



Comprehensive Annual Financial Report

For Fiscal Year Ending
December 31, 2013

Whatcom County
WASHINGTON

Comprehensive Annual Financial Report

Whatcom County Washington

Fiscal Year Ending December 31, 2013



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

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On the Cover:

Wildlife Viewing Tower at Tennant Lake Park Interpretive Center and Fragrance Garden

Photo by Sara Winger © August 2014

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Jack Louws
County Executive

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



September 29, 2014

Citizens of Whatcom County:

We are pleased to submit the Comprehensive Annual Financial Report of Whatcom County for the year ended December 31, 2013, 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 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 7.

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 2013 is estimated at 206,353.

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 12.0% since 2006. The County's greatest employment sector is "government." Employment of Whatcom County's workforce of approximately 100,550 includes the following sectors:

Agriculture, Forestry, Fishing and Hunting	4.17%
Mining	*
Utilities	*
Construction	6.08%
Manufacturing.....	10.84%
Transportation and Warehousing.....	2.55%
Wholesale/Retail Trade.....	16.22%

Professional/Technical Services	3.68%
Finance/Insurance/Real Estate	3.57%
Management of Companies and Enterprises.....	0.59%
Administrative/Waste Services.....	4.15%
Educational Services	0.94%
Healthcare and Social Assistance	11.98%
Arts, Entertainment and Recreation	1.82%
Accommodation and Food Services	9.52%
Government	17.42%
Information.....	1.99%
Other Services, except Public Administration.....	4.19%
Not Elsewhere Classified.....	0.29%

**Employment not shown to avoid disclosure of data for individual employer.*

Source: WA State Employment Security Department

International Transportation

Whatcom County is home to one of the highest volume border crossings between the United States and Canada. With its port, highway, rail and air facilities, Whatcom County’s strategic physical location provides for an important international transportation hub.

The Port of Bellingham significantly contributes to the growing trade between Asia and North America, as well as the area’s local economy. The Port has more than 1,600 acres of waterfront commercial and industrial property and it administers three federally designated foreign trade zones that promote manufacturing, warehousing and trade in the region. Over 250 companies operate on Port property.

Higher Education

Western Washington University (WWU) is one of six state-funded, four-year institutions of higher education in Washington State. WWU maintains 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 2013 enrollment was 14,950. As one of the county’s largest employers, WWU employs 1,575 full-time faculty and staff.

Retail Trade

Between 2004 and 2013, annual taxable retail sales in Whatcom County grew by \$830 million or a 32% increase. Although the Canadian dollar weakened slightly in 2013, shopping in Whatcom County remains attractive to residents of British Columbia. A large component of Whatcom County’s sales tax revenue relates to construction activity. Sales tax is expected to grow gradually as the economy recovers and construction activity increases.

Since 1988, Whatcom County has been home to Bellis Fair, an 800,000 square-foot regional shopping center with five major department stores and more than 100 fashion retailers. Bellis Fair has a strong tourism draw, with more

than 450 tour buses visiting the shopping center annually.

Bellingham Waterfront Redevelopment

On January 20, 2005, the Port of Bellingham acquired approximately 137 acres of waterfront property previously owned by Georgia Pacific Corporation. In 2012, the boundary was expanded to include approximately 100 additional acres for a total of 237 acres of waterfront property to be redeveloped. In December 2013, the Port of Bellingham's Board of Commissioners and the Bellingham City Council approved a master plan for the property, providing for long-term environmental restoration and redevelopment of Bellingham's waterfront. 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. Phases of redevelopment and investment are expected to take place over the next 40-50 years.

Fiscal Responsibility

Whatcom County is on a sustainable path. Our adopted budget maintains adequate financial reserves and funds our core services. As we continue to climb out of the recession, our goal is to maintain services, invest in our facilities, and invest in technology to improve efficiency.

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, 2013

ELECTED OFFICIALS

Executive	Term Ends January, 2016	Jack Louws
Assessor	Term Ends January, 2016	Keith Willnauer
Auditor	Term Ends January, 2016	Debbie Adelstein
Prosecuting Attorney	Term Ends January, 2015	David S. McEachran
Sheriff	Term Ends January, 2016	Bill Elfo
Treasurer	Term Ends January, 2016	Steve Oliver

COUNTY COUNCIL

District No. 1, Position A	Term Ends January, 2014	Kathy Kershner
District No. 1, Position B.	Term Ends January, 2016	Pete Kremen
District No. 2, Position A	Term Ends January, 2014	Ken Mann
District No. 2, Position B.	Term Ends January, 2016	Sam Crawford
District No. 3, Position A	Term Ends January, 2014	Carl Weimer
District No. 3, Position B.	Term Ends January, 2016	Barbara Brenner
Councilperson At Large	Term Ends January, 2014	Bill Knutzen

