



# Comprehensive Annual Financial Report

For Fiscal Year Ending  
December 31, 2011

Whatcom County  
WASHINGTON

# Comprehensive Annual Financial Report

## Whatcom County Washington

Fiscal Year Ending December 31, 2011



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

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Photo on Cover:  
Fishing Vessels  
Squalicum Harbor

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**WHATCOM COUNTY  
EXECUTIVE'S OFFICE**  
**County Courthouse**  
311 Grand Avenue, Suite #108  
Bellingham, WA 98225-4082



Jack Louws  
County Executive

September 19, 2012

Citizens of Whatcom County:

We are pleased to submit the Comprehensive Annual Financial Report of Whatcom County for the year ended December 31, 2011, 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 before the basic financial statements on page 11.

## 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 is 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 2011 is estimated at 202,100.

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. Tax collection, receipting and investment responsibilities are those of the elected County Treasurer.

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

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

## ECONOMIC CONDITION AND OUTLOOK

The County serves a rapidly expanding population, which has grown 14.0% since 2004. The County's greatest employment sector is "government." Employment of Whatcom County's workforce of approximately 95,270 includes the following sectors:

Agriculture, Forestry, Fishing and Hunting .....	3.96%
Mining .....	0.17%
Utilities .....	0.22%
Construction .....	6.25%
Manufacturing.....	9.78%

Transportation and Warehousing.....	2.39%
Wholesale/Retail Trade.....	15.88%
Professional/Technical Services .....	3.79%
Finance/Insurance/Real Estate .....	3.52%
Management of Companies and Enterprises.....	0.60%
Administrative/Waste Services.....	3.82%
Educational Services .....	0.89%
Healthcare and Social Assistance .....	12.38%
Arts, Entertainment and Recreation.....	2.00%
Accommodation and Food Services .....	9.57%
Government.....	18.44%
Information.....	1.92%
Other Services, except Public Administration.....	4.42%

*Source: Office of Financial Management, State of Washington*

### **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 103 buildings on its 212 acre main campus and 2429 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 2011 enrollment was 14,842. As one of the county’s largest employers, WWU employs 1,592 full-time faculty and staff.

### **Retail Trade**

Between 2002 and 2011, annual taxable retail sales in Whatcom County grew by \$792 million or a 35% increase. The strong Canadian dollar makes shopping in Whatcom County attractive to residents of British Columbia. A large component of Whatcom County’s sales tax revenue is related to construction activity. Overall growth in sales tax is expected to slow in the short term, due to the limited growth in new construction.

Since 1988, Whatcom County has been home to Bellis Fair Mall, an 800,000 square-foot regional mall with

approximately 150 stores and a multi-screen cinema. Approximately 1,500 people are employed at Bellis Fair. Of the daily 35,000 mall shoppers, about 27% 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. Full development of the project is anticipated to take approximately 20 years.

## **Fiscal Responsibility**

The County's economy is suffering from the effects of the global recession. Since 2008 we have experienced 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. Interest earnings are also down significantly. The 2011-2012 budget puts Whatcom County on a sustainable path. Since 2008 Whatcom County has reduced its work force by 15 percent. One hundred and forty two positions have been eliminated, mostly through attrition. The 2011-2012 budget aligns available resources with the adopted budget development guidelines:

- Support safe communities and accessible justice systems
- Promote opportunities for communities and individual to realize their full potential
- Encourage a growing and diverse County economy and promote recovery to thriving and sustainable communities
- Safeguard and enhance the County's natural resources and environment
- Constantly improve our cultures of customer service
- Deliver services responsive to community needs
- Build Whatcom County's long-term fiscal strength
- Promote robust public engagement to inform, involve and empower people and communities
- Develop and empower Whatcom County employees

## 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.

### **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,



Jack Louws

County Executive

**Elected Officials**  
as of December 31, 2011

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**ELECTED OFFICIALS**

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Executive	Term Ends January, 2012	Pete Kremen
Assessor	Term Ends January, 2012	Keith Willnauer
Auditor	Term Ends January, 2012	Shirley Forslof
Prosecuting Attorney	Term Ends January, 2015	David S. McEachran
Sheriff	Term Ends January, 2012	Bill Elfo
Treasurer	Term Ends January, 2012	Steve Oliver

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**COUNTY COUNCIL**

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District No. 1, Position A	Term Ends January, 2014	Kathy Kershner
District No. 1, Position B.	Term Ends January, 2012	Tony Larson
District No. 2, Position A	Term Ends January, 2014	Ken Mann
District No. 2, Position B.	Term Ends January, 2012	Sam Crawford
District No. 3, Position A	Term Ends January, 2014	Carl Weimer
District No. 3, Position B.	Term Ends January, 2012	Barbara Brenner
Councilperson At Large	Term Ends January, 2014	Bill Knutzen

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**SUPERIOR COURT JUDGES**

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Department No. 1	Term Ends January, 2013	Ira Uhrig
Department No. 2	Term Ends January, 2013	Steven J Mura
Department No. 3	Term Ends January, 2013	Charles Synder

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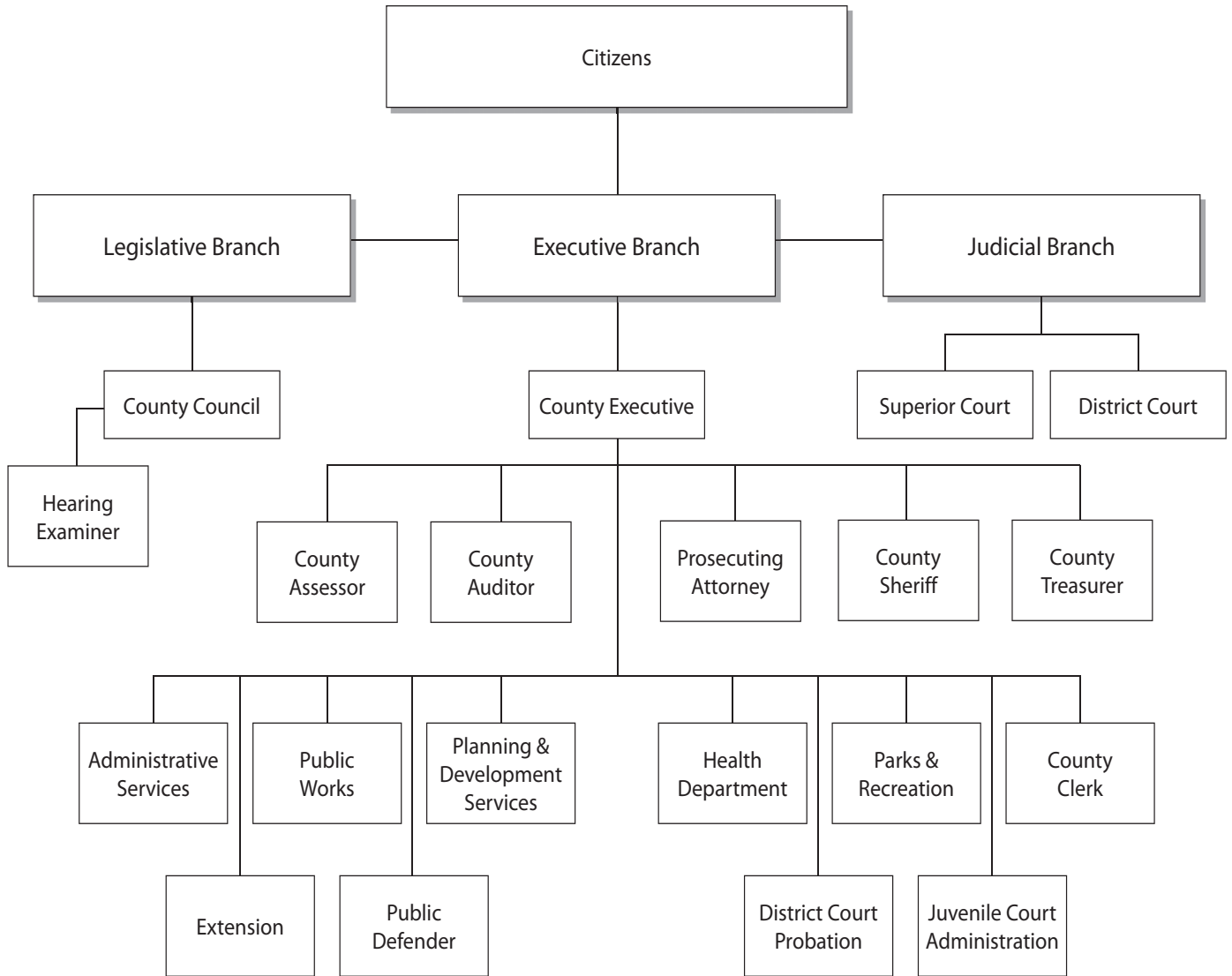
**DISTRICT COURT JUDGES**

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Position No. 1	Term Ends January, 2015	David Grant
Position No. 2	Term Ends January, 2015	Matthew Elich

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# Whatcom County Organizational Chart





## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Year Ended December 31, 2011

Whatcom County's discussion and analysis provides a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2011. We encourage readers to read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to the financial statements.

### Financial Highlights

In 2011, the County implemented Government Accounting Standards Board Statement 54 (GASB 54), which changed fund balance reporting for governmental fund types. This new accounting standard changed the categories and terminology used to describe the various components of fund balance (See Note 15 in the notes to financial statements section of this document for more information)

During 2011, the County's financial condition continued to stabilize after the adjustments implemented in 2008 through 2010 to address the financial crisis and economic down turn. The recovery is expected to be slow. Unemployment remains high and building activity is weak.

Whatcom County held growth in expenses for governmental activities to \$660,220 or .6% between 2010 and 2011.

Whatcom County decreased the number of employees from 935 in 2009, to 826 in 2011.

The unassigned balance for the General Fund was \$10.4 million at the close of 2011 or 14.4% of total General Fund expenditures.

The total value of taxable property decreased \$1.3 billion or 5.4% from 2010 to 2011.

Whatcom County's total assets exceeded liabilities (net assets) by \$291,860,648 as compared to \$275,487,080 in 2010 (5.9% increase). 10.8% of net assets or \$31,427,583 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. Details of factors contributing to the increase in net assets are discussed later within this management's discussion and analysis.

The County's outstanding general obligation debt totaled \$5.1 million at the end of 2011. The County's remaining non-voted general obligation debt capacity is \$338 million.

### 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 statements distinguish functions of Whatcom County that are principally supported by taxes and intergovernmental revenues ("government activities") from functions that are intended to recover all or a significant portion of their cost through user fees and charges ("business-type activities"). Governmental Activities include services provided to the public, such as law enforcement and public safety; the superior, juvenile, and district court systems; criminal prosecution and indigent defense; jails and corrections programs; road construction and maintenance; storm water management; flood control; community planning and development; parks and open space preservation; protection of public health; elections; property assessment and tax collection. Business-type activity includes Whatcom County's ferry system and the Treasurer's investment pool.

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, buildings, 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).

**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 after the fund financial statements.

- Proprietary funds:** When the County charges customers for the 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	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$136,637,428	\$127,269,454	\$1,244,919	\$880,720	\$137,882,347	\$128,150,174
Capital assets	179,997,060	174,749,879	9,385	13,604	180,006,445	174,763,483
Total assets	316,634,488	302,019,333	1,254,304	894,324	317,888,792	302,913,657
Long-term debt	18,907,606	20,477,389	128,191	130,295	19,035,797	20,607,684
Other liabilities	6,949,927	6,785,495	42,420	33,398	6,992,347	6,818,893
Total liabilities	25,857,533	27,262,884	170,611	163,693	26,028,144	27,426,577
Net assets:						
Invested in capital, net of debt	177,863,686	170,627,638	9,385	13,604	177,873,071	170,641,242
Restricted	82,559,994	55,818,803	-	-	82,559,994	55,818,803
Unrestricted	30,353,275	48,310,008	1,074,308	717,027	31,427,583	49,027,035
Total net assets	\$290,776,955	\$274,756,449	\$1,083,693	\$730,631	\$291,860,648	\$275,487,080

*For more detailed information see page 19 for the Statement of Net Assets.*

Net assets may serve over time as a useful indicator of a government's financial position. Whatcom County's assets exceeded liabilities by \$291,860,648 at the close of 2011 fiscal year, this is an increase of \$16.4 million over 2010 net assets. Governmental activities increased Whatcom County's net assets by \$16,020,506, thereby accounting for 97.8% of the growth in the net assets of Whatcom County. Business-type activities increased net assets \$353,062.

The largest portion of Whatcom County’s net assets (61%) reflects its investment in capital assets (e.g., land, buildings, equipment and infrastructure); less any outstanding debt used to acquire those assets. 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. Net assets invested in capital assets, net of debt increased net assets by \$7.2 million. Whatcom County invested \$4.7 million in infrastructure, \$1.7 million in vehicles and road maintenance equipment, \$5.5 million in buildings and improvements and \$3.4 million in land. Net assets invested in capital assets are also increased by repayment of debt related to capital assets and reduced by depreciation charged against capital assets.

Restricted net assets total \$82,559,994 or 28% of net assets. Restricted net assets are subject to external restrictions on how they may be used. Restrictions are imposed by legislation, grantors, bondholders, higher levels of government or through constitutional provisions. The implementation of GASB 54 is largely responsible for the \$26.7 million increase in restricted net assets. The County changed the classification of the following funds from unrestricted to restricted.

- County Road Fund \$22,300,000
- Solid Waste Fund \$1,600,000
- Yew Street Road Construction Fund \$910,982
- Veteran’s Relief Fund \$836,447
- Lincoln Road Construction Fund \$775,245
- Election Reserve Fund \$418,449

The Whatcom County Jail Fund’s net assets (\$3.8 million) were changed from restricted to unrestricted. Restricted net assets also increase or decrease based on revenues and expenditures in restricted funds.

The remaining balance of net assets, unrestricted net assets (\$31,427,583) may be used to meet the government’s ongoing obligations to citizens and creditors. Unrestricted net assets decreased \$17.6 million largely as a result of classification changes required by GASB 54. The beginning net assets of funds reclassified as restricted totaled \$19.7 million. Unrestricted net assets are also increased and decreased based on revenues and expenditures in unrestricted funds.

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	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenue:						
Charges for services	\$15,927,521	\$16,828,722	\$1,887,527	\$1,432,710	\$17,815,048	\$18,261,432
Operating grants & contributions	26,001,375	25,612,409	-	-	26,001,375	25,612,409
Capital grants & contributions	8,089,478	10,320,164	-	-	8,089,478	10,320,164
General revenue:						
Property taxes	47,891,011	47,208,461	-	-	47,891,011	47,208,461
Timber taxes	354,707	183,636	-	-	354,707	183,636
Retail taxes	22,887,516	22,368,270	-	-	22,887,516	22,368,270
Excise taxes	2,612,122	2,466,037	-	-	2,612,122	2,466,037
Penalties and interest	2,498,709	2,362,264	-	-	2,498,709	2,362,264
Other	3,788,163	4,926,183	-	-	3,788,163	4,926,183
Total revenues	130,050,602	132,276,146	1,887,527	1,432,710	131,938,129	133,708,856
Expenses						
General government	28,299,947	28,311,133	-	-	28,299,947	28,311,133
Public safety	39,647,081	39,655,473	-	-	39,647,081	39,655,473
Physical environment	4,906,672	5,879,096	-	-	4,906,672	5,879,096
Transportation	21,759,103	20,425,894	-	-	21,759,103	20,425,894
Economic environment	3,461,965	3,202,356	-	-	3,461,965	3,202,356
Mental and physical health	12,908,382	12,554,614	-	-	12,908,382	12,554,614
Culture and recreation	4,081,926	4,341,404	-	-	4,081,926	4,341,404
Interest on long-term debt	303,440	338,326	-	-	303,440	338,326
Whatcom Co. Investment Pool	-	-	240,334	237,051	240,334	237,051
Ferry System	-	-	2,489,181	2,703,673	2,489,181	2,703,673
Total expenses	115,368,516	114,708,296	2,729,515	2,940,724	118,098,031	117,649,020
Change in net assets before transfers	14,682,086	17,567,850	(841,988)	(1,508,014)	13,840,098	16,059,836
Transfers	(1,195,050)	(1,162,091)	1,195,050	1,162,091	-	-
Change in net assets	13,487,036	16,405,759	353,062	(345,923)	13,840,098	16,059,836
Net assets-beginning	274,756,449	255,602,498	730,631	1,076,554	275,487,080	256,679,052
Prior period adjustment	2,533,470	2,748,192	-	-	2,533,470	2,748,192
Net assets-beginning (restated)	277,289,919	258,350,690	730,631	1,076,554	278,020,550	259,427,244
Net assets-ending	\$290,776,955	\$274,756,449	\$1,083,693	\$730,631	\$291,860,648	\$275,487,080

For more detailed information see page 20 for the Statement of Net Activities.

Revenues were flat in 2011. Overall revenues were down \$1.8 million, however after eliminating the decreases in revenue related to one time events such as capital grants and land donations, revenue increase a modest 1.2%.

Property tax revenue is up \$682,550 or 1.4% over last year. This is the result of \$308 million of new construction added to the tax rolls and in increase in the property tax collection rate.

Sales tax revenue is up \$519,246 or 2.3% from 2010.

Capital grants and contributions are down \$2.2 million from 2010. These revenues fluctuate based on the capital projects that are underway during the year.

Charges for services decreased \$901,201 or 2.4%, largely as a result of decreases in development activity.

Other revenue is down \$1.1 million from 2010, however this is attributable to a one time \$1.2 million donation of park land that was recognized as revenue in 2010.

Expenditures increased \$449,000 or less than one percent. Transportation related costs were up \$1.3 million however this was partially off set by reductions taken in other areas.

## Financial Analysis of the County's Funds

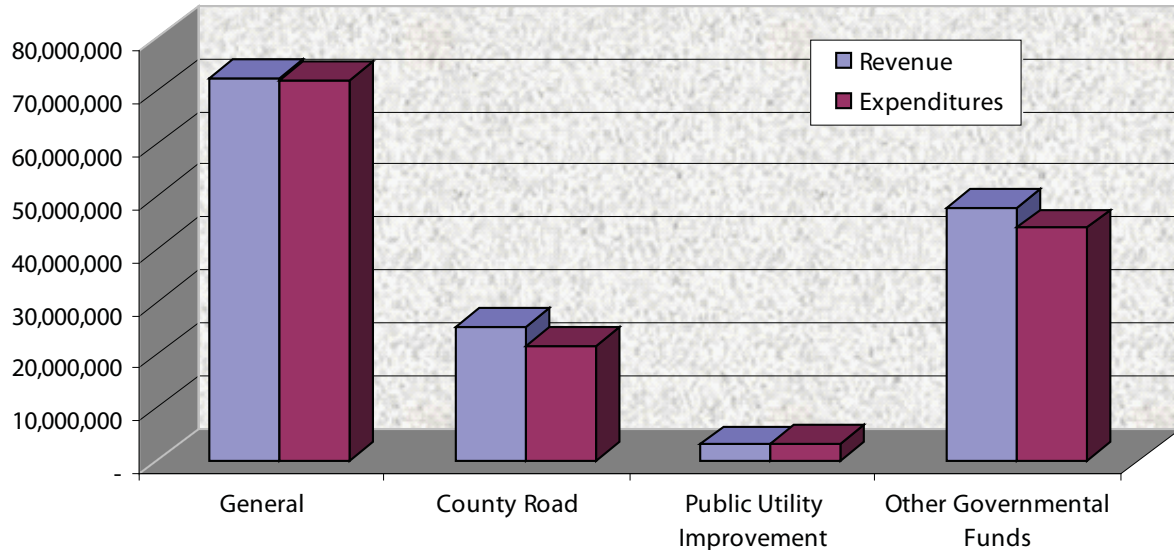
**Governmental funds.** The General Fund, County Road Fund, and Public Utilities Improvement Fund are the County's major funds. Together these three funds account for 50% of total governmental fund assets and 47% of total governmental fund balance.

As of December 31, 2011, the County's governmental funds reported combined fund balances of \$101 million, this is an increase of \$8 million over 2010 or 8%. Over all the funds collected 98% of their budgeted revenues and expended 83% of their budgeted expenditures.

Unassigned fund balance is \$10 million or approximately 10%. Unassigned fund balance is available for spending for any purpose. Assigned fund balance is \$4 million or approximately 4%. Assigned fund balance represents resources Whatcom County intends to use for specific purposes. Committed fund balance totals \$.4 million. Committed fund balance has been restricted for a specific use by the County Council. The remainder of the County's fund balances are classified as restricted. Restricted fund balance totals \$86 million or approximately 86%. Restricted fund balance may only be used for specific purposes. Restrictions are imposed by legislation, grantors, bondholders, higher levels of government or through constitutional provisions.

The chart on the following page compares revenues and expenditures for the major governmental funds and all other governmental funds combined for 2011.

**Table MDA3 - Governmental Fund Revenues and Expenditures**



Whatcom County's General Fund collected 98% of its budgeted revenues and spent 92% of its budgeted expenditures. The General fund started the year with a fund balance of \$10.2 million, the 2011 budget anticipated using approximately \$2.3 million of fund balance. At year end the General Fund's net change in fund balance was an increase of \$306,423 resulting in an ending fund balance of \$10.5 million. Under GASB 54 several Special Revenue Funds were required to be reported in the General Fund. For 2011, the following funds were combined into the General Fund: LEOFF I Healthcare, Emergency Contingency, Drug Task Force, Imminent Threat Grant and Salary Fund.

The County Road Fund collected 102% of its budgeted revenues and spent 77% of its budgeted expenditures. Revenues exceed budget principally due to property tax collections exceeding projections. Road construction activities were considerably under budget due to project delays. Expenditures on road construction were 29% of budget. Expenditures on road maintenance activities were also under budget, 79% of the maintenance budget was expended at year end. Road Fund fund balance was budgeted to decrease \$3.7 million in 2011, however, the actual result was an increase of \$3.4 million.

For 2011, the fund balance for the Public Utilities Improvement Fund was budgeted to decrease \$1.4 million. Fund balance actual decreased only \$181,989. Project expenditures were less than planned in 2011.

## 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, 2011.

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

	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$40,083,325	\$40,083,325	\$41,159,565
Intergovernmental	15,636,981	17,708,520	15,909,700
Other	13,102,552	13,139,017	12,338,754
Total revenues	68,822,858	70,930,862	69,408,019
Expenditures:			
Expenditures	68,612,497	71,655,851	65,918,631
Other financing sources (uses)	(3,624,711)	(3,265,306)	(3,182,965)
Total expenditures	72,237,208	74,921,157	69,101,596
Change to fund balance	\$(3,414,350)	\$(3,990,295)	\$306,423

*For more detailed information see page 72 for the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.*

**Tax revenues.** Tax revenues are greater than budgeted amounts by \$1.1 million. Current year collections are \$182,010 greater than budget. Collections of delinquent taxes, interest and penalties are \$1.4 million over budget. This increase is attributable to several large payments received from property foreclosures and as a result of banks' efforts to ensure mortgagees property taxes are current. Sales tax is less than budgeted revenue by \$534,578.

**Intergovernmental revenues.** Intergovernmental revenue received is \$1.8 million less than budgeted revenue. The Health Department's intergovernmental revenues account for \$1.2 million of this deficit. The Sheriff's Department Public Safety Interoperable Communications grant was reduced and caused the actual revenue to be \$289,282 less than budget. Revenue for 2011 is \$413,911 under budget for two pass-through grants with the Opportunity Council and Kulshan Community Land Trust. These grants will continue into 2012.

**Other.** Other revenues are \$800,263 less than budgeted amounts. Planning and Development Services permit and fee revenue is \$251,737 below budget. Health Department's permit and charges for services revenue is less than budgeted revenue by \$528,056. Interest earnings totaled \$970,523 and are \$167,281 over budgeted revenue.

**Expenditures.** Overall expenditures for the General Fund are 92% of the approved budget at year-end. Continuing appropriations will carry over \$342,591 of spending authority into 2012 to complete contract obligations that span fiscal reporting periods.

## Capital Assets

The County's capital assets for its governmental activities as of December 31, 2011, totaled \$180 million (net of accumulated depreciation). This includes land, buildings, improvements, machinery and equipment, and infrastructure.

New investment in capital assets for 2011 was \$15.2 million. Depreciation expense in 2011 totaled \$10.0 million, resulting in \$5.2 million increase in net capital assets.

The County invested \$4.7 million in infrastructure, which includes roads, bridges and road-related improvements.

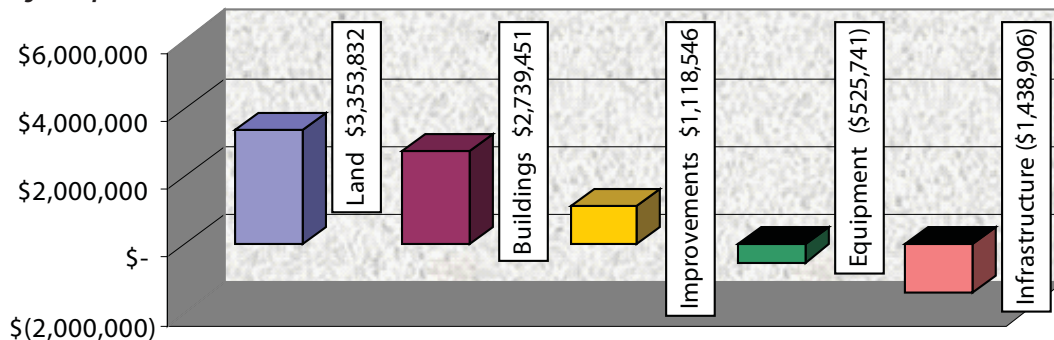
Land and property rights acquired in 2011 totaled \$3.4 million. Whatcom County purchased an agricultural conservation easement for \$680,858 and recorded \$2.5 million in donated Park property. Buildings increased capital assets by \$4.1 million. This increase was principally the result of construction of a community center in eastern Whatcom County. Improvements totaled \$1.4 million and included improvements to Lily Point Marine Park, stormwater improvements to Silver Beach Creek, drainage improvements at Birch Bay and security screens for windows at the jail. The County's investment in new equipment, including vehicles and road maintenance equipment, increased capital assets by \$1.7 million.

**Table MDA5 - Capital Assets**

	Governmental Activities	
	2011	2010
Land	\$45,476,702	\$42,122,870
Buildings	47,658,072	44,918,621
Improvements	4,212,829	3,094,283
Equipment	10,276,978	10,802,719
Infrastructure	72,372,479	73,811,385
<b>Totals</b>	<b>\$179,997,060</b>	<b>\$174,749,878</b>

*For more detailed information see page 46 for Capital Asset Activity.*

**Table MDA6 - Change in Capital Assets**



## Debt Administration

The County's outstanding general obligation debt totaled \$5.1 million at the end of 2011. See Note 8 to the financial statements.

**Table MDA7 - Outstanding Debt**

	Governmental Activities	
	2011	2010
General Obligation Bonds	\$5,054,801	\$6,943,110
Capital Leases	268,374	387,240
Estimated Self-Insurance Claims	4,398,143	4,108,863
Other Postemployment Benefits Payable	1,366,743	1,181,688
Compensated Absences	7,487,238	7,481,618
Other Long-term Liabilities	332,307	374,870
	\$18,907,606	\$20,477,389

*For more detailed information see page 64 for Changes in Long-Term Debt.*

## Economic Factors

Whatcom County's local economy is slowly recovering from the effects of the global recession. Retail sales are up 4.1% over 2010 and are 94% of retail sales levels before the recession. Unemployment in Whatcom County decreased from 8.8% in December 2010 to 8.3% in December 2011. The population of Whatcom County has grown at an average rate of 1.9% during the past five years. For 2010, per capita income of Whatcom County grew 2.6% over 2009. The assessed valuations of property dropped approximately 5.4% in 2011.

