704	102,053	(166,966)	-	639,848	51,245	(201,723)	-
-	-	-	-	-	103,298	-	32,061	-
-	-	-	160,355	-	-	-	-	-
-	(537,467)	(90,146)	(56,296)	-	(404,105)	-	-	-
-	(537,467)	(90,146)	104,059	-	(300,807)	-	32,061	-
-	(146,763)	11,907	(62,907)	-	339,041	51,245	(169,662)	-
-	895,984	489,998	145,735	-	7,083,336	260,541	2,633,410	1,878
\$ -	\$ 749,221	\$ 501,905	\$ 82,828	\$ -	\$ 7,422,377	\$ 311,786	\$ 2,463,748	\$ 1,878

continued on next page

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
Year Ended December 31, 2008

	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
Revenues						
Taxes	\$ 26,555	\$ 34,336	\$ 106,226	\$ 24,362	\$ 16,860	\$ 10,818,302
Intergovernmental	-	-	-	-	-	6,088,816
Charges for service	-	-	-	-	-	3,271,031
Fines and forfeits	-	-	-	-	-	564,596
Miscellaneous	1,038	-	-	-	-	278,519
Total revenues	27,593	34,336	106,226	24,362	16,860	21,021,264
Expenditures						
Current:						
General government	-	-	-	-	-	1,624,947
Public safety	-	-	-	-	-	12,858,604
Physical environment	-	25,200	26,639	759	4,020	4,909,847
Transportation	27,314	-	-	-	-	27,314
Economic environment	-	-	-	-	-	1,105,824
Culture and recreation	-	-	-	-	-	213,558
Capital outlay	-	-	-	-	-	1,643,681
Total expenditures	27,314	25,200	26,639	759	4,020	22,383,775
Excess (deficiency) of revenues over expenditures	279	9,136	79,587	23,603	12,840	(1,362,511)
Other financing sources (uses)						
Sales of capital assets	-	-	-	-	-	156,188
Transfers in	-	-	-	-	-	7,476,801
Transfers out	(1,038)	-	-	-	-	(2,230,144)
Total other financing sources (uses)	(1,038)	-	-	-	-	5,402,845
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(759)	9,136	79,587	23,603	12,840	4,040,334
Fund balance as of January 1	169,129	217,195	426,171	103,831	17,029	25,952,655
Fund balance as of Dec. 31	\$ 168,370	\$ 226,331	\$ 505,758	\$ 127,434	\$ 29,869	\$ 29,992,989



Schedule of Revenues, Expenditures and Changes in Fund

Balance

Budget and Actual (GAAP Basis)

Election Reserve

Year Ended December 31, 2008

(With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 361,200	\$ 364,744	\$ 3,544	\$ 363,461
Intergovernmental	349,351	171,234	(178,117)	73,585
Charges for service	403,211	689,220	286,009	569,475
Miscellaneous	-	221	221	2,792
Total revenues	1,113,762	1,225,419	111,657	1,009,313
Expenditures				
Current:				
General government	1,478,215	1,456,742	21,473	1,005,847
Capital outlay	4,417	-	4,417	-
Total expenditures	1,482,632	1,456,742	25,890	1,005,847
Excess (deficiency) of revenues over expenditures	(368,870)	(231,323)	137,547	3,466
Other financing sources (uses)				
Sales of capital assets	12,000	12,328	328	2,530
Transfers in	528,087	528,087	-	219,405
Transfer out	(171,217)	(171,216)	1	-
Total other financing sources (uses)	368,870	369,199	329	221,935
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	137,876	137,876	225,401
Fund balance as of January 1	-	288,093	288,093	62,692
Fund balance as of December 31	\$ -	\$ 425,969	\$ 425,969	\$ 288,093

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Veteran's Relief
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 191,314	\$ 252,285	\$ 60,971	\$ 229,235
Intergovernmental	-	11	11	204
Miscellaneous	-	22,062	22,062	20,014
Total revenues	191,314	274,358	83,044	249,453
Expenditures				
Current:				
Economic environment	196,441	121,357	75,084	120,868
Total expenditures	196,441	121,357	75,084	120,868
Excess (deficiency) of revenues over expenditures	(5,127)	153,001	158,128	128,585
Other financing sources (uses)				
Sales of capital assets	5,127	8,501	3,374	1,590
Total other financing sources (uses)	5,127	8,501	3,374	1,590
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	161,502	161,502	130,175
Fund balance as of January 1	-	476,797	476,797	346,622
Fund balance as of December 31	\$ -	\$ 638,299	\$ 638,299	\$ 476,797

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Treasurer's O & M
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for service	\$ 218,693	\$ 103,966	\$ (114,727)	\$ 72,423
Miscellaneous	-	-	-	(65)
Total revenues	<u>218,693</u>	<u>103,966</u>	<u>(114,727)</u>	<u>72,358</u>
Expenditures				
Current:				
General government	132,597	31,647	100,950	19,293
Capital outlay	4,939	-	4,939	-
Total expenditures	<u>137,536</u>	<u>31,647</u>	<u>105,889</u>	<u>19,293</u>
Excess (deficiency) of revenues over expenditures	<u>81,157</u>	<u>72,319</u>	<u>(8,838)</u>	<u>53,065</u>
Other financing sources (uses)				
Transfers out	(65,000)	(68,059)	(3,059)	(53,871)
Total other financing sources (uses)	<u>(65,000)</u>	<u>(68,059)</u>	<u>(3,059)</u>	<u>(53,871)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>16,157</u>	<u>4,260</u>	<u>(11,897)</u>	<u>(806)</u>
Fund balance as of January 1	-	194,279	194,279	195,085
Fund balance as of December 31	<u>\$ 16,157</u>	<u>\$ 198,539</u>	<u>\$ 182,382</u>	<u>\$ 194,279</u>

Schedule of Revenues, Expenditures and Changes in Fund
Balance
Budget and Actual (GAAP Basis)
Water Resources
Year Ended December 31, 2008
(With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 90,000	\$ 17,661	\$ (72,339)	\$ -
Total Revenues	<u>90,000</u>	<u>17,661</u>	<u>(72,339)</u>	<u>-</u>
Expenditures				
Current:				
Physical environment	828,803	585,668	243,135	408,148
Total expenditures	<u>828,803</u>	<u>585,668</u>	<u>243,135</u>	<u>408,148</u>
Excess (deficiency) of revenues over expenditures	<u>(738,803)</u>	<u>(568,007)</u>	<u>170,796</u>	<u>(408,148)</u>
Other financing sources (uses)				
Transfers in	500,000	500,000	-	619,000
Transfers out	-	-	-	(35,000)
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>584,000</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(238,803)</u>	<u>(68,007)</u>	<u>170,796</u>	<u>175,852</u>
Fund balance as of January 1	489,197	492,047	2,850	316,195
Fund balance as of December 31	<u>\$ 250,394</u>	<u>\$ 424,040</u>	<u>\$ 173,646</u>	<u>\$ 492,047</u>

Schedule of Revenues, Expenditures and Changes in Fund

Balance

Budget and Actual (GAAP Basis)

Whatcom County Jail

Year Ended December 31, 2008

(With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 3,552,136	\$ 3,406,458	\$ (145,678)	\$ 3,387,140
Intergovernmental	2,222,720	2,471,335	248,615	2,031,140
Charges for service	606,845	708,261	101,416	623,796
Miscellaneous	230,399	203,013	(27,386)	299,056
Total revenues	6,612,100	6,789,067	176,967	6,341,132
Expenditures				
Current:				
Public safety	11,946,886	11,277,454	669,432	11,035,201
Capital outlay	14,000	15,019	(1,019)	22,460
Total expenditures	11,960,886	11,292,473	668,413	11,057,661
Excess (deficiency) of revenues over expenditures	(5,348,786)	(4,503,406)	845,380	(4,716,529)
Other financing sources (uses)				
Transfers in	6,519,657	6,288,359	(231,298)	6,417,910
Transfers out	(622,384)	(81,954)	540,430	(310,415)
Total other financing sources (uses)	5,897,273	6,206,405	309,132	6,107,495
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	548,487	1,702,999	1,154,512	1,390,966
Fund balance as of January 1	844,599	2,434,643	1,590,044	1,043,677
Fund balance as of December 31	\$ 1,393,086	\$ 4,137,642	\$ 2,744,556	\$ 2,434,643

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Low-Income Housing
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for service	\$ 320,000	\$ 230,588	\$ (89,412)	\$ 283,694
Total revenues	<u>320,000</u>	<u>230,588</u>	<u>(89,412)</u>	<u>283,694</u>
Expenditures				
Current:				
Economic environment	410,000	271,298	138,702	882,362
Total expenditures	<u>410,000</u>	<u>271,298</u>	<u>138,702</u>	<u>882,362</u>
Excess (deficiency) of revenues over expenditures	<u>(90,000)</u>	<u>(40,710)</u>	<u>49,290</u>	<u>(598,668)</u>
Fund balance as of January 1	-	356,532	356,532	955,200
Fund balance as of December 31	<u>\$ (90,000)</u>	<u>\$ 315,822</u>	<u>\$ 405,822</u>	<u>\$ 356,532</u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Homeless Housing
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 300,444	\$ 312,716	\$ 12,272	\$ -
Charges for service	540,000	528,938	(11,062)	443,052
Total revenues	840,444	841,654	1,210	443,052
Expenditures				
Current:				
Economic environment	723,000	648,309	74,691	37,102
Total expenditures	723,000	648,309	74,691	37,102
Excess (deficiency) of revenues over expenditures	117,444	193,345	75,901	405,950
Other financing sources (uses)				
Transfers out	(20,000)	(20,000)	-	(20,000)
Total other financing sources (uses)	(20,000)	(20,000)	-	(20,000)
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	97,444	173,345	75,901	385,950
Fund balance as of January 1	(117,444)	834,814	952,258	448,864
Fund balance as of December 31	\$ (20,000)	\$ 1,008,159	\$ 1,028,159	\$ 834,814

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Countywide Emergency Medical Services
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 2,387,805	\$ 1,920,837	\$ (466,968)	\$ 1,883,374
Intergovernmental	-	926,717	926,717	763,893
Total revenues	<u>2,387,805</u>	<u>2,847,554</u>	<u>459,749</u>	<u>2,647,267</u>
Expenditures				
Current:				
Public safety	1,817,051	748,093	1,068,958	1,042,212
Total Expenditures	<u>1,817,051</u>	<u>748,093</u>	<u>1,068,958</u>	<u>1,042,212</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>570,754</u>	<u>2,099,461</u>	<u>1,528,707</u>	<u>1,605,055</u>
Other financing sources (uses)				
Transfers out	(658,740)	(658,740)	-	(336,687)
Total other financing sources (uses)	<u>(658,740)</u>	<u>(658,740)</u>	<u>-</u>	<u>(336,687)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(87,986)</u>	<u>1,440,721</u>	<u>1,528,707</u>	<u>1,268,368</u>
Fund balance as of January 1	774,839	2,768,100	1,993,261	1,499,732
Fund balance as of December 31	<u>\$ 686,853</u>	<u>\$ 4,208,821</u>	<u>\$ 3,521,968</u>	<u>\$ 2,768,100</u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Whatcom County Trial Court Improvement
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 52,000	\$ 51,258	\$ (742)	\$ 51,079
Miscellaneous	-	1,530	1,530	1,249
Total revenues	<u>52,000</u>	<u>52,788</u>	<u>788</u>	<u>52,328</u>
Excess (deficiency) of revenues over expenditures	52,000	52,788	788	52,328
Other financing sources (uses)				
Transfers out	(46,179)	(25,959)	20,220	(35,234)
Total other financing sources (uses)	<u>(46,179)</u>	<u>(25,959)</u>	<u>20,220</u>	<u>(35,234)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	5,821	26,829	21,008	17,094
Fund balance as of January 1	38,096	23,711	(14,385)	6,617
Fund balance as of December 31	<u>\$ 43,917</u>	<u>\$ 50,540</u>	<u>\$ 6,623</u>	<u>\$ 23,711</u>