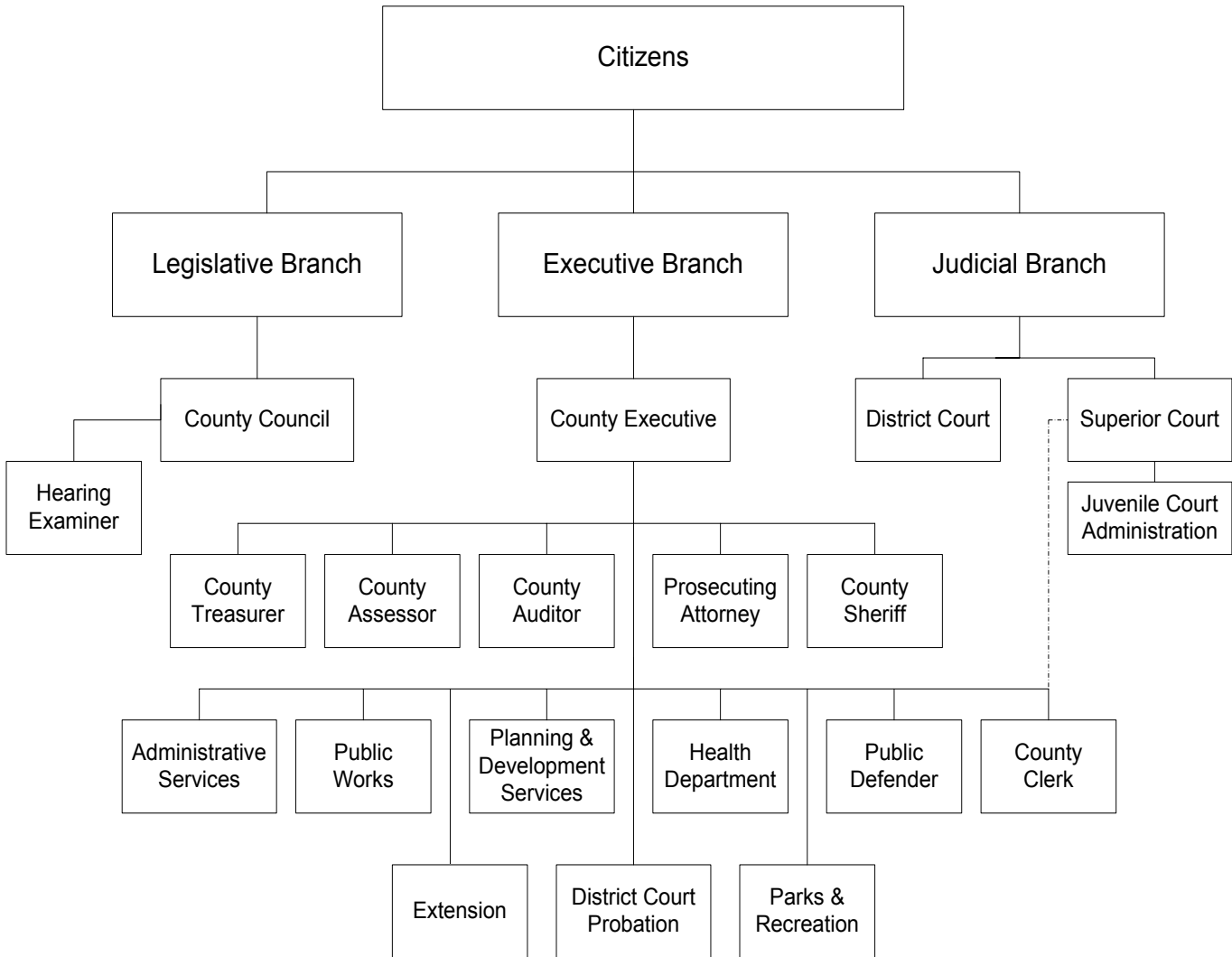
SUPERIOR COURT JUDGES

Department No. 1	Term Ends January, 2017	Ira Uhrig
Department No. 2	Term Ends January, 2017	Deborra Garrett
Department No. 3	Term Ends January, 2017	Charles Synder

DISTRICT COURT JUDGES

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

Whatcom County Organizational Chart



MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2013

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, 2013. 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

During 2013, the County's financial condition continued to slowly improve. The County's financial position is stable and our financial growth is anticipated to be gradual.

Building activity is increasing. Building permit revenues are up 18.6% from 2012 to 2013.

The unemployment rate decreased .9% in 2013 to 6.2% which is close to a traditional rate.

Whatcom County's expenses for governmental activities increased \$7.3 million or 6.3% between 2012 and 2013.

The unassigned balance for the General Fund was \$11.7 million at the close of 2013 or 14.7% of total General Fund expenditures. Total fund balance for the General Fund increased 8.3% for the year.

The total value of taxable property decreased \$47.2 million or .2% from 2012 to 2013.

Whatcom County's total assets exceeded liabilities (net position) by \$313,419,489 as compared to \$302,641,352 in 2012 (3.6% increase). 10.6% of net position or \$33,115,757 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 position are discussed later within this management's discussion and analysis.

The County's outstanding general obligation debt total \$3.8 million at the end of 2013.

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 Position presents information on all the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 Position and the Statement of Activities) and governmental funds in a 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 Position 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 Position.

Table MDA1 - Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$152,700,115	\$149,452,269	\$2,084,831	\$1,912,435	\$154,784,946	\$151,364,704
Capital assets	185,163,845	177,604,118	4,226	5,166	185,168,071	177,609,284
Total assets	337,863,960	327,056,387	2,089,057	1,917,601	339,953,017	328,973,988
Long-term debt	18,230,218	18,242,784	130,826	126,796	18,361,044	18,369,580
Other liabilities	7,978,569	7,898,157	15,502	64,899	7,994,071	7,963,056
Total liabilities	26,208,787	26,140,941	146,328	191,695	26,355,115	26,332,636
Deferred inflows of resources	178,413	-	-	-	178,413	-
Net position:						
Net investment in capital assets	181,963,507	174,525,706	4,226	5,166	181,967,733	174,530,872
Restricted	98,335,999	93,042,965	-	-	98,335,999	93,042,965
Unrestricted	31,177,254	33,346,775	1,938,503	1,720,740	33,115,757	35,067,515
Total net position	\$311,476,760	\$300,915,446	\$1,942,729	\$1,725,906	\$313,419,489	\$302,641,352

For more detailed information see page 17 for the Statement of Net Position.

Net position may serve over time as a useful indicator of a government's financial position. Whatcom County's assets exceeded liabilities by \$313,419,489 at the close of 2013 fiscal year; this is an increase of \$10.7 million over 2012 net position. Governmental activities increased Whatcom County's net position by \$10,561,314, thereby accounting for 98% of the growth in the net position of Whatcom County. Business-type activities increased net position \$216,823.