## 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		Total
	Governmental Activities	Business-type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$105,514,067	\$1,455,574	\$106,969,641
Cash with fiscal agent	4,000	-	4,000
Investments	15,725,375	-	15,725,375
Receivables, net	2,220,341	16,835	2,237,176
Receivables-court, net	1,163,439	-	1,163,439
Due from other governments	10,086,153	-	10,086,153
Internal balances	227,490	(227,490)	-
Inventories	1,696,563	-	1,696,563
Capital assets:			
Non-depreciable	45,476,702	-	45,476,702
Depreciable, net	134,520,358	9,385	134,529,743
<b>Total assets</b>	<b>316,634,488</b>	<b>1,254,304</b>	<b>317,888,792</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses	4,866,414	38,644	4,905,058
Due to other governments	447,363	3,776	451,139
Unearned revenue	1,636,150	-	1,636,150
Noncurrent liabilities (Note 8):			
Due within one year	12,044,050	109,612	12,153,662
Due in more than one year	6,863,556	18,579	6,882,135
<b>Total liabilities</b>	<b>25,857,533</b>	<b>170,611</b>	<b>26,028,144</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	177,863,686	9,385	177,873,071
Restricted for:			
General government	956,276	-	956,276
Public safety	4,297,923	-	4,297,923
Physical environment	16,080,892	-	16,080,892
Transportation	22,840,277	-	22,840,277
Economic environment	4,090,320	-	4,090,320
Mental and physical health	4,616,786	-	4,616,786
Culture and recreation	1,122,115	-	1,122,115
Debt service	19,008	-	19,008
Capital projects	28,536,397	-	28,536,397
Unrestricted (deficit)	30,353,275	1,074,308	31,427,583
<b>Total net assets</b>	<b>\$290,776,955</b>	<b>\$1,083,693</b>	<b>\$291,860,648</b>

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

Functions/ Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets - Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$28,299,947	\$5,104,591	\$9,936,286	\$-	\$(13,259,070)	\$-	\$(13,259,070)
Public safety	39,647,081	3,623,893	6,757,499	-	(29,265,689)	-	(29,265,689)
Physical environment	4,906,672	769,494	1,014,731	-	(3,122,447)	-	(3,122,447)
Transportation	21,759,103	2,687,479	-	8,089,478	(10,982,146)	-	(10,982,146)
Economic environment	3,461,965	1,049,701	902,448	-	(1,509,816)	-	(1,509,816)
Mental and physical health	12,908,382	2,331,138	6,956,776	-	(3,620,468)	-	(3,620,468)
Culture and recreation	4,081,926	361,225	433,635	-	(3,287,066)	-	(3,287,066)
Interest on long-term debt	303,440	-	-	-	(303,440)	-	(303,440)
<b>Total governmental activities</b>	<b>115,368,516</b>	<b>15,927,521</b>	<b>26,001,375</b>	<b>8,089,478</b>	<b>(65,350,142)</b>	<b>-</b>	<b>(65,350,142)</b>
Business-type activities:							
Whatcom Co Investment Pool	240,334	169,490	-	-	(70,844)	-	(70,844)
Ferry System	2,489,181	1,718,037	-	-	(771,144)	-	(771,144)
<b>Total business-type activities</b>	<b>2,729,515</b>	<b>1,887,527</b>	<b>-</b>	<b>-</b>	<b>(841,988)</b>	<b>-</b>	<b>(841,988)</b>
<b>Total primary government</b>	<b>\$118,098,031</b>	<b>\$17,815,048</b>	<b>\$26,001,375</b>	<b>\$8,089,478</b>	<b>(65,350,142)</b>	<b>(841,988)</b>	<b>(66,192,130)</b>
General Revenues:							
Taxes:							
Property taxes					47,891,011	-	47,891,011
Timber taxes					354,707	-	354,707
Retail taxes					22,887,516	-	22,887,516
Excise taxes					2,612,122	-	2,612,122
Penalties and interest					2,498,709	-	2,498,709
Unrestricted investment earnings					1,096,735	-	1,096,735
Gain/loss on sale of capital assets					1,013,444	-	1,013,444
Miscellaneous					1,677,984	-	1,677,984
Transfers					(1,195,050)	1,195,050	-
<b>Total general revenues &amp; transfers</b>					<b>78,837,178</b>	<b>1,195,050</b>	<b>80,032,228</b>
Change in net assets					13,487,036	353,062	13,840,098
Net assets-beginning					274,756,449	730,631	275,487,080
Prior period adjustments					2,533,470	-	2,533,470
Net assets-beginning (restated)					277,289,919	730,631	278,020,550
<b>Net assets-ending</b>					<b>\$290,776,955</b>	<b>\$1,083,693</b>	<b>\$291,860,648</b>

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

	General	County Road	Public Utilities Improvement	Other Gov't Funds	Total Gov't Funds
<b>Assets</b>					
Cash and cash equivalents	\$12,457,742	\$21,814,517	\$10,288,162	\$36,747,360	\$81,307,781
Deposits with fiscal agent	4,000	-	-	-	4,000
Investments at cost	-	-	-	15,725,375	15,725,375
Taxes receivable, net	971,312	714,650	-	185,093	1,871,055
Accounts receivable, net	310,343	43,190	-	229,088	582,621
Accounts receivable-court, net	978,972	-	-	184,467	1,163,439
Special assessments, net	-	-	-	56,462	56,462
Interest receivable, net	64,684	-	-	9,197	73,881
Notes receivable, net	-	-	-	83,735	83,735
Due from other funds	588,962	95,193	-	1,054,993	1,739,148
Due from other governments	2,342,009	927,693	4,367,216	2,438,796	10,075,714
Employee advances	2,180	357	-	-	2,537
<b>Total assets</b>	<b>\$17,720,204</b>	<b>\$23,595,600</b>	<b>\$14,655,378</b>	<b>\$56,714,566</b>	<b>\$112,685,748</b>
<b>Liabilities and fund balance</b>					
<b>Liabilities</b>					
Accounts payable	\$1,758,288	\$305,038	\$44,714	\$1,455,517	\$3,563,557
Due to other funds	239,173	23,477	-	1,551,298	1,813,948
Interfund loans payable	2,322,109	-	-	-	2,322,109
Revenue collected in advance	37,959	682	-	-	38,641
Due to other governments	361,382	34,791	326	29,497	425,996
Other accrued liabilities	99,047	83,149	-	884	183,080
Other current liabilities	10,155	24,350	-	-	34,505
Deferred revenue	2,329,847	744,966	-	519,173	3,593,986
Deferred credits	32,769	61,321	-	693	94,783
<b>Total liabilities</b>	<b>7,190,729</b>	<b>1,277,774</b>	<b>45,040</b>	<b>3,557,062</b>	<b>12,070,605</b>
<b>Fund balances:</b>					
Restricted	158,781	22,317,826	14,610,338	48,631,830	85,718,775
Committed	-	-	-	418,449	418,449
Assigned	-	-	-	4,107,225	4,107,225
Unassigned	10,370,694	-	-	-	10,370,694
<b>Total fund balance</b>	<b>10,529,475</b>	<b>22,317,826</b>	<b>14,610,338</b>	<b>53,157,504</b>	<b>100,615,143</b>
<b>Total liabilities and fund balance</b>	<b>\$17,720,204</b>	<b>\$23,595,600</b>	<b>\$14,655,378</b>	<b>\$56,714,566</b>	<b>\$112,685,748</b>

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

Reconciliation of the Governmental Funds  
Balance Sheet  
to the Statement of Net Assets  
December 31, 2011



Fund balance - total governmental funds	\$100,615,143
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	170,555,187
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.	31,324,382
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,957,836
Liabilities, including \$5,522,974 of bonds/ loans payable, \$6,785,876 of compensated absences and \$1,366,743 of other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	<u>(13,675,593)</u>
Net assets of governmental activities	<u>\$290,776,955</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, 2011

**Whatcom County**  
W A S H I N G T O N

	General	County Road	Public Utilities Improvement	Other Govt'l Funds	Total Govt'l Funds
<b>Revenues</b>					
Taxes	\$41,159,565	\$17,057,342	\$2,867,602	\$16,661,994	\$77,746,503
Licenses and permits	1,990,716	100,497	-	-	2,091,213
Intergovernmental	15,909,700	6,074,561	-	11,694,699	33,678,960
Charges for service	6,114,603	1,178,891	-	3,445,490	10,738,984
Fines and forfeits	1,860,161	-	-	297,524	2,157,685
Miscellaneous	2,373,274	55,479	61,302	501,339	2,991,394
<b>Total revenues</b>	<b>69,408,019</b>	<b>24,466,770</b>	<b>2,928,904</b>	<b>32,601,046</b>	<b>129,404,739</b>
<b>Expenditures</b>					
Current:					
General government	24,533,076	579,288	174,434	1,274,191	26,560,989
Public safety	23,968,302	-	-	15,023,160	38,991,462
Physical environment	479,365	-	-	4,446,630	4,925,995
Transportation	-	15,714,653	-	30,049	15,744,702
Economic environment	1,211,967	-	-	2,249,959	3,461,926
Mental and physical health	10,923,514	-	-	1,935,764	12,859,278
Culture and recreation	3,476,273	-	-	527,276	4,003,549
Capital outlay	1,203,581	2,148,461	475,589	9,231,137	13,058,768
Debt service:					
Principal	42,564	-	-	1,870,000	1,912,564
Interest	79,989	-	-	228,426	308,415
<b>Total expenditures</b>	<b>65,918,631</b>	<b>18,442,402</b>	<b>650,023</b>	<b>36,816,592</b>	<b>121,827,648</b>
Excess (deficiency) of revenues over expenditures	3,489,388	6,024,368	2,278,881	(4,215,546)	7,577,091
<b>Other financing sources (uses)</b>					
Sales of capital assets	422,063	517,423	-	73,958	1,013,444
Transfers in	2,599,235	230,172	-	15,215,937	18,045,344
Transfers out	(6,204,263)	(3,328,542)	(2,460,870)	(7,179,578)	(19,173,253)
Capital lease proceeds	-	-	-	24,916	24,916
<b>Total other financing sources (uses)</b>	<b>(3,182,965)</b>	<b>(2,580,947)</b>	<b>(2,460,870)</b>	<b>8,135,233</b>	<b>(89,549)</b>
Net change in fund balances	306,423	3,443,421	(181,989)	3,919,687	7,487,542
Fund balance as of January 1	9,188,596	18,874,405	14,792,327	50,270,593	93,125,921
Prior period adjustments	1,034,456	-	-	(1,032,776)	1,680
Fund balance as of January 1 (restated)	10,223,052	18,874,405	14,792,327	49,237,817	93,127,601
<b>Fund balance as of December 31</b>	<b>\$10,529,475</b>	<b>\$22,317,826</b>	<b>\$14,610,338</b>	<b>\$53,157,504</b>	<b>\$100,615,143</b>

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

Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended December 31, 2011



Net change in fund balances-total governmental funds	\$7,487,542
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$12,323,349) exceeded depreciation expense (\$8,272,387) in the current period.	4,050,962
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.	750,084
Revenues in the funds that are related to prior periods are not revenues in the statement of activities	(588,344)
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.	(125,772)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	<u>1,912,564</u>
Change in net assets of governmental activities	<u><u>\$13,487,036</u></u>

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

	Enterprise Funds	Internal Service Funds
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$1,455,574	\$24,206,286
Deposits with fiscal agent	-	1,000
Accounts receivable, net	-	10,253
Due from other funds	16,835	70,708
Due from other governments	-	10,439
Interfund loan receivable	-	2,322,109
Inventory	-	1,696,563
<b>Total current assets</b>	<u>1,472,409</u>	<u>28,317,358</u>
Noncurrent assets		
Land	-	750,140
Building and structures, net	-	1,310,413
Capital leases, net	-	134,003
Other improvements, net	-	329,201
Machinery and equipment, net	9,385	6,918,116
<b>Total noncurrent assets</b>	<u>9,385</u>	<u>9,441,873</u>
<b>Total assets</b>	<u>1,481,794</u>	<u>37,759,231</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	30,102	739,209
Claims cost payable	-	4,312,627
Due to other funds	7,056	5,687
Due to other governments	3,776	21,367
Compensated absences	128,191	701,363
Other accrued liabilities	1,486	-
<b>Total current liabilities</b>	<u>170,611</u>	<u>5,780,253</u>
Noncurrent liabilities		
Other noncurrent liabilities	-	430,662
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>430,662</u>
<b>Total liabilities</b>	<u>170,611</u>	<u>6,210,915</u>
<b>Net assets</b>		
Net assets, invested in capital assets	9,385	9,441,873
Unrestricted	1,301,798	22,106,443
<b>Total net assets</b>	<u>1,311,183</u>	<u>\$31,548,316</u>
Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.	(227,490)	
<b>Net assets of business-type activities</b>	<u>\$1,083,693</u>	

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, 2011

# Whatcom County

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	Enterprise Funds	Internal Service Funds
<b>Operating revenues</b>		
Intergovernmental	\$165,174	\$175,353
Charges for service	1,545,829	12,369,539
Rents and parking	-	5,544,873
Fines and forfeits	-	465
Insurance premiums	-	9,177,619
Other miscellaneous revenues	176,524	41,082
<b>Total operating revenues</b>	<b>1,887,527</b>	<b>27,308,931</b>
<b>Operating expenses</b>		
General operations	2,444,302	24,332,832
General administration	237,031	684,760
Depreciation	4,219	1,695,720
<b>Total operating expenses</b>	<b>2,685,552</b>	<b>26,713,312</b>
<b>Operating income (loss)</b>	<b>(798,025)</b>	<b>595,619</b>
<b>Non-operating revenues (expenses)</b>		
Gain (loss) on sale of capital assets	-	21,221
Interest expense	-	(11,838)
Insurance recoveries	-	207,385
<b>Total non-operating revenues (expenses)</b>	<b>-</b>	<b>216,768</b>
<b>Income (loss) before contributions and transfers</b>	<b>(798,025)</b>	<b>812,387</b>
Capital contributions	-	48,801
Transfers in	1,195,050	379,687
Transfers out	-	(446,828)
<b>Changes in net assets</b>	<b>397,025</b>	<b>794,047</b>
<b>Total net assets-beginning</b>		<b>30,754,269</b>
<b>Total net assets-ending</b>		<b>\$31,548,316</b>
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.	(43,963)	
<b>Change in net assets of business-type activities</b>	<b>\$353,062</b>	

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

	Enterprise Funds	Internal Service Funds
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$2,055,498	\$27,746,524
Cash payments for goods and services	(1,478,213)	(17,776,666)
Cash payments to employees	(1,196,202)	(6,415,426)
<b>Net cash provided by operating activities</b>	<b>(618,917)</b>	<b>3,554,432</b>
<b>Cash flows from non-capital financing activities:</b>		
Transfers in	1,195,050	379,687
Transfers out	-	(446,828)
Insurance recoveries	-	207,385
<b>Net cash provided by non-capital financing activities</b>	<b>1,195,050</b>	<b>140,244</b>
<b>Cash flows from capital financing activities:</b>		
Interest paid on lease purchase	-	(11,838)
Proceeds from sale of assets	-	42,739
Payments for capital assets	-	(442,483)
<b>Net cash used by capital financing activities</b>	<b>-</b>	<b>(411,582)</b>
Net increase (decrease) in cash and cash equivalents	576,133	3,283,094
Balances - beginning of the year	879,441	20,923,192
Balances - end of the year	<b>\$1,455,574</b>	<b>\$24,206,286</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$(798,025)	\$595,619
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation expense	4,219	1,695,720
Change in assets and liabilities:		
Receivables, net	167,971	254,366
Inventories	-	377,018
Accounts and other payables	9,022	647,966
Accrued expenses	(2,104)	(16,257)
<b>Net cash provided by operating activities</b>	<b>\$(618,917)</b>	<b>\$3,554,432</b>
<b>Noncash investing &amp; capital financing activities:</b>		
Contributed vehicles	\$-	\$48,801
<b>Total noncash investing &amp; capital financing activities</b>	<b>\$-</b>	<b>\$48,801</b>

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

Statement of Fiduciary Net Assets  
 Fiduciary Funds  
 December 31, 2011



	Investment Trust Fund	Agency Funds
<b>Assets</b>		
Cash and cash equivalents	\$-	\$16,373,982
Deposits with fiscal agent	-	66,825
Assets held in trust-external investment pool	-	142,238,211
Investments at cost	142,238,211	-
Accounts receivable, net	-	523
<b>Total assets</b>	<b>142,238,211</b>	<b>158,679,541</b>
<b>Liabilities</b>		
Warrants payable	-	8,263,450
Accounts payable	-	506,683
Matured interest payable	-	5,000
Other accrued liabilities	-	24,805
Revenue collected in advance	-	110,647
Custodial accounts	-	149,768,956
<b>Total liabilities</b>	<b>-</b>	<b>158,679,541</b>
<b>Net Assets</b>		
Held in trust for pool participants	<b>\$142,238,211</b>	<b>\$-</b>

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

Statement of Changes in Fiduciary Net Assets  
 Fiduciary Funds  
 Year Ended December 31, 2011

	Investment Trust Fund
<b>Additions</b>	
Contributions	\$134,428,685
Net investment earnings (losses)	
Interest	1,398,534
<b>Total additions</b>	<b>135,827,219</b>
<b>Deductions</b>	
Distributions	154,722,456
Change in net assets	(18,895,237)
Net assets - January 1, 2011	161,133,448
Net assets - December 31, 2011	<b>\$142,238,211</b>

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



## NOTES TO THE FINANCIAL STATEMENTS

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## NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### A. REPORTING ENTITY

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

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

As 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

In February 2009, Government Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement provides clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The County has implemented this statement for the year ended December 31, 2011.

The County government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of governmental and business-type activities for the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary activities of the County are not included in these statements.

These statements are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the County's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of

Activities presents changes in net assets and demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Under the accrual basis of accounting, revenues are recognized in the period which they are earned while expenses are recognized in the period in which the liability is incurred.

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

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

## GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

The County reports the following major governmental funds:

- **General Fund:** This fund is the general operating fund of the county. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **County Road Fund:** This fund finances the design, construction and maintenance of county roads.
- **Public Utilities Improvement Fund:** This fund accounts for the collection of a rural county sales or use tax (pursuant to RCW 82.14.370) that provides funds for financing public facilities.

Governmental fund financial statements are reported using the current resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The County considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Property tax, franchise fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual

and so have been recognized as revenue of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, capital assets are reported as expenditures when purchased and debt service and compensated absences are recorded as expenditures when paid.

## PROPRIETARY FUND FINANCIAL STATEMENTS

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

The County reports the following non-major proprietary funds:

- **Enterprise funds:** These funds are used to report any activity for which a fee is charged to external users for goods or services. The Whatcom County Investment Pool and the Ferry System are the County's enterprise funds.
- **Internal service funds:** These funds account for operations that provide goods or services to other departments or funds of the County on a cost reimbursement basis. The County's internal service funds are Equipment Rental and Revolving 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 and Emergency Communications; and debt service fund: CRID No. 9 General Debt, 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 Veterans' Relief Fund, Whatcom County Trial Court Improvement Fund, Drug Fund, Ferry System Fund, Chemical Dependency/Mental Health Fund, Countywide Emergency Medical Services Fund, Flood Control Zone District Fund, Sub-Zone Funds, County Park Improvement Fund and 2010 Jail Improvement 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.

Court receivables consist of amounts owed Whatcom County as a result of court decisions in Superior Court and District Court. Court receivables include criminal penalties, infraction and probation fees. Receivables are shown net of allowances for uncollectible accounts. Court receivables are offset by deferred revenue and therefore are not reported as revenue on Whatcom County's Statement of Activities or on Whatcom County's Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds.

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

**Amounts Due to and from Other Governmental Units:** These accounts include amounts due to or from other governments for grants, entitlements, temporary loans, taxes and charges for services, which are expected to be received within 60 days. Amounts due to other governmental units also reflect the liability for net monetary assets being held by the county in its trustee or agency capacity.

**Amounts Due to and from Other Funds; Interfund Loans:** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund loans receivable/payable." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." A separate schedule of interfund loans receivable and payable is furnished in Note 11 (Interfund Balances and Transfers).

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

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

**Table FN1 - Capital Assets and 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 and 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, 2011 and 2010. 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.

**Other Accrued Liabilities:** These accounts consist of accrued wages and accrued employee benefits.

**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 Balance Classifications:** The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance*-amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- *Restricted fund balance*-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- *Committed fund balance*-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- *Assigned fund balance*-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- *Unassigned fund balance*-amounts that are available for any purpose; positive amounts are reported only in the General Fund.

**Fund Balance Details:** See table on following page for fund balance details.

**Table FN2 - Fund Balance Details**

	General	County Road	Public Utilities Improvement	Other Govt'l Funds	Total
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Boating safety	43,727	-	-	-	43,727
Historical document preservation	115,054	-	-	-	115,054
County roads	-	22,317,826	-	-	22,317,826
Public facilities projects	-	-	14,610,338	-	14,610,338
Debt service	-	-	-	19,008	19,008
Capital projects	-	-	-	15,249,849	15,249,849
Parks and recreation	-	-	-	1,676,210	1,676,210
Chemical dependency/ mental health	-	-	-	4,616,786	4,616,786
Emergency medical/ criminal justice	-	-	-	4,235,635	4,235,635
Flood control/ stormwater	-	-	-	14,467,060	14,467,060
Land purchases	-	-	-	2,489,708	2,489,708
Social services	-	-	-	1,594,375	1,594,375
Solid waste	-	-	-	1,613,832	1,613,832
Tourism promotion	-	-	-	1,122,115	1,122,115
Other purposes	-	-	-	1,547,252	1,547,252
<b>Committed to:</b>					
Elections	-	-	-	418,449	418,449
<b>Assigned to:</b>					
Corrections	-	-	-	3,980,580	3,980,580
Emergency management	-	-	-	126,645	126,645
<b>Unassigned:</b>	10,370,694	-	-	-	10,370,694
Total fund balances	\$10,529,475	\$22,317,826	\$14,610,338	\$53,157,504	\$100,615,143

**Minimum Fund Balance:** The County has established a minimum fund balance policy. This policy applies to the General Fund, County Road Fund and Flood Control Zone District Fund. Per the policy, the Executive will only propose budgets or budget revisions that result in an ending fund balance of at least 15% of the fund's annual revenue of the most recently closed fiscal year.

## NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions in any of the funds of the county. Expenditures exceeded legal appropriations in the Conservation Futures Fund by \$656,899 and the Samish Watershed Sub-Zone by \$2,407. For the Conservation Futures Fund, a land purchase of \$680,858 was appropriated in 2010; however, the sale did not go through until 2011. The Samish Watershed Sub-Zone had additional expenditures that resulted from increased debris removal performed during the year. Due to staff changes in Public Works, budget reports for this fund were not distributed properly resulting in a lack of review of the budget to actual figures.

### NOTE 3 – DEPOSITS AND INVESTMENTS

Whatcom County is authorized by RCW's 36.29.020, 39.58, 39.59.020, 39.59.030, 39.60.010, 39.60.050 and 43.84.080 to invest in the following types of securities: U.S. Treasury Obligations, U.S. Government Agency Obligations and U.S. Government Sponsored Enterprises (GSE's), Banker's Acceptances (BA's) purchased through State of Washington Financial Institutions and authorized broker/dealers, Commercial Paper, Non-negotiable Certificates of Deposit, Deposit Notes of Financial Institutions, Repurchase Agreements, Bonds of the State of Washington and any local government in the State of Washington, General obligation bonds of a state other than the State of Washington and general obligation bonds of a local government of a state other than the State of Washington, registered warrants and notes for Whatcom County and those districts in Whatcom County for which the Treasurer is the ex-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, 2011 the carrying amount of the county's cash demand deposits was \$123,343,621.

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 the Federal Deposit Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington State Public Deposit Protection Commission (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, 2011, the county had the following investments and maturities:

**Table FN3 - Investment Maturities**

Investment Type	Investments and Maturities (In Years)*		
	Fair Value	Less Than 1	1 to 5
LGIP	\$18,199,905	\$18,199,905	\$-
Federal Farm Credit Bank	29,527,649	-	29,527,649
Federal Home Loan Bank	42,943,306	22,923,906	20,019,400
Federal Home Loan Mortgage Corp	87,609,494	742,769	86,866,725
Federal National Mortgage Assoc.	75,128,450	-	75,128,450
General Obligation Municipal Bonds	8,632,176	6,444,997	2,187,179
Certificates of Deposit	10,007,523	10,007,523	-
<b>Total</b>	<b>\$272,048,503</b>	<b>\$58,319,100</b>	<b>\$213,729,403</b>

\*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 December 31, 2011.

**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, 2011 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 FN4 - Credit Quality Distribution for Securities**

Investment Type	Moody's Rating	S & P's Rating	Percentage of Portfolio
Federal Farm Credit Bank	Aaa	AA+	11%
Federal Home Loan Bank	Aaa	AA+	16%
Federal Home Loan Mortgage Corp	-	AA+	29%
Fed Home Loan Mortgage Corp CMO	-	AA+	3%
Federal National Mortgage Assn	Aaa	AA+	28%
General Obligation Municipal Bonds	A1	A1	1%
General Obligation Municipal Bonds	Aa1	Aa1	2%
General Obligation Municipal Bonds	A2	A2	1%
LGIP	Not Rated		7%

**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 2011, 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.

At December 31, 2011, the market value of investments in the WCIP was \$9,632 more 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, 2011, are shown on the tables below.

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

Assets	\$272,230,145
Less: Liabilities	-
<u>Net assets held in trust for pool participants</u>	<u>\$272,230,145</u>
Equity of internal pool participants	\$129,991,934
Equity of external pool participants	142,238,211
<u>Total equity</u>	<u>\$272,230,145</u>

**Table FN6 - Condensed Statement of Changes in Net Assets**

Net assets - January 1, 2011	\$279,829,911
Net change in investments by pool participants	<u>(7,599,766)</u>
<u>Net assets - December 31, 2011</u>	<u>\$272,230,145</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. The property tax calendar is shown on the following page.

**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 FN7 - Tax Collection Record**

Collection Year	Regular Assessed Valuation (1)	Ad Valorem Tax Levy (2)	Year of Levy Tax Collection
2011	\$23,729,066,124	\$26,393,783	97.8%
2010	25,077,540,196	25,592,633	96.9%
2009	24,264,823,547	24,671,502	97.3%
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%

*(1) Assessed valuation is based upon 100% 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 2011 was \$1.1122975765 per \$1,000 on an assessed valuation of \$23.7 billion for a regular levy of \$26,393,783. This levy was used for general governmental purposes.

The Road Fund levied \$1.4650757629 per \$1,000 on an assessed value of \$11.8 billion in 2011. This resulted in a total levy of \$17,333,054 to be used for county road maintenance and construction.

## NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2011 was as follows:

**Table FN8 - Capital Assets Activity**

Governmental activities	January 1	Increases	Decreases	December 31
Not being depreciated:				
Land	\$42,122,870	\$3,752,088	\$(398,256)	\$45,476,702
Subtotal	42,122,870	3,752,088	(398,256)	45,476,702
Other capital assets:				
Buildings	68,357,307	4,143,334	(23,980)	72,476,661
Improvements	7,525,987	1,384,058	-	8,910,045
Equipment	35,635,408	1,666,774	(551,143)	36,751,039
Infrastructure	146,282,218	4,712,791	-	150,995,009
Subtotal	257,800,920	11,906,957	(575,123)	269,132,754
Accumulated depreciation				
Buildings	(23,438,686)	(1,379,903)	-	(24,818,589)
Improvements	(4,431,704)	(265,512)	-	(4,697,216)
Equipment	(24,832,689)	(2,170,996)	529,624	(26,474,061)
Infrastructure	(72,470,833)	(6,151,697)	-	(78,622,530)
Subtotal	(125,173,912)	(9,968,108)	529,624	(134,612,396)
Net other capital assets	132,627,008	1,938,849	(45,499)	134,520,358
Net capital assets	\$174,749,878	\$5,690,937	\$(443,755)	\$179,997,060
<b>Business-type activities</b>				
Other capital assets:				
Equipment	\$24,305	\$-	\$-	\$24,305
Subtotal	24,305	-	-	24,305
Accumulated depreciation				
Equipment	(10,701)	(4,219)	-	(14,920)
Subtotal	(10,701)	(4,219)	-	(14,920)
Net other capital assets	13,604	(4,219)	-	9,385
Net capital assets	\$13,604	\$(4,219)	\$-	\$9,385

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

**Table FN9 - Depreciation Expense**

<b>Governmental activities:</b>	
General governments	\$1,497,955
Public safety	579,293
Physical environment	36,275
Transportation	7,608,366
Mental & physical health	63,431
Culture & recreation	182,788
<b>Total depreciation expense</b>	<b>\$9,968,108</b>

## 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; or it may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov). 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

The Legislature established PERS in 1947. 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 retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

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.

PERS members 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 exercised an option to transfer their membership to Plan 3. PERS members 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 Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions.

PERS 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 monthly benefit is 2 percent of the average final compensation (AFC) per year of service. (The AFC is the monthly average of the 24 consecutive highest-paid service credit months.) The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan I retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of-living allowance (COLA) was granted at age 66 based upon years of service times the COLA amount. This benefit was eliminated by the Legislature, effective July 1, 2011. Plan 1 members may elect to receive an optional COLA 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 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance is granted at age 66 based upon years of service times the COLA amount. This benefit was eliminated by the Legislature, effective July 1, 2011. Plan 1 members may elect to receive an optional COLA 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 1 members can receive credit for military service. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible

for normal retirement at the age 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

Plan 2 members who have at least 20 years of service credit and are 55 years or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

1. With a benefit that is reduced by 3 percent for each year before age 65.
2. With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, 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.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions.