Schedule of Revenues, Expenditures and Changes in Fund
Balance
Budget and Actual (GAAP Basis)
Solid Waste Management
Year Ended December 31, 2008
(With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 285,081	\$ 264,553	\$ (20,528)	\$ 293,742
Charges for service	800,000	814,650	14,650	872,470
Miscellaneous	1,800	2,161	361	2,869
Total revenues	<u>1,086,881</u>	<u>1,081,364</u>	<u>(5,517)</u>	<u>1,169,081</u>
Expenditures				
Current:				
Physical environment	1,211,086	1,089,450	121,636	1,028,190
Total expenditures	<u>1,211,086</u>	<u>1,089,450</u>	<u>121,636</u>	<u>1,028,190</u>
Excess (deficiency) of revenues over expenditures	<u>(124,205)</u>	<u>(8,086)</u>	<u>116,119</u>	<u>140,891</u>
Other financing sources (uses)				
Transfers out	(100,446)	(51,032)	49,414	(79,846)
Total other financing sources (uses)	<u>(100,446)</u>	<u>(51,032)</u>	<u>49,414</u>	<u>(79,846)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(224,651)</u>	<u>(59,118)</u>	<u>165,533</u>	<u>61,045</u>
Fund balance as of January 1	82,966	1,594,707	1,511,741	1,533,662
Fund balance as of December 31	<u>\$ (141,685)</u>	<u>\$ 1,535,589</u>	<u>\$ 1,677,274</u>	<u>\$ 1,594,707</u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Convention Center
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 202,000	\$ 603,457	\$ 401,457	\$ 213,824
Total revenues	<u>202,000</u>	<u>603,457</u>	<u>401,457</u>	<u>213,824</u>
Expenditures				
Current:				
Culture & recreation	220,660	213,558	7,102	200,003
Total expenditures	<u>220,660</u>	<u>213,558</u>	<u>7,102</u>	<u>200,003</u>
Excess (deficiency) of revenues over expenditures	<u>(18,660)</u>	<u>389,899</u>	<u>408,559</u>	<u>13,821</u>
Fund balance as of January 1	-	295,780	295,780	281,959
Fund balance as of December 31	<u>\$ (18,660)</u>	<u>\$ 685,679</u>	<u>\$ 704,339</u>	<u>\$ 295,780</u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Victim/Witness Assistance
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 9,000	\$ 11,326	\$ 2,326	\$ 11,326
Charges for service	83,000	94,696	11,696	96,644
Fines & forfeits	25,000	26,099	1,099	25,626
Total revenues	<u>117,000</u>	<u>132,121</u>	<u>15,121</u>	<u>133,596</u>
Expenditures				
Current:				
General government	69,905	73,525	(3,620)	68,077
Total expenditures	<u>69,905</u>	<u>73,525</u>	<u>(3,620)</u>	<u>68,077</u>
Excess (deficiency) of revenues over expenditures	47,095	58,596	11,501	65,519
Other financing sources (uses)				
Transfers out	(62,752)	(59,132)	3,620	(51,061)
Total other financing sources (uses)	<u>(62,752)</u>	<u>(59,132)</u>	<u>3,620</u>	<u>(51,061)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(15,657)	(536)	15,121	14,458
Fund balance as of January 1	10,000	88,198	78,198	73,740
Fund balance as of December 31	<u>\$ (5,657)</u>	<u>\$ 87,662</u>	<u>\$ 93,319</u>	<u>\$ 88,198</u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Community Development
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ 13,160
Total revenues	-	-	-	13,160
Excess (deficiency) of revenues over expenditures	-	-	-	13,160
Other financing sources (uses)				
Transfers out	(5,000)	(5,000)	-	(5,000)
Total other financing sources (uses)	(5,000)	(5,000)	-	(5,000)
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(5,000)	(5,000)	-	8,160
Fund balance as of January 1	-	26,237	26,237	18,077
Fund balance as of December 31	\$ (5,000)	\$ 21,237	\$ 26,237	\$ 26,237

Schedule of Revenues, Expenditures and Changes in Fund
Balance
Budget and Actual (GAAP Basis)
Whatcom County Drug
Year Ended December 31, 2008
(With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Fines & forfeits	\$ 350,000	\$ 538,497	\$ 188,497	\$ 321,114
Miscellaneous	20,000	39,400	19,400	60,050
Total revenues	<u>370,000</u>	<u>577,897</u>	<u>207,897</u>	<u>381,164</u>
Expenditures				
Current:				
Public safety	232,000	187,193	44,807	171,334
Capital outlay	50,000	-	50,000	-
Total expenditures	<u>282,000</u>	<u>187,193</u>	<u>94,807</u>	<u>171,334</u>
Excess (deficiency) of revenues over expenditures	<u>88,000</u>	<u>390,704</u>	<u>302,704</u>	<u>209,830</u>
Other financing sources (uses)				
Transfers out	(537,467)	(537,467)	-	(516,228)
Total other financing sources (uses)	<u>(537,467)</u>	<u>(537,467)</u>	<u>-</u>	<u>(516,228)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(449,467)</u>	<u>(146,763)</u>	<u>302,704</u>	<u>(306,398)</u>
Fund balance as of January 1	-	895,984	895,984	1,202,382
Fund balance as of December 31	<u>\$ (449,467)</u>	<u>\$ 749,221</u>	<u>\$ 1,198,688</u>	<u>\$ 895,984</u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Auditor's O & M
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 100,000	\$ 98,594	\$ (1,406)	\$ 119,107
Charges for service	131,000	100,652	(30,348)	126,023
Miscellaneous	-	-	-	5,600
Total revenues	<u>231,000</u>	<u>199,246</u>	<u>(31,754)</u>	<u>250,730</u>
Expenditures				
Current:				
General government	95,149	63,033	32,116	25,567
Capital outlay	34,160	34,160	-	98,360
Total expenditures	<u>129,309</u>	<u>97,193</u>	<u>32,116</u>	<u>123,927</u>
Excess (deficiency) of revenues over expenditures	<u>101,691</u>	<u>102,053</u>	<u>362</u>	<u>126,803</u>
Other financing sources (uses)				
Transfers out	(96,297)	(90,146)	6,151	(87,550)
Total other financing sources (uses)	<u>(96,297)</u>	<u>(90,146)</u>	<u>6,151</u>	<u>(87,550)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>5,394</u>	<u>11,907</u>	<u>6,513</u>	<u>39,253</u>
Fund balance as of January 1	63,035	489,998	426,963	450,745
Fund balance as of December 31	<u>\$ 68,429</u>	<u>\$ 501,905</u>	<u>\$ 433,476</u>	<u>\$ 489,998</u>

Schedule of Revenues, Expenditures and Changes in Fund
Balance
Budget and Actual (GAAP Basis)
Emergency Management
Year Ended December 31, 2008
(With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 742,709	\$ 484,260	\$ (258,449)	\$ 465,500
Miscellaneous	5,000	3,777	(1,223)	5,304
Total revenues	<u>747,709</u>	<u>488,037</u>	<u>(259,672)</u>	<u>470,804</u>
Expenditures				
Current:				
Public safety	833,955	645,864	188,091	516,810
Capital outlay	9,437	9,139	298	-
Total expenditures	<u>843,392</u>	<u>655,003</u>	<u>188,389</u>	<u>516,810</u>
Excess (deficiency) of revenues over expenditures	<u>(95,683)</u>	<u>(166,966)</u>	<u>(71,283)</u>	<u>(46,006)</u>
Other financing sources (uses)				
Transfers in	160,355	160,355	-	113,274
Transfers out	(100,063)	(56,296)	43,767	(54,388)
Total other financing sources (uses)	<u>60,292</u>	<u>104,059</u>	<u>43,767</u>	<u>58,886</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(35,391)</u>	<u>(62,907)</u>	<u>(27,516)</u>	<u>12,880</u>
Fund balance as of January 1	35,391	145,735	110,344	132,855
Fund balance as of December 31	<u>\$ -</u>	<u>\$ 82,828</u>	<u>\$ 82,828</u>	<u>\$ 145,735</u>

Schedule of Revenues, Expenditures and Changes in Fund

Balance

Budget and Actual (GAAP Basis)

Flood Control Zone District

Year Ended December 31, 2008

(With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 3,100,000	\$ 3,060,967	\$ (39,033)	\$ 2,935,987
Intergovernmental	751,350	792,192	40,842	570,879
Charges for service	10,000	60	(9,940)	69
Miscellaneous	-	4,742	4,742	1,876
Total revenues	3,861,350	3,857,961	(3,389)	3,508,811
Expenditures				
Current:				
Physical environment	4,797,504	3,178,111	1,619,393	3,109,230
Capital outlay	132,000	40,002	91,998	328,000
Total expenditures	4,929,504	3,218,113	1,711,391	3,437,230
Excess (deficiency) of revenues over expenditures	(1,068,154)	639,848	1,708,002	71,581
Other financing sources (uses)				
Sales of capital assets	80,000	103,298	23,298	20,412
Transfer In	-	-	-	66,158
Transfers out	(420,730)	(404,105)	16,625	(417,304)
Total other financing sources (uses)	(340,730)	(300,807)	39,923	(330,734)
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(1,408,884)	339,041	1,747,925	(259,153)
Fund balance as of January 1	1,149,117	7,083,336	5,934,219	7,342,489
Fund balance as of December 31	\$ (259,767)	\$ 7,422,377	\$ 7,682,144	\$ 7,083,336

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Point Roberts Fuel Tax
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 50,000	\$ 51,245	\$ 1,245	\$ 42,208
Total revenues	<u>50,000</u>	<u>51,245</u>	<u>1,245</u>	<u>42,208</u>
Excess (deficiency) of revenues over expenditures	50,000	51,245	1,245	42,208
Fund balance as of January 1	271,665	260,541	(11,124)	218,333
Fund balance as of December 31	<u>\$ 321,665</u>	<u>\$ 311,786</u>	<u>\$ (9,879)</u>	<u>\$ 260,541</u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Conservation Futures
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 926,144	\$ 949,971	\$ 23,827	\$ 910,510
Intergovernmental	330,046	457,952	127,906	405,808
Miscellaneous	366	575	209	567
Total revenues	<u>1,256,556</u>	<u>1,408,498</u>	<u>151,942</u>	<u>1,316,885</u>
Expenditures				
Current:				
Economic environment	25,000	64,860	(39,860)	7,150
Capital outlay	1,675,300	1,545,361	129,939	1,623,746
Total expenditures	<u>1,700,300</u>	<u>1,610,221</u>	<u>90,079</u>	<u>1,630,896</u>
Excess (deficiency) of revenues over expenditures	(443,744)	(201,723)	242,021	(314,011)
Other financing sources (uses)				
Sales of capital assets	28,348	32,061	3,713	6,333
Total other financing sources (uses)	<u>28,348</u>	<u>32,061</u>	<u>3,713</u>	<u>6,333</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(415,396)	(169,662)	245,734	(307,678)
Fund balance as of January 1	1,295,300	2,633,410	1,338,110	2,941,088
Fund balance as of December 31	<u>\$ 879,904</u>	<u>\$ 2,463,748</u>	<u>\$ 1,583,844</u>	<u>\$ 2,633,410</u>