The largest portion of Whatcom County's net position (58%) 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 investment in capital assets increased net position by \$7.4 million. Whatcom County invested \$7.3 million in land, \$4.3 million in infrastructure, \$2.2 million in improvements, \$1.9 million in buildings, \$1.6 million in construction in progress and \$868,068 in vehicles and road maintenance equipment. Net investment in capital assets is also increased by repayment of debt related to capital assets and reduced by depreciation charged against capital assets.

Restricted net position totals \$98,335,999 or 31% of net position. Restricted net position is subject to external restrictions on how it may be used. Restrictions are imposed by legislation, grantors, bondholders, higher levels of government or through constitutional provisions. Restricted net position increased \$5.3 million. \$4.8 million of this increase is a result of transfers out from the General Fund to fund new capital project funds (Sheriff's Record Management System Project Fund, New Jail Project Fund, Superior Court Fourth Judge Courtroom Renovation Fund and State Street Building Acquisition and Improvement Fund).

The remaining balance of net position, unrestricted net position (\$33,115,757) may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net position decreased \$2.0 million largely as a result of a transfer out from the Jail Fund to fund the New Jail Project Fund and a transfer out from Equipment Rental Fund to return equity to the Road Fund.

Table MDA2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenue:						
Charges for services	\$23,565,563	\$16,861,685	\$1,875,383	\$1,780,726	\$25,440,946	\$18,642,411
Operating grants & contributions	21,304,942	22,426,812	-	-	21,304,942	22,426,812
Capital grants & contributions	7,609,133	6,111,570	-	-	7,609,133	6,111,570
General revenue:						
Property taxes	49,162,835	48,366,671	-	-	49,162,835	48,366,671
Timber taxes	-	550,876	-	-	-	550,876
Retail taxes	25,757,926	24,049,680	-	-	25,757,926	24,049,680
Business and occupation taxes	31,439	-	-	-	31,439	-
Excise taxes	2,888,689	3,202,538	-	-	2,888,689	3,202,538
Penalties and interest	-	2,088,649	-	-	-	2,088,649
Other	5,271,836	4,609,772	-	-	5,271,836	4,609,772
Total revenues	135,592,363	128,268,253	1,875,383	1,780,726	137,467,746	130,048,979
Expenses						
General government	27,733,347	28,215,657	-	-	27,733,347	28,215,657
Public safety	41,025,695	39,547,247	-	-	41,025,695	39,547,247
Utilities	728,915	-	-	-	728,915	-
Physical environment	-	4,858,695	-	-	-	4,858,695
Transportation	22,423,554	21,548,292	-	-	22,423,554	21,548,292
Natural and economic environment	8,756,170	3,864,716	-	-	8,756,170	3,864,716
Social services	19,148,787	13,889,613	-	-	19,148,787	13,889,613
Culture and recreation	4,001,986	4,494,034	-	-	4,001,986	4,494,034
Interest on long-term debt	175,929	232,859	-	-	175,929	232,859
Whatcom Co. Investment Pool	-	-	255,269	246,714	255,269	246,714
Ferry System	-	-	2,538,920	2,370,448	2,538,920	2,370,448
Total expenses	123,994,383	116,651,113	2,794,189	2,617,162	126,788,572	119,268,275
Change in net position before transfers	11,597,980	11,617,140	(918,806)	(836,436)	10,679,174	10,780,704
Transfers	(1,134,728)	(1,025,137)	1,134,728	1,025,137	-	-
Change in net position	10,463,252	10,592,003	215,922	188,701	10,679,174	10,780,704
Net position-beginning	300,915,446	290,776,955	1,725,906	1,083,693	302,641,352	291,860,648
Prior period adjustment	98,062	(453,512)	901	453,512	98,963	-
Net position-beginning (restated)	301,013,508	290,323,443	1,726,807	1,537,205	302,740,315	291,860,648
Net position-ending	\$311,476,760	\$300,915,446	\$1,942,729	\$1,725,906	\$313,419,489	\$302,641,352

For more detailed information see page 18 for the Statement of Activities.

Overall revenues are up \$7.4 million.

Property tax revenue is up \$796,164 or 1.6% over last year. This is the result of \$328 million of new construction added to the tax rolls and an increase in the property tax collection rate.

Sales tax revenue is up \$1.7 million or 6.6% from 2012.

Penalties and interest appear to be down \$2.1 million, however the Washington State Auditor's Office updated and reorganized the Budgeting, Accounting and Reporting System (BARS) for 2013. Penalties are now reported under charges for services and interest is reported under other revenue. Penalties and interest are down slightly in 2013.

Operating grants and contributions decreased \$1.1 million. This is a result of reporting changes. Per Washington State Auditor's Office intergovernmental service revenue is now reported with charges for service. However, federal and state grant revenue actually is \$3.2 million greater than last year.

Capital grants and contributions are \$1.5 million greater than 2012. These revenues fluctuate based on the capital projects that are underway during the year.

Charges for services increased \$6.8 million or 36.5% from 2012. The primary reason for this increase is reporting changes. Certain revenue from operating grants, penalties and other revenue are now required to be reported under charges for services.

Expenses increased \$7.5 million or 6.3%.