PERS 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 monthly benefit that is 1 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

Effective June 7, 2006, PERS 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 for normal retirement at age 65, or they may retire early with the following conditions and benefits:

1. If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
2. If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, 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.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon contribution and the results of investment activities.

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 Director of the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and 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 a 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

## **JUDICIAL BENEFIT MULTIPLIER**

During January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to participate in the Judicial Benefit Multiplier Program (JBM) enacted in 2006. 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 AFC.

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 1,197 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2010:

**Table FN10 - PERS Membership**

Retirees and Beneficiaries Receiving Benefits	76,899
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	28,860
Active Plan Members Vested	105,521
Active Plan Members Non-vested	51,005
<b>TOTAL</b>	<b>262,285</b>

The County covered payroll for the year ended December 31, 2011 was \$47,113,550. The County's total payroll for all employees was \$57,122,804.

**FUNDING POLICY**

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS 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 at 7.5 percent for state government elected officials. 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 Plan 3 employee contributions rates range from 5 percent to 15 percent, based on member choice. 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, 2011, are as follows:

**Table FN11 - PERS Contribution Rates**

**Members not participating in JBM:**

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	7.25%	7.25%	7.25%**
Employee	6.00%	4.64%	***

\* 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*	7.25%	7.25%	7.25%**
Employee-Local Govt	12.26%	11.60%	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 FN12 - County Contribution to PERS**

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2011	\$ 148,841	\$ 1,934,134	\$ 861,622
2010	\$ 139,647	\$ 1,718,560	\$ 768,459
2009	\$ 189,749	\$ 2,191,720	\$ 942,097

## LAW ENFORCEMENT OFFICERS’ AND FIRE FIGHTERS’ RETIREMENT SYSTEM (LEOFF) PLANS 1 AND 2

### Plan Description

The Legislature established LEOFF in 1970. Membership in the system includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. 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. LEOFF retirement benefit provisions are established in Chapters 41.26 RCW and may be amended only by the State Legislature.

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate benefit plans. LEOFF members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members.

LEOFF 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 through the state legislative appropriations.

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 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 FN13 - LEOFF Plan 1 Benefit Calculation**

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

The 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 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus 5 percent of FAS for each eligible surviving child, with a limitation on the combined allowances of 60 percent of the FAS; or (2) If no eligible spouse,

eligible children receive 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of FAS, divided equally.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability allowance is 50 percent of the FAS plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability allowance or service retirement allowance.

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's allowance.

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. (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. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the FAS for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 53, unless the disability is duty-related, 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. A catastrophic disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are severely disabled in the line of duty and incapable of future substantial gainful employment in any capacity.

Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement allowance of at least 10 percent of FAS and 2 percent per year of service beyond five years. The first 10 percent of the FAS is not subject to federal income tax.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose

membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

LEOFF Plan 2 members who apply for retirement may purchase up to five years of additional service credit. The cost of this credit is the actuarial equivalent of the resulting increase in the member’s benefit.

LEOFF Plan 2 members can receive service credit for military service that interrupts employment. Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while servicing in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member’s surviving spouse or eligible child(ren) may request service credit on behalf of the deceased member.

LEOFF Plan 2 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a LEOFF Plan 2 member who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of on-going health care insurance premiums paid to the Washington State Health Care Authority.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

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, 2010:

**Table FN14 - LEOFF Membership**

Retirees and Beneficiaries Receiving Benefits	9,647
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	782
Active Plan Members Vested	13,420
Active Plan Members Non-vested	<u>3,656</u>
<b>TOTAL</b>	<b>27,505</b>

**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. 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, 2011 was \$6,804,330. The County's total payroll for all employees was \$57,122,804.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2011, are as follows:

**Table FN15 - LEOFF Contribution Rates**

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.16%	5.24%
Employee	0.00%	8.46%
State	N/A	3.38%

*\*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 FN16 - County Contribution to LEOFF**

	LEOFF Plan 1	LEOFF Plan 2
2011	\$ 144	\$ 351,830
2010	\$ 135	\$ 343,376
2009	\$ 96	\$ 332,003

## PUBLIC SAFETY EMPLOYEES' RETIREMENT SYSTEM (PSERS) PLAN 2

### Plan Description

The Legislature created PSERS in 2004 and the system 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. PSERS retirement benefit provisions are established in Chapters 41.37 RCW and may be amended only by the State Legislature.

PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2.

PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer

and employee contributions.

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

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 Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS Plan 2 members are vested after completing 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.

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. Eligibility is based on the member being totally incapacitated for continued employment with a PSERS employer and leaving that employment as a result of the disability. The disability allowance is 2 percent of the average final compensation (AFC) for each year of service. AFC is based on the member’s 60 consecutive highest creditable months of service. Service credit is the total years and months of service credit at the time the member separates from employment. Benefits are actuarially reduced for each year that the member’s age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years).

PSERS Plan 2 members can receive service credit for military service that interrupts employment. Additionally, PSERS members who become totally incapacitated for continued employment while serving in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member’s surviving spouse or eligible child(ren) may request service credit on behalf of the deceased member.

PSERS members may also purchase up to 24 consecutive months of service credit for each temporary duty disability.

Beneficiaries of a PSERS Plan 2 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, if found eligible by the Director of the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PSERS member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

There are 76 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2010:

**Table FN17 - PSERS Membership**

Retirees and Beneficiaries Receiving Benefits	7
Terminated Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members Vested	0
Active Plan Members Non-vested	<u>4,210</u>
<b>TOTAL</b>	<b>4,217</b>

**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, 2011 was \$3,204,924. The County’s total payroll for all employees was \$57,122,804.

The required contributions rates expressed as a percentage of current-year covered payroll, as of December 31, 2011, are as follows:

**Table FN18 - PSERS Required Contribution Rates**

Employer*	8.86%
Employee	6.36%
* 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 FN19 - County Contribution to PSERS**

	PSERS Plan 2
2011	\$ 267,077
2010	\$ 255,318
2009	\$ 268,246

## 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, 2011, the amount of these liabilities was \$4,398,143. Changes in the balances of claims liabilities during 2010 and 2011 were as follows:

**Table FN20 - Claims Liability Balance Changes**

	Beginning of Year Claims Liability	Claims Paid During the Year	Estimated Additional Liability Incurred	Balance at Year End
2010	\$4,320,149	\$(5,977,947)	\$5,766,661	\$4,108,863
2011	\$4,108,863	\$(6,893,830)	\$7,183,110	\$4,398,143

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, 2011, the estimate of the present value of the future cash payments totals \$35,564.

In 2011, Whatcom County received an Order and Notice from the Washington State Department of Labor and Industries stating the requirement to fund a pension for the spouse of a former employee. The former employee died of causes unrelated to his open worker's compensation claim with Whatcom County, however, because he was totally and permanently disabled at the time of his death, the State has determined his surviving spouse is entitled to a spouse's pension. The total amount of the pension is \$317,910. The monthly pension benefit is \$2,470 and as of December 31, 2011, the balance of the pension is \$300,620.

Whatcom County is one of twenty-seven members of the Washington Counties Risk Pool ("Pool"). Other members include: Adams, Benton, Chelan and Clallam, Clark, Columbia, Cowlitz and Douglas, Franklin, Garfield, Grays Harbor

and Island, Jefferson, Kittitas, Lewis and Mason, Okanogan, Pacific, Pend Oreille and San Juan, Skamania, Skagit, Spokane and Thurston, Walla Walla and Yakima Counties. Kitsap, Klickitat and Whitman Counties are former Pool members, having terminated their memberships September 30, 2010, 2002 and 2003 respectively.

**Contingent Liability:** The Pool is a cooperative program with joint liability amongst its participating members. Contingent liabilities occur when assets are not sufficient to cover liabilities. Deficits resulting from any of the Pool's fiscal years are financed by proportional reassessments (aka retroactive assessments) amongst the deficient year's membership. The Pool's reassessments receivable balance at December 31, 2011 was \$0 as no contingent liabilities were known to exist at that time.

**Joint Self-Insurance Liability Program:** The Pool has provided its member counties occurrence-based, jointly self-insured and/or jointly purchased liability coverage for 3rd-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury, including public officials' errors and omissions, since October 1, 1988. Total coverage limits have grown over time, from the \$1 million limit during the Pool's initial two months to \$5 million, then to \$10 million and onto \$15 million before reaching the \$20 million limit the past eight years. (Note: Additional limits of \$5 million were offered the past several years for acquisition as a member-by-member option.)

Except for the Pool's self insured retention (the greater of the member's deductible or \$100,000), the initial coverage of at least \$10 million has been fully reinsured since October 1994 by superior-rated commercial carriers. Members annually select a deductible amount of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. The remaining insurance (up to \$15 million) is acquired as "following form" excess insurance, also from superior-rated commercial carriers. There are no aggregate limits to the payments made for any one member county or all member counties combined.

The Pool's claims database increased during fiscal year 2011 with the addition of 744 new claims (and lawsuits) raising the 3<sup>rd</sup>-party liability claims to-date total submitted by member counties to 17,982. Estimates of total incurred losses (payments made plus reserved estimates for *open* claims) increased \$16.0 million during the year to \$237.4 million.

**Washington Counties Property Program:** Since the Pool began offering the jointly-purchased, fully-insured property insurance coverage to its membership in October 2005 as an individual county option, participation has grown by more than 50% and the total value of covered properties has nearly doubled. Twenty seven member counties with covered properties totaling \$2.6 billion participated in this program during fiscal year 2011.

Coverage is for structures, vehicles, mobile equipment, EDP equipment, etc., and composite limits include \$500 million for normal (All Other Perils) exposures and \$200 million for catastrophe (Flood / Earthquake) exposures. Occurrence deductibles, which the participating counties annually select from and which they are solely responsible for, range between \$5,000 and \$50,000 for the AOP coverage.

Superior-rated commercial insurers are responsible for covered losses exceeding the participant deductibles to the maximum limits of the policy. There were 13 property claims submitted for processing during fiscal year 2011 with

incurred losses-to-date totaling nearly \$0.85 million. During its first six years being offered through the WCRP as an optional insuring program, there have been 78 property claims filed with incurred losses-to-date totaling nearly \$9.75 million. With to-date premiums for this coverage totaling \$13.75 million, the resulting to-date loss ratio is 0.71.

**Other Insurances:** Several member counties also use the Pool's producer (broker) for other insurance placements. Public officials bonds, or crime & fidelity, special events/concessionaires and environmental hazards insurance coverages are a few examples.

**Background:** The Pool was formed August 18, 1988 when several Washington counties approved an Interlocal (Cooperative) Agreement under Chapter 39.34 RCW 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 Washington's "pooling" laws, more specifically Chapters 48.62 RCW and 200.100 WAC. It is overseen by the State Risk Manager and subject to fiscal audits performed annually by the State Auditor.

**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.

The enabling Interlocal Agreement was amended once (in 2000) to add a 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 intent of the Compact was to obligate member counties to support these goals through three major elements; membership involvement, risk control practices, and a targeted risk management program.

A new member may be asked to pay modest admittance fees to cover that member's share of the Pool's organizational expenses and costs to analyze its 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 its proportional shares of any unresolved, unreported, and in-process claims for the periods they were a signatory to the Interlocal Agreement.

**Governance / Oversight:** The Pool is governed by a board of directors consisting of one director (and at least one alternate director) appointed 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 Pool's Annual Meeting. The board of directors is responsible for determining the 3rd-party liability coverage to be offered (approving the insuring document or coverage form), the reinsurance program(s) to acquire and the excess insurance(s) to be jointly purchased or offered for optional purchase by the member counties, for approval of the Pool's annual operating budget(s) and work program(s), and for approval of the member deposit assessment formulas applicable to the ensuing policy year.

Regular oversight of the Pool's operations is furnished by an 11-person executive committee. The committee members 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 any case settlement exceeding the member's deductible 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.

**Staffing and Support Teams:** The Pool's 5-person claims staff with more than eighty years combined claims-handling experience handles or oversees the handling of the several hundred liability cases filed upon the Pool's member counties each year. This includes establishing reserves for covered events and estimating undiscounted future cash payments for losses and their related claims adjustment expenses. Other Pool staffers provide various member services, e.g. conducting risk assessments and compliance audits, coordinating numerous trainings, researching other coverages and marketing. Some address and support the organization's administrative needs.

Professionals from some of the most respected organizations worldwide are called upon regularly to address specific needs of the Pool. For example, independent actuarial services are furnished by PricewaterhouseCoopers, LLP; independent claims auditing is performed by Strategic Claims Direction with special claims audits frequently performed by the Pool's commercial reinsurers / insurers; insurance producer (broker) and advanced loss control services are provided by Arthur J. Gallagher Risk Management Services, Inc.; and coverage counsel is provided by J. William Ashbaugh of Hackett Beecher & Hart. These professionals are in addition to the many contracted and in-county attorneys assigned to defend Pool cases, as well as the examinations by and services from the State Risk Manager and the State Auditor.

**Financial Summary:** The following constitute the most significant highlights from the Pool's most recently completed Policy (Fiscal) Year (October 2010 through September 2011):

- Net Operating Income was realized of \$0.8 million, a 58% decrease from the prior year.
- Total Assets grew \$2.2 million (6%) to \$41.1 million. Current assets increased \$2.3 million (6%) while non-current assets decreased 4%.
- Total Claims Reserves for the Pool's direct reserving exposures increased to \$15.0 million, up 6.7% from

the prior year. This total includes: \$5.6 million for losses in the coverage layer retained by the Pool, down 9.3%; \$8.6 million for the aggregated stop losses in the retained layers associated with the “corridor” program for automobile and general liabilities, up 22%; and \$0.8 million for unallocated loss adjustment expenses, down 5% from one year ago. NOTE: The corridor program referenced is now five years old yet still not fully matured. Further, its occurrence coverage maximum was increased to one million dollars beginning with fiscal year 2010, up from the half million level that existed during the program’s first three years, while the program’s occurrence minimum remains the greater of the applicable member’s deductible or \$100,000.

- Net Position (formerly referred to as Net Assets and also known as Members’ Equity) increased \$.08 million to \$11.0 million as of September 30, 2011. Of the total, \$5.5 million is classified as Restricted Net Position — \$0.9 million to satisfy the State’s solvency provisions (WAC 200.100.03001) plus \$4.6 million for the Pool’s Underwriting Policy requirements. \$0.2 million is invested in a real property (fraud) recovery, and another \$1 million in Capital Assets (net of debt). The remaining \$4.4 million held as Non-Restricted Net Position is available for use as directed by the Pool’s Board of Directors.

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

### GENERAL OBLIGATION BONDS

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, 2011, outstanding bonds totaled \$425,000. Repayment will be made from General Fund revenues.

The county issued general obligation bonds in the amount of \$6,135,000 in 2010 to refinance the 1997 and 1998 issue of bonds and to fund safety improvements to the County Jail. Interest rate on these bonds is fixed at 1.75 percent - 5.25 percent (depending on maturity date) with final maturity in 2030. Repayment will be made from Real Estate Excise Tax I Fund, Whatcom County Jail Fund and Administrative Services Fund revenues. As of December 31, 2011, outstanding bonds totaled \$4,440,000.

Governmental activities annual debt service requirements to maturity for general obligation bonds are shown on the following page.

**Table FN21 - GO Bonds**

Year Ending December 31	General Obligation Bonds	
	Principal	Interest
2012	\$900,000	\$185,600
2013	305,000	166,613
2014	310,000	157,462
2015	325,000	146,613
2016	330,000	133,612
2017	355,000	120,413
2018	355,000	110,825
2019	140,000	98,725
2020	145,000	94,525
2021 - 2025	795,000	360,875
2026 - 2030	905,000	145,687
<b>Total</b>	<b>\$4,865,000</b>	<b>\$1,720,950</b>

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, 2011, the County had \$3,280 available in debt service funds to service the general bonded debt.

## CHANGES IN LONG-TERM DEBT

During the year ended December 31, 2011, the following changes occurred in long-term liabilities:

**Table FN22 - Changes in Long-Term Debt**

	January 1	Additions	Reductions	December 31	Due Within One Year
<b>Governmental Activities</b>					
Bonds payable					
General obligation debt	\$6,735,000	\$-	\$1,870,000	\$4,865,000	\$900,000
Less deferred amounts for issuance discounts/ premiums	208,110	-	18,309	189,801	-
Total bonds payable	6,943,110	-	1,888,309	5,054,801	900,000
Capital leases	387,240	24,916	143,782	268,374	103,657
Claims and judgements (see Note 7)	4,108,863	7,183,110	6,893,830	4,398,143	4,101,484
Other postemployment benefits payable	1,181,688	185,055	-	1,366,743	-
Compensated absences	7,481,618	6,698,006	6,692,386	7,487,238	6,893,155
Loans payable	124,870	-	42,563	82,307	45,754
Landfill post-closure costs	250,000	-	-	250,000	-
<b>Total Governmental Activities</b>	<b>\$20,477,389</b>	<b>\$14,091,087</b>	<b>\$15,660,870</b>	<b>\$18,907,606</b>	<b>\$12,044,050</b>
<b>Business-Type Activities</b>					
Compensated absences	\$130,295	\$104,314	\$106,418	\$128,191	\$109,612
<b>Total Business-Type Activities</b>	<b>\$130,295</b>	<b>\$104,314</b>	<b>\$106,418</b>	<b>\$128,191</b>	<b>\$109,612</b>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities shown on the previous page.

## Compensated Absences

For governmental activities, the compensated absences liability will be paid from the General Fund, County Road, Election Reserve, Whatcom County Jail, Chemical Dependency/Mental Health, 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 assets acquired through capital leases are shown as follows:

**Table FN23 - Capital Lease Assets**

	Governmental Activities
Asset:	
Machinery and equipment	\$742,666
Less: Accumulated depreciation	(474,292)
Total	\$268,374

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2011 are as follows:

**Table FN24 - Future Minimum Lease Obligations**

	Governmental Activities
2012	\$111,970
2013	77,548
2014	53,409
2015	41,227
2016	1,283
2017 and Beyond	-
Total Minimum Lease Payments	285,437
Less: Interest	17,063
Present Value of Minimum Lease Payments	\$268,374

## DEBT LIMITATIONS

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

**Table FN25 - Long-Term Debt Capacity**

<b>Purpose of Indebtedness</b>	<b>Remaining Capacity</b>
General Government (No vote required)	\$337,885,810
General Government (With 3/5 majority vote)	\$573,201,568

## 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 2011, Whatcom County contributed \$1,404,360 and the City of Bellingham contributed \$1,046,735. 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, 2011, due to and from other funds balances are shown on the following page.

**Table FN26 - Due To/From Other Funds**

Due To	Due From				Total
	General Fund	County Road	Internal Service	All Others	
General Fund	\$-	\$-	\$-	\$588,962	\$588,962
County Road	70,000	-	5,343	19,850	95,193
Internal Service	44,908	13,523	344	11,933	70,708
All Others	124,265	9,954	-	937,609	1,071,828
<b>Total</b>	<b>\$239,173</b>	<b>\$23,477</b>	<b>\$5,687</b>	<b>\$1,558,354</b>	<b>\$1,826,691</b>

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

Interfund loans outstanding as of December 31, 2011 were as follows:

**Table FN27 - Interfund Loans Receivable/Payable**

Interfund Loan Receivable	Interfund Loan Payable	
	General Fund	Total
Internal Service	\$2,322,109	\$2,322,109
<b>Total</b>	<b>\$2,322,109</b>	<b>\$2,322,109</b>

## INTERFUND TRANSFERS

Transfers provide funding for capital projects, debt service, reallocations of special revenues, and to support the operations of other funds. Interfund transfers for the year ended December 31, 2011, consisted of the following:

**Table FN28 - Interfund Transfers**

Transfer To	Transfers From					Total
	General Fund	County Road	Public Utilities Improvement	Internal Service	All Others	
General Fund	\$32,286	\$796	\$-	\$179,540	\$2,386,613	\$2,599,235
County Road	70,000	-	-	-	160,172	230,172
Internal Service	295,217	34,023	-	-	50,447	379,687
All Others	5,806,760	3,293,723	2,460,870	267,288	4,582,346	16,410,987
<b>Total</b>	<b>\$6,204,263</b>	<b>\$3,328,542</b>	<b>\$2,460,870</b>	<b>\$446,828</b>	<b>\$7,179,578</b>	<b>\$19,620,081</b>

## NOTE 12 – JOINT VENTURES

Whatcom County participates with the City of Bellingham and other local governmental jurisdictions to provide a law enforcement, fire and emergency medical communications dispatching service (What-Comm Communications Center). The governing board of What-Comm consists of three members from the county, three from the city, one representing county fire districts and one elected official to be selected by the other members. The board is responsible for establishing the budget for What-Comm and for establishing the annual financial contributions to be made by the member jurisdictions. Whatcom County and the City of Bellingham share the expenditures equally. Whatcom County contributed \$828,041 as its share of operations in 2011. Whatcom County did not have an equity interest in What-Comm in 2011. 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 \$227 - \$253 per month for a Medicare supplement for each retiree eligible for Medicare. There is currently 1 active LEOFF I member and 22 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, 2010. 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 \$1,366,743 is included as a noncurrent liability on the Statement of Net Assets.

**Table FN29 - Annual OPEB Cost**

	12/31/11
<b>Annual Required Contribution:</b>	
Normal Cost at Year End	\$11,360
Amortization of UAAL*	513,537
Annual Required Contribution	\$524,897
<b>Net OPEB Obligation:</b>	
Annual Required Contribution	\$524,897
Interest on Net OPEB Obligation	105,302
Amortization of Net OPEB Obligation	(107,859)
Annual OPEB Cost	522,340
Contributions Made	(337,285)
Increase in Net OPEB Obligation	185,055
Net OPEB Obligation-Beginning of Year	1,181,688
Net OPEB Obligation-End of Year	\$1,366,743

\*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 2011 were as follows:

**Table FN30 - Net OPEB Obligation**

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
12/31/09	\$681,114	49.4%	\$1,158,357
12/31/10	\$469,164	95.0%	\$1,181,688
12/31/11	\$522,340	64.6%	\$1,366,743

## FUNDED STATUS AND FUNDING PROGRESS

As of January 1, 2010, the most recent actuarial valuation date, the plan was 0 percent funded. The accrued liability for benefits was \$5,515,156 and the actuarial value of the assets was 0 percent resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$5,515,156.

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.

## **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 56.24 was assumed for all active members for the purpose of determining the actuarial accrued liability and normal cost. Retirement, disablement, termination, and mortality rates were assumed to follow the LEOFF I rates used in the June 30, 2007 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. The actuarial accrued liability and net OPEB obligation are amortized on an open basis as a level dollar over 15 years.

## **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**

### **Accounting and Reporting Changes**

- During 2011, the following fund was added: Lummi Nation Lease Fund. In 2011, the following funds were closed: Water Resources Fund, Park Off Road Vehicle Fund, Community Economic Revitalization Board Fund, Emergency Contingency Fund, Drug Task Force Fund, Imminent Threat Fund, Road Improvement District No. 5 Fund, Road Improvement District No. 6 Fund, Road Improvement Guarantee Fund, Sewer

Improvement District No. 1 Maintenance Fund, Sumas River Sub-Flood Control Fund, Lake Management District No. 1 Fund, 1972 Fair GO Bond Fund, 1977 Fair GO Bond Fund, 1978 Ltd Tax GO Bond Fund, 1981 WC Ltd Tax GO Bond Fund, 1982 WC Ltd Tax GO Bond Fund, 1983 WC Ltd Tax GO Bond Fund, CRID No. 4 General Debt Fund, CRID No. 5 General Debt Fund, LRID No. 10 General Debt Fund, 1991 Ltd Tax GO Bond Fund, 1993 Ltd Tax GO Bond Fund, 1997 Ltd Tax GO Bond Fund, 1998 Ltd Tax GO Bond Fund, 1983 Sewer Construction Fund, Courthouse Expansion Fund, LRID No. 10 Construction Fund, Jail Construction Project Fund, Courthouse Administration Fund, WC Supplemental Retirement Fund, and Salary Fund.

- In 2011, the County implemented the following GASB statement: Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement establishes accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

### **Prior Period Adjustments**

- In 2011, we reconciled the land we had capitalized for Whatcom County compared to the land the Whatcom County Assessor had recorded for the County. There were several parcels of land that we did not have capitalized. These parcels were primarily land that was donated to the Parks Department. This land was capitalized in 2011 and resulted in the County recording a prior period adjustment on the Statement of Activities for \$2,531,790.
- Per GASB statement 54, some special revenue funds were required to be reported in the General Fund. This resulted in a prior period adjustment of \$1,032,776 recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds.
- The Salary Fund, which was an Agency Fund was closed in 2011. The County Council (Ordinance No. 2011-054) approved transferring the fund balance of the Salary Fund to the General Fund. This resulted in a prior period adjustment of \$1,680 in the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds.

Required Supplemental Information  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual  
General Fund  
Year Ended December 31, 2011

**Whatcom County**  
W A S H I N G T O N

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$40,083,325	\$40,083,325	\$41,159,565	\$1,076,240
Licenses and permits	2,221,177	2,221,177	1,990,716	(230,461)
Intergovernmental	15,636,981	17,708,520	15,909,700	(1,798,820)
Charges for service	6,537,754	6,537,754	6,114,603	(423,151)
Fines and forfeits	2,028,741	2,028,741	1,860,161	(168,580)
Miscellaneous	2,314,880	2,351,345	2,373,274	21,929
<b>Total revenues</b>	<b>68,822,858</b>	<b>70,930,862</b>	<b>69,408,019</b>	<b>(1,522,843)</b>
<b>Expenditures</b>				
Current:				
General government	25,577,128	26,500,702	24,533,076	1,967,626
Public safety	24,221,372	24,477,347	23,968,302	509,045
Physical environment	479,987	479,987	479,365	622
Economic environment	1,131,836	1,402,931	1,211,967	190,964
Mental and physical health	12,843,728	12,829,228	10,923,514	1,905,714
Culture and recreation	3,728,833	3,758,733	3,476,273	282,460
Capital outlay	559,032	2,136,342	1,203,581	932,761
Debt service:				
Principal	-	-	42,564	(42,564)
Interest	70,581	70,581	79,989	(9,408)
<b>Total expenditures</b>	<b>68,612,497</b>	<b>71,655,851</b>	<b>65,918,631</b>	<b>5,737,220</b>
Excess (deficiency) of revenues over expenditures	210,361	(724,989)	3,489,388	4,214,377
<b>Other financing sources (uses)</b>				
Sales of capital assets	379,000	379,000	422,063	43,063
Transfers in	2,321,346	2,680,751	2,599,235	(81,516)
Transfers out	(6,325,057)	(6,325,057)	(6,204,263)	120,794
<b>Total other financing sources (uses)</b>	<b>(3,624,711)</b>	<b>(3,265,306)</b>	<b>(3,182,965)</b>	<b>82,341</b>
Net change in fund balances	(3,414,350)	(3,990,295)	306,423	4,296,718
Fund balance as of January 1	-	-	9,188,596	9,188,596
Prior period adjustments	-	-	1,034,456	1,034,456
Fund balance as of January 1 (restated)	-	-	10,223,052	10,223,052
<b>Fund balance as of December 31</b>	<b>\$(3,414,350)</b>	<b>\$(3,990,295)</b>	<b>\$10,529,475</b>	<b>\$14,519,770</b>

Required Supplemental Information  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual  
County Road Fund  
Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$16,027,000	\$16,027,000	\$17,057,342	\$1,030,342
Licenses and permits	75,100	75,100	100,497	25,397
Intergovernmental	6,560,154	6,847,580	6,074,561	(773,019)
Charges for service	1,252,581	1,252,581	1,178,891	(73,690)
Miscellaneous	13,000	13,000	55,479	42,479
<b>Total revenues</b>	<u>23,927,835</u>	<u>24,215,261</u>	<u>24,466,770</u>	<u>251,509</u>
<b>Expenditures</b>				
Current:				
General government	361,227	361,227	579,288	(218,061)
Transportation	19,847,244	19,964,123	15,714,653	4,249,470
Capital outlay	4,281,000	4,673,455	2,148,461	2,524,994
<b>Total expenditures</b>	<u>24,489,471</u>	<u>24,998,805</u>	<u>18,442,402</u>	<u>6,556,403</u>
Excess (deficiency) of revenues over expenditures	<u>(561,636)</u>	<u>(783,544)</u>	<u>6,024,368</u>	<u>6,807,912</u>
<b>Other financing sources (uses)</b>				
Sales of capital assets	400,000	400,000	517,423	117,423
Transfers in	71,081	71,081	230,172	159,091
Transfers out	(1,347,221)	(3,347,221)	(3,328,542)	18,679
<b>Total other financing sources (uses)</b>	<u>(876,140)</u>	<u>(2,876,140)</u>	<u>(2,580,947)</u>	<u>295,193</u>
Net change in fund balances	<u>(1,437,776)</u>	<u>(3,659,684)</u>	<u>3,443,421</u>	<u>7,103,105</u>
Fund balance as of January 1	-	-	18,874,405	18,874,405
<b>Fund balance as of December 31</b>	<u>\$ (1,437,776)</u>	<u>\$ (3,659,684)</u>	<u>\$22,317,826</u>	<u>\$25,977,510</u>

**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 2011.

Required Supplemental Information  
 LEOFF I Retiree Medical Benefits  
 Schedule of Funding Progress  
 Year Ended December 31, 2011

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
12/31/09	\$-	\$6,610,086	\$6,610,086	0%	\$84,194	7851.02%
12/31/10	\$-	\$5,515,156	\$5,515,156	0%	\$85,538	6447.61%
12/31/11	\$-	\$5,515,156	\$5,515,156	0%	\$93,517	5897.49%

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

**Tax Refund** - A fund 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.

**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.

**Stormwater** - A fund established to explore the option of creating a stormwater utility and to implement National Pollution Discharge Elimination System (NPDES II) requirements. The fund is currently being funded by transfers from the Flood Control Zone District.