Schedule of Revenues, Expenditures and Changes in Fund
Balance
Budget and Actual (GAAP Basis)
Road Improvement Districts
Year Ended December 31, 2008
(With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 25,377	\$ 26,555	\$ 1,178	\$ 26,133
Miscellaneous	1,046	1,038	(8)	1,031
Total revenues	<u>26,423</u>	<u>27,593</u>	<u>1,170</u>	<u>27,164</u>
Expenditures				
Current:				
Transportation	31,700	27,314	4,386	26,516
Total expenditures	<u>31,700</u>	<u>27,314</u>	<u>4,386</u>	<u>26,516</u>
Excess (deficiency) of revenues over expenditures	<u>(5,277)</u>	<u>279</u>	<u>5,556</u>	<u>648</u>
Other financing sources (uses)				
Transfers out	(1,046)	(1,038)	8	(1,031)
Total other financing sources (uses)	<u>(1,046)</u>	<u>(1,038)</u>	<u>8</u>	<u>(1,031)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(6,323)</u>	<u>(759)</u>	<u>5,564</u>	<u>(383)</u>
Fund balance as of January 1	45,070	169,129	124,059	169,512
Fund balance as of December 31	<u>\$ 38,747</u>	<u>\$ 168,370</u>	<u>\$ 129,623</u>	<u>\$ 169,129</u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Lynden/Everson Sub-Zone
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 25,691	\$ 34,336	\$ 8,645	\$ 31,408
Total revenues	<u>25,691</u>	<u>34,336</u>	<u>8,645</u>	<u>31,408</u>
Expenditures				
Current:				
Physical environment	70,000	25,200	44,800	13,659
Total expenditures	<u>70,000</u>	<u>25,200</u>	<u>44,800</u>	<u>13,659</u>
Excess (deficiency) of revenues over expenditures	(44,309)	9,136	53,445	17,749
Fund balance as of January 1	-	217,195	217,195	199,446
Fund balance as of December 31	<u>\$ (44,309)</u>	<u>\$ 226,331</u>	<u>\$ 270,640</u>	<u>\$ 217,195</u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Sumas/Nooksack/Everson Sub-Zone
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 76,795	\$ 106,226	\$ 29,431	\$ 87,258
Total revenues	<u>76,795</u>	<u>106,226</u>	<u>29,431</u>	<u>87,258</u>
Expenditures				
Current:				
Physical environment	70,000	26,639	43,361	3,413
Total expenditures	<u>70,000</u>	<u>26,639</u>	<u>43,361</u>	<u>3,413</u>
Excess (deficiency) of revenues over expenditures	<u>6,795</u>	<u>79,587</u>	<u>72,792</u>	<u>83,845</u>
Fund balance as of January 1	-	426,171	426,171	342,326
Fund balance as of December 31	<u>\$ 6,795</u>	<u>\$ 505,758</u>	<u>\$ 498,963</u>	<u>\$ 426,171</u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Acme/Van Zandt Sub-Zone
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 20,646	\$ 24,362	\$ 3,716	\$ 20,650
Total revenues	<u>20,646</u>	<u>24,362</u>	<u>3,716</u>	<u>20,650</u>
Expenditures				
Current:				
Physical environment	21,500	759	20,741	2,512
Total expenditures	<u>21,500</u>	<u>759</u>	<u>20,741</u>	<u>2,512</u>
Excess (deficiency) of revenues over expenditures	<u>(854)</u>	<u>23,603</u>	<u>24,457</u>	<u>18,138</u>
Fund balance as of January 1	-	103,831	103,831	85,693
Fund balance as of December 31	<u>\$ (854)</u>	<u>\$ 127,434</u>	<u>\$ 128,288</u>	<u>\$ 103,831</u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Samish Watershed Sub-Zone
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 17,254	\$ 16,860	\$ (394)	\$ 17,029
Total revenues	<u>17,254</u>	<u>16,860</u>	<u>(394)</u>	<u>17,029</u>
Expenditures				
Current:				
Physical environment	7,960	4,020	3,940	-
Total expenditures	<u>7,960</u>	<u>4,020</u>	<u>3,940</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>9,294</u>	<u>12,840</u>	<u>3,546</u>	<u>17,029</u>
Fund balance as of January 1	-	17,029	17,029	-
Fund balance as of December 31	<u>\$ 9,294</u>	<u>\$ 29,869</u>	<u>\$ 20,575</u>	<u>\$ 17,029</u>

Combining Balance Sheet
 Non-Major Debt Service Funds
 December 31, 2008

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

CRID No. 5 General Debt	CRID No. 9 General Debt	LRID No. 10 General Debt	1991 Ltd. Tax GO Bond	1993 Ltd. Tax GO Bond	1997 Ltd. Tax GO Bond	1998 Ltd. Tax GO Bond	2003 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
\$ 14,602	\$ 7,996	\$ 135,863	\$ 1,337	\$ 188	\$ 754	\$ 1,101	\$ 1,118	\$ 230,058
-	-	-	-	-	-	-	-	10
-	7,283	-	-	-	-	-	-	7,283
<u>\$ 14,602</u>	<u>\$ 15,279</u>	<u>\$ 135,863</u>	<u>\$ 1,337</u>	<u>\$ 188</u>	<u>\$ 754</u>	<u>\$ 1,101</u>	<u>\$ 1,118</u>	<u>\$ 237,351</u>
\$ -	\$ 7,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,293
-	7,283	-	-	-	-	-	-	7,293
14,602	7,996	135,863	1,337	188	754	1,101	1,118	230,058
14,602	7,996	135,863	1,337	188	754	1,101	1,118	230,058
<u>\$ 14,602</u>	<u>\$ 15,279</u>	<u>\$ 135,863</u>	<u>\$ 1,337</u>	<u>\$ 188</u>	<u>\$ 754</u>	<u>\$ 1,101</u>	<u>\$ 1,118</u>	<u>\$ 237,351</u>

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2008

	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
Revenues						
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-
Expenditures						
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	-	-	-	-	-
Fund balance as of January 1	30,891	22,312	-	8,406	5,271	219
Fund balance as of December 31	\$ 30,891	\$ 22,312	\$ -	\$ 8,406	\$ 5,271	\$ 219

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2008

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
\$ -	\$ -	\$ 7,480	\$ -	\$ -	\$ -	\$ -		\$ 7,480
-	-	7,480	-	-	-	-	-	7,480
-	-	-	-	-	1,000,000	160,000	370,000	1,530,000
-	-	-	-	-	205,606	96,448	59,361	361,415
-	-	-	-	-	1,205,606	256,448	429,361	1,891,415
-	-	7,480	-	-	(1,205,606)	(256,448)	(429,361)	(1,883,935)
-	-	-	-	-	1,206,300	257,145	430,058	1,893,503
-	-	-	-	-	1,206,300	257,145	430,058	1,893,503
-	-	7,480	-	-	694	697	697	9,568
14,602	7,996	128,383	1,337	188	60	404	421	220,490
<u>\$ 14,602</u>	<u>\$ 7,996</u>	<u>\$ 135,863</u>	<u>\$ 1,337</u>	<u>\$ 188</u>	<u>\$ 754</u>	<u>\$ 1,101</u>	<u>\$ 1,118</u>	<u>\$ 230,058</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, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Principal	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 925,000
Interest	206,303	205,606	697	255,794
Total expenditures	<u>1,206,303</u>	<u>1,205,606</u>	<u>697</u>	<u>1,180,794</u>
Excess (deficiency) of revenues over expenditures	(1,206,303)	(1,205,606)	697	(1,180,794)
Other financing sources (uses)				
Transfers in	1,206,303	1,206,300	(3)	1,180,700
Total other financing sources (uses)	<u>1,206,303</u>	<u>1,206,300</u>	<u>(3)</u>	<u>1,180,700</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	694	694	(94)
Fund balance as of January 1	-	60	60	154
Fund balance as of December 31	<u>\$ -</u>	<u>\$ 754</u>	<u>\$ 754</u>	<u>\$ 60</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, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Principal	\$ 160,000	\$ 160,000	\$ -	\$ 155,000
Interest	97,145	96,448	697	102,649
Total expenditures	<u>257,145</u>	<u>256,448</u>	<u>697</u>	<u>257,649</u>
Excess (deficiency) of revenues over expenditures	<u>(257,145)</u>	<u>(256,448)</u>	<u>697</u>	<u>(257,649)</u>
Other financing sources (uses)				
Transfers in	257,145	257,145	-	257,700
Total other financing sources (uses)	<u>257,145</u>	<u>257,145</u>	<u>-</u>	<u>257,700</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>-</u>	<u>697</u>	<u>697</u>	<u>51</u>
Fund balance as of January 1	-	404	404	353
Fund balance as of December 31	<u>\$ -</u>	<u>\$ 1,101</u>	<u>\$ 1,101</u>	<u>\$ 404</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, 2008
(With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Principal	\$ 370,000	\$ 370,000	\$ -	\$ 360,000
Interest	60,058	59,361	697	66,921
Total expenditures	<u>430,058</u>	<u>429,361</u>	<u>697</u>	<u>426,921</u>
Excess (deficiency) of revenues over expenditures	(430,058)	(429,361)	697	(426,921)
Other financing sources (uses)				
Transfers in	430,058	430,058	-	427,000
Total other financing sources (uses)	<u>430,058</u>	<u>430,058</u>	<u>-</u>	<u>427,000</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	697	697	79
Fund balance as of January 1	-	421	421	342
Fund balance as of December 31	<u>\$ -</u>	<u>\$ 1,118</u>	<u>\$ 1,118</u>	<u>\$ 421</u>



Combining Balance Sheet
 Non-Major Capital Project Funds
 December 31, 2008

	1983 Sewer Construction	Real Estate Excise Tax I	Courthouse Expansion Construction	Road Improvement Dist. No. 10 Construction	County Park Improvement
Assets					
Cash and cash equivalents	\$ -	\$ 3,899,274	\$ 43	\$ -	\$ 989
Investments at cost	-	-	-	-	126,455
Interest receivable	-	-	-	-	360
Total assets	\$ -	\$ 3,899,274	\$ 43	\$ -	\$ 127,804
Liabilities and fund balance					
Liabilities					
Accounts payable	\$ -	\$ 76,133	\$ -	\$ -	\$ -
Revenue collected in advance	-	-	-	-	51
Total liabilities	-	76,133	-	-	51
Fund balances					
Reserved for:					
Encumbrances	-	56,893	-	-	-
Unreserved, reported in:					
Capital Projects	-	3,766,248	43	-	127,753
Total fund balance	-	3,823,141	43	-	127,753
Total liabilities and fund balance	\$ -	\$ 3,899,274	\$ 43	\$ -	\$ 127,804

Combining Balance Sheet
 Non-Major Capital Project Funds
 December 31, 2008

Civic Center Building Improvement	Jail Construction Project	East Whatcom Regional Resource Center Construction	Total Non Major Capital Project Funds
\$ 32,211	\$ 169,824	\$ 89,892	\$ 4,192,233
-	-	-	126,455
-	-	-	360
<u>\$ 32,211</u>	<u>\$ 169,824</u>	<u>\$ 89,892</u>	<u>\$ 4,319,048</u>
\$ -	\$ -	\$ 7,663	\$ 83,796
-	-	-	51
-	-	7,663	83,847
-	-	81,706	138,599
32,211	169,824	523	4,096,602
<u>32,211</u>	<u>169,824</u>	<u>82,229</u>	<u>4,235,201</u>
<u>\$ 32,211</u>	<u>\$ 169,824</u>	<u>\$ 89,892</u>	<u>\$ 4,319,048</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2008

	1983 Sewer Construction	Real Estate Excise Tax I	Courthouse Expansion Construction	Road Improvement District No. 10 Construction	County Park Improvement
Revenues					
Taxes	\$ -	\$ 1,600,071	\$ -	\$ -	\$ -
Miscellaneous	-	9,204	-	-	5,024
Total revenues	-	1,609,275	-	-	5,024
Expenditures					
Current:					
Physical environment	-	739,513	-	-	-
Culture and recreation	-	18,008	-	-	-
Capital outlay	-	51,263	-	-	7,181
Total expenditures	-	808,784	-	-	7,181
Excess (deficiency) of revenues over expenditures	-	800,491	-	-	(2,157)
Other financing sources (uses)					
Transfers in	-	100,000	-	-	-
Transfers out	-	(1,206,300)	-	-	-
Total other financing sources (uses)	-	(1,106,300)	-	-	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	(305,809)	-	-	(2,157)
Fund balance as of January 1	-	4,128,950	43	-	129,910
Fund balance as of December 31	\$ -	\$ 3,823,141	\$ 43	\$ -	\$ 127,753