Financial Analysis of the County's Funds

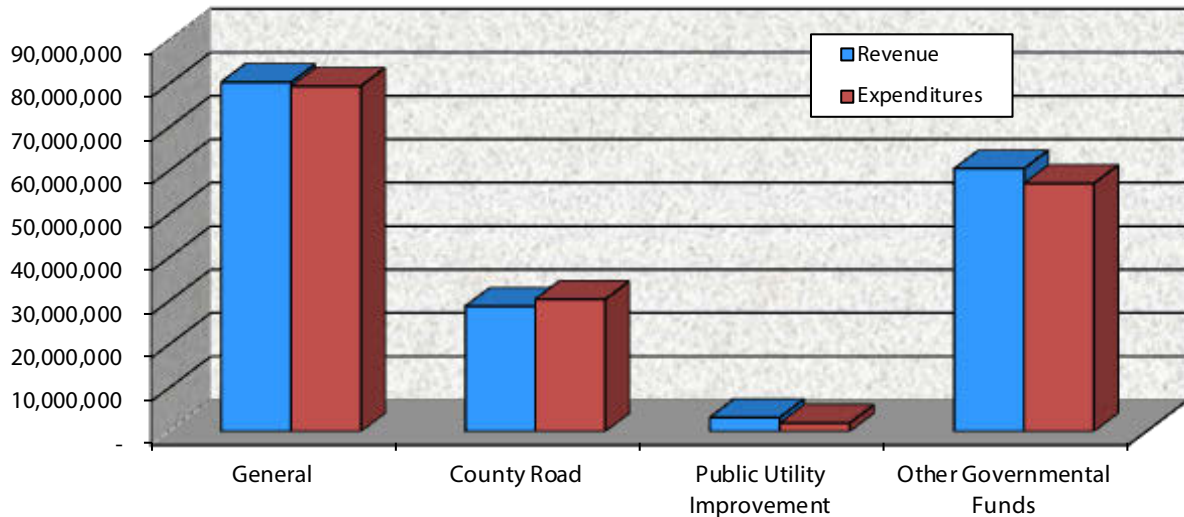
Governmental funds. The General Fund, County Road Fund, and Public Utilities Improvement Fund are the County's major funds. Together these three funds account for 50% of total governmental fund assets and 48% of total governmental fund balance.

As of December 31, 2013, the County's governmental funds reported combined fund balances of \$114.7 million; this is an increase of \$4.1 million over 2012 or 4%. Over all the funds collected 91% of their budgeted revenues and expended 77% of their budgeted expenditures.

Unassigned fund balance is \$11.7 million or approximately 10%. Unassigned fund balance is available for spending for any purpose. Assigned fund balance is \$2.5 million or approximately 2%. Assigned fund balance represents resources Whatcom County intends to use for specific purposes. Committed fund balance totals \$5.4 million or approximately 5%. Committed fund balance has been restricted for a specific use by the County Council. The remainder of the County's fund balances is classified as restricted. Restricted fund balance totals \$95.1 million or approximately 83%. 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 2013.

Table MDA3 - Governmental Fund Revenues and Expenditures



Whatcom County's General Fund collected 101% of its budgeted revenues and spent 93% of its budgeted expenditures. The General fund started the year with a fund balance of \$11.4 million, the 2013 budget anticipated using approximately \$4.8 million of fund balance. At year end the General Fund's net change in fund balance is an increase of \$923,689 resulting in an ending fund balance of \$12.4 million. The increase is primarily due to large lapses of expenditure authority as a result of delays in hiring vacant positions, as well as uncompleted capital projects that are being re-appropriated in 2014. Under GASB 54 certain Special Revenue Funds are required to be reported in the General Fund. For 2013, the following fund is combined into the General Fund: LEOFF I Healthcare.

The County Road Fund collected 99% of its budgeted revenues and spent 87% of its budgeted expenditures. Revenues are \$313,992 short of budget projections. \$468,756 of Federal Forest Title 1 revenue was received after 60 days of the end of the fiscal year and therefore, was not accrued. Expenditures are \$3.5 million less than budget projections. Road construction expenditures are under budget by \$1.7 million. Contract services and salary and benefits are short of budget by \$1.4 million.

The fund balance for the Public Utilities Improvement Fund was budgeted to decrease \$162,014. Fund balance actual increased \$1.3 million. In 2013, loans were made to the City of Everson and the City of Ferndale for capital projects. These loans total \$454,045 and do not reduce expenditures. Also, \$792,500 of expenditure authority will be continued into 2014 for projects that were not complete at year end.

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, 2013.

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

	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$40,040,192	\$40,040,192	\$40,545,536
Intergovernmental	14,394,009	15,784,259	15,236,145
Other	15,168,669	15,358,083	15,931,247
Total revenues	69,602,870	71,182,534	71,712,928
Expenditures:			
Expenditures	68,717,656	71,360,672	66,112,469
Other financing sources (uses)	(4,512,526)	(4,669,884)	(4,676,770)
Total expenditures	73,230,182	76,030,556	70,789,239
Change to fund balance	\$(3,627,312)	\$(4,848,022)	\$923,689

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

Tax revenues. Tax revenues are greater than budgeted amounts by \$505,344. Current year collections are \$432,767 greater than budget. Collections of delinquent taxes are \$82,307 under budget. Private harvest taxes are over budget by \$68,451 and excise taxes are greater than budgeted revenues by \$113,945.

Intergovernmental revenues. Intergovernmental revenue received is \$548,114 less than budgeted revenue. Grant revenue received is 97% of budget. \$739,750 of budgeted revenue was not received for a Community Development Block grant for food bank expansion. Also, grant revenue received for an annual revaluation program was \$334,394 greater than budgeted revenue.

Other. Other revenues are \$573,164 greater than budgeted amounts. Interest on delinquent property taxes is up \$271,849 over budget and construction related activities are \$185,304 greater than budgeted revenues.

Expenditures. Overall expenditures for the General Fund are 93% of the approved budget at year-end. Continuing appropriations will carry over \$1.7 million of spending authority into 2014 to complete contract obligations that span fiscal reporting periods. All departments had expenditures within their budgeted authority.

Capital Assets

The County's capital assets for its governmental activities as of December 31, 2013, totaled \$185 million (net of accumulated depreciation). This includes land, construction in progress, intangible assets, buildings, improvements, machinery and equipment, and infrastructure.

New investment in capital assets for 2013 was \$17.3 million. Depreciation expense in 2013 totaled \$9.7 million, resulting in a \$7.6 million increase in net capital assets.