**Chemical Dependency/Mental Health** - A fund to account for an one-tenth of one percent sales tax to support new or expanded chemical dependency or mental health treatment services and for the operation of new or expanded therapeutic court 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.

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

**Solid Waste** - 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 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.

**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.

**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.

**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.

**Birch Bay Sub-Zone** - A fund established to account for charges to those who are receiving or will receive benefit from flood control work in the Birch Bay 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 two 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 one road improvement district special assessment bond fund.

## **CAPITAL PROJECT FUNDS**

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

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

**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.

**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 expenditures 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.

**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.

**Yew Street Road Construction** - A fund established to account for construction of roadway improvements to a portion of Yew Street Road from Kingmill to Tacoma.

**Lincoln Road Construction** - A fund established to account for the reconstruction of roadway from Shintaffer Road to Harborview Road to include 12-foot lanes, 8-foot shoulders, storm sewers, stormwater treatment swales, and left turn lanes on Lincoln Road and Harborview Road.

**2010 Jail Improvement** - A fund created to account for the funds of the 2010 bond issue. These funds are for the replacement of the security electronics in the County jail and juvenile detention facility, replacement of the fire safety systems in the County jail and creation of additional emergency exits in the housing areas of the facility.

**Lummi Nation Lease** - Whatcom County has entered into a lease agreement with the Lummi Nation for the continued usage of the Gooseberry Point ferry dock. The County has committed to providing in excess of 6 million dollars over the term of the lease to perform improvements. This fund will be used to account for the costs and revenues for the construction of projects at the Gooseberry Point location and surrounding areas in compliance with the terms and conditions of the approved lease.

## 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.

**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.

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$22,859,546	\$19,008	\$13,868,806	\$36,747,360
Investments at cost	12,220,794	-	3,504,581	15,725,375
Taxes receivable, net	185,093	-	-	185,093
Accounts receivable, net	229,088	-	-	229,088
Accounts receivable-court, net	184,467	-	-	184,467
Special assessments, net	56,462	-	-	56,462
Interest receivable, net	7,232	-	1,965	9,197
Notes receivable, net	83,735	-	-	83,735
Due from other funds	1,022,555	-	32,438	1,054,993
Due from other governments	2,025,689	-	413,107	2,438,796
<b>Total assets</b>	<b>\$38,874,661</b>	<b>\$19,008</b>	<b>\$17,820,897</b>	<b>\$56,714,566</b>
<b>Liabilities and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	\$1,376,903	\$-	\$78,614	\$1,455,517
Due to other funds	735,074	-	816,224	1,551,298
Due to other governments	29,497	-	-	29,497
Other accrued liabilities	884	-	-	884
Deferred revenue	519,173	-	-	519,173
Deferred credits	693	-	-	693
<b>Total liabilities</b>	<b>2,662,224</b>	<b>-</b>	<b>894,838</b>	<b>3,557,062</b>
<b>Fund balances:</b>				
Restricted	31,686,763	19,008	16,926,059	48,631,830
Committed	418,449	-	-	418,449
Assigned	4,107,225	-	-	4,107,225
<b>Total fund balance</b>	<b>36,212,437</b>	<b>19,008</b>	<b>16,926,059</b>	<b>53,157,504</b>
<b>Total liabilities and fund balance</b>	<b>\$38,874,661</b>	<b>\$19,008</b>	<b>\$17,820,897</b>	<b>\$56,714,566</b>

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Non-Major Governmental Funds  
Year Ended December 31, 2011

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	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
<b>Revenues</b>				
Taxes	\$14,576,428	\$-	\$2,085,566	\$16,661,994
Intergovernmental	7,136,163	-	4,558,536	11,694,699
Charges for service	3,445,490	-	-	3,445,490
Fines and forfeits	297,524	-	-	297,524
Miscellaneous	448,298	15,468	37,573	501,339
<b>Total revenues</b>	<b>25,903,903</b>	<b>15,468</b>	<b>6,681,675</b>	<b>32,601,046</b>
<b>Expenditures</b>				
Current:				
General government	1,272,702	-	1,489	1,274,191
Public safety	15,023,111	-	49	15,023,160
Physical environment	4,439,950	-	6,680	4,446,630
Transportation	30,049	-	-	30,049
Economic environment	2,249,959	-	-	2,249,959
Mental and physical health	1,935,764	-	-	1,935,764
Culture and recreation	395,677	-	131,599	527,276
Capital outlay	1,839,253	-	7,391,884	9,231,137
Debt service:				
Principal	-	1,870,000	-	1,870,000
Interest	-	228,426	-	228,426
<b>Total expenditures</b>	<b>27,186,465</b>	<b>2,098,426</b>	<b>7,531,701</b>	<b>36,816,592</b>
Excess (deficiency) of revenues over expenditures	(1,282,562)	(2,082,958)	(850,026)	(4,215,546)
<b>Other financing sources (uses)</b>				
Sales of capital assets	73,958	-	-	73,958
Transfers in	8,549,591	2,100,616	4,565,730	15,215,937
Transfers out	(4,061,830)	(166,586)	(2,951,162)	(7,179,578)
Capital lease proceeds	24,916	-	-	24,916
<b>Total other financing sources (uses)</b>	<b>4,586,635</b>	<b>1,934,030</b>	<b>1,614,568</b>	<b>8,135,233</b>
Net change in fund balances	3,304,073	(148,928)	764,542	3,919,687
Fund balance as of January 1	33,941,140	167,936	16,161,517	50,270,593
Prior period adjustments	(1,032,776)	-	-	(1,032,776)
<b>Fund balance as of December 31</b>	<b>\$36,212,437</b>	<b>\$19,008</b>	<b>\$16,926,059</b>	<b>\$53,157,504</b>

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Whatcom County Jail	REET Electronic Technology
<b>Assets</b>						
Cash and cash equivalents	\$74,524	\$859,090	\$81	\$305,615	\$4,019,314	\$-
Investments at cost	-	-	-	-	-	-
Taxes receivable, net	13,414	10,087	-	-	-	-
Accounts receivable, net	-	-	-	-	28,371	-
Accounts receivable-court, net	-	-	-	-	-	-
Special assessments, net	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Notes receivable, net	-	-	-	-	-	-
Due from other funds	-	7,631	-	-	21,429	-
Due from other governments	379,459	-	-	-	260,368	-
<b>Total assets</b>	<b>\$467,397</b>	<b>\$876,808</b>	<b>\$81</b>	<b>\$305,615</b>	<b>\$4,329,482</b>	<b>\$-</b>
<b>Liabilities and fund balance</b>						
<b>Liabilities</b>						
Accounts payable	\$34,240	\$28,486	\$-	\$59	\$305,133	\$-
Due to other funds	-	-	-	-	8,765	-
Due to other governments	1,294	210	-	-	25,590	-
Other accrued liabilities	-	884	-	-	-	-
Deferred revenue	13,414	10,088	-	-	9,414	-
Deferred credits	-	693	-	-	-	-
<b>Total liabilities</b>	<b>48,948</b>	<b>40,361</b>	<b>-</b>	<b>59</b>	<b>348,902</b>	<b>-</b>
<b>Fund balances:</b>						
Restricted	-	836,447	81	305,556	-	-
Committed	418,449	-	-	-	-	-
Assigned	-	-	-	-	3,980,580	-
<b>Total fund balance</b>	<b>418,449</b>	<b>836,447</b>	<b>81</b>	<b>305,556</b>	<b>3,980,580</b>	<b>-</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$467,397</b>	<b>\$876,808</b>	<b>\$81</b>	<b>\$305,615</b>	<b>\$4,329,482</b>	<b>\$-</b>

Low-Income Housing	Homeless Housing	Stormwater	Chemical Dependency/ Mental Health	Countywide Emergency Medical Services	Whatcom County Trial Court Improvement	LEOFF I Healthcare	Solid Waste	Convention Center
\$116,535	\$680,479	\$552,488	\$5,079,079	\$4,280,162	\$115,091	\$-	\$1,416,223	\$1,161,150
-	-	-	-	-	-	-	-	-
-	-	11,032	-	-	-	-	189,685	-
-	-	-	40,545	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	404,786	50,505	35,407	880	-	-	-
-	110,961	271,648	21,341	64,294	-	-	48,340	-
<u>\$116,535</u>	<u>\$791,440</u>	<u>\$1,239,954</u>	<u>\$5,191,470</u>	<u>\$4,379,863</u>	<u>\$115,971</u>	<u>\$-</u>	<u>\$1,654,248</u>	<u>\$1,161,150</u>
\$14,094	\$135,953	\$82,484	\$274,128	\$1,728	\$-	\$-	\$38,754	\$39,035
-	-	4,571	258,776	142,500	15,000	-	1,428	-
-	-	-	1,235	-	-	-	234	-
-	-	-	-	-	-	-	-	-
-	-	-	40,545	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>14,094</u>	<u>135,953</u>	<u>87,055</u>	<u>574,684</u>	<u>144,228</u>	<u>15,000</u>	<u>-</u>	<u>40,416</u>	<u>39,035</u>
102,441	655,487	1,152,899	4,616,786	4,235,635	100,971	-	1,613,832	1,122,115
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>102,441</u>	<u>655,487</u>	<u>1,152,899</u>	<u>4,616,786</u>	<u>4,235,635</u>	<u>100,971</u>	<u>-</u>	<u>1,613,832</u>	<u>1,122,115</u>
<u>\$116,535</u>	<u>\$791,440</u>	<u>\$1,239,954</u>	<u>\$5,191,470</u>	<u>\$4,379,863</u>	<u>\$115,971</u>	<u>\$-</u>	<u>\$1,654,248</u>	<u>\$1,161,150</u>

	Victim/ Witness Assistance	Emergency Contingency	Drug Task Force	Community Development	Imminent Threat Grant	Emergency Communi- cations
<b>Assets</b>						
Cash and cash equivalents	\$59,816	\$-	\$-	\$6,237	\$-	\$-
Investments at cost	-	-	-	-	-	-
Taxes receivable, net	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-
Accounts receivable-court, net	56,808	-	-	-	-	-
Special assessments, net	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Notes receivable, net	-	-	-	83,735	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	2,838	-	-	-	-	-
<b>Total assets</b>	<b>\$119,462</b>	<b>\$-</b>	<b>\$-</b>	<b>\$89,972</b>	<b>\$-</b>	<b>\$-</b>
<b>Liabilities and fund balance</b>						
<b>Liabilities</b>						
Accounts payable	\$1,176	\$-	\$-	\$-	\$-	\$-
Due to other funds	12,000	-	-	-	-	-
Due to other governments	245	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-
Deferred revenue	56,808	-	-	83,735	-	-
Deferred credits	-	-	-	-	-	-
<b>Total liabilities</b>	<b>70,229</b>	<b>-</b>	<b>-</b>	<b>83,735</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>						
Restricted	49,233	-	-	6,237	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
<b>Total fund balance</b>	<b>49,233</b>	<b>-</b>	<b>-</b>	<b>6,237</b>	<b>-</b>	<b>-</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$119,462</b>	<b>\$-</b>	<b>\$-</b>	<b>\$89,972</b>	<b>\$-</b>	<b>\$-</b>

Whatcom County Drug	Auditor's O & M	Emergency Management	Flood Control Zone District	Point Roberts Fuel Tax	Conservation Futures	Road Improvement Districts	Lynden/ Everson Sub-Zone	Sumas/ Nooksack/ Everson Sub-Zone
\$63,600	\$512,610	\$24,882	\$444,532	\$481,895	\$2,526,276	\$44,147	\$10,076	\$192
-	-	-	9,588,374	-	-	-	233,838	826,893
-	-	-	130,900	-	30,692	-	-	-
-	-	-	-	-	-	-	-	-
87,114	-	-	-	-	-	-	-	-
-	-	-	10	-	-	2,037	997	7,596
-	-	-	5,678	-	-	-	137	464
-	-	-	-	-	-	-	-	-
1,917	-	-	500,000	-	-	-	-	-
-	-	506,445	318,134	-	-	-	-	-
<u>\$152,631</u>	<u>\$512,610</u>	<u>\$531,327</u>	<u>\$10,987,628</u>	<u>\$481,895</u>	<u>\$2,556,968</u>	<u>\$46,184</u>	<u>\$245,048</u>	<u>\$835,145</u>
\$-	\$12,175	\$227,772	\$91,580	\$-	\$30,779	\$2,509	\$-	\$-
3,229	-	176,221	100,044	-	5,789	1,081	-	-
-	-	689	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
87,114	-	-	130,910	-	30,692	2,038	997	7,596
-	-	-	-	-	-	-	-	-
<u>90,343</u>	<u>12,175</u>	<u>404,682</u>	<u>322,534</u>	<u>-</u>	<u>67,260</u>	<u>5,628</u>	<u>997</u>	<u>7,596</u>
62,288	500,435	-	10,665,094	481,895	2,489,708	40,556	244,051	827,549
-	-	-	-	-	-	-	-	-
-	-	126,645	-	-	-	-	-	-
<u>62,288</u>	<u>500,435</u>	<u>126,645</u>	<u>10,665,094</u>	<u>481,895</u>	<u>2,489,708</u>	<u>40,556</u>	<u>244,051</u>	<u>827,549</u>
<u>\$152,631</u>	<u>\$512,610</u>	<u>\$531,327</u>	<u>\$10,987,628</u>	<u>\$481,895</u>	<u>\$2,556,968</u>	<u>\$46,184</u>	<u>\$245,048</u>	<u>\$835,145</u>

	Acme/ Van Zandt Sub-Zone	Samish Watershed Sub-Zone	Birch Bay Sub-Zone	Total Non Major Special Revenue Funds
<b>Assets</b>				
Cash and cash equivalents	\$-	\$5,000	\$20,452	\$22,859,546
Investments at cost	182,860	63,587	1,325,242	12,220,794
Taxes receivable, net	-	-	-	185,093
Accounts receivable, net	-	-	-	229,088
Accounts receivable-court, net	-	-	-	184,467
Special assessments, net	1,791	650	43,381	56,462
Interest receivable	103	39	811	7,232
Notes receivable, net	-	-	-	83,735
Due from other funds	-	-	-	1,022,555
Due from other governments	-	-	41,861	2,025,689
<b>Total assets</b>	<u>\$184,754</u>	<u>\$69,276</u>	<u>\$1,431,747</u>	<u>\$38,874,661</u>
<b>Liabilities and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	\$-	\$1,269	\$55,549	\$1,376,903
Due to other funds	-	-	5,670	735,074
Due to other governments	-	-	-	29,497
Other accrued liabilities	-	-	-	884
Deferred revenue	1,791	650	43,381	519,173
Deferred credits	-	-	-	693
<b>Total liabilities</b>	<u>1,791</u>	<u>1,919</u>	<u>104,600</u>	<u>2,662,224</u>
<b>Fund balances:</b>				
Restricted	182,963	67,357	1,327,147	31,686,763
Committed	-	-	-	418,449
Assigned	-	-	-	4,107,225
<b>Total fund balance</b>	<u>182,963</u>	<u>67,357</u>	<u>1,327,147</u>	<u>36,212,437</u>
<b>Total liabilities &amp; fund balance</b>	<u>\$184,754</u>	<u>\$69,276</u>	<u>\$1,431,747</u>	<u>\$38,874,661</u>

Combining Statement of Revenues, Expenditures and  
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	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Whatcom County Jail	REET Electronic Technology
<b>Revenues</b>						
Taxes	\$368,479	\$273,424	\$10	\$-	\$3,201,225	\$-
Intergovernmental	15,545	13	-	-	2,661,565	-
Charges for service	722,655	-	-	124,038	585,052	-
Fines and forfeits	-	-	-	-	-	-
Miscellaneous	101	7,705	-	-	223,773	-
<b>Total revenues</b>	<b>1,106,780</b>	<b>281,142</b>	<b>10</b>	<b>124,038</b>	<b>6,671,615</b>	<b>-</b>
<b>Expenditures</b>						
Current:						
General government	1,074,817	-	-	37,441	-	-
Public safety	-	-	-	-	11,926,428	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	341,246	-	-	-	-
Mental and physical health	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	7,974	-	-	-	59,277	-
<b>Total expenditures</b>	<b>1,082,791</b>	<b>341,246</b>	<b>-</b>	<b>37,441</b>	<b>11,985,705</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	23,989	(60,104)	10	86,597	(5,314,090)	-
<b>Other financing sources (uses)</b>						
Sales of capital assets	5,592	4,154	-	-	-	-
Transfers in	126,000	-	-	-	5,710,511	-
Transfers out	-	-	-	(77,127)	(251,020)	-
Capital lease proceeds	-	-	-	-	15,058	-
<b>Total other financing sources (uses)</b>	<b>131,592</b>	<b>4,154</b>	<b>-</b>	<b>(77,127)</b>	<b>5,474,549</b>	<b>-</b>
Net change in fund balances	155,581	(55,950)	10	9,470	160,459	-
Fund balance as of January 1	262,868	892,397	71	296,086	3,820,121	-
Prior period adjustments	-	-	-	-	-	-
<b>Fund balance as of Dec. 31</b>	<b>\$418,449</b>	<b>\$836,447</b>	<b>\$81</b>	<b>\$305,556</b>	<b>\$3,980,580</b>	<b>\$-</b>

Combining Statement of Revenues, Expenditures and  
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Low-Income Housing	Homeless Housing	Stormwater	Chemical Dependency/ Mental Health	Countywide Emerg. Medical Srv	WC Trial Court Improvement	LEOFF I Healthcare	Solid Waste	Convention Center
\$-	\$-	\$-	\$3,176,439	\$1,807,357	\$-	\$-	\$-	\$498,660
-	426,220	562,045	115,571	803,284	47,300	-	226,666	-
192,785	839,175	-	39,571	-	-	-	749,165	-
-	-	-	-	-	-	-	-	-
-	-	375	41,469	35,407	879	-	13,686	-
192,785	1,265,395	562,420	3,373,050	2,646,048	48,179	-	989,517	498,660
-	-	-	-	-	-	-	-	-
-	-	-	-	1,990,555	-	-	-	-
-	-	1,045,757	-	-	-	-	698,475	-
-	-	-	-	-	-	-	-	-
413,470	1,458,159	-	-	-	-	-	-	-
-	-	-	1,935,764	-	-	-	-	-
-	-	-	-	-	-	-	-	395,677
-	-	846,946	-	-	-	-	-	-
413,470	1,458,159	1,892,703	1,935,764	1,990,555	-	-	698,475	395,677
(220,685)	(192,764)	(1,330,283)	1,437,286	655,493	48,179	-	291,042	102,983
-	-	-	-	-	-	-	-	-
-	-	1,492,906	-	-	-	-	-	-
-	(50,351)	-	(791,935)	(570,000)	(22,495)	-	(137,697)	-
-	-	-	-	-	-	-	-	-
-	(50,351)	1,492,906	(791,935)	(570,000)	(22,495)	-	(137,697)	-
(220,685)	(243,115)	162,623	645,351	85,493	25,684	-	153,345	102,983
323,126	898,602	990,276	3,971,435	4,150,142	75,287	1,011,353	1,460,487	1,019,132
-	-	-	-	-	-	(1,011,353)	-	-
\$102,441	\$655,487	\$1,152,899	\$4,616,786	\$4,235,635	\$100,971	\$-	\$1,613,832	\$1,122,115

Combining Statement of Revenues, Expenditures and  
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Non-Major Special Revenue Funds  
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	Victim/ Witness Assistance	Emergency Contingency	Drug Task Force	Community Development	Imminent Threat Grant	Emergency Communi- cations
<b>Revenues</b>						
Taxes	\$-	\$-	\$-	\$-	\$-	\$-
Intergovernmental	11,350	-	-	-	-	-
Charges for service	85,214	-	-	-	-	-
Fines and forfeits	30,678	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total revenues</b>	<b>127,242</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>						
Current:						
General government	76,425	-	-	-	-	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Mental and physical health	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>76,425</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	50,817	-	-	-	-	-
<b>Other financing sources (uses)</b>						
Sales of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(61,259)	-	-	(5,000)	-	-
Capital lease proceeds	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(61,259)</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(10,442)	-	-	(5,000)	-	-
Fund balance as of January 1	59,675	5,250	16,170	11,237	3	-
Prior period adjustments	-	(5,250)	(16,170)	-	(3)	-
<b>Fund balance as of Dec. 31</b>	<b>\$49,233</b>	<b>\$-</b>	<b>\$-</b>	<b>\$6,237</b>	<b>\$-</b>	<b>\$-</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 December 31, 2011

Whatcom County Drug	Auditor's O & M	Emergency Management	Flood Control Zone District	Point Roberts Fuel Tax	Conservation Futures	Road Improvement Districts	Lynden/ Everson Sub-Zone	Sumas/ Nooksack/ Everson Sub-Zone
\$-	\$-	\$-	\$3,240,164	\$79,297	\$989,631	\$26,412	\$36,567	\$113,243
-	90,437	1,153,390	640,214	-	340,045	-	657	-
-	87,505	-	20,330	-	-	-	-	-
266,846	-	-	-	-	-	-	-	-
9,227	-	3,340	87,371	-	267	1,076	2,028	6,685
<u>276,073</u>	<u>177,942</u>	<u>1,156,730</u>	<u>3,988,079</u>	<u>79,297</u>	<u>1,329,943</u>	<u>27,488</u>	<u>39,252</u>	<u>119,928</u>
-	84,019	-	-	-	-	-	-	-
66,796	-	1,039,332	-	-	-	-	-	-
-	-	-	2,228,650	-	-	-	14,245	4,865
-	-	-	-	-	-	30,049	-	-
-	-	-	-	-	37,084	-	-	-
-	-	-	-	-	-	-	-	-
-	-	9,858	21,430	-	680,858	-	-	-
<u>66,796</u>	<u>84,019</u>	<u>1,049,190</u>	<u>2,250,080</u>	<u>-</u>	<u>717,942</u>	<u>30,049</u>	<u>14,245</u>	<u>4,865</u>
<u>209,277</u>	<u>93,923</u>	<u>107,540</u>	<u>1,737,999</u>	<u>79,297</u>	<u>612,001</u>	<u>(2,561)</u>	<u>25,007</u>	<u>115,063</u>
-	-	-	49,279	-	14,933	-	-	-
-	-	220,174	1,000,000	-	-	-	-	-
(343,717)	(114,570)	(331,897)	(1,195,075)	-	(82,211)	(1,081)	-	-
-	-	9,858	-	-	-	-	-	-
<u>(343,717)</u>	<u>(114,570)</u>	<u>(101,865)</u>	<u>(145,796)</u>	<u>-</u>	<u>(67,278)</u>	<u>(1,081)</u>	<u>-</u>	<u>-</u>
<u>(134,440)</u>	<u>(20,647)</u>	<u>5,675</u>	<u>1,592,203</u>	<u>79,297</u>	<u>544,723</u>	<u>(3,642)</u>	<u>25,007</u>	<u>115,063</u>
196,728	521,082	120,970	9,072,891	402,598	1,944,985	44,198	219,044	712,486
-	-	-	-	-	-	-	-	-
<u>\$62,288</u>	<u>\$500,435</u>	<u>\$126,645</u>	<u>\$10,665,094</u>	<u>\$481,895</u>	<u>\$2,489,708</u>	<u>\$40,556</u>	<u>\$244,051</u>	<u>\$827,549</u>

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Non-Major Special Revenue Funds  
December 31, 2011