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2008

Civic Center Building Improvement	Jail Construction Project	East Whatcom Regional Resource Ctr Construction	Total Non Major Capital Project Funds
\$ -	\$ -	\$ -	\$ 1,600,071
-	3,054	-	17,282
-	3,054	-	1,617,353
-	-	-	739,513
-	-	-	18,008
-	-	67,771	126,215
-	-	67,771	883,736
-	3,054	(67,771)	733,617
-	-	150,000	250,000
-	-	-	(1,206,300)
-	-	150,000	(956,300)
-	3,054	82,229	(222,683)
32,211	166,770	-	4,457,884
\$ 32,211	\$ 169,824	\$ 82,229	\$ 4,235,201

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 Real Estate Excise Tax I
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 2,300,000	\$ 1,600,071	\$ (699,929)	\$ 2,208,678
Miscellaneous	-	9,204	9,204	32,174
Total revenues	<u>2,300,000</u>	<u>1,609,275</u>	<u>(690,725)</u>	<u>2,240,852</u>
Expenditures				
Current:				
Physical environment	1,167,845	739,513	428,332	199,377
Culture and Recreation	-	18,008	(18,008)	117,605
Capital outlay	171,620	51,263	120,357	-
Total expenditures	<u>1,339,465</u>	<u>808,784</u>	<u>530,681</u>	<u>316,982</u>
Excess (deficiency) of revenues over expenditures	<u>960,535</u>	<u>800,491</u>	<u>(160,044)</u>	<u>1,923,870</u>
Other financing sources (uses)				
Transfer in	100,000	100,000	-	-
Transfers out	(1,206,303)	(1,206,300)	3	(1,180,700)
Total other financing sources (uses)	<u>(1,106,303)</u>	<u>(1,106,300)</u>	<u>3</u>	<u>(1,180,700)</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>(145,768)</u>	<u>(305,809)</u>	<u>(160,041)</u>	<u>743,170</u>
Fund balance as of January 1	1,083,292	4,128,950	3,045,658	3,385,780
Fund balance as of December 31	<u>\$ 937,524</u>	<u>\$ 3,823,141</u>	<u>\$ 2,885,617</u>	<u>\$ 4,128,950</u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 County Parks Improvement
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 1,000	\$ 5,024	\$ 4,024	\$ 7,409
Total revenues	<u>1,000</u>	<u>5,024</u>	<u>4,024</u>	<u>7,409</u>
Expenditures				
Current:				
Culture & Recreation	-	-	-	12,425
Capital Outlay	8,130	7,181	949	-
Total Expenditures	<u>8,130</u>	<u>7,181</u>	<u>949</u>	<u>12,425</u>
Excess (deficiency) of revenues over expenditures	<u>(7,130)</u>	<u>(2,157)</u>	<u>4,973</u>	<u>(5,016)</u>
Fund balance as of January 1	8,130	129,910	121,780	134,926
Fund balance as of December 31	<u><u>\$ 1,000</u></u>	<u><u>\$ 127,753</u></u>	<u><u>\$ 126,753</u></u>	<u><u>\$ 129,910</u></u>

Schedule of Revenues, Expenditures and Changes in Fund
 Balance
 Budget and Actual (GAAP Basis)
 East Whatcom Regional Resource Center Construction
 Year Ended December 31, 2008
 (With comparative totals for December 31, 2007)



	2008			2007
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Current:				
Capital outlay	150,000	67,771	82,229	-
Total expenditures	<u>150,000</u>	<u>67,771</u>	<u>82,229</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(150,000)	(67,771)	82,229	-
Other financing sources (uses)				
Transfers in	150,000	150,000	-	-
Total other financing sources (uses)	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	82,229	82,229	-
Fund balance as of January 1	-	-	-	-
Fund balance as of December 31	<u>\$ -</u>	<u>\$ 82,229</u>	<u>\$ 82,229</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund
Balance
Budget and Actual (GAAP Basis)
Real Estate Excise Tax II
Year Ended December 31, 2008



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,300,000	\$ 2,300,000	\$ 1,487,931	\$ (812,069)
Total revenues	<u>2,300,000</u>	<u>2,300,000</u>	<u>1,487,931</u>	<u>(812,069)</u>
Expenditures				
Current:				
Culture and recreation	30,000	61,501	44,764	16,737
Capital outlay	710,000	1,012,338	296,893	715,445
Total expenditures	<u>740,000</u>	<u>1,073,839</u>	<u>341,657</u>	<u>732,182</u>
Excess (deficiency) of revenues over expenditures	<u>1,560,000</u>	<u>1,226,161</u>	<u>1,146,274</u>	<u>(79,887)</u>
Other financing sources (uses)				
Transfer out	(34,430)	(34,430)	(34,365)	65
Total other financing sources (uses)	<u>(34,430)</u>	<u>(34,430)</u>	<u>(34,365)</u>	<u>65</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>1,525,570</u>	<u>1,191,731</u>	<u>1,111,909</u>	<u>(79,822)</u>
Fund balance as of January 1	-	333,839	7,885,806	7,551,967
Fund balance as of December 31	<u>\$ 1,525,570</u>	<u>\$ 1,525,570</u>	<u>\$ 8,997,715</u>	<u>\$ 7,472,145</u>

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Public Utilities Improvement
Year Ended December 31, 2008



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,500,000	\$ 2,500,000	\$ 3,097,383	\$ 597,383
Miscellaneous	-	-	53,855	53,855
Total revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>3,151,238</u>	<u>651,238</u>
Expenditures				
Current:				
General government	25,000	25,000	25,000	-
Capital outlay	120,618	136,351	108,814	27,537
Total expenditures	<u>145,618</u>	<u>161,351</u>	<u>133,814</u>	<u>27,537</u>
Excess (deficiency) of revenues over expenditures	<u>2,354,382</u>	<u>2,338,649</u>	<u>3,017,424</u>	<u>678,775</u>
Other financing sources (uses)				
Transfer out	-	(1,650,000)	(1,650,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,650,000)</u>	<u>(1,650,000)</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>2,354,382</u>	<u>688,649</u>	<u>1,367,424</u>	<u>678,775</u>
Fund balance as of January 1	-	1,665,733	10,220,508	8,554,775
Fund balance as of December 31	<u>\$ 2,354,382</u>	<u>\$ 2,354,382</u>	<u>\$ 11,587,932</u>	<u>\$ 9,233,550</u>

	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
Assets				
Current assets				
Cash & cash equivalents	\$ 9,978,436	\$ 203,193	\$ 12,928,342	\$ 23,109,971
Accounts receivable	3,323	-	4,158	7,481
Due from other funds	11,026	-	546,324	557,350
Due from other governments	1,581	-	23,379	24,960
Employee advances	19	-	24	43
Inventory	1,270,451	-	35,942	1,306,393
Prepayments	1,912	-	535	2,447
Total current assets	11,266,748	203,193	13,538,704	25,008,645
Noncurrent assets				
Land	750,631	-	-	750,631
Building & structures (net)	1,434,243	-	5,732	1,439,975
Capital leases (net)	-	-	459,957	459,957
Other improvements (net)	209,388	-	-	209,388
Machinery & equipment (net)	8,248,624	-	628,817	8,877,441
Total noncurrent assets	10,642,886	-	1,094,506	11,737,392
Total assets	21,909,634	203,193	14,633,210	36,746,037
Liabilities				
Current liabilities				
Accounts payable	458,310	-	754,885	1,213,195
Claims cost payable	36,147	-	4,188,060	4,224,207
Due to other funds	15,328	-	136,168	151,496
Other accrued liabilities	53,031	-	177,429	230,460
Unearned revenue	-	-	49,500	49,500
Total current liabilities	562,816	-	5,306,042	5,868,858
Noncurrent liabilities				
Employee leave benefits	170,894	-	366,023	536,917
Other liabilities	-	-	512,346	512,346
Total noncurrent liabilities	170,894	-	878,369	1,049,263
Total liabilities	733,710	-	6,184,411	6,918,121
Net assets				
Net assets, Invested in capital assets	10,642,886	-	1,094,506	11,737,392
Unrestricted	10,533,038	203,193	7,354,293	18,090,524
Total net assets	\$ 21,175,924	\$ 203,193	\$ 8,448,799	\$ 29,827,916

Combining Statement of Revenues, Expenses and
Changes in Net Assets
Internal Service Funds
Year Ended December 31, 2008



	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
Operating Revenue				
Intergovernmental	\$ -	\$ -	\$ 97,852	\$ 97,852
Charges for service	4,901,017	-	7,787,602	12,688,619
Rents and parking	5,539,396	-	808,860	6,348,256
Fines & forfeits	-	-	1,509	1,509
Insurance premiums	-	-	8,537,787	8,537,787
Other miscellaneous revenues	-	-	22,867	22,867
Total operating revenues	10,440,413	-	17,256,477	27,696,890
General operations	7,817,648	-	17,409,340	25,226,988
General administration	617,983	-	-	617,983
Depreciation	1,451,658	-	436,060	1,887,718
Total operating expenses	9,887,289	-	17,845,400	27,732,689
Operating income (loss)	553,124	-	(588,923)	(35,799)
Non-operating revenues (expenses)				
Gain (loss) on sale of capital assets	33,001	-	-	33,001
Interest expense	-	-	(18,289)	(18,289)
Total non-operating revenues (expenses)	33,001	-	(18,289)	14,712
Income (loss) before contributions and transfers	586,125	-	(607,212)	(21,087)
Capital contributions	130,777	-	-	130,777
Transfers in	634,473	-	1,870,578	2,505,051
Transfers out	(26,889)	-	(502,739)	(529,628)
Changes in net assets	1,324,486	-	760,627	2,085,113
Total net assets-beginning	19,851,438	203,193	7,688,172	27,742,803
Total net assets-ending	\$ 21,175,924	\$ 203,193	\$ 8,448,799	\$ 29,827,916

	Equipment Rental	Whatcom Co. Supplemental Retirement	Administrative Services	Total
Cash flows from operating activities:				
Cash received from customers	\$ 10,437,451	\$ -	\$ 17,481,316	\$ 27,918,767
Cash payments for goods and services	(7,916,734)	-	(11,361,224)	(19,277,958)
Cash payments to employees	(1,101,676)	-	(5,446,392)	(6,548,068)
Net cash provided by operating activities	1,419,041	-	673,700	2,092,741
Cash flows from non-capital financing activities:				
Transfers in	-	-	1,870,578	1,870,578
Transfers out	(26,889)	-	(502,739)	(529,628)
Net cash provided by non-capital financing activities	(26,889)	-	1,367,839	1,340,950
Cash flows from capital financing activities:				
Interest paid on lease purchase	-	-	(18,289)	(18,289)
Proceeds from sale of assets	96,101	-	-	96,101
Transfer in (out)	634,473	-	-	634,473
Payments for capital assets	(2,086,876)	-	(446,462)	(2,533,338)
Net cash used by capital financing activities	(1,356,302)	-	(464,751)	(1,821,053)
Net Increase (decrease) in cash and cash equivalents	35,850	-	1,576,788	1,612,638
Balances - beginning of the year	9,942,586	203,193	11,351,554	21,497,333
Balances - end of the year	\$ 9,978,436	\$ 203,193	\$ 12,928,342	\$ 23,109,971
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 553,124	\$ -	\$ (588,923)	\$ (35,799)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	1,451,658	-	436,060	1,887,718
Change in assets and liabilities:				
Receivables	(2,963)	-	190,692	187,729
Inventories	(185,291)	-	69,918	(115,373)
Accounts and other payables	(352,157)	-	457,796	105,639
Accrued expenses	(45,330)	-	108,157	62,827
Net cash provided by operating activities	\$ 1,419,041	\$ -	\$ 673,700	\$ 2,092,741
Noncash investing & capital financing activities:				
Contributed vehicles	\$ 130,778	\$ -	\$ -	\$ 130,778
Lease purchases	-	-	150,658	150,658
Total noncash investing & capital financing activities	\$ 130,778	\$ -	\$ 150,658	\$ 281,436