The County invested \$4.3 million in infrastructure, which includes roads, bridges and road-related improvements.

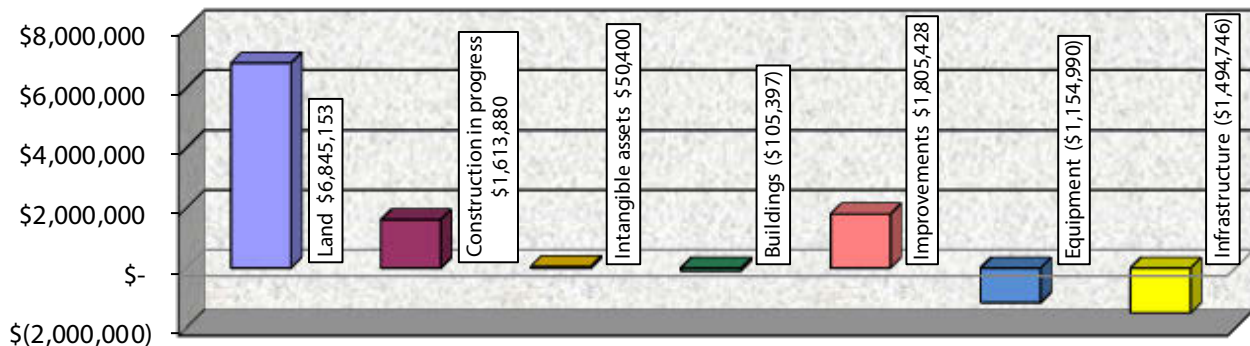
Land and property rights acquired in 2013 totaled \$7,273,920. Whatcom County spent \$6.0 million for the purchase of property on LaBounty Road for the new jail site. Property and flood easements purchased for flood hazard reduction projects totaled \$452,764. The County spent \$221,602 for conservation easements and \$203,386 for right of way. At the end of 2013, Whatcom County had three projects under construction, which included the new jail building, the State Street building acquisition and improvements and the Sheriff's record management system. In 2013, the County spent \$1.6 million on these projects. Buildings increased capital assets by \$1.9 million. \$1.6 million was spent on the Civic Center remodel. Improvements totaled \$2.2 million and include improvements to stormwater/drainage, Jail and Juvenile security electronics and fire alarms, Olsen Trailhead parking and restrooms, and the floating boat dock at Samish Park. The County's investment in new equipment, including vehicles and road maintenance equipment, increased capital assets by \$868,068.

Table MDA5 - Capital Assets

	Governmental Activities	
	2013	2012
Land	\$52,538,339	\$45,693,186
Construction in progress	1,613,880	-
Intangible assets	50,400	-
Buildings	46,197,171	46,302,568
Improvements	8,089,894	6,284,466
Equipment	8,206,949	9,361,939
Infrastructure	68,467,213	69,961,959
Totals	\$185,163,846	\$177,604,118

For more detailed information see page 44 for Capital Assets Activity.

Table MDA6 - Change in Capital Assets



Debt Administration

At year-end, the County had \$18,230,218 in outstanding debt compared to \$18,242,784 last year. That is a decrease of \$12,566. The County's outstanding general obligation debt totaled \$3.8 million. See Note 8 to the financial statements.

Table MDA7 - Outstanding Debt

	Governmental Activities	
	2013	2012
General Obligation Bonds	\$3,818,596	\$4,142,167
Capital Leases	441,338	384,412
Estimated Self-Insurance Claims	4,502,343	4,087,788
Other Postemployment Benefits Payable	1,902,009	1,668,862
Compensated Absences	7,315,932	7,673,003
Other Long-term Liabilities	250,000	286,552
	<u>\$18,230,218</u>	<u>\$18,242,784</u>

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

Economic Factors

Whatcom County's local economy is gradually recovering from the effects of the global recession. Retail sales are up 5.3% over 2012. Unemployment in Whatcom County is the lowest since 2008. It decreased from 7.1% in December 2012 to 6.2% in December 2013. The population of Whatcom County has grown 16.4% over ten years ago. Per capita income of Whatcom County has been growing in recent years at approximately 3.1%. For 2013, the assessed valuations of property decreased slightly (.2%) over 2012.

Contacting the County's Financial Management

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$120,084,578	\$1,730,510	\$121,815,088
Cash with fiscal agent	41,187	10,000	51,187
Investments	15,186,055	-	15,186,055
Receivables, net	2,571,821	9,024	2,580,845
Receivables-court, net	2,630,635	-	2,630,635
Due from other governments	11,235,591	-	11,235,591
Internal balances	(335,297)	335,297	-
Inventories	1,285,545	-	1,285,545
Capital assets:			
Non-depreciable	52,538,339	-	52,538,339
Depreciable, net	132,625,506	4,226	132,629,732
Total assets	337,863,960	2,089,057	339,953,017
Liabilities			
Accounts payable and accrued expenses	5,006,181	15,502	5,021,683
Due to other governments	219,349	-	219,349
Unearned revenue	2,753,039	-	2,753,039
Noncurrent liabilities (Note 8):			
Due within one year	11,749,489	108,535	11,858,024
Due in more than one year	6,480,729	22,291	6,503,020
Total liabilities	26,208,787	146,328	26,355,115
Deferred inflows of resources			
Grants received in advance	178,413	-	178,413
Total deferred inflows of resources	178,413	-	178,413
Net position			
Net investment in capital assets	181,963,507	4,226	181,967,733
Restricted for:			
General government	924,121	-	924,121
Public safety	3,408,580	-	3,408,580
Utilities	1,891,130	-	1,891,130
Transportation	25,688,770	-	25,688,770
Natural and economic environment	20,981,824	-	20,981,824
Social services	6,504,710	-	6,504,710
Culture and recreation	1,175,214	-	1,175,214
Debt service	2,157	-	2,157
Capital projects	37,759,493	-	37,759,493
Unrestricted (deficit)	31,177,254	1,938,503	33,115,757
Total net position	\$311,476,760	\$1,942,729	\$313,419,489