	Acme/ Van Zandt Sub-Zone	Samish Watershed Sub-Zone	Birch Bay Sub-Zone	Total Non Major Special Revenue Funds
<b>Revenues</b>				
Taxes	\$24,265	\$17,746	\$723,509	\$14,576,428
Intergovernmental	-	-	41,861	7,136,163
Charges for service	-	-	-	3,445,490
Fines and forfeits	-	-	-	297,524
Miscellaneous	1,492	556	12,861	448,298
<b>Total revenues</b>	<u>25,757</u>	<u>18,302</u>	<u>778,231</u>	<u>25,903,903</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	1,272,702
Public safety	-	-	-	15,023,111
Physical environment	327	11,207	436,424	4,439,950
Transportation	-	-	-	30,049
Economic environment	-	-	-	2,249,959
Mental and physical health	-	-	-	1,935,764
Culture and recreation	-	-	-	395,677
Capital outlay	-	-	212,910	1,839,253
<b>Total expenditures</b>	<u>327</u>	<u>11,207</u>	<u>649,334</u>	<u>27,186,465</u>
Excess (deficiency) of revenues over expenditures	<u>25,430</u>	<u>7,095</u>	<u>128,897</u>	<u>(1,282,562)</u>
<b>Other financing sources (uses)</b>				
Sales of capital assets	-	-	-	73,958
Transfers in	-	-	-	8,549,591
Transfers out	-	-	(26,395)	(4,061,830)
Capital lease proceeds	-	-	-	24,916
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(26,395)</u>	<u>4,586,635</u>
Net change in fund balances	<u>25,430</u>	<u>7,095</u>	<u>102,502</u>	<u>3,304,073</u>
Fund balance as of January 1	157,533	60,262	1,224,645	33,941,140
Prior period adjustments	-	-	-	(1,032,776)
<b>Fund balance as of Dec. 31</b>	<u>\$182,963</u>	<u>\$67,357</u>	<u>\$1,327,147</u>	<u>\$36,212,437</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Election Reserve  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$363,700	\$368,479	\$4,779	\$361,752
Intergovernmental	2,393	15,545	13,152	121,924
Charges for service	641,480	722,655	81,175	502,770
Miscellaneous	-	101	101	93
<b>Total revenues</b>	<b>1,007,573</b>	<b>1,106,780</b>	<b>99,207</b>	<b>986,539</b>
<b>Expenditures</b>				
Current:				
General government	1,296,910	1,074,817	222,093	1,332,606
Capital outlay	15,000	7,974	7,026	-
<b>Total expenditures</b>	<b>1,311,910</b>	<b>1,082,791</b>	<b>229,119</b>	<b>1,332,606</b>
Excess (deficiency) of revenues over expenditures	(304,337)	23,989	328,326	(346,067)
<b>Other financing sources (uses)</b>				
Sales of capital assets	6,000	5,592	(408)	3,280
Transfers in	252,000	126,000	(126,000)	128,000
<b>Total other financing sources (uses)</b>	<b>258,000</b>	<b>131,592</b>	<b>(126,408)</b>	<b>131,280</b>
Net change in fund balances	(46,337)	155,581	201,918	(214,787)
Fund balance as of January 1	-	262,868	262,868	477,655
<b>Fund balance as of December 31</b>	<b>\$(46,337)</b>	<b>\$418,449</b>	<b>\$464,786</b>	<b>\$262,868</b>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Veterans' Relief  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$297,586	\$273,424	\$(24,162)	\$282,773
Intergovernmental	-	13	13	170
Miscellaneous	9,310	7,705	(1,605)	10,835
<b>Total revenues</b>	<u>306,896</u>	<u>281,142</u>	<u>(25,754)</u>	<u>293,778</u>
<b>Expenditures</b>				
Current:				
Economic environment	457,534	341,246	116,288	166,765
<b>Total expenditures</b>	<u>457,534</u>	<u>341,246</u>	<u>116,288</u>	<u>166,765</u>
Excess (deficiency) of revenues over expenditures	<u>(150,638)</u>	<u>(60,104)</u>	<u>90,534</u>	<u>127,013</u>
<b>Other financing sources (uses)</b>				
Sales of capital assets	2,500	4,154	1,654	2,569
<b>Total other financing sources (uses)</b>	<u>2,500</u>	<u>4,154</u>	<u>1,654</u>	<u>2,569</u>
Net change in fund balances	<u>(148,138)</u>	<u>(55,950)</u>	<u>92,188</u>	<u>129,582</u>
Fund balance as of January 1	-	892,397	892,397	762,815
<b>Fund balance as of December 31</b>	<u>\$(148,138)</u>	<u>\$836,447</u>	<u>\$984,585</u>	<u>\$892,397</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Treasurer's O & M  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Charges for service	\$218,693	\$124,038	\$(94,655)	\$174,666
Miscellaneous	-	-	-	404
<b>Total revenues</b>	<u>218,693</u>	<u>124,038</u>	<u>(94,655)</u>	<u>175,070</u>
<b>Expenditures</b>				
Current:				
General government	137,517	37,441	100,076	46,696
Capital outlay	4,939	-	4,939	-
<b>Total expenditures</b>	<u>142,456</u>	<u>37,441</u>	<u>105,015</u>	<u>46,696</u>
Excess (deficiency) of revenues over expenditures	<u>76,237</u>	<u>86,597</u>	<u>10,360</u>	<u>128,374</u>
<b>Other financing sources (uses)</b>				
Transfers out	(75,000)	(77,127)	(2,127)	(80,457)
<b>Total other financing sources (uses)</b>	<u>(75,000)</u>	<u>(77,127)</u>	<u>(2,127)</u>	<u>(80,457)</u>
Net change in fund balances	<u>1,237</u>	<u>9,470</u>	<u>8,233</u>	<u>47,917</u>
Fund balance as of January 1	-	296,086	296,086	248,169
<b>Fund balance as of December 31</b>	<u>\$1,237</u>	<u>\$305,556</u>	<u>\$304,319</u>	<u>\$296,086</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Whatcom County Jail  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$3,147,164	\$3,201,225	\$54,061	\$3,066,829
Intergovernmental	2,180,912	2,661,565	480,653	2,267,506
Charges for service	695,706	585,052	(110,654)	682,184
Miscellaneous	234,550	223,773	(10,777)	325,889
<b>Total revenues</b>	<b>6,258,332</b>	<b>6,671,615</b>	<b>413,283</b>	<b>6,342,408</b>
<b>Expenditures</b>				
Current:				
Public safety	12,475,815	11,926,428	549,387	11,915,034
Capital outlay	73,500	59,277	14,223	60,430
Debt service:				
Principal	95,628	-	95,628	-
Interest	135,000	-	135,000	-
<b>Total expenditures</b>	<b>12,779,943</b>	<b>11,985,705</b>	<b>794,238</b>	<b>11,975,464</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(6,521,611)</b>	<b>(5,314,090)</b>	<b>1,207,521</b>	<b>(5,633,056)</b>
<b>Other financing sources (uses)</b>				
Transfers in	5,807,139	5,710,511	(96,628)	5,537,690
Transfers out	(26,689)	(251,020)	(224,331)	(69,305)
Capital lease proceeds	-	15,058	15,058	-
<b>Total other financing sources (uses)</b>	<b>5,780,450</b>	<b>5,474,549</b>	<b>(305,901)</b>	<b>5,468,385</b>
<b>Net change in fund balances</b>	<b>(741,161)</b>	<b>160,459</b>	<b>901,620</b>	<b>(164,671)</b>
Fund balance as of January 1	-	3,820,121	3,820,121	3,984,792
<b>Fund balance as of December 31</b>	<b>\$(741,161)</b>	<b>\$3,980,580</b>	<b>\$4,721,741</b>	<b>\$3,820,121</b>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
REET Technology  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$25,000	\$-	\$(25,000)	\$16,520
<b>Total revenues</b>	<u>25,000</u>	<u>-</u>	<u>\$(25,000)</u>	<u>16,520</u>
Excess (deficiency) of revenues over expenditures	<u>25,000</u>	<u>-</u>	<u>\$(25,000)</u>	<u>16,520</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	(179,865)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(179,865)</u>
<b>Net change in fund balances</b>	<u>25,000</u>	<u>-</u>	<u>\$(25,000)</u>	<u>(163,345)</u>
Fund balance as of January 1	-	-	-	163,345
<b>Fund balance as of December 31</b>	<u>\$25,000</u>	<u>\$-</u>	<u>\$(25,000)</u>	<u>\$-</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Low-Income Housing  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

# Whatcom County

W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Charges for service	\$170,000	\$192,785	\$22,785	\$208,763
<b>Total revenues</b>	<u>170,000</u>	<u>192,785</u>	<u>22,785</u>	<u>208,763</u>
<b>Expenditures</b>				
Current:				
Economic environment	415,000	413,470	1,530	227,375
<b>Total expenditures</b>	<u>415,000</u>	<u>413,470</u>	<u>1,530</u>	<u>227,375</u>
Excess (deficiency) of revenues over expenditures	<u>(245,000)</u>	<u>(220,685)</u>	<u>24,315</u>	<u>(18,612)</u>
Fund balance as of January 1	-	323,126	323,126	341,738
<b>Fund balance as of December 31</b>	<u>\$(245,000)</u>	<u>\$102,441</u>	<u>\$347,441</u>	<u>\$323,126</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Homeless Housing  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$675,249	\$426,220	\$(249,029)	\$433,006
Charges for service	731,850	839,175	107,325	908,971
<b>Total revenues</b>	<u>1,407,099</u>	<u>1,265,395</u>	<u>(141,704)</u>	<u>1,341,977</u>
<b>Expenditures</b>				
Current:				
Economic environment	1,694,556	1,458,159	236,397	1,501,668
<b>Total expenditures</b>	<u>1,694,556</u>	<u>1,458,159</u>	<u>236,397</u>	<u>1,501,668</u>
Excess (deficiency) of revenues over expenditures	<u>(287,457)</u>	<u>(192,764)</u>	<u>94,693</u>	<u>(159,691)</u>
<b>Other financing sources (uses)</b>				
Transfers out	(43,900)	(50,351)	(6,451)	(54,556)
<b>Total other financing sources (uses)</b>	<u>(43,900)</u>	<u>(50,351)</u>	<u>(6,451)</u>	<u>(54,556)</u>
Net change in fund balances	<u>(331,357)</u>	<u>(243,115)</u>	<u>88,242</u>	<u>(214,247)</u>
Fund balance as of January 1	-	898,602	898,602	1,112,849
<b>Fund balance as of December 31</b>	<u>\$(331,357)</u>	<u>\$655,487</u>	<u>\$986,844</u>	<u>\$898,602</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Stormwater  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$281,116	\$562,045	\$280,929	\$182,733
Charges for service	26,395	-	(26,395)	-
Miscellaneous	-	375	375	600
<b>Total revenues</b>	<u>307,511</u>	<u>562,420</u>	<u>254,909</u>	<u>183,333</u>
<b>Expenditures</b>				
Current:				
Physical environment	2,528,039	1,045,757	1,482,282	1,115,887
Capital outlay	196,648	846,946	(650,298)	106,497
<b>Total expenditures</b>	<u>2,724,687</u>	<u>1,892,703</u>	<u>831,984</u>	<u>1,222,384</u>
Excess (deficiency) of revenues over expenditures	<u>(2,417,176)</u>	<u>(1,330,283)</u>	<u>1,086,893</u>	<u>(1,039,051)</u>
<b>Other financing sources (uses)</b>				
Transfer in	1,678,000	1,492,906	(185,094)	1,259,606
Transfers out	-	-	-	(2,500)
<b>Total other financing sources (uses)</b>	<u>1,678,000</u>	<u>1,492,906</u>	<u>(185,094)</u>	<u>1,257,106</u>
Net change in fund balances	<u>(739,176)</u>	<u>162,623</u>	<u>901,799</u>	<u>218,055</u>
Fund balance as of January 1	-	990,276	990,276	772,221
<b>Fund balance as of December 31</b>	<u>\$(739,176)</u>	<u>\$1,152,899</u>	<u>\$1,892,075</u>	<u>\$990,276</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Chemical Dependency/Mental Health  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$3,196,000	\$3,176,439	\$(19,561)	\$3,049,769
Intergovernmental	126,340	115,571	(10,769)	197,082
Charges for service	52,000	39,571	(12,429)	50,658
Miscellaneous	33,250	41,469	8,219	44,162
<b>Total revenues</b>	<u>3,407,590</u>	<u>3,373,050</u>	<u>(34,540)</u>	<u>3,341,671</u>
<b>Expenditures</b>				
Current:				
Mental and physical health	2,838,856	1,935,764	903,092	963,061
<b>Total expenditures</b>	<u>2,838,856</u>	<u>1,935,764</u>	<u>903,092</u>	<u>963,061</u>
Excess (deficiency) of revenues over expenditures	<u>568,734</u>	<u>1,437,286</u>	<u>868,552</u>	<u>2,378,610</u>
<b>Other financing sources (uses)</b>				
Transfers out	(705,591)	(791,935)	(86,344)	(597,642)
<b>Total other financing sources (uses)</b>	<u>(705,591)</u>	<u>(791,935)</u>	<u>(86,344)</u>	<u>(597,642)</u>
<b>Net change in fund balances</b>	<u>(136,857)</u>	<u>645,351</u>	<u>782,208</u>	<u>1,780,968</u>
Fund balance as of January 1	-	3,971,435	3,971,435	2,190,467
<b>Fund balance as of December 31</b>	<u>\$(136,857)</u>	<u>\$4,616,786</u>	<u>\$4,753,643</u>	<u>\$3,971,435</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Countywide Emergency Medical Services  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

# Whatcom County

WASHINGTON

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$2,533,003	\$1,807,357	\$(725,646)	\$1,722,548
Intergovernmental	-	803,284	803,284	765,592
Miscellaneous	50,208	35,407	(14,801)	52,463
<b>Total revenues</b>	<u>2,583,211</u>	<u>2,646,048</u>	<u>62,837</u>	<u>2,540,603</u>
<b>Expenditures</b>				
Current:				
Public safety	1,996,466	1,990,555	5,911	1,768,781
<b>Total Expenditures</b>	<u>1,996,466</u>	<u>1,990,555</u>	<u>5,911</u>	<u>1,768,781</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>586,745</u>	<u>655,493</u>	<u>68,748</u>	<u>771,822</u>
<b>Other financing sources (uses)</b>				
Transfers out	(570,000)	(570,000)	-	(653,277)
<b>Total other financing sources (uses)</b>	<u>(570,000)</u>	<u>(570,000)</u>	<u>-</u>	<u>(653,277)</u>
Net change in fund balances	<u>16,745</u>	<u>85,493</u>	<u>68,748</u>	<u>118,545</u>
Fund balance as of January 1	-	4,150,142	4,150,142	4,031,597
<b>Fund balance as of December 31</b>	<u>\$16,745</u>	<u>\$4,235,635</u>	<u>\$4,218,890</u>	<u>\$4,150,142</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Whatcom County Trial Court Improvement  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$47,500	\$47,300	\$(200)	\$47,658
Miscellaneous	500	879	379	1,351
<b>Total revenues</b>	<u>48,000</u>	<u>48,179</u>	<u>179</u>	<u>49,009</u>
Excess (deficiency) of revenues over expenditures	<u>48,000</u>	<u>48,179</u>	<u>179</u>	<u>49,009</u>
<b>Other financing sources (uses)</b>				
Transfers out	(43,235)	(22,495)	20,740	(31,055)
<b>Total other financing sources (uses)</b>	<u>(43,235)</u>	<u>(22,495)</u>	<u>20,740</u>	<u>(31,055)</u>
Net change in fund balances	<u>4,765</u>	<u>25,684</u>	<u>20,919</u>	<u>17,954</u>
Fund balance as of January 1	-	75,287	75,287	57,333
<b>Fund balance as of December 31</b>	<u>\$4,765</u>	<u>\$100,971</u>	<u>\$96,206</u>	<u>\$75,287</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Solid Waste  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$240,550	\$226,666	\$(13,884)	\$246,479
Charges for service	740,000	749,165	9,165	755,957
Miscellaneous	10,200	13,686	3,486	12,159
<b>Total revenues</b>	<b>990,750</b>	<b>989,517</b>	<b>(1,233)</b>	<b>1,014,595</b>
<b>Expenditures</b>				
Current:				
Physical environment	832,048	698,475	133,573	775,308
Capital outlay	182,000	-	182,000	112,191
<b>Total expenditures</b>	<b>1,014,048</b>	<b>698,475</b>	<b>315,573</b>	<b>887,499</b>
Excess (deficiency) of revenues over expenditures	(23,298)	291,042	314,340	127,096
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	31,653
Transfers out	(145,446)	(137,697)	7,749	(139,459)
<b>Total other financing sources (uses)</b>	<b>(145,446)</b>	<b>(137,697)</b>	<b>7,749</b>	<b>(107,806)</b>
Net change in fund balances	(168,744)	153,345	322,089	19,290
Fund balance as of January 1	-	1,460,487	1,460,487	1,441,197
<b>Fund balance as of December 31</b>	<b>\$(168,744)</b>	<b>\$1,613,832</b>	<b>\$1,782,576</b>	<b>\$1,460,487</b>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Convention Center  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$460,000	\$498,660	\$38,660	\$496,035
<b>Total revenues</b>	<u>460,000</u>	<u>498,660</u>	<u>38,660</u>	<u>496,035</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	425,280	395,677	29,603	336,197
<b>Total expenditures</b>	<u>425,280</u>	<u>395,677</u>	<u>29,603</u>	<u>336,197</u>
Excess (deficiency) of revenues over expenditures	<u>34,720</u>	<u>102,983</u>	<u>68,263</u>	<u>159,838</u>
Fund balance as of January 1	-	1,019,132	1,019,132	894,482
Prior period adjustments	-	-	-	(35,188)
<b>Fund balance as of December 31</b>	<u>\$34,720</u>	<u>\$1,122,115</u>	<u>\$1,087,395</u>	<u>\$1,019,132</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Victim/Witness Assistance  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

# Whatcom County

W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$11,350	\$11,350	\$-	\$14,188
Charges for service	90,200	85,214	(4,986)	86,223
Fines and forfeits	34,000	30,678	(3,322)	31,989
<b>Total revenues</b>	<u>135,550</u>	<u>127,242</u>	<u>(8,308)</u>	<u>132,400</u>
<b>Expenditures</b>				
Current:				
General government	77,195	76,425	770	77,276
<b>Total expenditures</b>	<u>77,195</u>	<u>76,425</u>	<u>770</u>	<u>77,276</u>
Excess (deficiency) of revenues over expenditures	<u>58,355</u>	<u>50,817</u>	<u>(7,538)</u>	<u>55,124</u>
<b>Other financing sources (uses)</b>				
Transfers out	(65,679)	(61,259)	4,420	(64,752)
<b>Total other financing sources (uses)</b>	<u>(65,679)</u>	<u>(61,259)</u>	<u>4,420</u>	<u>(64,752)</u>
Net change in fund balances	<u>(7,324)</u>	<u>(10,442)</u>	<u>(3,118)</u>	<u>(9,628)</u>
Fund balance as of January 1	-	59,675	59,675	69,303
<b>Fund balance as of December 31</b>	<u>\$(7,324)</u>	<u>\$49,233</u>	<u>\$56,557</u>	<u>\$59,675</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Community Development  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other financing sources (uses)</b>				
Transfers out	\$ (5,000)	\$ (5,000)	\$ -	\$ (5,000)
<b>Total other financing sources (uses)</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
Net change in fund balances	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
Fund balance as of January 1	-	11,237	11,237	16,237
<b>Fund balance as of December 31</b>	<u>\$ (5,000)</u>	<u>\$ 6,237</u>	<u>\$ 11,237</u>	<u>\$ 11,237</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Whatcom County Drug  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Fines and forfeits	\$610,000	\$266,846	\$(343,154)	\$472,376
Miscellaneous	-	9,227	9,227	12,110
<b>Total revenues</b>	<u>610,000</u>	<u>276,073</u>	<u>(333,927)</u>	<u>484,486</u>
<b>Expenditures</b>				
Current:				
Public safety	97,000	66,796	30,204	88,171
<b>Total expenditures</b>	<u>97,000</u>	<u>66,796</u>	<u>30,204</u>	<u>88,171</u>
Excess (deficiency) of revenues over expenditures	<u>513,000</u>	<u>209,277</u>	<u>(303,723)</u>	<u>396,315</u>
<b>Other financing sources (uses)</b>				
Transfers out	(511,967)	(343,717)	168,250	(511,967)
<b>Total other financing sources (uses)</b>	<u>(511,967)</u>	<u>(343,717)</u>	<u>168,250</u>	<u>(511,967)</u>
Net change in fund balances	<u>1,033</u>	<u>(134,440)</u>	<u>(135,473)</u>	<u>(115,652)</u>
Fund balance as of January 1	-	196,728	196,728	312,380
<b>Fund balance as of December 31</b>	<u>\$1,033</u>	<u>\$62,288</u>	<u>\$61,255</u>	<u>\$196,728</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Auditor's O & M  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$80,000	\$90,437	\$10,437	\$92,664
Charges for service	86,900	87,505	605	95,030
<b>Total revenues</b>	<u>166,900</u>	<u>177,942</u>	<u>11,042</u>	<u>187,694</u>
<b>Expenditures</b>				
Current:				
General government	102,999	84,019	18,980	95,179
<b>Total expenditures</b>	<u>102,999</u>	<u>84,019</u>	<u>18,980</u>	<u>95,179</u>
Excess (deficiency) of revenues over expenditures	<u>63,901</u>	<u>93,923</u>	<u>30,022</u>	<u>92,515</u>
<b>Other financing sources (uses)</b>				
Transfers out	(120,413)	(114,570)	5,843	(114,334)
<b>Total other financing sources (uses)</b>	<u>(120,413)</u>	<u>(114,570)</u>	<u>5,843</u>	<u>(114,334)</u>
Net change in fund balances	<u>(56,512)</u>	<u>(20,647)</u>	<u>35,865</u>	<u>(21,819)</u>
Fund balance as of January 1	-	521,082	521,082	542,901
<b>Fund balance as of December 31</b>	<u>\$(56,512)</u>	<u>\$500,435</u>	<u>\$556,947</u>	<u>\$521,082</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Emergency Management  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$1,636,292	\$1,153,390	\$(482,902)	\$1,313,058
Miscellaneous	5,000	3,340	(1,660)	3,360
<b>Total revenues</b>	<u>1,641,292</u>	<u>1,156,730</u>	<u>(484,562)</u>	<u>1,316,418</u>
<b>Expenditures</b>				
Current:				
Public safety	1,501,731	1,039,332	462,399	1,051,293
Capital outlay	330	9,858	(9,528)	67,878
<b>Total expenditures</b>	<u>1,502,061</u>	<u>1,049,190</u>	<u>452,871</u>	<u>1,119,171</u>
Excess (deficiency) of revenues over expenditures	<u>139,231</u>	<u>107,540</u>	<u>(31,691)</u>	<u>197,247</u>
<b>Other financing sources (uses)</b>				
Transfers in	220,174	220,174	-	177,024
Transfers out	(359,405)	(331,897)	27,508	(363,629)
Capital lease proceeds	-	9,858	9,858	-
<b>Total other financing sources (uses)</b>	<u>(139,231)</u>	<u>(101,865)</u>	<u>37,366</u>	<u>(186,605)</u>
Net change in fund balances	<u>-</u>	<u>5,675</u>	<u>5,675</u>	<u>10,642</u>
Fund balance as of January 1	-	120,970	120,970	110,328
<b>Fund balance as of December 31</b>	<u>\$-</u>	<u>\$126,645</u>	<u>\$126,645</u>	<u>\$120,970</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Flood Control Zone District  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$3,040,000	\$3,240,164	\$200,164	\$4,092,677
Intergovernmental	930,662	640,214	(290,448)	1,647,321
Charges for service	113,617	20,330	(93,287)	14,968
Miscellaneous	100,000	87,371	(12,629)	110,664
<b>Total revenues</b>	<b>4,184,279</b>	<b>3,988,079</b>	<b>(196,200)</b>	<b>5,865,630</b>
<b>Expenditures</b>				
Current:				
Physical environment	4,109,066	2,228,650	1,880,416	3,054,200
Capital outlay	90,000	21,430	68,570	676,797
<b>Total expenditures</b>	<b>4,199,066</b>	<b>2,250,080</b>	<b>1,948,986</b>	<b>3,730,997</b>
Excess (deficiency) of revenues over expenditures	(14,787)	1,737,999	1,752,786	2,134,633
<b>Other financing sources (uses)</b>				
Sales of capital assets	30,000	49,279	19,279	37,234
Transfers in	1,000,000	1,000,000	-	18,800
Transfers out	(1,390,511)	(1,195,075)	195,436	(1,020,207)
Insurance recoveries	-	-	-	21,862
Capital lease proceeds	-	-	-	13,802
<b>Total other financing sources (uses)</b>	<b>(360,511)</b>	<b>(145,796)</b>	<b>214,715</b>	<b>(928,509)</b>
Net change in fund balances	(375,298)	1,592,203	1,967,501	1,206,124
Fund balance as of January 1	-	9,072,891	9,072,891	7,866,767
<b>Fund balance as of December 31</b>	<b>\$(375,298)</b>	<b>\$10,665,094</b>	<b>\$11,040,392</b>	<b>\$9,072,891</b>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Point Roberts Fuel Tax  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$50,000	\$79,297	\$29,297	\$54,938
<b>Total revenues</b>	<u>50,000</u>	<u>79,297</u>	<u>29,297</u>	<u>54,938</u>
Excess (deficiency) of revenues over expenditures	<u>50,000</u>	<u>79,297</u>	<u>29,297</u>	<u>54,938</u>
Fund balance as of January 1	-	402,598	402,598	347,660
<b>Fund balance as of December 31</b>	<u>\$50,000</u>	<u>\$481,895</u>	<u>\$431,895</u>	<u>\$402,598</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Conservation Futures  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$981,497	\$989,631	\$8,134	\$443,901
Intergovernmental	46	340,045	339,999	954
Miscellaneous	215	267	52	120
<b>Total revenues</b>	<u>981,758</u>	<u>1,329,943</u>	<u>348,185</u>	<u>444,975</u>
<b>Expenditures</b>				
Current:				
Economic environment	25,000	37,084	(12,084)	8,286
Capital outlay	36,043	680,858	(644,815)	1,496,731
<b>Total expenditures</b>	<u>61,043</u>	<u>717,942</u>	<u>(656,899)</u>	<u>1,505,017</u>
Excess (deficiency) of revenues over expenditures	<u>920,715</u>	<u>612,001</u>	<u>(308,714)</u>	<u>(1,060,042)</u>
<b>Other financing sources (uses)</b>				
Sales of capital assets	7,000	14,933	7,933	3,999
Transfers out	(274,474)	(82,211)	192,263	(148,019)
<b>Total other financing sources (uses)</b>	<u>(267,474)</u>	<u>(67,278)</u>	<u>200,196</u>	<u>(144,020)</u>
Net change in fund balances	<u>653,241</u>	<u>544,723</u>	<u>(108,518)</u>	<u>(1,204,062)</u>
Fund balance as of January 1	-	1,944,985	1,944,985	3,318,475
Prior period adjustments	-	-	-	(169,428)
<b>Fund balance as of December 31</b>	<u>\$653,241</u>	<u>\$2,489,708</u>	<u>\$1,836,467</u>	<u>\$1,944,985</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Road Improvement Districts  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$27,121	\$26,412	\$(709)	\$26,368
Miscellaneous	1,081	1,076	(5)	1,067
<b>Total revenues</b>	<u>28,202</u>	<u>27,488</u>	<u>(714)</u>	<u>27,435</u>
<b>Expenditures</b>				
Current:				
Transportation	33,000	30,049	2,951	29,900
<b>Total expenditures</b>	<u>33,000</u>	<u>30,049</u>	<u>2,951</u>	<u>29,900</u>
Excess (deficiency) of revenues over expenditures	<u>(4,798)</u>	<u>(2,561)</u>	<u>2,237</u>	<u>(2,465)</u>
<b>Other financing sources (uses)</b>				
Transfers out	(1,081)	(1,081)	-	(1,067)
<b>Total other financing sources (uses)</b>	<u>(1,081)</u>	<u>(1,081)</u>	<u>-</u>	<u>(1,067)</u>
Net change in fund balances	<u>(5,879)</u>	<u>(3,642)</u>	<u>2,237</u>	<u>(3,532)</u>
Fund balance as of January 1	-	44,198	44,198	47,730
<b>Fund balance as of December 31</b>	<u>\$(5,879)</u>	<u>\$40,556</u>	<u>\$46,435</u>	<u>\$44,198</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Lynden/Everson Sub-Zone  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$36,074	\$36,567	\$493	\$36,327
Intergovernmental	-	657	657	-
Miscellaneous	2,800	2,028	(772)	2,909
<b>Total revenues</b>	<u>38,874</u>	<u>39,252</u>	<u>378</u>	<u>39,236</u>
<b>Expenditures</b>				
Current:				
Physical environment	80,000	14,245	65,755	29,551
<b>Total expenditures</b>	<u>80,000</u>	<u>14,245</u>	<u>65,755</u>	<u>29,551</u>
Excess (deficiency) of revenues over expenditures	<u>(41,126)</u>	<u>25,007</u>	<u>66,133</u>	<u>9,685</u>
Fund balance as of January 1	-	219,044	219,044	209,359
<b>Fund balance as of December 31</b>	<u>\$(41,126)</u>	<u>\$244,051</u>	<u>\$285,177</u>	<u>\$219,044</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Sumas/Nooksack/Everson Sub-Zone  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$110,291	\$113,243	\$2,952	\$109,075
Miscellaneous	8,000	6,685	(1,315)	8,702
<b>Total revenues</b>	<u>118,291</u>	<u>119,928</u>	<u>1,637</u>	<u>117,777</u>
<b>Expenditures</b>				
Current:				
Physical environment	135,000	4,865	130,135	16,320
<b>Total expenditures</b>	<u>135,000</u>	<u>4,865</u>	<u>130,135</u>	<u>16,320</u>
Excess (deficiency) of revenues over expenditures	<u>(16,709)</u>	<u>115,063</u>	<u>131,772</u>	<u>101,457</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	-	-	(318)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(318)</u>
Net change in fund balances	<u>(16,709)</u>	<u>115,063</u>	<u>131,772</u>	<u>101,139</u>
Fund balance as of January 1	-	712,486	712,486	611,347
<b>Fund balance as of December 31</b>	<u>\$(16,709)</u>	<u>\$827,549</u>	<u>\$844,258</u>	<u>\$712,486</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Acme/Van Zandt Sub-Zone  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$25,311	\$24,265	\$(1,046)	\$22,986
Miscellaneous	1,800	1,492	(308)	2,058
<b>Total revenues</b>	<u>27,111</u>	<u>25,757</u>	<u>(1,354)</u>	<u>25,044</u>
<b>Expenditures</b>				
Current:				
Physical environment	31,000	327	30,673	12,227
<b>Total expenditures</b>	<u>31,000</u>	<u>327</u>	<u>30,673</u>	<u>12,227</u>
Excess (deficiency) of revenues over expenditures	<u>(3,889)</u>	<u>25,430</u>	<u>29,319</u>	<u>12,817</u>
Fund balance as of January 1	-	157,533	157,533	144,716
<b>Fund balance as of December 31</b>	<u>\$(3,889)</u>	<u>\$182,963</u>	<u>\$186,852</u>	<u>\$157,533</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Samish Watershed Sub-Zone  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

# Whatcom County

W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$18,299	\$17,746	\$(553)	\$17,256
Miscellaneous	-	556	556	703
<b>Total revenues</b>	<u>18,299</u>	<u>18,302</u>	<u>3</u>	<u>17,959</u>
<b>Expenditures</b>				
Current:				
Physical environment	8,800	11,207	(2,407)	3,920
<b>Total expenditures</b>	<u>8,800</u>	<u>11,207</u>	<u>(2,407)</u>	<u>3,920</u>
Excess (deficiency) of revenues over expenditures	<u>9,499</u>	<u>7,095</u>	<u>(2,404)</u>	<u>14,039</u>
Fund balance as of January 1	-	60,262	60,262	46,223
<b>Fund balance as of December 31</b>	<u>\$9,499</u>	<u>\$67,357</u>	<u>\$57,858</u>	<u>\$60,262</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Birch Bay Sub-Zone  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$748,000	\$723,509	\$(24,491)	\$737,758
Intergovernmental	-	41,861	41,861	-
Charges for service	-	-	-	10,000
Miscellaneous	10,000	12,861	2,861	12,287
<b>Total revenues</b>	<u>758,000</u>	<u>778,231</u>	<u>20,231</u>	<u>760,045</u>
<b>Expenditures</b>				
Current:				
Physical environment	1,067,668	436,424	631,244	155,977
Capital outlay	1,500	212,910	(211,410)	-
<b>Total expenditures</b>	<u>1,069,168</u>	<u>649,334</u>	<u>419,834</u>	<u>155,977</u>
Excess (deficiency) of revenues over expenditures	<u>(311,168)</u>	<u>128,897</u>	<u>440,065</u>	<u>604,068</u>
<b>Other financing sources (uses)</b>				
Transfers out	-	(26,395)	(26,395)	(34,259)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(26,395)</u>	<u>(26,395)</u>	<u>(34,259)</u>
Net change in fund balances	<u>(311,168)</u>	<u>102,502</u>	<u>413,670</u>	<u>569,809</u>
Fund balance as of January 1	-	1,224,645	1,224,645	654,836
<b>Fund balance as of December 31</b>	<u>\$(311,168)</u>	<u>\$1,327,147</u>	<u>\$1,638,315</u>	<u>\$1,224,645</u>