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Assets			
Current assets			
Cash & cash equivalents	\$ 238,615	\$ 656,184	\$ 894,799
Deposits with fiscal agent	-	1,243	1,243
Accounts receivable	-	1,365	1,365
Due from other funds	-	559,390	559,390
Employee advances	-	3	3
Prepayments	9	306	315
Total current assets	<u>238,624</u>	<u>1,218,491</u>	<u>1,457,115</u>
Noncurrent assets			
Machinery & equipment (net)	-	14,607	14,607
Total noncurrent assets	<u>-</u>	<u>14,607</u>	<u>14,607</u>
Total assets	<u>238,624</u>	<u>1,233,098</u>	<u>1,471,722</u>
Liabilities			
Current liabilities			
Accounts payable	6,536	16,877	23,413
Due to other funds	-	5,612	5,612
Other accrued liabilities	2,869	38,656	41,525
Total current liabilities	<u>9,405</u>	<u>61,145</u>	<u>70,550</u>
Noncurrent liabilities			
Employee leave benefits	19,706	99,407	119,113
Total noncurrent liabilities	<u>19,706</u>	<u>99,407</u>	<u>119,113</u>
Total liabilities	<u>29,111</u>	<u>160,552</u>	<u>189,663</u>
Net assets			
Invested in capital assets, net of related debt	-	14,607	14,607
Unrestricted	209,513	1,057,939	1,267,452
Total net assets	<u>\$ 209,513</u>	<u>\$ 1,072,546</u>	<u>\$ 1,282,059</u>

Combining Statement of Revenues, Expenses, and
 Changes in Fund Net Assets
 Non-major Enterprise Funds
 Year Ended December 31, 2008



	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Operating revenues			
Intergovernmental	\$ -	\$ 144,319	\$ 144,319
Charges for service	-	1,128,361	1,128,361
Other miscellaneous revenues	241,143	37,316	278,459
Total operating revenues	<u>241,143</u>	<u>1,309,996</u>	<u>1,551,139</u>
Operating expenses			
General operations	210,267	2,018,302	2,228,569
General administration	-	102,927	102,927
Depreciation	-	3,279	3,279
Total operating expenses	<u>210,267</u>	<u>2,124,508</u>	<u>2,334,775</u>
Operating income (loss)	<u>30,876</u>	<u>(814,512)</u>	<u>(783,636)</u>
Transfers in	-	945,138	945,138
Changes in net assets	<u>30,876</u>	<u>130,626</u>	<u>161,502</u>
Total net assets-beginning	<u>178,637</u>	<u>941,920</u>	<u>1,120,557</u>
Total net assets-ending	<u>\$ 209,513</u>	<u>\$ 1,072,546</u>	<u>\$ 1,282,059</u>

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 241,134	\$ 990,429	\$ 1,231,563
Cash payments for goods and services	(36,955)	(1,404,450)	(1,441,405)
Cash payments to employees	(159,259)	(978,650)	(1,137,909)
Net cash provided by operating activities	44,920	(1,392,671)	(1,347,751)
Cash flows from non-capital financing activities:			
Transfers in	-	945,138	945,138
Net cash provided by non-capital financing activities	-	945,138	945,138
Cash flows from capital financing activities:			
Payments For capital assets	-	(17,886)	(17,886)
Net cash used by capital financing activities	-	(17,886)	(17,886)
Net increase (decrease) in cash and cash equivalents	44,920	(465,419)	(420,499)
Balances - beginning of the year	193,695	1,121,603	1,315,298
Balances - end of the year	\$ 238,615	\$ 656,184	\$ 894,799
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 30,876	\$ (814,512)	\$ (783,636)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	-	3,279	3,279
Change in assets and liabilities:			
Receivables, net	(9)	(319,567)	(319,576)
Accounts and other payables	3,197	(266,924)	(263,727)
Accrued expenses	10,856	5,053	15,909
Net cash provided by operating activities	\$ 44,920	\$ (1,392,671)	\$ (1,347,751)

	Investment Trust Fund
Assets	
Certificates of deposit & saving accounts	\$ 8,095,624
Taxable municipal notes	4,305,306
US agency notes	89,864,856
LGIP	15,123,529
Total assets	<u>117,389,315</u>
Net assets	
Held in trust for pool participants	117,389,315
Total net assets	<u>\$ 117,389,315</u>

Combining Statement of Changes in Net Assets
Investment Trust Funds
Year Ended December 31, 2008



	Investment Trust Fund
Additions	
Contributions	\$ 165,002,490
Net investment earnings (losses)	
Interest	5,372,024
Total additions	170,374,514
Deductions	
Distributions	192,979,572
Change in net assets	(22,605,058)
Net assets - January 1, 2008	139,994,373
Net assets - December 31, 2008	\$ 117,389,315



Combining Balance Sheet
 Agency Funds
 December 31, 2008

	Cemetery Districts	Drainage, Diking & Flood Cntr Districts	Park & Recreation Districts	Watershed Mngmt Project Joint Board	Rural Library	Northwest Regional Council
Assets						
Cash & cash equivalents	\$ 510,241	\$ 151,881	\$ 50,841	\$ 1,070,882	\$ 195,340	\$ 1,290,425
Deposits with fiscal agent	-	-	-	-	-	-
Assets held in trust-external investment pool	1,448,458	305,413	1,048,791	-	4,024,199	665,839
Accounts receivable (net)	-	-	-	-	-	-
Total assets	\$ 1,958,699	\$ 457,294	\$ 1,099,632	\$ 1,070,882	\$ 4,219,539	\$ 1,956,264
Liabilities						
Warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	3,206	2,430	267	-	154,664	54,265
Matured long-term debt	-	-	-	-	-	-
Other accrued liabilities	(160)	-	8	-	(8,655)	(22)
Revenue collected in advance	-	-	-	-	-	-
Custodial accounts	1,955,653	454,864	1,099,357	1,070,882	4,073,530	1,902,021
Total liabilities	\$ 1,958,699	\$ 457,294	\$ 1,099,632	\$ 1,070,882	\$ 4,219,539	\$ 1,956,264

Council of Government	Hospital Districts	Port	P. U. D. District	Whatcom Transit	School Districts	Watershed Districts	Fire Districts
\$ 13,687	\$ 6,899	\$ 111,610	\$ 12,825	\$ -	\$ 8,037,238	\$ 44,701	\$ 750,014
-	-	-	-	-	50,000	-	-
350,358	186,233	-	5,918,297	25,134,779	61,145,670	-	13,686,941
-	-	-	-	-	-	-	-
<u>\$ 364,045</u>	<u>\$ 193,132</u>	<u>\$ 111,610</u>	<u>\$ 5,931,122</u>	<u>\$ 25,134,779</u>	<u>\$ 69,232,908</u>	<u>\$ 44,701</u>	<u>\$ 14,436,955</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,530,539	\$ -	\$ -
151,688	55	-	3,827	-	-	-	125,169
-	-	-	-	-	50,000	-	-
-	-	-	14	-	23,271	-	661
-	-	-	-	-	-	-	-
212,357	193,077	111,610	5,927,281	25,134,779	61,629,098	44,701	14,311,125
<u>\$ 364,045</u>	<u>\$ 193,132</u>	<u>\$ 111,610</u>	<u>\$ 5,931,122</u>	<u>\$ 25,134,779</u>	<u>\$ 69,232,908</u>	<u>\$ 44,701</u>	<u>\$ 14,436,955</u>

continued on next page

Combining Balance Sheet
 Agency Funds
 December 31, 2008

	Water Districts	Treasurer's Suspense	Inmate Trust Fund	Claims Fund	Salary Fund	Total
Assets						
Cash & cash equivalents	\$ 365,774	\$ 2,703,970	\$ 49,858	\$ 2,280,281	\$ 1,680	\$ 17,648,147
Deposits with fiscal agent	-	-	-	-	-	50,000
Assets held in trust-external investment pool	3,474,337	-	-	-	-	117,389,315
Accounts receivable (net)	-	2,532	-	-	-	2,532
Total assets	\$ 3,840,111	\$ 2,706,502	\$ 49,858	\$ 2,280,281	\$ 1,680	\$ 135,089,994
Liabilities						
Warrants payable	\$ -	\$ -	\$ -	\$ 2,280,281	\$ -	\$ 9,810,820
Accounts payable	124,737	-	-	-	-	620,308
Matured long-term debt	-	-	-	-	-	50,000
Other accrued liabilities	2,715	-	49,858	-	-	67,690
Revenue collected in advance	-	193,681	-	-	-	193,681
Custodial accounts	3,712,659	2,512,821	-	-	1,680	124,347,495
Total liabilities	\$ 3,840,111	\$ 2,706,502	\$ 49,858	\$ 2,280,281	\$ 1,680	\$ 135,089,994

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Cemetery Districts
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 490,590	\$ 752,899	\$ 733,248	\$ 510,241
Assets held in trust-external investment pool	1,356,727	152,098	60,367	1,448,458
Total assets	\$ 1,847,317	\$ 904,997	\$ 793,615	\$ 1,958,699
Liabilities				
Accounts payable	\$ 6,544	\$ 405,832	\$ 409,170	\$ 3,206
Other accrued liabilities	-	269,751	269,911	(160)
Custodial accounts	1,840,773	114,940	60	1,955,653
Total liabilities	\$ 1,847,317	\$ 790,523	\$ 679,141	\$ 1,958,699

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Drainage, Diking & Flood Control Districts
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 160,087	\$ 180,150	\$ 188,356	\$ 151,881
Assets held in trust-external investment pool	338,350	13,381	46,318	305,413
Total assets	\$ 498,437	\$ 193,531	\$ 234,674	\$ 457,294
Liabilities				
Accounts payable	\$ 8,476	\$ 176,850	\$ 182,896	\$ 2,430
Custodial accounts	489,961	-	35,097	454,864
Total liabilities	\$ 498,437	\$ 176,850	\$ 217,993	\$ 457,294

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Park & Recreation Districts
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 44,048	\$ 599,913	\$ 593,120	\$ 50,841
Assets held in trust-external investment pool	760,942	314,754	26,905	1,048,791
Total assets	\$ 804,990	\$ 914,667	\$ 620,025	\$ 1,099,632
Liabilities				
Accounts payable	\$ 26,827	\$ 73,491	\$ 100,051	\$ 267
Other accrued liabilities	-	24,348	24,340	8
Custodial accounts	778,163	322,537	1,343	1,099,357
Total liabilities	\$ 804,990	\$ 420,376	\$ 125,734	\$ 1,099,632

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Watershed Mgmt Project Joint Board
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 1,071,039	\$ -	\$ 157	\$ 1,070,882
Total assets	\$ 1,071,039	\$ -	\$ 157	\$ 1,070,882
Liabilities				
Accounts payable	\$ -	\$ 157	\$ 157	\$ -
Custodial accounts	1,071,039	-	157	1,070,882
Total liabilities	\$ 1,071,039	\$ 157	\$ 314	\$ 1,070,882

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 311,621	\$ 9,288,181	\$ 9,404,462	\$ 195,340
Assets held in trust-external investment pool	4,197,832	3,151,028	3,324,661	4,024,199
Total assets	\$ 4,509,453	\$ 12,439,209	\$ 12,729,123	\$ 4,219,539
Liabilities				
Accounts payable	\$ 308,121	\$ 2,799,350	\$ 2,952,807	\$ 154,664
Other accrued liabilities	-	4,492,622	4,501,277	(8,655)
Custodial accounts	4,201,332	-	127,802	4,073,530
Total liabilities	\$ 4,509,453	\$ 7,291,972	\$ 7,581,886	\$ 4,219,539