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

Functions/ Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position - Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Primary government:							
Governmental activities:							
General government	\$27,733,347	\$8,016,016	\$6,396,100	\$-	\$(13,321,231)	\$-	\$(13,321,231)
Public safety	41,025,695	8,161,295	2,499,892	-	(30,364,508)	-	(30,364,508)
Utilities	728,915	758,431	241,203	-	270,719	-	270,719
Transportation	22,423,554	2,434,042	-	7,609,133	(12,380,379)	-	(12,380,379)
Natural and economic environment	8,756,170	1,182,061	2,869,470	-	(4,704,639)	-	(4,704,639)
Social services	19,148,787	2,649,232	9,218,675	-	(7,280,880)	-	(7,280,880)
Culture and recreation	4,001,986	364,486	79,602	-	(3,557,898)	-	(3,557,898)
Interest on long-term debt	175,929	-	-	-	(175,929)	-	(175,929)
Total government activities	123,994,383	23,565,563	21,304,942	7,609,133	(71,514,745)	-	(71,514,745)
Business-type activities:							
Whatcom Co Investment Pool	255,269	259,360	-	-	-	4,091	4,091
Ferry System	2,531,174	1,616,023	-	-	-	(915,151)	(915,151)
Total business-type activities	2,786,443	1,875,383	-	-	-	(911,060)	(911,060)
Total primary government	\$126,780,826	\$25,440,946	\$21,304,942	\$7,609,133	(71,514,745)	(911,060)	(72,425,805)
General Revenues:							
Taxes:							
Property taxes					49,162,835	-	49,162,835
Retail taxes					25,757,926	-	25,757,926
Business and occupation taxes					31,439	-	31,439
Excise taxes					2,888,689	-	2,888,689
Penalties and interest					-	-	-
Unrestricted investment earnings and unrealized gains/(losses)					(6,966)	(7,746)	(14,712)
Gain/loss on sale of capital assets					708,201	-	708,201
Miscellaneous					4,570,601	-	4,570,601
Transfers					(1,134,728)	1,134,728	-
Total general revenues & transfers					81,977,997	1,126,982	83,104,979
Change in net position					10,463,252	215,922	10,679,174
Net position-beginning					300,915,446	1,725,906	302,641,352
Prior period adjustments					98,062	901	98,963
Net position-beginning (restated)					301,013,508	1,726,807	302,740,315
Net position-ending					\$311,476,760	\$1,942,729	\$313,419,489

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

	General	County Road	Public Utilities Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Cash, cash equivalents and pooled investments	\$13,343,409	\$23,488,718	\$12,653,813	\$44,616,900	\$94,102,840
Deposits with fiscal agent	9,251	-	-	-	9,251
Investments	-	-	-	15,186,055	15,186,055
Taxes receivable, net	842,297	685,112	-	150,010	1,677,419
Accounts receivable, net	417,519	33,811	-	213,050	664,380
Accounts receivable-court, net	2,530,662	-	-	99,973	2,630,635
Special assessments, net	-	-	-	56,883	56,883
Interest receivable, net	45,008	-	-	5,166	50,174
Notes receivable, net	-	-	-	97,794	97,794
Due from other funds	550,358	1,331	-	261,760	813,449
Interfund loan receivable	-	1,000,000	-	-	1,000,000
Due from other governments	1,974,243	1,039,968	5,101,642	3,106,429	11,222,282
Employee advances	777	473	-	3	1,253
Prepayments	4,011	-	-	-	4,011
Total assets	\$19,717,535	\$26,249,413	\$17,755,455	\$63,794,023	\$127,516,426
Liabilities, deferred inflows of resources and fund balance					
Liabilities					
Accounts payable	\$1,137,541	\$289,208	\$26,963	\$2,352,662	\$3,806,374
Due to other funds	300,935	40,965	-	422,854	764,754
Interfund loans payable	1,907,271	-	-	1,000,000	2,907,271
Revenue collected in advance	20,705	790	-	-	21,495
Due to other governments	219,323	-	-	26	219,349
Other accrued liabilities	124,505	117,073	-	2,796	244,374
Other current liabilities	11,415	10,898	-	-	22,313
Deferred revenue	2,555,272	15,386	-	254,650	2,825,308
Deferred credits	67,898	89,066	-	968	157,932
Total liabilities	6,344,865	563,386	26,963	4,033,956	10,969,170
Deferred inflows of resources	1,020,710	685,112	-	150,010	1,855,832
Fund balances:					
Restricted	693,229	25,000,915	17,728,492	51,711,915	95,134,551
Committed	-	-	-	5,381,198	5,381,198
Assigned	-	-	-	2,516,944	2,516,944
Unassigned	11,658,731	-	-	-	11,658,731
Total fund balance	12,351,960	25,000,915	17,728,492	59,610,057	114,691,424
Total liabilities, deferred inflows of resources and fund balance	\$19,717,535	\$26,249,413	\$17,755,455	\$63,794,023	\$127,516,426

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

Reconciliation of the Governmental Funds
Balance Sheet
to the Statement of Net Position
December 31, 2013



Fund balance - total governmental funds	\$114,691,424
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	177,622,622
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.	30,458,286
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,749,688
Liabilities, including \$4,488,262 of bonds/ loans payable, \$6,654,989 of compensated absences and \$1,902,009 of other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	<u>(13,045,260)</u>
Net position of governmental activities	<u><u>\$311,476,760</u></u>

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

Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Funds
Year Ended December 31, 2013