# Whatcom County

W A S H I N G T O N



	1982 Ltd. Tax GO Bond	1983 Ltd. Tax GO Bond	CRID No. 4 General Debt	CRID No. 5 General Debt	CRID No. 9 General Debt	LRID No. 10 General Debt
<b>Assets</b>						
Cash and cash equivalents	\$-	\$-	\$-	\$-	\$15,728	\$-
<b>Total assets</b>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$15,728</u>	<u>\$-</u>
<b>Fund balances:</b>						
Restricted	\$-	\$-	\$-	\$-	\$15,728	\$-
<b>Total fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,728</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$15,728</u>	<u>\$-</u>

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	2010 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
\$-	\$-	\$-	\$-	\$513	\$2,767	\$19,008
\$-	\$-	\$-	\$-	\$513	\$2,767	\$19,008
\$-	\$-	\$-	\$-	\$513	\$2,767	\$19,008
-	-	-	-	513	2,767	19,008
\$-	\$-	\$-	\$-	\$513	\$2,767	\$19,008

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Debt Service Funds  
 Year Ended December 31, 2011

	1982 Ltd. Tax GO Bond	1983 Ltd. Tax GO Bond	CRID No. 4 General Debt	CRID No. 5 General Debt	CRID No. 9 General Debt	LRID No. 10 General Debt
<b>Revenues</b>						
Miscellaneous	\$-	\$-	\$-	\$-	\$15,468	\$-
<b>Total revenues</b>	-	-	-	-	15,468	-
<b>Expenditures</b>						
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	15,468	-
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(8,406)	(5,271)	(219)	(14,602)	-	(135,863)
<b>Total other financing sources (uses)</b>	(8,406)	(5,271)	(219)	(14,602)	-	(135,863)
<b>Net changes in fund balances</b>	(8,406)	(5,271)	(219)	(14,602)	15,468	(135,863)
Fund balance as of January 1	8,406	5,271	219	14,602	260	135,863
<b>Fund balance as of December 31</b>	\$-	\$-	\$-	\$-	\$15,728	\$-

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Debt Service Funds  
 Year Ended December 31, 2011

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	2010 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
\$-	\$-	\$-	\$-	\$-	\$-	\$15,468
-	-	-	-	-	-	15,468
-	-	-	-	410,000	1,460,000	1,870,000
-	-	-	-	27,659	200,767	228,426
-	-	-	-	437,659	1,660,767	2,098,426
-	-	-	-	(437,659)	(1,660,767)	(2,082,958)
-	-	-	-	437,357	1,663,259	2,100,616
(1,337)	(188)	(350)	(350)	-	-	(166,586)
(1,337)	(188)	(350)	(350)	437,357	1,663,259	1,934,030
(1,337)	(188)	(350)	(350)	(302)	2,492	(148,928)
1,337	188	350	350	815	275	167,936
\$-	\$-	\$-	\$-	\$513	\$2,767	\$19,008

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 1982 Ltd Tax GO Bond  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other Financing Sources (Uses)</b>				
Transfers out	\$ (8,406)	\$ (8,406)	\$ -	\$ -
<b>Total Other Financing Sources (Uses)</b>	<u>(8,406)</u>	<u>(8,406)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(8,406)	(8,406)	-	-
Fund balance as of January 1	-	8,406	8,406	8,406
<b>Fund balance as of December 31</b>	<u>\$ (8,406)</u>	<u>\$ -</u>	<u>\$ 8,406</u>	<u>\$ 8,406</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 1983 Ltd Tax GO Bond  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other Financing Sources (Uses)</b>				
Transfers out	\$(5,272)	\$(5,271)	\$1	\$-
<b>Total Other Financing Sources (Uses)</b>	<u>(5,272)</u>	<u>(5,271)</u>	<u>1</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(5,272)	(5,271)	1	-
Fund balance as of January 1	-	5,271	5,271	5,271
<b>Fund balance as of December 31</b>	<u>\$(5,272)</u>	<u>\$-</u>	<u>\$5,272</u>	<u>\$5,271</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 CRID No. 4 General Debt  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other Financing Sources (Uses)</b>				
Transfers out	\$ (220)	\$ (219)	\$ 1	\$ -
<b>Total Other Financing Sources (Uses)</b>	<u>(220)</u>	<u>(219)</u>	<u>1</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(220)	(219)	1	-
Fund balance as of January 1	-	219	219	219
<b>Fund balance as of December 31</b>	<u>\$ (220)</u>	<u>\$ -</u>	<u>\$ 220</u>	<u>\$ 219</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 CRID No. 5 General Debt  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other Financing Sources (Uses)</b>				
Transfers out	\$(14,602)	\$(14,602)	\$-	\$-
<b>Total Other Financing Sources (Uses)</b>	<u>(14,602)</u>	<u>(14,602)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(14,602)	(14,602)	-	-
Fund balance as of January 1	-	14,602	14,602	14,602
<b>Fund balance as of December 31</b>	<u>\$(14,602)</u>	<u>\$-</u>	<u>\$14,602</u>	<u>\$14,602</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 LRID No. 10 General Debt  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other Financing Sources (Uses)</b>				
Transfers out	\$ (135,864)	\$ (135,863)	\$ 1	\$ -
<b>Total Other Financing Sources (Uses)</b>	<u>(135,864)</u>	<u>(135,863)</u>	<u>1</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(135,864)	(135,863)	1	-
Fund balance as of January 1	-	135,863	135,863	135,863
<b>Fund balance as of December 31</b>	<u>\$ (135,864)</u>	<u>\$ -</u>	<u>\$ 135,864</u>	<u>\$ 135,863</u>

# Whatcom County

W A S H I N G T O N

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 1991 Ltd Tax GO Bond  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other Financing Sources (Uses)</b>				
Transfers out	\$ (1,337)	\$ (1,337)	\$ -	\$ -
<b>Total Other Financing Sources (Uses)</b>	<u>(1,337)</u>	<u>(1,337)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(1,337)	(1,337)	-	-
Fund balance as of January 1	-	1,337	1,337	1,337
<b>Fund balance as of December 31</b>	<u>\$ (1,337)</u>	<u>\$ -</u>	<u>\$ 1,337</u>	<u>\$ 1,337</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 1993 Ltd Tax GO Bond  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other Financing Sources (Uses)</b>				
Transfers out	\$ (188)	\$ (188)	\$ -	\$ -
<b>Total Other Financing Sources (Uses)</b>	<u>(188)</u>	<u>(188)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(188)	(188)	-	-
Fund balance as of January 1	-	188	188	188
<b>Fund balance as of December 31</b>	<u>\$ (188)</u>	<u>\$ -</u>	<u>\$ 188</u>	<u>\$ 188</u>

Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
1997 Ltd Tax GO Bond  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

# Whatcom County

W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$-	\$-	\$-	\$2,465,000
Interest	-	-	-	97,633
<b>Total expenditures</b>	-	-	-	2,562,633
Excess (deficiency) of revenues over expenditures	-	-	-	(2,562,633)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	2,562,532
Transfers out	(350)	(350)	-	-
<b>Total other financing sources (uses)</b>	(350)	(350)	-	2,562,532
Net changes in fund balances	(350)	(350)	-	(101)
Fund balance as of January 1	-	350	350	451
<b>Fund balance as of December 31</b>	<b>\$(350)</b>	<b>\$-</b>	<b>\$350</b>	<b>\$350</b>

Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
1998 Ltd Tax GO Bond  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$-	\$-	\$-	\$1,850,000
Interest	-	-	-	81,513
<b>Total expenditures</b>	-	-	-	1,931,513
Excess (deficiency) of revenues over expenditures	-	-	-	(1,931,513)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	1,931,066
Transfers out	(350)	(350)	-	-
<b>Total other financing sources (uses)</b>	(350)	(350)	-	1,931,066
<b>Net changes in fund balances</b>	(350)	(350)	-	(447)
Fund balance as of January 1	-	350	350	797
<b>Fund balance as of December 31</b>	<b>\$(350)</b>	<b>\$-</b>	<b>\$350</b>	<b>\$350</b>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 2003 Ltd Tax GO Bond  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

# Whatcom County

W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$410,000	\$410,000	\$-	\$395,000
Interest	28,261	27,659	602	39,709
<b>Total expenditures</b>	<u>438,261</u>	<u>437,659</u>	<u>602</u>	<u>434,709</u>
Excess (deficiency) of revenues over expenditures	<u>(438,261)</u>	<u>(437,659)</u>	<u>602</u>	<u>(434,709)</u>
<b>Other financing sources (uses)</b>				
Transfers in	438,261	437,357	(904)	434,709
<b>Total other financing sources (uses)</b>	<u>438,261</u>	<u>437,357</u>	<u>(904)</u>	<u>434,709</u>
Net changes in fund balances	-	(302)	(302)	-
Fund balance as of January 1	-	815	815	815
<b>Fund balance as of December 31</b>	<u>\$-</u>	<u>\$513</u>	<u>\$513</u>	<u>\$815</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 2010 Ltd Tax GO Bond  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

**Whatcom County**  
 W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$1,460,000	\$1,460,000	\$-	\$235,000
Interest	201,035	200,767	268	37,909
<b>Total expenditures</b>	<u>1,661,035</u>	<u>1,660,767</u>	<u>268</u>	<u>272,909</u>
Excess (deficiency) of revenues over expenditures	<u>(1,661,035)</u>	<u>(1,660,767)</u>	<u>268</u>	<u>(272,909)</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,661,035	1,663,259	2,224	-
Transfers out	-	-	-	(3,021,483)
Proceeds of general long-term debt	-	-	-	3,294,667
<b>Total other financing sources (uses)</b>	<u>1,661,035</u>	<u>1,663,259</u>	<u>2,224</u>	<u>273,184</u>
<b>Net changes in fund balances</b>	<u>-</u>	<u>2,492</u>	<u>2,492</u>	<u>275</u>
Fund balance as of January 1	-	275	275	-
<b>Fund balance as of December 31</b>	<u>\$-</u>	<u>\$2,767</u>	<u>\$2,767</u>	<u>\$275</u>

	Real Estate Excise Tax II	Real Estate Excise Tax I	Courthouse Expansion Construction	County Park Improvement	Civic Center Building Improvement	East Whatcom Regional Resource Ctr Construction
<b>Assets</b>						
Cash and cash equivalents	\$6,112,428	\$1,275,192	\$-	\$989	\$1,436,247	\$59,615
Investments at cost	-	-	-	1,674,282	-	-
Interest receivable	-	-	-	939	-	-
Due from other funds	-	32,438	-	-	-	-
Due from other governments	413,107	-	-	-	-	-
<b>Total assets</b>	<b>\$6,525,535</b>	<b>\$1,307,630</b>	<b>\$-</b>	<b>\$1,676,210</b>	<b>\$1,436,247</b>	<b>\$59,615</b>
<b>Liabilities and fund balance</b>						
<b>Liabilities</b>						
Accounts payable	\$50,573	\$-	\$-	\$-	\$-	\$15,109
Due to other funds	804,786	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
<b>Total liabilities</b>	<b>855,359</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,109</b>
<b>Fund balances:</b>						
Restricted	5,670,176	1,307,630	-	1,676,210	1,436,247	44,506
<b>Total fund balance</b>	<b>5,670,176</b>	<b>1,307,630</b>	<b>-</b>	<b>1,676,210</b>	<b>1,436,247</b>	<b>44,506</b>
<b>Total liabilities and fund balance</b>	<b>\$6,525,535</b>	<b>\$1,307,630</b>	<b>\$-</b>	<b>\$1,676,210</b>	<b>\$1,436,247</b>	<b>\$59,615</b>

Combining Balance Sheet  
 Non-Major Capital Project Funds  
 December 31, 2011

Yew St. Rd. Construction	Lincoln Rd. Construction	2010 Jail Improvement	Lummi Nation Lease	Total Non Major Capital Project Funds
\$923,863	\$775,296	\$1,285,176	\$2,000,000	\$13,868,806
-	-	1,830,299	-	3,504,581
-	-	1,026	-	1,965
-	-	-	-	32,438
-	-	-	-	413,107
<u>\$923,863</u>	<u>\$775,296</u>	<u>\$3,116,501</u>	<u>\$2,000,000</u>	<u>\$17,820,897</u>
\$12,881	\$51	\$-	\$-	\$78,614
-	-	11,438	-	816,224
<u>12,881</u>	<u>51</u>	<u>11,438</u>	<u>-</u>	<u>894,838</u>
<u>910,982</u>	<u>775,245</u>	<u>3,105,063</u>	<u>2,000,000</u>	<u>16,926,059</u>
<u>910,982</u>	<u>775,245</u>	<u>3,105,063</u>	<u>2,000,000</u>	<u>16,926,059</u>
<u>\$923,863</u>	<u>\$775,296</u>	<u>\$3,116,501</u>	<u>\$2,000,000</u>	<u>\$17,820,897</u>

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Non-Major Capital Project Funds  
Year Ended December 31, 2011

	Real Estate Excise Tax II	Real Estate Excise Tax I	Courthouse Expansion Construction	County Park Improvement	Civic Center Building Improvement	East Whatcom Regional Resource Ctr Construction
<b>Revenues</b>						
Taxes	\$1,042,783	\$1,042,783	\$-	\$-	\$-	\$-
Intergovernmental	413,107	-	-	-	-	2,145,980
Miscellaneous	-	-	-	21,141	-	200
<b>Total revenues</b>	<b>1,455,890</b>	<b>1,042,783</b>	<b>-</b>	<b>21,141</b>	<b>-</b>	<b>2,146,180</b>
<b>Expenditures</b>						
Current:						
General government	46	-	-	-	-	-
Public safety	-	49	-	-	-	-
Physical environment	-	6,680	-	-	-	-
Culture and recreation	131,425	174	-	-	-	-
Capital outlay	431,058	-	-	-	-	4,167,390
<b>Total expenditures</b>	<b>562,529</b>	<b>6,903</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,167,390</b>
Excess (deficiency) of revenues over expenditures	893,361	1,035,880	-	21,141	-	(2,021,210)
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	1,404,036	1,056,834
Transfers out	(1,531,142)	(1,419,977)	(43)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(1,531,142)</b>	<b>(1,419,977)</b>	<b>(43)</b>	<b>-</b>	<b>1,404,036</b>	<b>1,056,834</b>
Net changes in fund balances	(637,781)	(384,097)	(43)	21,141	1,404,036	(964,376)
Fund balance as of January 1	6,307,957	1,691,727	43	1,655,069	32,211	1,008,882
<b>Fund balance as of December 31</b>	<b>\$5,670,176</b>	<b>\$1,307,630</b>	<b>\$-</b>	<b>\$1,676,210</b>	<b>\$1,436,247</b>	<b>\$44,506</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Capital Project Funds  
 Year Ended December 31, 2011

Yew St. Rd. Construction	Lincoln Rd Construction	2010 Jail Improvement	Lummi Nation Lease	Total Non Major Capital Project Funds
\$-	\$-	\$-	\$-	\$2,085,566
37,533	1,961,916	-	-	4,558,536
-	325	15,907	-	37,573
<u>37,533</u>	<u>1,962,241</u>	<u>15,907</u>	<u>-</u>	<u>6,681,675</u>
-	-	1,443	-	1,489
-	-	-	-	49
-	-	-	-	6,680
-	-	-	-	131,599
<u>72,794</u>	<u>2,698,266</u>	<u>22,376</u>	<u>-</u>	<u>7,391,884</u>
<u>72,794</u>	<u>2,698,266</u>	<u>23,819</u>	<u>-</u>	<u>7,531,701</u>
(35,261)	(736,025)	(7,912)	-	(850,026)
-	-	104,860	2,000,000	4,565,730
-	-	-	-	(2,951,162)
-	-	104,860	2,000,000	1,614,568
<u>(35,261)</u>	<u>(736,025)</u>	<u>96,948</u>	<u>2,000,000</u>	<u>764,542</u>
946,243	1,511,270	3,008,115	-	16,161,517
<u>\$910,982</u>	<u>\$775,245</u>	<u>\$3,105,063</u>	<u>\$2,000,000</u>	<u>\$16,926,059</u>

Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
Real Estate Excise Tax II  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

# Whatcom County

W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$1,020,898	\$1,042,783	\$21,885	\$990,891
Intergovernmental	507,467	413,107	(94,360)	33,913
Miscellaneous	-	-	-	225
<b>Total revenues</b>	<u>1,528,365</u>	<u>1,455,890</u>	<u>(72,475)</u>	<u>1,025,029</u>
<b>Expenditures</b>				
Current:				
General government	-	46	(46)	18,661
Culture and recreation	188,000	131,425	56,575	172,912
Capital outlay	1,706,621	431,058	1,275,563	246,183
<b>Total expenditures</b>	<u>1,894,621</u>	<u>562,529</u>	<u>1,332,092</u>	<u>437,756</u>
Excess (deficiency) of revenues over expenditures	<u>(366,256)</u>	<u>893,361</u>	<u>1,259,617</u>	<u>587,273</u>
<b>Other financing sources (uses)</b>				
Transfer in	160,000	-	(160,000)	-
Transfers out	(1,575,000)	(1,531,142)	43,858	(462,689)
<b>Total other financing sources (uses)</b>	<u>(1,415,000)</u>	<u>(1,531,142)</u>	<u>(116,142)</u>	<u>(462,689)</u>
Net changes in fund balances	<u>(1,781,256)</u>	<u>(637,781)</u>	<u>1,143,475</u>	<u>124,584</u>
Fund balance as of January 1	-	6,307,957	6,307,957	6,703,141
Prior period adjustments	-	-	-	(519,768)
<b>Fund balance as of December 31</b>	<u>\$(1,781,256)</u>	<u>\$5,670,176</u>	<u>\$7,451,432</u>	<u>\$6,307,957</u>

Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
Real Estate Excise Tax I  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

# Whatcom County

W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$1,037,401	\$1,042,783	\$5,382	\$990,891
Miscellaneous	-	-	-	10
<b>Total revenues</b>	<u>1,037,401</u>	<u>1,042,783</u>	<u>5,382</u>	<u>990,901</u>
<b>Expenditures</b>				
Current:				
Public safety	-	49	(49)	122,965
Physical environment	25,337	6,680	18,657	279,031
Culture and Recreation	45,000	174	44,826	-
Capital outlay	-	-	-	1,211,007
Debt service:				
Interest	-	-	-	43,500
<b>Total expenditures</b>	<u>70,337</u>	<u>6,903</u>	<u>63,434</u>	<u>1,656,503</u>
Excess (deficiency) of revenues over expenditures	<u>967,064</u>	<u>1,035,880</u>	<u>68,816</u>	<u>(665,602)</u>
<b>Other financing sources (uses)</b>				
Transfer in	-	-	-	769,305
Transfers out	(1,431,101)	(1,419,977)	11,124	(1,323,121)
<b>Total other financing sources (uses)</b>	<u>(1,431,101)</u>	<u>(1,419,977)</u>	<u>11,124</u>	<u>(553,816)</u>
Net changes in fund balances	<u>(464,037)</u>	<u>(384,097)</u>	<u>79,940</u>	<u>(1,219,418)</u>
Fund balance as of January 1	-	1,691,727	1,691,727	3,141,330
Prior period adjustments	-	-	-	(230,185)
<b>Fund balance as of December 31</b>	<u>\$(464,037)</u>	<u>\$1,307,630</u>	<u>\$1,771,667</u>	<u>\$1,691,727</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Courthouse Expansion Construction  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

**Whatcom County**  
 W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other Financing Sources (Uses)</b>				
Transfers out	\$ (43)	\$ (43)	\$ -	\$ -
<b>Total Other Financing Sources (Uses)</b>	<u>(43)</u>	<u>(43)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(43)	(43)	-	-
Fund balance as of January 1	-	43	43	43
<b>Fund balance as of December 31</b>	<u>\$ (43)</u>	<u>\$ -</u>	<u>\$ 43</u>	<u>\$ 43</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 County Parks Improvement  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$-	\$-	\$-	\$51
Intergovernmental	-	-	-	1,500,222
Miscellaneous	1,000	21,141	20,141	24,052
<b>Total revenues</b>	<u>1,000</u>	<u>21,141</u>	<u>20,141</u>	<u>1,524,325</u>
Excess (deficiency) of revenues over expenditures	<u>1,000</u>	<u>21,141</u>	<u>20,141</u>	<u>1,524,325</u>
Fund balance as of January 1	-	1,655,069	1,655,069	130,744
<b>Fund balance as of December 31</b>	<u>\$1,000</u>	<u>\$1,676,210</u>	<u>\$1,675,210</u>	<u>\$1,655,069</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Civic Center Building Improvement  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

**Whatcom County**  
 W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Current:				
Capital Outlay	\$1,404,036	\$-	\$1,404,036	\$-
<b>Total Expenditures</b>	<u>1,404,036</u>	<u>-</u>	<u>1,404,036</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,404,036)	-	1,404,036	-
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,404,036	1,404,036	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,404,036</u>	<u>1,404,036</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	1,404,036	1,404,036	-
Fund balance as of January 1	-	32,211	32,211	32,211
<b>Fund balance as of December 31</b>	<u>\$-</u>	<u>\$1,436,247</u>	<u>\$1,436,247</u>	<u>\$32,211</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 East Whatcom Regional Resource Ctr Construction  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental revenues	\$2,145,980	\$2,145,980	\$-	\$577,770
Miscellaneous	-	200	200	-
<b>Total revenues</b>	<u>2,145,980</u>	<u>2,146,180</u>	<u>200</u>	<u>577,770</u>
<b>Expenditures</b>				
Current:				
Capital outlay	4,211,697	4,167,390	44,307	295,810
<b>Total expenditures</b>	<u>4,211,697</u>	<u>4,167,390</u>	<u>44,307</u>	<u>295,810</u>
Excess (deficiency) of revenues over expenditures	<u>(2,065,717)</u>	<u>(2,021,210)</u>	<u>44,507</u>	<u>281,960</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,056,834	1,056,834	-	477,509
<b>Total other financing sources (uses)</b>	<u>1,056,834</u>	<u>1,056,834</u>	<u>-</u>	<u>477,509</u>
Net changes in fund balances	<u>(1,008,883)</u>	<u>(964,376)</u>	<u>44,507</u>	<u>759,469</u>
Fund balance as of January 1	-	1,008,882	1,008,882	249,413
<b>Fund balance as of December 31</b>	<u>\$(1,008,883)</u>	<u>\$44,506</u>	<u>\$1,053,389</u>	<u>\$1,008,882</u>

Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
Yew St. Rd. Construction  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

# Whatcom County

W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental revenues	\$665,573	\$37,533	\$(628,040)	\$1,562,427
<b>Total revenues</b>	<u>665,573</u>	<u>37,533</u>	<u>(628,040)</u>	<u>1,562,427</u>
<b>Expenditures</b>				
Current:				
Capital outlay	1,604,815	72,794	1,532,021	1,923,114
<b>Total expenditures</b>	<u>1,604,815</u>	<u>72,794</u>	<u>1,532,021</u>	<u>1,923,114</u>
Excess (deficiency) of revenues over expenditures	<u>(939,242)</u>	<u>(35,261)</u>	<u>903,981</u>	<u>(360,687)</u>
Fund balance as of January 1	-	946,243	946,243	1,306,930
<b>Fund balance as of December 31</b>	<u>\$(939,242)</u>	<u>\$910,982</u>	<u>\$1,850,224</u>	<u>\$946,243</u>

Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
Lincoln Rd. Construction  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

**Whatcom County**  
W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental revenues	\$1,961,916	\$1,961,916	\$-	\$438,084
Miscellaneous	-	325	325	16,000
<b>Total revenues</b>	<u>1,961,916</u>	<u>1,962,241</u>	<u>325</u>	<u>454,084</u>
<b>Expenditures</b>				
Current:				
Capital outlay	3,457,188	2,698,266	758,922	442,814
<b>Total expenditures</b>	<u>3,457,188</u>	<u>2,698,266</u>	<u>758,922</u>	<u>442,814</u>
Excess (deficiency) of revenues over expenditures	<u>(1,495,272)</u>	<u>(736,025)</u>	<u>759,247</u>	<u>11,270</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	1,500,000
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
Net changes in fund balances	<u>(1,495,272)</u>	<u>(736,025)</u>	<u>759,247</u>	<u>1,511,270</u>
Fund balance as of January 1	-	1,511,270	1,511,270	-
<b>Fund balance as of December 31</b>	<u>\$(1,495,272)</u>	<u>\$775,245</u>	<u>\$2,270,517</u>	<u>\$1,511,270</u>

Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
2010 Jail Improvement  
Year Ended December 31, 2011  
(With comparative totals for December 31, 2010)

# Whatcom County

W A S H I N G T O N

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$-	\$15,907	\$15,907	\$3,197
<b>Total revenues</b>	<u>-</u>	<u>15,907</u>	<u>15,907</u>	<u>3,197</u>
<b>Expenditures</b>				
Current:				
General Government	-	1,443	(1,443)	-
Capital outlay	3,117,700	22,376	3,095,324	-
<b>Total expenditures</b>	<u>3,117,700</u>	<u>23,819</u>	<u>3,093,881</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(3,117,700)</u>	<u>(7,912)</u>	<u>3,109,788</u>	<u>3,197</u>
<b>Other financing sources (uses)</b>				
Transfers in	104,860	104,860	-	-
Proceeds of general long-term debt	-	-	-	3,004,918
<b>Total other financing sources (uses)</b>	<u>104,860</u>	<u>104,860</u>	<u>-</u>	<u>3,004,918</u>
Net changes in fund balances	<u>(3,012,840)</u>	<u>96,948</u>	<u>3,109,788</u>	<u>3,008,115</u>
Fund balance as of January 1	-	3,008,115	3,008,115	-
<b>Fund balance as of December 31</b>	<u>\$(3,012,840)</u>	<u>\$3,105,063</u>	<u>\$6,117,903</u>	<u>\$3,008,115</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Lummi Nation Lease  
 Year Ended December 31, 2011  
 (With comparative totals for December 31, 2010)

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other financing sources (uses)</b>				
Transfers in	\$2,000,000	\$2,000,000	\$-	\$-
<b>Total other financing sources (uses)</b>	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>
Fund balance as of January 1	-	-	-	-
<b>Fund balance as of December 31</b>	<u>\$2,000,000</u>	<u>\$2,000,000</u>	<u>\$-</u>	<u>\$-</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual  
Public Utilities Improvement  
Year Ended December 31, 2011

**Whatcom County**  
W A S H I N G T O N

	Budgeted Amounts			Variance with Final Budget Positive/ (Negative)
	Original	Final	Actual Amounts (Budgetary Basis)	
<b>Revenues</b>				
Taxes	\$2,857,775	\$2,857,775	\$2,867,602	\$9,827
Miscellaneous	60,096	60,096	61,302	1,206
<b>Total revenues</b>	<u>2,917,871</u>	<u>2,917,871</u>	<u>2,928,904</u>	<u>11,033</u>
<b>Expenditures</b>				
Current:				
General government	25,000	225,000	174,434	50,566
Capital outlay	230,673	1,602,726	475,589	1,127,137
<b>Total expenditures</b>	<u>255,673</u>	<u>1,827,726</u>	<u>650,023</u>	<u>1,177,703</u>
Excess (deficiency) of revenues over expenditures	<u>2,662,198</u>	<u>1,090,145</u>	<u>2,278,881</u>	<u>1,188,736</u>
<b>Other financing sources (uses)</b>				
Transfer out	-	(2,460,870)	(2,460,870)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(2,460,870)</u>	<u>(2,460,870)</u>	<u>-</u>
Net changes in fund balances	<u>2,662,198</u>	<u>(1,370,725)</u>	<u>(181,989)</u>	<u>1,188,736</u>
Fund balance as of January 1	-	-	14,792,327	14,792,327
<b>Fund balance as of December 31</b>	<u>\$2,662,198</u>	<u>\$(1,370,725)</u>	<u>\$14,610,338</u>	<u>\$15,981,063</u>