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Northwest Regional Council
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 1,351,672	\$ 10,053,198	\$ 10,114,445	\$ 1,290,425
Assets held in trust-external investment pool	639,555	26,927	643	665,839
Total assets	\$ 1,991,227	\$ 10,080,125	\$ 10,115,088	\$ 1,956,264
Liabilities				
Accounts payable	\$ 218,782	\$ 7,091,056	\$ 7,255,573	\$ 54,265
Other accrued liabilities	54	3,780,306	3,780,382	(22)
Custodial accounts	1,772,391	129,630	-	1,902,021
Total liabilities	\$ 1,991,227	\$ 11,000,992	\$ 11,035,955	\$ 1,956,264

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 23,499	\$ 3,872,229	\$ 3,882,041	\$ 13,687
Assets held in trust-external investment pool	420,246	1,913,943	1,983,831	350,358
Total assets	\$ 443,745	\$ 5,786,172	\$ 5,865,872	\$ 364,045
Liabilities				
Accounts payable	\$ 60	\$ 1,459,037	\$ 1,307,409	\$ 151,688
Other accrued liabilities	-	967,153	967,153	-
Custodial accounts	443,685	-	231,328	212,357
Total liabilities	\$ 443,745	\$ 2,426,190	\$ 2,505,890	\$ 364,045

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Hospital Districts
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 5,932	\$ 349,173	\$ 348,206	\$ 6,899
Assets held in trust-external investment pool	174,644	147,751	136,162	186,233
Total assets	\$ 180,576	\$ 496,924	\$ 484,368	\$ 193,132
Liabilities				
Accounts payable	\$ 97	\$ 176,299	\$ 176,341	\$ 55
Other accrued liabilities	-	24,810	24,810	-
Custodial accounts	180,479	21,908	9,310	193,077
Total liabilities	\$ 180,576	\$ 223,017	\$ 210,461	\$ 193,132

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Port
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 108,877	\$ 7,589,010	\$ 7,586,277	\$ 111,610
Total assets	\$ 108,877	\$ 7,589,010	\$ 7,586,277	\$ 111,610
Liabilities				
Custodial accounts	\$ 108,877	\$ 7,531,624	\$ 7,528,891	\$ 111,610
Total liabilities	\$ 108,877	\$ 7,531,624	\$ 7,528,891	\$ 111,610

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 P.U.D. District
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 104,871	\$ 107,313,196	\$ 107,405,242	\$ 12,825
Assets held in trust-external investment pool	4,809,255	53,719,705	52,610,663	5,918,297
Total assets	\$ 4,914,126	\$ 161,032,901	\$ 160,015,905	\$ 5,931,122
Liabilities				
Accounts payable	\$ 219,107	\$ 3,990,759	\$ 4,206,039	\$ 3,827
Other accrued liabilities	-	1,813,431	1,813,417	14
Custodial accounts	4,695,019	46,854,541	45,622,279	5,927,281
Total liabilities	\$ 4,914,126	\$ 52,658,731	\$ 51,641,735	\$ 5,931,122

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Whatcom Transit
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ -	\$ 46,198,622	\$ 46,198,622	\$ -
Assets held in trust-external investment pool	29,262,635	21,566,788	25,694,644	25,134,779
Total assets	\$ 29,262,635	\$ 67,765,410	\$ 71,893,266	\$ 25,134,779
Liabilities				
Custodial accounts	\$ 29,262,635	\$ 21,338,939	\$ 25,466,795	\$ 25,134,779
Total liabilities	\$ 29,262,635	\$ 21,338,939	\$ 25,466,795	\$ 25,134,779

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 School Districts
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 7,150,418	\$ 382,924,982	\$ 382,038,162	\$ 8,037,238
Deposits with fiscal agent	-	23,509,969	23,459,969	50,000
Assets held in trust-external investment pool	82,379,314	78,676,182	99,909,826	61,145,670
Total assets	\$ 89,529,732	\$ 485,111,133	\$ 505,407,957	\$ 69,232,908
Liabilities				
Warrants payable	\$ 5,987,537	\$ 157,598,994	\$ 156,055,992	\$ 7,530,539
Matured long-term debt	-	15,909,657	15,859,657	50,000
Matured interest payable	-	8,026,224	8,026,224	-
Other accrued liabilities	23,271	-	-	23,271
Custodial accounts	83,518,924	260,104,145	281,993,971	61,629,098
Total liabilities	\$ 89,529,732	\$ 441,639,020	\$ 461,935,844	\$ 69,232,908

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Watershed Districts
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 11,636	\$ 378,899	\$ 345,834	\$ 44,701
Total assets	\$ 11,636	\$ 378,899	\$ 345,834	\$ 44,701
Liabilities				
Accounts payable	\$ 13,786	\$ 338,036	\$ 351,822	\$ -
Custodial accounts	(2,150)	46,851	-	44,701
Total liabilities	\$ 11,636	\$ 384,887	\$ 351,822	\$ 44,701

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Fire Districts
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 780,578	\$ 35,283,682	\$ 35,314,246	\$ 750,014
Assets held in trust-external investment pool	13,335,894	12,295,735	11,944,688	13,686,941
Total assets	\$ 14,116,472	\$ 47,579,417	\$ 47,258,934	\$ 14,436,955
Liabilities				
Accounts payable	\$ 240,857	\$ 10,789,289	\$ 10,904,977	\$ 125,169
Other accrued liabilities	(711)	4,908,859	4,907,487	661
Custodial accounts	13,876,326	3,060,347	2,625,548	14,311,125
Total liabilities	\$ 14,116,472	\$ 18,758,495	\$ 18,438,012	\$ 14,436,955

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Water Districts
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 798,227	\$ 6,401,523	\$ 6,833,976	\$ 365,774
Assets held in trust-external investment pool	2,318,979	1,496,384	341,026	3,474,337
Total assets	\$ 3,117,206	\$ 7,897,907	\$ 7,175,002	\$ 3,840,111
Liabilities				
Accounts payable	\$ 212,790	\$ 3,500,435	\$ 3,588,488	\$ 124,737
Other accrued liabilities	-	722,385	719,670	2,715
Custodial accounts	2,904,416	821,228	12,985	3,712,659
Total liabilities	\$ 3,117,206	\$ 5,044,048	\$ 4,321,143	\$ 3,840,111

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Treasurer's Suspense
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 3,794,017	\$ 118,171,442	\$ 119,261,489	\$ 2,703,970
Accounts receivable (net)	670	801,277	799,415	2,532
Total assets	\$ 3,794,687	\$ 118,972,719	\$ 120,060,904	\$ 2,706,502
Liabilities				
Revenue collected in advance	\$ 439,694	\$ 235,811	\$ 481,824	\$ 193,681
Custodial accounts	3,354,993	117,513,059	118,355,231	2,512,821
Total liabilities	\$ 3,794,687	\$ 117,748,870	\$ 118,837,055	\$ 2,706,502

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Inmate Trust Fund
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 29,066	\$ 789,048	\$ 768,256	\$ 49,858
Total assets	\$ 29,066	\$ 789,048	\$ 768,256	\$ 49,858
Liabilities				
Other accrued liabilities	\$ 29,066	\$ 809,398	\$ 788,606	\$ 49,858
Total liabilities	\$ 29,066	\$ 809,398	\$ 788,606	\$ 49,858

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Claims Fund
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 1,974,748	\$ 207,913,427	\$ 207,607,894	\$ 2,280,281
Total assets	\$ 1,974,748	\$ 207,913,427	\$ 207,607,894	\$ 2,280,281
Liabilities				
Warrants payable	\$ 1,974,748	\$ 99,788,090	\$ 99,482,557	\$ 2,280,281
Total liabilities	\$ 1,974,748	\$ 99,788,090	\$ 99,482,557	\$ 2,280,281

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Salary Fund
 For the Year Ended December 31, 2008



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

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Total Agency Funds
 For the Year Ended December 31, 2008



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & cash equivalents	\$ 18,212,606	\$ 938,059,574	\$ 938,624,033	\$ 17,648,147
Deposits with fiscal agent	-	23,509,969	23,459,969	50,000
Assets held in trust-external investment pool	139,994,373	173,474,676	196,079,734	117,389,315
Accounts receivable (net)	670	801,277	799,415	2,532
Total assets	\$ 158,207,649	\$ 1,135,845,496	\$ 1,158,963,151	\$ 135,089,994
Liabilities				
Warrants payable	\$ 7,962,285	\$ 257,387,084	\$ 255,538,549	\$ 9,810,820
Accounts payable	1,255,447	30,800,591	31,435,730	620,308
Matured long-term debt	-	15,909,657	15,859,657	50,000
Matured interest payable	-	8,026,224	8,026,224	-
Other accrued liabilities	51,680	17,813,063	17,797,053	67,690
Revenue collected in advance	439,694	235,811	481,824	193,681
Custodial accounts	148,498,543	457,859,749	482,010,797	124,347,495
Total liabilities	\$ 158,207,649	\$ 788,032,179	\$ 811,149,834	\$ 135,089,994

Schedule of Expenditures - Budget and Actual
 General Fund by Department
 Year Ended December 31, 2008



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Expenditures*				
Assessor	\$ 2,469,848	\$ 2,519,433	\$ 2,393,003	\$ 126,430
Auditor	1,201,307	1,214,130	1,173,828	40,302
County Council	952,888	1,082,888	1,009,619	73,269
County Executive	544,882	565,456	565,456	-
Planning & Development Services	6,742,604	7,253,479	6,149,790	1,103,689
Treasurer	1,310,421	1,372,453	1,176,436	196,017
Sheriff	12,494,636	12,911,478	12,473,095	438,383
District Court	1,856,772	2,065,780	2,033,137	32,643
District Court Probation	1,560,634	1,611,403	1,552,839	58,564
Hearing Examiner	161,904	178,488	167,343	11,145
Juvenile	4,253,075	4,379,122	4,210,933	168,189
Prosecuting Attorney	5,107,226	5,257,549	5,257,546	3
Public Defender	3,641,559	3,718,225	3,646,091	72,134
Superior Court	3,214,557	3,715,389	3,715,388	1
County Clerk	1,796,391	1,689,857	1,670,183	19,674
Extension	363,539	380,155	376,983	3,172
Non-Departmental	15,917,909	16,804,442	13,680,651	3,123,791
Park	3,897,466	4,123,256	3,880,388	242,868
Health	12,066,664	12,479,604	11,658,772	820,832
Total expenditures	\$ 79,554,282	\$ 83,322,587	\$ 76,791,481	\$ 6,531,106

*Includes transfers out.



Statistical Section

CONTENTS

Financial Trends

These schedules contain trend information to help the reader understand how the county’s financial performance has changed over time.

Schedule 1 - Net Assets by Component	172
Schedule 2 - Changes in Net Assets	174
Schedule 3 - Fund Balances, Governmental Funds	178
Schedule 4 - Changes in Fund Balances, Governmental Funds	180

Revenue Capacity

These schedules contain information intended to assist users in understanding and assessing the factors affecting the county’s ability to generate its own-source revenues.

Schedule 5 - Assessed Value of Taxable Property	182
Schedule 6 - Direct and Overlapping Property Tax Rates	184
Schedule 7 - Principal Property Tax Payers	186
Schedule 8 - Property Tax Levies and Collections	187

Debt Capacity

These schedules present information intended to assist users in understanding and assessing the county’s debt burden and its ability to issue additional debt.

Schedule 9 - Ratio of Outstanding Debt by Type	188
Schedule 10 - Ratio of General Bonded Debt Outstanding	189
Schedule 11 - Direct and Overlapping Governmental Activities Debt	190
Schedule 12 - Legal Debt Margin Information	192
Schedule 13 - Pledged Revenue Coverage	194

Demographic and Economic Information

These schedules offer demographic and economic indicators to assist users in understanding the socioeconomic environment within which the county operates.

Schedule 14 - Demographic and Economic Statistics	195
Schedule 15 - Principal Employers	196

Operating Information

These schedules contain service and infrastructure data to assist readers in using financial statement information to understand and assess the county’s economic condition.