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

	General	County Road	Public Utilities Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$40,545,536	\$17,401,257	\$3,247,488	\$17,643,224	\$78,837,505
Licenses and permits	2,262,457	133,389	-	-	2,395,846
Intergovernmental	15,236,145	6,623,522	-	7,038,672	28,898,339
Charges for service	7,916,036	1,353,949	-	8,218,361	17,488,346
Fines and penalties	2,534,516	-	-	197,860	2,732,376
Miscellaneous	3,218,238	(77,390)	753	1,263,237	4,404,838
Total revenues	71,712,928	25,434,727	3,248,241	34,361,354	134,757,250
Expenditures					
Current:					
General government	24,377,021	531,211	104,295	1,319,616	26,332,143
Public safety	23,619,897	-	-	16,457,159	40,077,056
Utilities	-	-	-	627,269	627,269
Transportation	-	16,660,406	-	51,829	16,712,235
Natural and economic environment	2,048,378	-	-	6,726,999	8,775,377
Social services	12,455,432	-	-	6,697,851	19,153,283
Culture and recreation	3,314,845	-	-	574,495	3,889,340
Capital outlay	247,370	7,346,336	534,470	13,751,889	21,880,065
Debt service:					
Principal	28,600	-	-	305,000	333,600
Interest	20,926	-	-	167,214	188,140
Total expenditures	66,112,469	24,537,953	638,765	46,679,321	137,968,508
Excess (deficiency) of revenues over expenditures	5,600,459	896,774	2,609,476	(12,317,967)	(3,211,258)
Other financing sources (uses)					
Sales of capital assets	4,620,344	457,871	-	63,950	5,142,165
Transfers in	3,899,503	2,710,027	-	26,091,550	32,701,080
Transfers out	(13,364,300)	(5,888,051)	(1,294,100)	(10,442,240)	(30,988,691)
Insurance recoveries	-	216,662	-	-	216,662
Capital lease proceeds	167,683	22,521	-	12,712	202,916
Total other financing sources (uses)	(4,676,770)	(2,480,970)	(1,294,100)	15,725,972	7,274,132
Net change in fund balances	923,689	(1,584,196)	1,315,376	3,408,005	4,062,874
Fund balance as of January 1	11,406,927	26,568,248	16,405,733	56,166,661	110,547,569
Prior period adjustments	21,344	16,863	7,383	35,391	80,981
Fund balance as of January 1 (restated)	11,428,271	26,585,111	16,413,116	56,202,052	110,628,550
Fund balance as of December 31	\$12,351,960	\$25,000,915	\$17,728,492	\$59,610,057	\$114,691,424

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, 2013



Net change in fund balances-total governmental funds	\$4,062,874
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 (\$17,446,101) exceeded depreciation expense (\$8,695,609) in the current period.	8,750,492
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.	(2,461,833)
Revenues in the funds that are related to prior periods are not revenues in the statement of activities.	(413,494)
In the statement of activities, certain operating expenses-compensated absences are measured by the amount earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.	183,661
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	<u>341,552</u>
Change in net position of governmental activities	<u><u>\$10,463,252</u></u>

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

	Enterprise Funds	Internal Service Funds
Assets		
Current assets		
Cash, cash equivalents and pooled investments	\$1,730,510	\$25,981,738
Deposits with fiscal agent	10,000	31,936
Accounts receivable, net	-	24,230
Due from other funds	9,024	125,188
Due from other governments	-	13,309
Interfund loan receivable	-	233,927
Employee advances	-	1,416
Inventory	-	1,285,545
Total current assets	<u>1,749,534</u>	<u>27,697,289</u>
Noncurrent assets		
Interfund loan-long-term	-	1,673,344
Capital assets:		
Land	-	440,614
Building and structures, net	-	1,212,414
Capital leases, net	-	25,195
Other improvements, net	-	290,136
Machinery and equipment, net	4,226	5,522,464
Intangible assets	-	50,400
Total capital assets, net	<u>4,226</u>	<u>7,541,223</u>
Total noncurrent assets	<u>4,226</u>	<u>9,214,567</u>
Total assets	<u>1,753,760</u>	<u>36,911,856</u>
Liabilities		
Current liabilities		
Accounts payable	14,305	750,170
Claims cost payable	-	4,287,374
Due to other funds	1,197	181,710
Compensated absences	130,826	660,942
Total current liabilities	<u>146,328</u>	<u>5,880,196</u>
Noncurrent liabilities		
Other noncurrent liabilities	-	240,165
Total noncurrent liabilities	<u>-</u>	<u>240,165</u>
Total liabilities	<u>146,328</u>	<u>6,120,361</u>
Net position		
Net investment in capital assets	4,226	7,541,223
Unrestricted	1,603,206	23,250,272
Total net position	<u>1,607,432</u>	<u>\$30,791,495</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.	335,297	
Net position of business-type activities	<u>\$1,942,729</u>	

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

Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2013

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

	Enterprise Funds	Internal Service Funds
Operating revenues		
Intergovernmental	\$134,374	\$42,573
Charges for service	1,475,990	13,832,535
Rents and parking	-	4,445,419
Fines and forfeits	-	2,240
Insurance premiums	-	8,694,289
Other miscellaneous revenues	265,019	67,060
Total operating revenues	1,875,383	27,084,116
Operating expenses		
General operations	2,536,830	25,098,542
General administration	239,008	681,991
Depreciation	940	1,420,072
Total operating expenses	2,776,778	27,200,605
Operating income (loss)	(901,395)	(116,489)
Non-operating revenues (expenses)		
Gain (loss) on sale of capital assets	-	(257,632)
Interest revenue	-	20,231
Interest expense	-	(2,837)
Unrealized gain (loss) on investments	(7,746)	(127,601)
Insurance recoveries	-	199,960
Total non-operating revenues (expenses)	(7,746)	(167,879)
Income (loss) before contributions and transfers	(909,141)	(284,368)
Capital contributions	-	45,836
Transfers in	1,134,728	892,732
Transfers out	-	(3,739,849)
Changes in net position	225,587	(3,085,649)
Total net position-beginning		33,860,063
Prior period adjustments	901	17,081
Total net position-beginning (restated)		33,877,144
Total net position-ending		\$30,791,495
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.	(9,665)	
Change in net position of business-type activities	\$216,823	