	Equipment Rental	Administrative Services	Total
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$9,308,020	\$14,898,266	\$24,206,286
Deposits with fiscal agent	-	1,000	1,000
Accounts receivable, net	6,635	3,618	10,253
Due from other funds	52,835	17,873	70,708
Due from other governments	3,531	6,908	10,439
Interfund loan receivable	2,322,109	-	2,322,109
Inventory	1,647,555	49,008	1,696,563
<b>Total current assets</b>	<b>13,340,685</b>	<b>14,976,673</b>	<b>28,317,358</b>
Noncurrent assets			
Land	750,140	-	750,140
Building and structures, net	1,306,381	4,032	1,310,413
Capital leases, net	-	134,003	134,003
Other improvements, net	329,201	-	329,201
Machinery and equipment, net	6,547,113	371,003	6,918,116
<b>Total noncurrent assets</b>	<b>8,932,835</b>	<b>509,038</b>	<b>9,441,873</b>
<b>Total assets</b>	<b>22,273,520</b>	<b>15,485,711</b>	<b>37,759,231</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	142,233	596,976	739,209
Claims cost payable	-	4,312,627	4,312,627
Due to other funds	5,687	-	5,687
Due to other governments	3,996	17,371	21,367
Compensated absences	167,665	533,698	701,363
<b>Total current liabilities</b>	<b>319,581</b>	<b>5,460,672</b>	<b>5,780,253</b>
Noncurrent liabilities			
Other liabilities	-	430,662	430,662
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>430,662</b>	<b>430,662</b>
<b>Total liabilities</b>	<b>319,581</b>	<b>5,891,334</b>	<b>6,210,915</b>
<b>Net assets</b>			
Net assets, invested in capital assets	8,932,835	509,038	9,441,873
Unrestricted	13,021,104	9,085,339	22,106,443
<b>Total net assets</b>	<b>\$21,953,939</b>	<b>\$9,594,377</b>	<b>\$31,548,316</b>

Combining Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
Internal Service Funds  
Year Ended December 31, 2011

**Whatcom County**  
W A S H I N G T O N

	Equipment Rental	Administrative Services	Total
<b>Operating Revenue</b>			
Intergovernmental	\$-	\$175,353	\$175,353
Charges for service	4,317,492	8,052,047	12,369,539
Rents and parking	4,979,809	565,064	5,544,873
Fines and forfeits	-	465	465
Insurance premiums	-	9,177,619	9,177,619
Other miscellaneous revenues	-	41,082	41,082
<b>Total operating revenues</b>	<b>9,297,301</b>	<b>18,011,630</b>	<b>27,308,931</b>
General operations	7,053,533	17,279,299	24,332,832
General administration	684,760	-	684,760
Depreciation	1,397,184	298,536	1,695,720
<b>Total operating expenses</b>	<b>9,135,477</b>	<b>17,577,835</b>	<b>26,713,312</b>
<b>Operating income (loss)</b>	<b>161,824</b>	<b>433,795</b>	<b>595,619</b>
<b>Non-operating revenues (expenses)</b>			
Gain (loss) on sale of capital assets	21,221	-	21,221
Interest expense	-	(11,838)	(11,838)
Insurance recoveries	-	207,385	207,385
<b>Total non-operating revenues (expenses)</b>	<b>21,221</b>	<b>195,547</b>	<b>216,768</b>
<b>Income (loss) before contributions and transfers</b>	<b>183,045</b>	<b>629,342</b>	<b>812,387</b>
Capital contributions	48,801	-	48,801
Transfers in	-	379,687	379,687
Transfers out	-	(446,828)	(446,828)
<b>Changes in net assets</b>	<b>231,846</b>	<b>562,201</b>	<b>794,047</b>
Total net assets-beginning	21,722,093	9,032,176	30,754,269
<b>Total net assets-ending</b>	<b>\$21,953,939</b>	<b>\$9,594,377</b>	<b>\$31,548,316</b>

	Equipment Rental	Administrative Services	Total
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$9,458,256	\$18,288,268	\$27,746,524
Cash payments for goods and services	(6,493,825)	(11,282,841)	(17,776,666)
Cash payments to employees	(1,082,748)	(5,332,678)	(6,415,426)
<b>Net cash provided by operating activities</b>	<b>1,881,683</b>	<b>1,672,749</b>	<b>3,554,432</b>
<b>Cash flows from non-capital financing activities:</b>			
Transfers in	-	379,687	379,687
Transfers out	-	(446,828)	(446,828)
Insurance recoveries	-	207,385	207,385
<b>Net cash provided by non-capital financing activities</b>	<b>-</b>	<b>140,244</b>	<b>140,244</b>
<b>Cash flows from capital financing activities:</b>			
Interest paid on lease purchase	-	(11,838)	(11,838)
Proceeds from sale of assets	42,739	-	42,739
Payments for capital assets	(157,271)	(285,212)	(442,483)
<b>Net cash used by capital financing activities</b>	<b>(114,532)</b>	<b>(297,050)</b>	<b>(411,582)</b>
Net Increase (decrease) in cash and cash equivalents	1,767,151	1,515,943	3,283,094
Balances - beginning of the year	7,540,869	13,382,323	20,923,192
Balances - end of the year	\$9,308,020	\$14,898,266	\$24,206,286
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$161,824	\$433,795	\$595,619
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>			
Depreciation expense	1,397,184	298,536	1,695,720
Change in assets and liabilities:			
Receivables	(22,272)	276,638	254,366
Inventories	371,639	5,379	377,018
Accounts and other payables	(26,692)	674,658	647,966
Accrued expenses	-	(16,257)	(16,257)
<b>Net cash provided by operating activities</b>	<b>\$1,881,683</b>	<b>\$1,672,749</b>	<b>\$3,554,432</b>
<b>Noncash investing &amp; capital financing activities:</b>			
Contributed vehicles	\$48,801	\$-	\$48,801
<b>Total noncash investing &amp; capital financing activities</b>	<b>\$48,801</b>	<b>\$-</b>	<b>\$48,801</b>

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$220,216	\$1,235,358	\$1,455,574
Due from other funds	-	16,835	16,835
<b>Total current assets</b>	<u>220,216</u>	<u>1,252,193</u>	<u>1,472,409</u>
Noncurrent assets			
Machinery and equipment, net	-	9,385	9,385
<b>Total noncurrent assets</b>	<u>-</u>	<u>9,385</u>	<u>9,385</u>
<b>Total assets</b>	<u>220,216</u>	<u>1,261,578</u>	<u>1,481,794</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	8,272	21,830	30,102
Due to other funds	-	7,056	7,056
Due to other governments	314	3,462	3,776
Compensated absences	26,100	102,091	128,191
Other accrued liabilities	-	1,486	1,486
<b>Total current liabilities</b>	<u>34,686</u>	<u>135,925</u>	<u>170,611</u>
<b>Total liabilities</b>	<u>34,686</u>	<u>135,925</u>	<u>170,611</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	-	9,385	9,385
Unrestricted	185,530	1,116,268	1,301,798
<b>Total net assets</b>	<u>\$185,530</u>	<u>\$1,125,653</u>	<u>\$1,311,183</u>

Combining Statement of Revenues, Expenses and  
 Changes in Fund Net Assets  
 Non-Major Enterprise Funds  
 Year Ended December 31, 2011

# Whatcom County

W A S H I N G T O N

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
<b>Operating revenues</b>			
Intergovernmental	\$-	\$165,174	\$165,174
Charges for service	-	1,545,829	1,545,829
Other miscellaneous revenues	169,490	7,034	176,524
<b>Total operating revenues</b>	<u>169,490</u>	<u>1,718,037</u>	<u>1,887,527</u>
<b>Operating expenses</b>			
General operations	239,832	2,204,470	2,444,302
General administration	-	237,031	237,031
Depreciation	-	4,219	4,219
<b>Total operating expenses</b>	<u>239,832</u>	<u>2,445,720</u>	<u>2,685,552</u>
<b>Operating income (loss)</b>	<u>(70,342)</u>	<u>(727,683)</u>	<u>(798,025)</u>
Transfers in	-	1,195,050	1,195,050
<b>Changes in net assets</b>	<u>(70,342)</u>	<u>467,367</u>	<u>397,025</u>
<b>Total net assets-beginning</b>	<u>255,872</u>	<u>658,286</u>	<u>914,158</u>
<b>Total net assets-ending</b>	<u>\$185,530</u>	<u>\$1,125,653</u>	<u>\$1,311,183</u>

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$169,490	\$1,886,008	\$2,055,498
Cash payments for goods and services	(60,266)	(1,417,947)	(1,478,213)
Cash payments to employees	(180,538)	(1,015,664)	(1,196,202)
<b>Net cash provided by operating activities</b>	<u>(71,314)</u>	<u>(547,603)</u>	<u>(618,917)</u>
<b>Cash flows from non-capital financing activities:</b>			
Transfers in	-	1,195,050	1,195,050
<b>Net cash provided by non-capital financing activities</b>	<u>-</u>	<u>1,195,050</u>	<u>1,195,050</u>
Net increase (decrease) in cash and cash equivalents	(71,314)	647,447	576,133
Balances - beginning of the year	291,530	587,911	879,441
Balances - end of the year	<u>\$220,216</u>	<u>\$1,235,358</u>	<u>\$1,455,574</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$(70,342)	\$(727,683)	\$(798,025)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>			
Depreciation expense	-	4,219	4,219
Change in assets and liabilities:			
Receivables, net	-	167,971	167,971
Accounts and other payables	740	8,282	9,022
Accrued expenses	(1,712)	(392)	(2,104)
<b>Net cash provided by operating activities</b>	<u>\$(71,314)</u>	<u>\$(547,603)</u>	<u>\$(618,917)</u>

	Investment Trust Fund
<b>Assets</b>	
Certificates of deposit and saving accounts	\$5,407,150
Taxable municipal notes	4,482,948
US agency notes	118,852,820
LGIP	9,509,314
CMO	3,985,979
<b>Total assets</b>	<u>142,238,211</u>
<b>Net assets</b>	
Held in trust for pool participants	142,238,211
<b>Total net assets</b>	<u>\$142,238,211</u>

Combining Statement of Changes in Net Assets  
Investment Trust Funds  
Year Ended December 31, 2011

	Investment Trust Fund
<b>Additions</b>	
Contributions	\$134,428,685
Net investment earnings (losses)	
Interest	1,398,534
<b>Total additions</b>	<b>135,827,219</b>
<b>Deductions</b>	
Distributions	154,722,456
Change in net assets	(18,895,237)
Net assets - January 1, 2011	161,133,448
Net assets - December 31, 2011	<b>\$142,238,211</b>

	Cemetery Districts	Drainage, Diking & Flood Cntr Districts	Park & Recreation Districts	Watershed Mgmt Project Joint Board	Rural Library	Northwest Regional Council
<b>Assets</b>						
Cash and cash equivalents	\$570,623	\$242,642	\$49,797	\$829,824	\$229,925	\$926,399
Deposits with fiscal agent	-	-	-	-	-	-
Assets held in trust-external investment pool	1,580,723	160,221	885,214	-	6,381,744	1,519,551
Accounts receivable, net	-	-	-	-	-	-
<b>Total assets</b>	<b>\$2,151,346</b>	<b>\$402,863</b>	<b>\$935,011</b>	<b>\$829,824</b>	<b>\$6,611,669</b>	<b>\$2,445,950</b>
<b>Liabilities</b>						
Warrants payable	\$-	\$-	\$-	\$-	\$-	\$-
Accounts payable	4,268	260	2,115	-	157,472	57,343
Matured interest payable	-	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-
Revenue collected in advance	-	-	-	-	-	-
Custodial accounts	2,147,078	402,603	932,896	829,824	6,454,197	2,388,607
<b>Total liabilities</b>	<b>\$2,151,346</b>	<b>\$402,863</b>	<b>\$935,011</b>	<b>\$829,824</b>	<b>\$6,611,669</b>	<b>\$2,445,950</b>

Council of Government	Hospital Districts	Port	P.U.D. District	Whatcom Transit	School Districts	Watershed Districts	Fire Districts	Water Districts
\$15,997	\$(1,329)	\$88,975	\$17,825	\$-	\$7,086,325	\$14,168	\$825,409	\$802,117
-	-	-	-	-	66,825	-	-	-
264,384	252,773	-	26,146,540	19,533,983	68,106,448	-	14,100,624	3,306,006
-	-	-	-	-	-	-	-	-
<u>\$280,381</u>	<u>\$251,444</u>	<u>\$88,975</u>	<u>\$26,164,365</u>	<u>\$19,533,983</u>	<u>\$75,259,598</u>	<u>\$14,168</u>	<u>\$14,926,033</u>	<u>\$4,108,123</u>
\$-	\$-	\$-	\$-	\$-	\$6,655,511	\$-	\$-	\$-
-	124	-	5,630	-	-	2,614	148,486	128,371
-	-	-	-	-	5,000	-	-	-
-	-	-	-	-	23,271	-	1,534	-
-	-	-	-	-	-	-	-	-
<u>280,381</u>	<u>251,320</u>	<u>88,975</u>	<u>26,158,735</u>	<u>19,533,983</u>	<u>68,575,816</u>	<u>11,554</u>	<u>14,776,013</u>	<u>3,979,752</u>
<u>\$280,381</u>	<u>\$251,444</u>	<u>\$88,975</u>	<u>\$26,164,365</u>	<u>\$19,533,983</u>	<u>\$75,259,598</u>	<u>\$14,168</u>	<u>\$14,926,033</u>	<u>\$4,108,123</u>

	Treasurer's Suspense	Inmate Trust Fund	Claims Fund	Salary	Total
<b>Assets</b>					
Cash and cash equivalents	\$3,019,197	\$48,149	\$1,607,939	\$-	\$16,373,982
Deposits with fiscal agent	-	-	-	-	66,825
Assets held in trust-external investment pool	-	-	-	-	142,238,211
Accounts receivable, net	523	-	-	-	523
<b>Total assets</b>	<b>\$3,019,720</b>	<b>\$48,149</b>	<b>\$1,607,939</b>	<b>\$-</b>	<b>\$158,679,541</b>
<b>Liabilities</b>					
Warrants payable	\$-	\$-	\$1,607,939	\$-	\$8,263,450
Accounts payable	-	-	-	-	506,683
Matured interest payable	-	-	-	-	5,000
Other accrued liabilities	-	-	-	-	24,805
Revenue collected in advance	110,647	-	-	-	110,647
Custodial accounts	2,909,073	48,149	-	-	149,768,956
<b>Total liabilities</b>	<b>\$3,019,720</b>	<b>\$48,149</b>	<b>\$1,607,939</b>	<b>\$-</b>	<b>\$158,679,541</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Cemetery Districts  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$439,359	\$1,629,518	\$1,498,254	\$570,623
Assets held in trust-external investment pool	1,547,900	131,998	99,175	1,580,723
<b>Total assets</b>	<b>\$1,987,259</b>	<b>\$1,761,516</b>	<b>\$1,597,429</b>	<b>\$2,151,346</b>
<b>Liabilities</b>				
Accounts payable	\$8,277	\$283,571	\$287,580	\$4,268
Other accrued liabilities	(1)	332,278	332,277	-
Custodial accounts	1,978,983	168,095	-	2,147,078
<b>Total liabilities</b>	<b>\$1,987,259</b>	<b>\$783,944</b>	<b>\$619,857</b>	<b>\$2,151,346</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Drainage, Diking and Flood Control Districts  
 For the Year Ended December 31, 2011

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$225,982	\$334,808	\$318,148	\$242,642
Assets held in trust-external investment pool	210,551	1,890	52,220	160,221
<b>Total assets</b>	<b>\$436,533</b>	<b>\$336,698</b>	<b>\$370,368</b>	<b>\$402,863</b>
<b>Liabilities</b>				
Accounts payable	\$-	\$158,952	\$158,692	\$260
Custodial accounts	436,533	-	33,930	402,603
<b>Total liabilities</b>	<b>\$436,533</b>	<b>\$158,952</b>	<b>\$192,622</b>	<b>\$402,863</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Park and Recreation Districts  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$18,026	\$905,186	\$873,415	\$49,797
Assets held in trust-external investment pool	1,078,778	46,321	239,885	885,214
<b>Total assets</b>	<b>\$1,096,804</b>	<b>\$951,507</b>	<b>\$1,113,300</b>	<b>\$935,011</b>
<b>Liabilities</b>				
Accounts payable	\$4,996	\$270,454	\$273,335	\$2,115
Other accrued liabilities	-	37,887	37,887	-
Custodial accounts	1,091,808	-	158,912	932,896
<b>Total liabilities</b>	<b>\$1,096,804</b>	<b>\$308,341</b>	<b>\$470,134</b>	<b>\$935,011</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Watershed Management Project Joint Board  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$862,252	\$206,579	\$239,007	\$829,824
<b>Total assets</b>	<b>\$862,252</b>	<b>\$206,579</b>	<b>\$239,007</b>	<b>\$829,824</b>
<b>Liabilities</b>				
Accounts payable	\$-	\$32,427	\$32,427	\$-
Custodial accounts	862,252	-	32,428	829,824
<b>Total liabilities</b>	<b>\$862,252</b>	<b>\$32,427</b>	<b>\$64,855</b>	<b>\$829,824</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Rural Library  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$341,280	\$15,550,844	\$15,662,199	\$229,925
Assets held in trust-external investment pool	5,110,259	4,745,681	3,474,196	6,381,744
<b>Total assets</b>	<b>\$5,451,539</b>	<b>\$20,296,525</b>	<b>\$19,136,395</b>	<b>\$6,611,669</b>
<b>Liabilities</b>				
Accounts payable	\$148,405	\$3,409,360	\$3,400,293	\$157,472
Custodial accounts	5,303,134	1,151,063	-	6,454,197
<b>Total liabilities</b>	<b>\$5,451,539</b>	<b>\$4,560,423</b>	<b>\$3,400,293</b>	<b>\$6,611,669</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Northwest Regional Council  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$797,845	\$20,276,945	\$20,148,391	\$926,399
Assets held in trust-external investment pool	1,505,804	15,181	1,434	1,519,551
<b>Total assets</b>	<b>\$2,303,649</b>	<b>\$20,292,126</b>	<b>\$20,149,825</b>	<b>\$2,445,950</b>
<b>Liabilities</b>				
Accounts payable	\$6,779	\$6,434,388	\$6,383,824	\$57,343
Other accrued liabilities	(8)	4,531,177	4,531,169	-
Custodial accounts	2,296,878	91,729	-	2,388,607
<b>Total liabilities</b>	<b>\$2,303,649</b>	<b>\$11,057,294</b>	<b>\$10,914,993</b>	<b>\$2,445,950</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$18,249	\$6,434,691	\$6,436,943	\$15,997
Assets held in trust-external investment pool	351,055	2,112,950	2,199,621	264,384
<b>Total assets</b>	<b>\$369,304</b>	<b>\$8,547,641</b>	<b>\$8,636,564</b>	<b>\$280,381</b>
<b>Liabilities</b>				
Accounts payable	\$51,943	\$1,650,851	\$1,702,794	\$-
Other accrued liabilities	-	1,103,748	1,103,748	-
Custodial accounts	317,361	-	36,980	280,381
<b>Total liabilities</b>	<b>\$369,304</b>	<b>\$2,754,599</b>	<b>\$2,843,522</b>	<b>\$280,381</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Hospital Districts  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$3,666	\$687,069	\$692,064	\$(1,329)
Assets held in trust-external investment pool	230,165	207,317	184,709	252,773
<b>Total assets</b>	<b>\$233,831</b>	<b>\$894,386</b>	<b>\$876,773</b>	<b>\$251,444</b>
<b>Liabilities</b>				
Accounts payable	\$136	\$198,027	\$198,039	\$124
Other accrued liabilities	-	29,568	29,568	-
Custodial accounts	233,695	29,648	12,023	251,320
<b>Total liabilities</b>	<b>\$233,831</b>	<b>\$257,243</b>	<b>\$239,630</b>	<b>\$251,444</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Port  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$120,772	\$7,343,013	\$7,374,810	\$88,975
<b>Total assets</b>	\$120,772	\$7,343,013	\$7,374,810	\$88,975
<b>Liabilities</b>				
Custodial accounts	\$120,772	\$-	\$31,797	\$88,975
<b>Total liabilities</b>	\$120,772	\$-	\$31,797	\$88,975

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 P.U.D. District  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$1,888,853	\$39,277,445	\$41,148,473	\$17,825
Assets held in trust-external investment pool	25,634,197	16,850,479	16,338,136	26,146,540
<b>Total assets</b>	<b>\$27,523,050</b>	<b>\$56,127,924</b>	<b>\$57,486,609</b>	<b>\$26,164,365</b>
<b>Liabilities</b>				
Accounts payable	\$5,653	\$5,484,850	\$5,484,873	\$5,630
Other accrued liabilities	-	2,308,448	2,308,448	-
Custodial accounts	27,517,397	-	1,358,662	26,158,735
<b>Total liabilities</b>	<b>\$27,523,050</b>	<b>\$7,793,298</b>	<b>\$9,151,983</b>	<b>\$26,164,365</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Whatcom Transit  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$-	\$42,537,718	\$42,537,718	\$-
Assets held in trust-external investment pool	21,128,090	20,591,635	22,185,742	19,533,983
<b>Total assets</b>	<u>\$21,128,090</u>	<u>\$63,129,353</u>	<u>\$64,723,460</u>	<u>\$19,533,983</u>
<b>Liabilities</b>				
Custodial accounts	\$21,128,090	\$-	\$1,594,107	\$19,533,983
<b>Total liabilities</b>	<u>\$21,128,090</u>	<u>\$-</u>	<u>\$1,594,107</u>	<u>\$19,533,983</u>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 School Districts  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$5,130,720	\$419,707,752	\$417,752,147	\$7,086,325
Deposits with fiscal agent	33,333	23,582,426	23,548,934	66,825
Assets held in trust-external investment pool	87,545,689	84,874,194	104,313,435	68,106,448
<b>Total assets</b>	<b>\$92,709,742</b>	<b>\$528,164,372</b>	<b>\$545,614,516</b>	<b>\$75,259,598</b>
<b>Liabilities</b>				
Warrants payable	\$4,761,609	\$185,025,853	\$183,131,951	\$6,655,511
Matured long-term debt	-	15,370,850	15,370,850	-
Matured interest payable	-	8,211,099	8,206,099	5,000
Other accrued liabilities	23,271	-	-	23,271
Custodial accounts	87,924,862	165,818,891	185,167,937	68,575,816
<b>Total liabilities</b>	<b>\$92,709,742</b>	<b>\$374,426,693</b>	<b>\$391,876,837</b>	<b>\$75,259,598</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Watershed Districts  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$10,693	\$164,316	\$160,841	\$14,168
<b>Total assets</b>	<b>\$10,693</b>	<b>\$164,316</b>	<b>\$160,841</b>	<b>\$14,168</b>
<b>Liabilities</b>				
Accounts payable	\$11,350	\$45,837	\$54,573	\$2,614
Custodial accounts	(657)	12,211	-	11,554
<b>Total liabilities</b>	<b>\$10,693</b>	<b>\$58,048</b>	<b>\$54,573</b>	<b>\$14,168</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Fire Districts  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$620,957	\$47,433,089	\$47,228,637	\$825,409
Assets held in trust-external investment pool	13,679,070	11,909,718	11,488,164	14,100,624
Employee Advances	-	11	11	-
<b>Total assets</b>	<b>\$14,300,027</b>	<b>\$59,342,818</b>	<b>\$58,716,812</b>	<b>\$14,926,033</b>
<b>Liabilities</b>				
Accounts payable	\$80,024	\$6,581,594	\$6,513,132	\$148,486
Other accrued liabilities	397	7,611,530	7,610,393	1,534
Custodial accounts	14,219,606	556,407	-	14,776,013
<b>Total liabilities</b>	<b>\$14,300,027</b>	<b>\$14,749,531</b>	<b>\$14,123,525</b>	<b>\$14,926,033</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Water Districts  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$680,406	\$12,609,531	\$12,487,820	\$802,117
Assets held in trust-external investment pool	3,111,890	481,625	287,509	3,306,006
<b>Total assets</b>	<b>\$3,792,296</b>	<b>\$13,091,156</b>	<b>\$12,775,329</b>	<b>\$4,108,123</b>
<b>Liabilities</b>				
Accounts payable	\$149,008	\$4,728,948	\$4,749,585	\$128,371
Other accrued liabilities	-	837,477	837,477	-
Custodial accounts	3,643,288	336,464	-	3,979,752
<b>Total liabilities</b>	<b>\$3,792,296</b>	<b>\$5,902,889</b>	<b>\$5,587,062</b>	<b>\$4,108,123</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Treasurer's Suspense  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$3,108,486	\$124,295,945	\$124,385,234	\$3,019,197
Accounts receivable, net	(369)	550,689	549,797	523
<b>Total assets</b>	<b>\$3,108,117</b>	<b>\$124,846,634</b>	<b>\$124,935,031</b>	<b>\$3,019,720</b>
<b>Liabilities</b>				
Revenue collected in advance	\$128,771	\$360,502	\$378,626	\$110,647
Custodial accounts	2,979,346	17,931,438	18,001,711	2,909,073
<b>Total liabilities</b>	<b>\$3,108,117</b>	<b>\$18,291,940</b>	<b>\$18,380,337</b>	<b>\$3,019,720</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Inmate Trust Fund  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$50,146	\$48,149	\$50,146	\$48,149
<b>Total assets</b>	\$50,146	\$48,149	\$50,146	\$48,149
<b>Liabilities</b>				
Custodial accounts	\$50,146	\$48,149	\$50,146	\$48,149
<b>Total liabilities</b>	\$50,146	\$48,149	\$50,146	\$48,149

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Claims Fund  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$1,559,496	\$375,112,340	\$375,063,897	\$1,607,939
<b>Total assets</b>	<u>\$1,559,496</u>	<u>\$375,112,340</u>	<u>\$375,063,897</u>	<u>\$1,607,939</u>
<b>Liabilities</b>				
Warrants payable	\$1,559,496	\$94,094,907	\$94,046,464	\$1,607,939
<b>Total liabilities</b>	<u>\$1,559,496</u>	<u>\$94,094,907</u>	<u>\$94,046,464</u>	<u>\$1,607,939</u>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Salary Fund  
 For the Year Ended December 31, 2011



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

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Total Agency Funds  
 For the Year Ended December 31, 2011



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash and cash equivalents	\$15,878,868	\$1,114,554,938	\$1,114,059,824	\$16,373,982
Deposits with fiscal agent	33,333	23,582,426	23,548,934	66,825
Assets held in trust-external investment pool	161,133,448	141,968,989	160,864,226	142,238,211
Accounts receivable, net	(369)	550,689	549,797	523
Employee Advances	-	11	11	-
<b>Total assets</b>	<b>\$177,045,280</b>	<b>\$1,280,657,053</b>	<b>\$1,299,022,792</b>	<b>\$158,679,541</b>
<b>Liabilities</b>				
Warrants payable	\$6,321,105	\$279,120,760	\$277,178,415	\$8,263,450
Accounts payable	466,571	29,279,259	29,239,147	506,683
Matured long-term debt	-	15,370,850	15,370,850	-
Matured interest payable	-	8,211,099	8,206,099	5,000
Other accrued liabilities	23,659	16,792,113	16,790,967	24,805
Revenue collected in advance	128,771	360,502	378,626	110,647
Custodial accounts	170,105,174	186,144,095	206,480,313	149,768,956
<b>Total liabilities</b>	<b>\$177,045,280</b>	<b>\$535,278,678</b>	<b>\$553,644,417</b>	<b>\$158,679,541</b>

Schedule of Expenditures - Budget and Actual  
 General Fund by Department  
 Year Ended December 31, 2011



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Expenditures*</b>				
Assessor	\$2,748,664	\$2,748,664	\$2,663,618	\$85,046
Auditor	1,226,126	1,226,126	1,206,900	19,226
County Council	933,765	997,185	930,228	66,957
County Executive	589,255	589,255	575,992	13,263
Planning & Development Services	5,087,269	5,087,269	4,498,800	588,469
Treasurer	1,299,323	1,299,323	1,235,718	63,605
Sheriff	13,450,232	15,339,516	14,770,707	568,809
District Court	1,960,280	1,961,380	1,899,955	61,425
District Court Probation	1,623,160	1,623,160	1,457,880	165,280
Hearing Examiner	176,351	176,866	174,457	2,409
Juvenile	4,157,043	4,157,043	3,935,606	221,437
Prosecuting Attorney	5,618,377	5,618,377	5,485,420	132,957
Public Defender	3,409,730	3,421,647	3,236,662	184,985
Superior Court	4,918,361	4,918,361	4,764,285	154,076
Extension	325,644	325,644	310,427	15,217
Non-Departmental	11,663,978	12,711,195	10,955,538	1,755,657
Park	3,400,349	3,430,249	3,155,777	274,472
Health	12,349,647	12,349,648	10,504,536	1,845,112
<b>Total expenditures</b>	<b>\$74,937,554</b>	<b>\$77,980,908</b>	<b>\$71,762,506</b>	<b>\$6,218,402</b>

\*Includes transfers out. Also, expenditures for the General Fund on the Statement of Revenues, Expenditures, and Changes in Fund Balance are \$360,388 greater due to Special Revenue Funds that are required to be added to the General Fund per GASB 54.