Schedule 16 - Full-time Equivalent County Government Employees	197
Schedule 17 - Operating Indicators by Function/Program	198
Schedule 18 - Capital Asset Statistics by Function/Program	200

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 Seven Fiscal Years
(accrual basis of accounting)
 Schedule 1

	Fiscal Year			
	2002	2003	2004	2005
Governmental activities				
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
Total governmental activities net assets	\$ 184,511,349	\$ 192,599,241	\$ 202,220,278	\$ 216,751,821
Business-type activities				
Unrestricted	\$ 2,088	\$ 4,157	\$ 62,298	\$ 138,394
Total business-type activities net assets	\$ 2,088	\$ 4,157	\$ 62,298	\$ 138,394
Primary government				
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
Total primary government net assets	\$ 184,513,437	\$ 192,603,398	\$ 202,282,576	\$ 216,890,215

Net Assets by Component
 Last Seven Fiscal Years
(accrual basis of accounting)
 Schedule 1

Fiscal Year		
2006	2007	2008

\$ 147,777,970	\$ 152,741,995	\$ 154,711,058
37,138,374	42,636,125	48,763,237
47,089,887	42,369,254	40,277,750
<u>\$ 232,006,231</u>	<u>\$ 237,747,374</u>	<u>\$ 243,752,045</u>

\$ 1,356,979	\$ 1,118,015	\$ 1,281,325
<u>\$ 1,356,979</u>	<u>\$ 1,118,015</u>	<u>\$ 1,281,325</u>

\$ 147,777,970	\$ 152,741,995	\$ 154,711,058
37,138,374	42,636,125	48,763,237
48,446,866	43,487,269	41,559,075
<u>\$ 233,363,210</u>	<u>\$ 238,865,389</u>	<u>\$ 245,033,370</u>

Changes in Net Assets
 Last Seven Fiscal Years
(accrual basis of accounting)
 Schedule 2

	Fiscal Year			
	2002	2003	2004	2005
Expenses				
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
Total governmental activities expenses	80,485,980	83,445,844	87,709,465	96,058,946
Business-type activities:				
Whatcom County Investment Pool	186,763	192,156	163,494	162,519
Whatcom County Ferry System	-	-	-	-
Total business-type activities expense	186,763	192,156	163,494	162,519
Total primary government expenses	\$ 80,672,743	\$ 83,638,000	\$ 87,872,959	\$ 96,221,465
Program Revenues				
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
Total governmental activities program revenues	33,450,081	33,921,204	36,547,127	42,787,148
Business-type activities:				
Charges for services	188,851	194,225	221,635	238,615
Total business-type activities program revenues	188,851	194,225	221,635	238,615
Total primary government program revenues	\$ 33,638,932	\$ 34,115,429	\$ 36,768,762	\$ 43,025,763
Net (Expense)/Revenue				
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
Total primary government net expense	\$ (47,033,811)	\$ (49,522,571)	\$ (51,104,197)	\$ (53,195,702)

Changes in Net Assets
 Last Seven Fiscal Years
(accrual basis of accounting)
 Schedule 2

Fiscal Year		
2006	2007	2008
\$ 25,962,056	\$ 28,158,688	\$ 27,997,779
32,987,070	37,224,359	38,232,242
6,834,562	5,347,914	6,186,344
20,255,214	22,278,320	22,798,444
1,699,968	3,124,810	2,850,280
10,391,837	11,434,223	12,120,599
4,127,397	4,477,382	4,629,266
520,685	455,019	386,777
<u>102,778,789</u>	<u>112,500,715</u>	<u>115,201,731</u>
166,927	121,904	210,241
1,853,340	1,878,616	2,122,726
<u>2,020,267</u>	<u>2,000,520</u>	<u>2,332,967</u>
<u>\$ 104,799,056</u>	<u>\$ 114,501,235</u>	<u>\$ 117,534,698</u>
\$ 4,465,927	\$ 4,961,311	\$ 5,053,605
5,438,864	4,493,174	4,792,536
861,816	872,539	814,710
2,086,524	1,927,735	1,783,013
619,536	727,247	760,265
2,200,935	2,172,139	2,113,196
357,967	375,583	447,164
20,823,563	18,649,931	20,863,909
8,920,486	6,780,293	5,945,726
<u>45,775,618</u>	<u>40,959,952</u>	<u>42,574,124</u>
1,085,280	1,352,430	1,551,139
1,085,280	1,352,430	1,551,139
<u>\$ 46,860,898</u>	<u>\$ 42,312,382</u>	<u>\$ 44,125,263</u>
\$ (57,003,171)	\$ (71,540,763)	\$ (72,627,607)
(934,987)	(648,090)	(781,828)
<u>\$ (57,938,158)</u>	<u>\$ (72,188,853)</u>	<u>\$ (73,409,435)</u>

continued on next page

Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)
Schedule 2

Fiscal Year			
2002	2003	2004	2005

General Revenues and Other Changes in Net Assets

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	-	-	-	-
Total governmental activities	56,165,055	57,612,532	60,653,731	67,803,341
Business-type activities:				
Transfers	-	-	-	-
Total business-type activities	-	-	-	-
Total primary government	\$ 56,165,055	\$ 57,612,532	\$ 60,653,731	\$ 67,803,341
Change in Net Assets				
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
Total primary government	\$ 9,131,244	\$ 8,089,961	\$ 9,549,534	\$ 14,607,639

Changes in Net Assets
 Last Seven Fiscal Years
(accrual basis of accounting)
 Schedule 2

Fiscal Year		
2006	2007	2008
\$ 40,919,106	\$ 42,763,435	\$ 44,559,288
198,732	278,895	329,173
19,145,002	20,126,476	21,174,687
5,266,333	5,181,286	3,744,369
1,603,642	1,659,701	1,582,257
4,618,179	5,648,889	4,397,348
1,070,852	406,285	2,041,760
1,589,307	1,626,065	1,748,534
(2,153,572)	(409,126)	(945,138)
<u>72,257,581</u>	<u>77,281,906</u>	<u>78,632,278</u>
2,153,572	409,126	945,138
<u>2,153,572</u>	<u>409,126</u>	<u>945,138</u>
<u>\$ 74,411,153</u>	<u>\$ 77,691,032</u>	<u>\$ 79,577,416</u>
\$ 15,254,410	\$ 5,741,143	\$ 6,004,671
1,218,585	(238,964)	163,310
<u>\$ 16,472,995</u>	<u>\$ 5,502,179</u>	<u>\$ 6,167,981</u>

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

	Fiscal Year				
	1999	2000	2001	2002	2003
General Fund					
Reserved	\$ 2,279,442	\$ 1,859,298	\$ 1,838,556	\$ 1,022,792	\$ 602,066
Unreserved	10,885,502	14,994,427	14,303,932	15,472,644	18,891,088
Total general fund	<u>\$ 13,164,944</u>	<u>\$ 16,853,725</u>	<u>\$ 16,142,488</u>	<u>\$ 16,495,436</u>	<u>\$ 19,493,154</u>
All Other Governmental Funds					
Reserved	\$ 891,713	\$ 1,130,083	\$ 2,485,350	\$ 3,469,088	\$ 4,969,099
Unreserved, reported in:					
Special revenue funds	24,643,725	25,817,186	26,218,701	24,294,072	25,034,534
Capital projects funds	1,921,217	3,742,542	5,702,098	7,556,558	9,193,792
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 27,456,655</u>	<u>\$ 30,689,811</u>	<u>\$ 34,406,149</u>	<u>\$ 35,319,718</u>	<u>\$ 39,197,425</u>

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

Fiscal Year				
2004	2005	2006	2007	2008
\$ 961,837	\$ 1,533,073	\$ 1,500,338	\$ 1,578,146	\$ 496,119
21,314,448	22,074,170	21,264,377	13,946,987	10,449,164
<u>\$ 22,276,285</u>	<u>\$ 23,607,243</u>	<u>\$ 22,764,715</u>	<u>\$ 15,525,133</u>	<u>\$ 10,945,283</u>
\$ 4,521,743	\$ 4,649,640	\$ 3,555,539	\$ 11,536,525	\$ 7,462,881
27,062,122	29,301,974	27,435,371	28,828,111	38,144,944
10,481,786	14,534,527	18,986,564	16,861,084	19,377,053
-	-	-	-	-
<u>\$ 42,065,651</u>	<u>\$ 48,486,141</u>	<u>\$ 49,977,474</u>	<u>\$ 57,225,720</u>	<u>\$ 64,984,878</u>

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

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

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

Fiscal Year					
2003	2004	2005	2006	2007	2008
\$ 51,872,132	\$ 55,452,648	\$ 61,728,366	\$ 67,370,343	\$ 70,107,234	\$ 71,604,169
2,243,794	2,390,146	2,734,130	2,414,757	2,274,537	2,129,723
19,404,333	21,763,095	25,326,753	29,274,897	25,185,457	26,676,379
10,022,119	10,163,856	11,344,374	10,868,913	11,024,720	11,014,729
2,675,698	2,124,567	2,242,373	2,341,077	2,215,230	2,472,025
3,864,099	3,388,809	4,874,670	6,255,152	7,252,667	6,091,879
<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>	<u>119,988,904</u>
18,270,858	19,443,137	21,788,506	23,812,063	24,866,182	26,805,883
23,597,879	25,866,906	29,133,971	32,082,423	35,688,892	36,746,100
5,866,598	4,167,394	4,690,061	6,800,424	5,316,908	6,159,485
14,371,656	14,761,101	15,371,674	14,265,469	15,626,476	16,678,152
1,424,252	1,758,741	2,112,155	1,686,264	3,106,759	2,852,800
9,180,782	9,151,500	9,758,671	10,317,834	11,392,901	12,019,930
3,639,514	3,623,601	3,822,326	4,023,630	4,412,479	4,494,523
5,715,028	10,215,134	12,328,740	20,223,545	13,466,397	8,241,819
1,339,612	1,366,817	1,454,054	1,487,667	1,471,877	1,564,266
761,804	630,680	582,938	513,772	443,708	377,370
<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>	<u>115,940,328</u>
5,914,192	4,298,110	7,207,570	3,312,048	2,267,266	4,048,576
4,535	-	-	-	-	-
(700,000)	-	-	-	-	-
-	-	-	-	-	-
1,948,251	1,984,251	1,887,188	1,070,852	406,285	2,041,760
7,024,604	3,282,824	6,308,650	13,664,755	14,419,515	13,070,745
(7,316,157)	(3,913,828)	(7,651,960)	(17,398,850)	(17,084,402)	(15,991,306)
-	-	-	-	-	9,533
<u>961,233</u>	<u>1,353,247</u>	<u>543,878</u>	<u>(2,663,243)</u>	<u>(2,258,602)</u>	<u>(869,268)</u>
<u>\$ 6,875,425</u>	<u>\$ 5,651,357</u>	<u>\$ 7,751,448</u>	<u>\$ 648,805</u>	<u>\$ 8,664</u>	<u>\$ 3,179,308</u>

Assessed Value of Taxable Property
 Last Ten Fiscal Years
 Schedule 5



Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Public Utilities And Water Craft	Total Assessed Value	Total Direct Tax Rate
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
2008	\$ 23,082,183,045	\$ 638,899,035	\$ 543,741,467	\$ 24,264,823,547	2.69

Source: Whatcom County Assessor.



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

Fiscal Year	Direct Rates				Overlapping Rates				
	General Fund	Special Revenue Funds	Debt Service	Total Direct	School Districts	Fire Districts	Port Districts	Cities & Towns	State of WA
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
2008	1.061	1.631	0.000	2.692	3.122	1.053	0.325	2.282	2.427

Source: Whatcom County Assessor.

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

Overlapping Rates				
Rural Library	Hospital District	Park & Rec District	Water District	Cemetery District
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	0.071	0.806	0.066
0.350	0.538	0.082	0.465	0.060

Principal Property Tax Payers
Current Year and Ten Years Ago
Schedule 7



Taxpayer	2008			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	\$ 988,433,000	1	4.074%	\$ 390,416,185	1	3.564%
Tosco Corporation	597,245,315	2	2.46	71,429,165	7	0.65
Puget Sound Energy/ Electric	150,983,709	3	0.62	166,012,557	2	1.52
Alumet Corp 61%, ET AL	88,434,150	4	0.36	163,779,655	3	1.50
Tenaska Washington Partners LP	52,520,670	5	0.22	81,781,055	5	0.75
Bellis Fair Partners	32,856,940	6	0.14	46,383,500	10	0.42
Iko Pacific Inc.	23,168,105	7	0.10	-	-	-
Sunset Square LLC	20,891,450	8	0.09	-	-	-
Semiahmoo Resort Company LLC	19,040,320	9	0.08	-	-	-
Nationsbanc Mortgage Corp	18,981,650	10	0.08	-	-	-
Trillium	-	-	-	54,461,650	9	0.50
Sumas Cogeneration Co. LP	-	-	-	72,863,200	6	0.67
Encogen Northwest LP	-	-	-	118,937,920	4	1.09
Georgia Pacific	-	-	-	63,565,872	8	0.58
Total	\$ 1,992,555,309		8.21%	\$ 1,229,630,759		11.22%

Source: Whatcom County Assessor.

Property Tax Levies and Collections
 Last Ten Fiscal Years
 Schedule 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
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%
2008	\$ 44,627,279	\$ 43,683,039	97.88%	872,790	44,555,829	99.84%

Source: Whatcom County Assessor and Whatcom County Treasurer.

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



Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Assessment Bonds			
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	0.39%	\$46
2008	\$ 7,145,000	\$ -	\$ 7,145,000	Not Available	\$37

Note: Details of the county's outstanding debt can be found in the notes to the financial statements.

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

Fiscal Year	General Obligation Bonds	Percentage of Actual Taxable Value of Property	Per Capita
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
2008	\$ 7,145,000	0.03%	\$37.41

Note: Details of the county's outstanding debt can be found in the notes to the financial statements.

Direct and Overlapping Governmental Activities Debt
 Schedule 11



Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Whatcom County	Amount Applicable to Whatcom County
Whatcom County	\$7,145,000	100%	\$7,145,000
Total Direct Bonded Debt	\$7,145,000		\$7,145,000
Fire Districts	\$4,112,346	100%	\$4,112,346
Water Districts	\$1,361,928	100%	\$1,361,928
School Districts	\$161,780,803	100%	\$161,780,803
Park Districts	\$790,000	100%	\$790,000
Total Overlapping Bonded Debt	\$168,045,077		\$168,045,077
Total Direct & Overlapping Bonded Debt	\$175,190,077		\$175,190,077

Source: Whatcom County Treasurer.



Legal Debt Margin Information
 Last Ten Fiscal Years
 Schedule 12

	Fiscal Year				
	1999	2000	2001	2002	2003
Debt limit	\$ 160,553,456	\$ 173,200,343	\$ 182,308,619	\$ 189,250,148	\$ 196,045,944
Total net debt applicable to limit	24,466,621	23,727,010	23,066,034	21,795,681	19,386,417
Legal debt margin	\$ 136,086,835	\$ 149,473,333	\$ 159,242,585	\$ 167,454,467	\$ 176,659,527
Total net debt applicable to the limit as a percentage of debt limit	15.24%	13.70%	12.65%	11.52%	9.89%

Note: The amount of long-term debt that can be incurred by the county is limited by state statute. See Schedule of Limitation of Indebtedness.

Legal Debt Margin Information
 Last Ten Fiscal Years
 Schedule 12

Fiscal Year				
2004	2005	2006	2007	2008
\$ 217,976,649	\$ 251,111,247	\$ 304,185,667	\$ 332,994,971	\$ 363,972,353
19,949,864	20,994,212	18,940,844	17,952,035	16,095,405
<u>\$ 198,026,785</u>	<u>\$ 230,117,035</u>	<u>\$ 285,244,823</u>	<u>\$ 315,042,936</u>	<u>\$ 347,876,948</u>
9.15%	8.36%	6.23%	5.39%	4.42%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	24,264,823,547
Debt limit (1.5% of assessed value without a vote)	363,972,353
Debt applicable to limit:	
Outstanding debt	16,166,793
Less: Amounts set aside for repayment of general obligation debt	<u>(71,388)</u>
Total net debt applicable to limit	<u>16,095,405</u>
Legal debt margin	<u>\$ 347,876,948</u>

Pledged Revenue Coverage
 Last Ten Fiscal Years
 Schedule 13



Fiscal Year	Special Assessment Bonds				
	Assessments Collected	Debt Service		Coverage	
		Principal	Interest		
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	\$ -	\$ -	-	
2008	\$ 7,123	\$ -	\$ -	-	

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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	\$ 6,441,340	\$ 33,487	35.45	26,755	4.2%
2008	191,000	Not Available	Not Available	36.00	26,787	5.0%

Source: Population provided by Washington State Office Of Financial Management. Personal income and per capita personal income provided by the U.S. Bureau of Economic Analysis. Unemployment rate and median age provided by Economic Development Intelligence System. School enrollment data provided by Education Service District #189.

Principal Employers
Current and Seven Years Ago
Schedule 15



Employer	2008			2002*		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
St. Joseph Hospital/Madrona	2,706	1	24.14%	1,800	2	16.06%
Western Washington University	1,664	2	14.84%	1,842	1	16.43%
Bellingham School District	1,300	3	11.60%	1,244	3	11.10%
Haggen, Inc.	933	4	8.32%	807	5	7.20%
Whatcom County	920	5	8.21%	801	6	7.15%
City of Bellingham	852	6	7.60%	808	4	7.21%
BP (Cherry Point Refinery)	725	7	6.47%	-		0.00%
Ferndale School District	710	8	6.33%	742	7	6.62%
Lummi Indian Business Council	700	9	6.24%	-		0.00%
Sterling Health	700	10	6.24%	-		0.00%
Sodexho Services	-		0.00%	-		0.00%
Intalco	-		0.00%	689	8	6.15%
Brown & Cole, Inc	-		0.00%	620	9	5.53%
Voicestream	-		0.00%	563	10	5.02%
Total	11,210		100.00%	9,916		88.46%

* 1999 Historical Data Not Available

Source: College of Business and Economics, Western Washinton University.

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



Function/ Program	Full-time Equivalent Employees as of December 31									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Administrative Svcs	50.75	52.25	60.25	60.25	60.75	67.45	72.95	77.55	81.75	81.05
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	19.00	20.00	22.00	22.00	22.00	22.00
County Council	8.50	8.50	9.50	9.50	9.50	9.50	9.50	9.50	10.50	10.50
County Executive	5.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
District Court Prob.	13.40	13.40	17.00	18.00	18.00	18.00	19.00	20.00	19.50	19.50
District Court	15.00	15.00	16.00	16.00	16.00	17.00	18.00	19.00	21.00	21.00
Prosecuting Attorney	45.50	45.50	48.50	47.50	48.60	48.60	52.60	52.60	54.60	54.60
Public Defender	25.00	25.00	28.00	28.00	28.00	28.00	33.50	34.50	36.80	37.80
Superior Court	30.00	30.00	33.00	33.00	33.00	34.70	37.20	41.50	44.50	44.50
Treasurer	15.50	15.50	15.50	15.50	15.50	16.00	16.00	16.00	16.00	16.00
Public Safety										
Jail	58.00	58.00	60.00	60.00	60.00	63.00	88.00	88.50	91.50	91.50
Juvenile Court Admin	47.50	45.25	49.75	47.00	45.00	45.10	45.80	45.80	45.80	46.80
Planning & Dev't Svcs	44.75	46.75	47.35	48.35	49.35	57.00	69.60	72.60	74.60	73.60
Sheriff	82.00	82.00	92.00	92.00	92.00	99.80	101.80	102.20	106.20	108.20
Transportation										
Public Works	146.00	149.00	154.00	155.00	153.00	155.00	155.50	163.70	173.70	176.20
Economic Environment										
Hearing Examiner	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mental & Physical Health										
Health	80.40	82.60	83.85	82.50	80.10	80.10	80.50	80.70	84.70	90.70
Culture and Recreation										
Cooperative Extension	7.79	3.79	3.79	2.79	2.79	2.52	2.52	2.52	2.52	2.52
Parks & Recreation	33.15	33.15	33.55	33.55	33.55	33.55	33.55	33.55	34.75	34.75
Total	757.74	759.19	805.54	802.44	799.64	830.82	893.52	917.72	955.92	966.72

Source: Whatcom County Administrative Services.

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

Function/ Program	Fiscal Year				
	1999	2000	2001	2002	2003
General Government					
General Election (1)					
# of Registered Voters	90,987	98,352	97,828	91,956	94,753
# of Votes	53,038	74,668	44,163	55,066	45,786
% of Reg. Voters Voting	58.3%	75.9%	45.1%	59.9%	48.3%
Assessor (2)					
Real Property Parcels	98,240	98,941	100,483	101,362	102,025
Building Permits Evaluated	4,196	4,516	4,139	3,987	4,434
New Single Family Residences	1,635	1,874	1,887	1,792	1,916
Judicial (3)					
District Court Infractions	11,736	12,435	11,597	16,412	17,810
Public Safety (4)					
# of Fire Inspections	150	170	200	544	446
# Sheriffs - Commissioned	66.00	72.00	74.00	74.00	74.00
# Sheriffs - Civilian	16.00	16.00	18.00	18.00	19.00
Calls for Service	24,759	24,411	24,648	26,930	28,815
Average Daily Jail Population	253	239	227	236	240
Building Department					
Permits Applications*	N/A	N/A	1,323	1,514	1,880
Mechanical/Plumbing	900	950	869	778	844
Physical Environment (5)					
Flood Permits Issued	53	64	105	127	115
Transportation (6)					
Roads Oiled	667.01	666.72	664.01	662.20	665.38
Roads Asphalt	203.96	205.57	209.35	215.08	220.28
Roads Gravel	56.58	56.35	56.05	52.06	48.50
Roads Misc	21.11	20.99	20.82	20.82	17.90
Ferry Passengers	223,812	224,167	223,713	227,524	227,282
Ferry Vehicle Trips	142,168	144,246	144,361	134,203	136,441
Culture and Recreation (7)					
Number of Parks	9	9	9	9	10

* Permits applications data was not available prior to 2001.

(1) Source: Whatcom County Auditor.

(2) Source: Whatcom County Assessor.

(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.

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

Fiscal Year				
2004	2005	2006	2007	2008
106,094	102,118	102,819	102,458	115,314
91,497	63,716	69,782	55,059	101,399
86.2%	62.4%	67.9%	53.7%	87.9%
102,261	105,200	108,076	109,013	109,507
5,276	5,528	5,521	5,821	4,083
1,992	2,295	2,487	2,592	877
19,016	18,393	19,837	21,062	21,253
540	303	163	336	337
77.00	78.00	78.00	82.00	84.00
22.80	23.80	24.20	24.20	24.20
26,930	28,815	28,477	29,917	29,499
246	263	290	262	277
2,022	2,050	1,748	1,409	1,142
800	607	496	515	420
125	115	50	32	17
666.03	667.17	668.53	667.15	667.94
226.23	230.75	235.07	236.11	237.83
41.79	38.99	35.24	31.74	30.46
17.90	17.86	15.69	16.04	15.54
230,563	226,933	231,111	222,604	216,838
137,127	133,717	137,366	129,552	123,285
11	11	12	12	20

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

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

Fiscal Year			
2005	2006	2007	2008

87.50	87.50	91.50	93.50
954.77	954.54	951.04	951.77
4	4	4	3
1	1	1	1
17	16	16	16
54	58	58	58
566	529	528	528
11	12	12	20
6,636.69	6,820.35	6,894.88	7,030.38
8*	8*	8*	8*
35	35	35	35
11	11	11	11
10	10	10	10
10	15	17	16
1	1	1	1
1	1	1	1



<http://www.co.whatcom.wa.us>