## **Statistical Section**

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

# Whatcom County

W A S H I N G T O N

Page 1 of 2

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

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

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$147,777,970	\$152,741,995	\$154,711,058	\$161,673,277	\$170,627,638	\$177,863,686
37,138,374	42,636,125	48,763,237	52,108,715	55,818,803	82,559,994
47,089,887	42,369,254	40,277,750	41,820,506	48,310,008	30,353,275
<u>\$232,006,231</u>	<u>\$237,747,374</u>	<u>\$243,752,045</u>	<u>\$255,602,498</u>	<u>\$274,756,449</u>	<u>\$290,776,955</u>
\$-	\$-	\$-	\$11,030	\$13,604	\$9,385
1,356,979	1,118,015	1,281,325	1,065,524	717,027	1,074,308
<u>\$1,356,979</u>	<u>\$1,118,015</u>	<u>\$1,281,325</u>	<u>\$1,076,554</u>	<u>\$730,631</u>	<u>\$1,083,693</u>
\$147,777,970	\$152,741,995	\$154,711,058	\$161,684,307	\$170,641,242	\$177,873,071
37,138,374	42,636,125	48,763,237	52,108,715	55,818,803	82,559,994
48,446,866	43,487,269	41,559,075	42,886,030	49,027,035	31,427,583
<u>\$233,363,210</u>	<u>\$238,865,389</u>	<u>\$245,033,370</u>	<u>\$256,679,052</u>	<u>\$275,487,080</u>	<u>\$291,860,648</u>

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

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

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

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$25,962,056	\$28,158,688	\$27,997,779	\$28,168,081	\$28,311,133	\$28,299,947
32,987,070	37,224,359	38,232,242	40,222,432	39,655,473	39,647,081
6,834,562	5,347,914	6,186,344	5,837,464	5,879,096	4,906,672
20,255,214	22,278,320	22,798,444	21,018,834	20,425,894	21,759,103
1,699,968	3,124,810	2,850,280	3,238,483	3,202,356	3,461,965
10,391,837	11,434,223	12,120,599	12,533,782	12,554,614	12,908,382
4,127,397	4,477,382	4,629,266	4,471,334	4,341,404	4,081,926
520,685	455,019	386,777	349,055	338,326	303,440
102,778,789	112,500,715	115,201,731	115,839,465	114,708,296	115,368,516
166,927	121,904	210,241	231,888	237,051	240,334
1,853,340	1,878,616	2,122,726	2,610,124	2,703,673	2,489,181
2,020,267	2,000,520	2,332,967	2,842,012	2,940,724	2,729,515
\$104,799,056	\$114,501,235	\$117,534,698	\$118,681,477	\$117,649,020	\$118,098,031
\$4,465,927	\$4,961,311	\$5,053,605	\$4,943,476	\$4,864,383	\$5,104,591
5,438,864	4,493,174	4,792,536	4,304,219	4,255,009	3,623,893
861,816	872,539	814,710	765,824	780,925	769,494
2,086,524	1,927,735	1,783,013	2,898,710	2,821,648	2,687,479
619,536	727,247	760,265	1,046,421	1,166,884	1,049,701
2,200,935	2,172,139	2,113,196	2,603,941	2,604,947	2,331,138
357,967	375,583	447,164	382,305	334,926	361,225
20,823,563	18,649,931	20,863,909	22,394,421	25,612,409	26,001,375
8,920,486	6,780,293	5,945,726	11,302,265	10,320,164	8,089,478
45,775,618	40,959,952	42,574,124	50,641,582	52,761,295	50,018,374
1,085,280	1,352,430	1,551,139	1,488,534	1,432,710	1,887,527
1,085,280	1,352,430	1,551,139	1,488,534	1,432,710	1,887,527
\$46,860,898	\$42,312,382	\$44,125,263	\$52,130,116	\$54,194,005	\$51,905,901
\$(57,003,171)	\$(71,540,763)	\$(72,627,607)	\$(65,197,883)	\$(61,947,001)	\$(65,350,142)
(934,987)	(648,090)	(781,828)	(1,353,478)	(1,508,014)	(841,988)
\$(57,938,158)	\$(72,188,853)	\$(73,409,435)	\$(66,551,361)	\$(63,455,015)	\$(66,192,130)

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

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

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$40,919,106	\$42,763,435	\$44,559,288	\$46,380,334	\$47,208,461	\$47,891,011
198,732	278,895	329,173	184,659	183,636	354,707
19,145,002	20,126,476	21,174,687	22,018,138	22,368,270	22,887,516
5,266,333	5,181,286	3,744,369	2,773,961	2,466,037	2,612,122
1,603,642	1,659,701	1,582,257	1,519,426	2,362,264	2,498,709
4,618,179	5,648,889	4,397,348	2,610,935	1,358,391	1,096,735
1,070,852	406,285	2,041,760	902,804	698,530	1,013,444
1,589,307	1,626,065	1,748,534	1,806,786	2,869,262	1,677,984
(2,153,572)	(409,126)	(945,138)	(1,148,707)	(1,162,091)	(1,195,050)
<u>72,257,581</u>	<u>77,281,906</u>	<u>78,632,278</u>	<u>77,048,336</u>	<u>78,352,760</u>	<u>78,837,178</u>
<u>2,153,572</u>	<u>409,126</u>	<u>945,138</u>	<u>1,148,707</u>	<u>1,162,091</u>	<u>1,195,050</u>
<u>2,153,572</u>	<u>409,126</u>	<u>945,138</u>	<u>1,148,707</u>	<u>1,162,091</u>	<u>1,195,050</u>
<u>\$74,411,153</u>	<u>\$77,691,032</u>	<u>\$79,577,416</u>	<u>\$78,197,043</u>	<u>\$79,514,851</u>	<u>\$80,032,228</u>
\$15,254,410	\$5,741,143	\$6,004,671	\$11,850,453	\$16,405,759	\$13,487,036
<u>1,218,585</u>	<u>(238,964)</u>	<u>163,310</u>	<u>(204,771)</u>	<u>(345,923)</u>	<u>353,062</u>
<u>\$16,472,995</u>	<u>\$5,502,179</u>	<u>\$6,167,981</u>	<u>\$11,645,682</u>	<u>\$16,059,836</u>	<u>\$13,840,098</u>

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

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>General Fund</b>					
Reserved	\$1,022,792	\$602,066	\$961,837	\$1,533,073	\$1,500,338
Unreserved	15,472,644	18,891,088	21,314,448	22,074,170	21,264,377
Restricted	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total general fund</b>	<b>\$16,495,436</b>	<b>\$19,493,154</b>	<b>\$22,276,285</b>	<b>\$23,607,243</b>	<b>\$22,764,715</b>
<b>All Other Governmental Funds</b>					
Reserved	\$3,469,088	\$4,969,099	\$4,521,743	\$4,649,640	\$3,555,539
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	24,294,072	25,034,534	27,062,122	29,301,974	27,435,371
Capital projects funds	7,556,558	9,193,792	10,481,786	14,534,527	18,986,564
Debt service funds	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$35,319,718</b>	<b>\$39,197,425</b>	<b>\$42,065,651</b>	<b>\$48,486,141</b>	<b>\$49,977,474</b>

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

Fiscal Year				
2007	2008	2009	2010	2011
\$1,578,146	\$496,119	\$1,905,595	\$349,228	\$-
13,946,987	10,449,164	5,780,610	8,839,368	-
-	-	-	-	158,781
-	-	-	-	10,370,694
<u>\$15,525,133</u>	<u>\$10,945,283</u>	<u>\$7,686,205</u>	<u>\$9,188,596</u>	<u>\$10,529,475</u>
\$11,536,525	\$7,462,881	\$10,233,116	\$10,092,405	\$-
-	-	-	-	85,559,994
-	-	-	-	418,449
-	-	-	-	4,107,225
28,828,111	38,144,944	45,552,152	51,695,565	-
16,861,084	19,377,053	17,469,599	21,780,998	-
-	-	-	-	-
<u>\$57,225,720</u>	<u>\$64,984,878</u>	<u>\$73,254,867</u>	<u>\$83,568,968</u>	<u>\$90,085,668</u>

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

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Revenues</b>					
Taxes	\$49,257,944	\$51,872,132	\$55,452,648	\$61,728,366	\$67,370,343
Licenses and permits	1,760,008	2,243,794	2,390,146	2,734,130	2,414,757
Intergovernmental	20,968,672	19,404,333	21,763,095	25,326,753	29,274,897
Charges for services	8,696,953	10,022,119	10,163,856	11,344,374	10,868,913
Fines and forfeits	1,946,964	2,675,698	2,124,567	2,242,373	2,341,077
Miscellaneous	4,296,233	3,864,099	3,388,809	4,874,670	6,255,152
Total Revenues	<u>86,926,774</u>	<u>90,082,175</u>	<u>95,283,121</u>	<u>108,250,666</u>	<u>118,525,139</u>
<b>Expenditures</b>					
General government	16,863,877	18,270,858	19,443,137	21,788,506	23,812,063
Public safety	22,879,744	23,597,879	25,866,906	29,133,971	32,082,423
Physical environment	6,544,045	5,866,598	4,167,394	4,690,061	6,800,424
Transportation	14,126,042	14,371,656	14,761,101	15,371,674	14,265,469
Economic environment	1,322,618	1,424,252	1,758,741	2,112,155	1,686,264
Mental and physical health	9,194,004	9,180,782	9,151,500	9,758,671	10,317,834
Culture and recreation	3,363,082	3,639,514	3,623,601	3,822,326	4,023,630
Capital outlay	7,800,595	5,715,028	10,215,134	12,328,740	20,223,545
Debt service:					
Principal	1,873,976	1,339,612	1,366,817	1,454,054	1,487,667
Interest	925,316	761,804	630,680	582,938	513,772
Total expenditures	<u>84,893,299</u>	<u>84,167,983</u>	<u>90,985,011</u>	<u>101,043,096</u>	<u>115,213,091</u>
Excess of revenues over (under) expenditures	2,033,475	5,914,192	4,298,110	7,207,570	3,312,048
<b>Other Financing Sources (Uses)</b>					
Proceeds of refunding long-term debt	-	4,535	-	-	-
Payments to refunded debt escrow agent	-	(700,000)	-	-	-
Sales of capital assets	1,349,487	1,948,251	1,984,251	1,887,188	1,070,852
Transfers in	7,117,775	7,024,604	3,282,824	6,308,650	13,664,755
Transfers out	(9,234,220)	(7,316,157)	(3,913,828)	(7,651,960)	(17,398,850)
Insurance recoveries	-	-	-	-	-
Capital Lease Proceeds	-	-	-	-	-
Proceeds of refunding long-term debt	-	-	-	-	-
Total other financing sources (uses)	<u>(766,958)</u>	<u>961,233</u>	<u>1,353,247</u>	<u>543,878</u>	<u>(2,663,243)</u>
Net change in fund balance	<u>\$1,266,517</u>	<u>\$6,875,425</u>	<u>\$5,651,357</u>	<u>\$7,751,448</u>	<u>\$648,805</u>
Debt service as a percentage of noncapital expenditures	3.6%	2.7%	2.5%	2.3%	2.1%

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

Fiscal Year				
2007	2008	2009	2010	2011
\$70,107,234	\$71,604,169	\$73,092,573	\$75,212,285	\$77,746,503
2,274,537	2,129,723	2,318,034	2,314,115	2,091,213
25,185,457	26,676,379	33,569,286	35,734,318	33,678,960
11,024,720	11,014,729	11,719,977	11,240,618	10,738,984
2,215,230	2,472,025	1,996,883	2,314,995	2,157,685
7,252,667	6,091,879	3,818,078	3,187,505	2,991,394
<u>118,059,845</u>	<u>119,988,904</u>	<u>126,514,831</u>	<u>130,003,836</u>	<u>129,404,739</u>
24,866,182	26,805,883	26,465,479	26,796,709	26,560,989
35,688,892	36,746,100	39,325,404	39,352,531	38,991,462
5,316,908	6,159,485	5,886,626	5,992,306	4,925,995
15,626,476	16,678,152	15,278,092	14,881,399	15,744,702
3,106,759	2,852,800	3,224,050	3,202,329	3,461,926
11,392,901	12,019,930	12,433,475	12,522,896	12,859,278
4,412,479	4,494,523	4,337,790	4,201,730	4,003,549
13,466,397	8,241,819	13,503,595	13,908,191	13,058,768
1,471,877	1,564,266	1,636,834	4,984,596	1,912,564
443,708	377,370	340,715	343,889	308,415
<u>115,792,579</u>	<u>115,940,328</u>	<u>122,432,060</u>	<u>126,186,576</u>	<u>121,827,648</u>
2,267,266	4,048,576	4,082,771	3,817,260	7,577,091
-	-	-	-	-
-	-	-	-	-
406,285	2,041,760	902,804	698,530	1,013,444
14,419,515	13,070,745	19,572,672	20,336,343	18,045,344
(17,084,402)	(15,991,306)	(19,547,336)	(20,060,214)	(19,173,253)
-	9,533	-	31,395	-
-	-	-	152,156	24,916
-	-	-	6,299,585	-
<u>(2,258,602)</u>	<u>(869,268)</u>	<u>928,140</u>	<u>7,457,795</u>	<u>(89,549)</u>
<u>\$8,664</u>	<u>\$3,179,308</u>	<u>\$5,010,911</u>	<u>\$11,275,055</u>	<u>\$7,487,542</u>
1.9%	1.8%	1.8%	4.7%	2.0%

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
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
2009	\$23,880,773,485	\$679,638,800	\$517,127,911	\$25,077,540,196	2.56
2010	\$22,505,099,007	\$677,339,019	\$546,628,098	\$23,729,066,124	2.54
2011	\$22,308,236,281	\$662,811,967	\$560,527,534	\$23,531,575,782	2.75

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
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
2009	0.991	1.573	0.000	2.564	3.080	1.005	0.306	2.131	2.219
2010	0.995	1.542	0.000	2.537	3.060	1.106	0.296	2.095	2.198
2011	1.086	1.665	0.000	2.751	3.418	1.078	0.297	2.202	2.456

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 Districts
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
0.339	0.564	0.070	0.440	0.060
0.440	0.583	0.083	0.431	0.060
0.486	0.543	0.073	0.511	0.070

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

# Whatcom County

W A S H I N G T O N

Taxpayer	2011			2002		
	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(ARCO)	\$878,787,141	1	3.73%	\$475,318,540	1	3.77%
Tosco Corporation	443,499,599	2	1.88	110,312,345	4	0.87
Puget Sound Energy/ Electric	246,060,970	3	1.05	263,152,530	2	2.09
Alumet Corp 61%, ET AL	81,271,255	4	0.35	145,688,495	3	1.15
Tenaska Washington Partners LP	64,897,026	5	0.28	64,022,225	6	0.51
Frontier Comm. NW (Verizon)	49,828,360	6	0.21	49,058,393	7	0.39
Northwest Pipeline Corp	49,711,497	7	0.21			-
Cascade Natural Gas	42,968,269	8	0.18			-
Trans Mountain Pipeline	42,801,671	9	0.18			-
Bellis Fair Partners	41,559,537	10	0.18	47,207,780	8	0.37
Trillium			-	34,048,300	10	0.27
Sumas Cogeneration Co. LP			-	71,970,915	5	0.57
Talbot Real Estate LLC			-	44,345,745	9	0.35
Total	<u>\$1,941,385,325</u>		<u>8.25%</u>	<u>\$1,305,125,268</u>		<u>10.34%</u>

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
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%
2009	\$46,463,503	\$45,913,252	98.82%	\$705,064	\$46,618,316	100.33%
2010	\$47,153,892	\$45,685,615	96.89%	\$1,172,306	\$46,857,921	99.37%
2011	\$47,847,922	\$46,776,167	97.76%	\$1,608,502	\$48,384,669	101.12%

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	Capital Leases			
2002	\$15,830,000	\$422,150	\$318,026	\$16,570,176	0.16%	\$96
2003	\$14,075,000	\$282,538	\$416,428	\$14,773,966	0.18%	\$85
2004	\$12,805,000	\$194,482	\$328,397	\$13,327,879	0.21%	\$75
2005	\$11,495,000	\$78,013	\$337,571	\$11,910,584	0.25%	\$66
2006	\$10,115,000	\$-	\$394,926	\$10,509,926	0.31%	\$57
2007	\$8,675,000	\$-	\$418,255	\$9,093,255	0.38%	\$48
2008	\$7,145,000	\$-	\$454,846	\$7,599,846	0.47%	\$40
2009	\$5,545,000	\$-	\$302,541	\$5,847,541	0.61%	\$30
2010	\$6,735,000	\$-	\$387,240	\$7,122,240	0.51%	\$36
2011	\$4,865,000	\$-	\$268,374	\$5,133,374	Not Available	\$25

*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
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
2009	\$5,545,000	0.02%	\$28.72
2010	\$6,735,000	0.03%	\$34.45
2011	\$4,865,000	0.02%	\$24.07

*Note: Details of the County's outstanding debt can be found in the Notes to the Financial Statements.*

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Whatcom County	Amount Applicable to Whatcom County
Whatcom County	\$4,865,000	100%	\$4,865,000
<b>Total Direct Bonded Debt</b>	<b>\$4,865,000</b>		<b>\$4,865,000</b>
Fire Districts	\$2,645,000	100%	\$2,645,000
Water Districts	\$1,010,331	100%	\$1,010,331
School Districts	\$160,991,962	100%	\$160,991,962
Park Districts	\$610,000	100%	\$610,000
<b>Total Overlapping Bonded Debt</b>	<b>\$165,257,293</b>		<b>\$165,257,293</b>
<b>Total Direct &amp; Overlapping Bonded Debt</b>	<b>\$170,122,293</b>		<b>\$170,122,293</b>

Source: Whatcom County Treasurer.

	Fiscal Year				
	2002	2003	2004	2005	2006
Debt limit	\$189,250,148	\$196,045,944	\$217,976,649	\$251,111,247	\$304,185,667
Total net debt applicable to limit	21,795,681	19,386,417	19,949,864	20,994,212	18,940,844
Legal debt margin	\$167,454,467	\$176,659,527	\$198,026,785	\$230,117,035	\$285,244,823
Total net debt applicable to the limit as a percentage of debt limit	11.52%	9.89%	9.15%	8.36%	6.23%

*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.*

Fiscal Year				
2007	2008	2009	2010	2011
\$332,994,971	\$363,972,353	\$376,163,103	\$355,935,992	\$352,973,637
17,952,035	16,095,405	15,119,442	16,587,403	15,087,827
<u>\$315,042,936</u>	<u>\$347,876,948</u>	<u>\$361,043,661</u>	<u>\$339,348,589</u>	<u>\$337,885,810</u>
5.39%	4.42%	4.02%	4.66%	4.27%

**Legal Debt Margin Calculation for Fiscal Year 2011**

Assessed value	23,531,575,782
Debt limit (1.5% of assessed value without a vote)	352,973,637
Debt applicable to limit:	
Outstanding debt	15,091,107
Less: Amounts set aside for repayment of general obligation debt	<u>(3,280)</u>
Total net debt applicable to limit	<u>15,087,827</u>
Legal debt margin	<u>\$337,885,810</u>

Pledged Revenue Coverage  
 Last Ten Fiscal Years  
 Schedule 13

Fiscal Year	Special Assessment Bonds				Coverage
	Assessments Collected	Debt Service			
		Principal	Interest		
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	\$-	\$-	-	
2009	\$-	\$-	\$-	-	
2010	\$-	\$-	\$-	-	
2011	\$7,283	\$-	\$-	-	

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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	\$6,163,453	\$32,639	35.36	26,807	4.5%
2007	188,300	\$6,750,225	\$35,004	35.45	26,755	4.2%
2008	191,000	\$7,010,166	\$35,592	35.53	26,787	5.0%
2009	193,100	\$7,111,092	\$35,478	35.65	26,514	8.3%
2010	195,500	\$7,378,285	\$36,596	35.87	26,711	8.8%
2011	202,100	Not Available	Not Available	36.89	27,161	8.3%

*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.*

Employer	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
St. Joseph Hospital/Madrona	2,753	1	2.66%	1,800	2	2.11%
Western Washington University	1,592	2	1.54%	1,842	1	2.15%
Bellingham School District	1,312	3	1.27%	1,244	3	1.46%
City of Bellingham	899	4	0.87%	808	6	0.95%
Whatcom County	864	5	0.84%	801	4	0.94%
BP (Cherry Point Refinery)	800	6	0.77%	807	5	0.94%
Sodexo Services	652	7	0.63%			
Ferndale School District	698	8	0.67%	742	7	0.87%
Heath Techna	704	9	0.68%			
Lummi Tribal Office	640	10	0.62%			
Intalco				689	8	0.81%
Brown & Cole, Inc				620	9	0.73%
Voicestream				563	10	0.66%
<b>Total</b>	<b>10,914</b>		<b>10.55%</b>	<b>9,916</b>		<b>11.60%</b>

Source: Western Washington 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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Government</b>										
Administrative Svcs	60.25	60.75	67.45	72.95	77.55	81.75	81.05	78.45	66.85	61.85
Assessor	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	29.00	28.00
Auditor	18.00	19.00	20.00	22.00	22.00	22.00	22.00	21.00	19.00	19.00
County Council	9.50	9.50	9.50	9.50	9.50	10.50	10.50	10.50	9.50	9.50
County Executive	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.40	4.00	4.00
District Court Prob.	18.00	18.00	18.00	19.00	20.00	19.50	19.50	18.50	15.70	15.70
District Court	16.00	16.00	17.00	18.00	19.00	21.00	21.00	20.00	18.50	18.50
Prosecuting Attorney	47.50	48.60	48.60	52.60	52.60	54.60	54.60	54.60	50.90	50.90
Public Defender	28.00	28.00	28.00	33.50	34.50	36.80	37.80	36.80	32.80	29.80
Superior Court	33.00	33.00	34.70	37.20	41.50	44.50	44.50	43.50	40.20	40.20
Treasurer	15.50	15.50	16.00	16.00	16.00	16.00	16.00	15.00	13.00	13.00
<b>Public Safety</b>										
Jail	60.00	60.00	63.00	88.00	88.50	91.50	91.50	92.50	88.50	86.50
Juvenile Court Admin	47.00	45.00	45.10	45.80	45.80	45.80	46.80	46.80	38.40	38.40
Planning & Dev't Svcs	48.35	49.35	57.00	69.60	72.60	74.60	73.60	67.60	47.00	47.00
Sheriff	92.00	92.00	99.80	101.80	102.20	106.20	108.20	108.70	106.50	108.50
<b>Transportation</b>										
Public Works	155.00	153.00	155.00	155.50	163.70	173.70	176.20	169.70	153.70	155.70
<b>Economic Environment</b>										
Hearing Examiner	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Mental &amp; Physical Health</b>										
Health	82.50	80.10	80.10	80.50	80.70	84.70	90.70	86.70	75.20	73.15
<b>Culture and Recreation</b>										
Cooperative Extension	2.79	2.79	2.52	2.52	2.52	2.52	2.52	2.42	2.52	2.52
Parks & Recreation	33.55	33.55	33.55	33.55	33.55	34.75	34.75	33.75	25.75	23.00
<b>Total</b>	<b>802.44</b>	<b>799.64</b>	<b>830.82</b>	<b>893.52</b>	<b>917.72</b>	<b>955.92</b>	<b>966.72</b>	<b>941.92</b>	<b>838.02</b>	<b>826.22</b>

Source: Whatcom County Administrative Services.

Function/ Program	Fiscal Year			
	2002	2003	2004	2005
<b>General Government</b>				
General Election (1)				
# of Registered Voters	91,956	94,753	106,094	102,118
# of Votes	55,066	45,786	91,497	63,716
% of Reg. Voters Voting	59.9%	48.3%	86.2%	62.4%
Assessor (2)				
Real Property Parcels	101,362	102,025	102,261	105,200
Building Permits Evaluated	3,987	4,434	5,276	5,528
New Single Family Residences	1,792	1,916	1,992	2,295
Judicial (3)				
District Court Infractions	16,412	17,810	19,016	18,393
<b>Public Safety (4)</b>				
# of Fire Inspections	544	446	540	303
# Sheriffs - Commissioned	74.00	74.00	77.00	78.00
# Sheriffs - Civilian	18.00	19.00	22.80	23.80
Calls for Service	26,930	28,815	26,930	28,815
Average Daily Jail Population	236	240	246	263
Building Department				
Permits Applications*	1,514	1,880	2,022	2,050
Mechanical/Plumbing	778	844	800	607
<b>Physical Environment (5)</b>				
Flood Permits Issued	127	115	125	115
<b>Transportation (6)</b>				
Roads Oiled	662.20	665.38	666.03	667.17
Roads Asphalt	215.08	220.28	226.23	230.75
Roads Gravel	52.06	48.50	41.79	38.99
Roads Misc	20.82	17.90	17.90	17.86
Ferry Passengers	227,524	227,282	230,563	226,933
Ferry Vehicle Trips	134,203	136,441	137,127	133,717
<b>Culture and Recreation (7)</b>				
Number of Parks	9	10	11	11

(1) Source: Whatcom County Auditor.

(2) Source: Whatcom County Assessor.

(3) Source: Whatcom County District Court.

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

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

(6) Source: Whatcom County Public Works.

(7) Source: Whatcom County Parks.

Fiscal Year					
2006	2007	2008	2009	2010	2011
102,819	102,458	115,314	114,292	116,581	117,162
69,782	55,059	101,399	61,288	86,993	69,147
67.9%	53.7%	87.9%	53.6%	74.6%	59.0%
108,076	109,013	109,507	110,327	111,567	111,107
5,521	5,821	4,083	5,460	3,186	4,622
2,487	2,592	877	496	151	210
19,837	21,062	21,253	17,478	19,142	18,206
163	336	337	325	253	180
78.00	82.00	84.00	84.00	85.00	88.00
24.20	24.20	24.20	24.70	20.50	20.50
28,477	29,917	29,499	27,642	27,230	26,632
290	262	277	283	275	261
1,748	1,409	1,142	855	946	739
496	515	420	433	467	461
50	32	17	22	55	91
668.53	667.15	667.94	663.93	663.55	663.24
235.07	236.11	237.83	233.39	233.94	234.09
35.24	31.74	30.46	30.40	30.40	29.55
15.69	16.04	15.54	15.60	15.60	14.59
231,111	222,604	216,838	207,160	197,980	185,801
137,366	129,552	123,285	119,400	110,405	107,164
12	12	20	20	20	17

Function/ Program	2002	2003	2004	2005
<b>Function</b>				
Public Safety (1)				
Sheriff Patrol Units	78.00	82.00	82.00	87.50
Transportation (1)				
Miles of Road	950.16	952.06	952.00	954.77
Traffic Signals	4	4	4	4
Ferry Vessel	1	1	1	1
Fire Protection (2)				
No. of Districts	18	18	18	17
No. of Paid Firemen	50	51	55	54
No. of Volunteer Firemen	609	599	584	566
Culture and Recreation (3)				
Parks - Number	9	9	10	11
Parks - Acres	3,893.87	4,077.77	6,615.69	6,636.69
Senior Centers	8*	8*	8*	8*
Public Schools (4)				
Number of Schools				
Elementary	35	35	36	35
Middle	11	11	12	11
High	10	10	11	10
Alternative or Special	12	16	12	10
Education				
Community Colleges	1	1	1	1
Technical	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.*

Fiscal Year					
2006	2007	2008	2009	2010	2011
87.50	91.50	93.50	93.5	93.5	93.5
954.54	951.04	951.77	943.32	943.49	941.47
4	4	3	3	3	3
1	1	1	1	1	1
16	16	16	12	12	11
58	58	58	53	53	45
529	528	528	448	448	396
12	12	20	20	20	17
6,820.35	6,894.88	7,030.38	7,030.38	7,030.38	7,109.00
8*	8*	8*	8*	8*	8*
35	35	35	35	36	37
11	11	11	11	10	11
10	10	10	11	11	11
15	17	16	13	13	14
1	1	1	1	1	1
1	1	1	1	1	1