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

	Enterprise Funds	Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$1,882,286	\$27,429,324
Cash payments for goods and services	(1,540,903)	(18,755,747)
Cash payments to employees	(1,280,301)	(6,432,633)
Net cash provided by operating activities	(938,918)	2,240,944
Cash flows from non-capital financing activities:		
Transfers in	1,134,728	892,732
Transfers out	-	(3,739,849)
Interest revenue	-	20,231
Insurance recoveries	-	199,960
Net cash provided by non-capital financing activities	1,134,728	(2,626,926)
Cash flows from capital financing activities:		
Interest paid on lease purchase	-	(2,837)
Proceeds from sale of assets	-	176,938
Payments for capital assets	-	(649,724)
Net cash used by capital financing activities	-	(475,623)
Cash flows from investing activities:		
Unrealized gain (loss) on investments	(7,746)	(127,601)
Total cash flows from investing activities	(7,746)	(127,601)
Net increase (decrease) in cash and cash equivalents	188,064	(989,206)
Balances - beginning of the year	1,541,545	26,953,863
Prior period adjustments	901	17,081
Balances - beginning of the year (restated)	1,542,446	26,970,944
Balances - end of the year	\$1,730,510	\$25,981,738
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$(901,395)	\$(116,489)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	940	1,420,072
Change in assets and liabilities:		
Receivables, net	6,903	345,210
Inventories	-	203,741
Accounts and other payables	(49,396)	460,258
Accrued expenses	4,030	(71,848)
Net cash provided by operating activities	\$(938,918)	\$2,240,944

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2013



	Investment Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$-	\$18,031,572
Deposits with fiscal agent	-	133,950
Assets held in trust-external investment pool	-	190,605,241
Investments	190,605,241	-
Accounts receivable, net	-	(73)
Due From Other Governments	-	11,315
Total assets	190,605,241	208,782,005
Liabilities		
Warrants payable	-	8,586,704
Accounts payable	-	446,717
Matured interest payable	-	5,000
Other accrued liabilities	-	98,986
Revenue collected in advance	-	350,457
Deferred credits	-	17,319
Custodial accounts	-	199,276,822
Total liabilities	-	208,782,005
Net position		
Held in trust for pool participants	\$190,605,241	\$-

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

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended December 31, 2013

	Investment Trust Fund
Additions	
Contributions	\$234,281,154
Net investment earnings (losses)	
Interest	520,291
Decrease in the fair value of investments	(682,270)
Total additions	234,119,175
Deductions	
Distributions	176,384,867
Change in net position	57,734,308
Net position - January 1, 2013	132,773,194
Prior period adjustments	97,739
Net position - January 1, 2013 (restated)	132,870,933
Net position - December 31, 2013	\$190,605,241

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



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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

As required by the generally accepted accounting principles the financial statements present Whatcom County- the primary government and one blended component unit for which the County is financially accountable. Blended component units are legally separate entities, but are in substance a part of the County's operations and therefore the data from this unit is combined with the data from the primary government.

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

B. FINANCIAL STATEMENT PRESENTATION, MEASUREMENT FOCUS, BASIS OF ACCOUNTING

In March 1997, Government Accounting Standards Board (GASB) issued Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. This statement establishes accounting and financial reporting standards for all investments held by governmental external investment pools. It states governmental entities, including governmental external investment pools, should report investments at fair value in the balance sheet (or other statement of financial position). Prior to 2013, Whatcom County reported investments at amortized cost (The difference between fair value and amortized cost was immaterial.). However, in 2013 the County felt the difference between fair value and amortized cost was material. For year ended December 31, 2013, the County is reporting investments at fair value on the fund and government-wide statements.

In March 2012, Government Accounting Standards Board (GASB) issued Statement No. 65, Items Previously Reported as Assets and Liabilities. The objective of this statement is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize certain items that were previously reported as assets and liabilities as outflows of resources (expense or expenditures) or inflows of resources (revenues). The County has implemented this statement for the

year ended December 31, 2013.

The County government-wide financial statements include a Statement of Net Position and a Statement of Activities. 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 Position. The Statement of Activities presents changes in net position 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 Position 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 position and changes in net position 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. Revenue consists primarily of property taxes, motor vehicle fuel tax and grants.

- **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 Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, 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 Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. 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 Position and a Statement of Changes in Net Position (for Investment Trust Funds). Fiduciary funds are accounted for using the accrual basis of accounting, as are proprietary funds explained above. Whatcom County has two types of fiduciary funds: investment trust funds and agency funds.

Investment trust funds are used to report investment activity conducted by Whatcom County on behalf of legally separate entities such as special purpose districts that are not part of the County's reporting entity. Agency funds account for cash received and disbursed in the County's capacity as ex officio treasurer or collection agent for special purpose districts. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. BUDGETARY INFORMATION

Annual appropriated budgets are adopted on the modified accrual basis of accounting for all funds except the following special revenue funds: Tax Refund, REET Technology and Emergency Communications; debt service funds: CRID No. 9 General Debt and 2003 Ltd. Tax General Obligation Bond; and capital project fund: Lummi Nation Lease, 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 fair value.

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. Notes receivable also include amounts due from private individuals for on-site sewage system repairs. These loans are funded through Washington State Department of Ecology. Both of 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 is 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 government 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.

Deferred Inflows of Resources: These accounts include acquisitions of net assets that are applicable to a future reporting period. Grants received in advance and deferred property taxes are included in these accounts.

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, 2013 and 2012. 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 Gov't Funds	Total
Fund balances:					
Restricted for:					
Boating safety	91,866				91,866
Historical document preservation	203,989				203,989
Developmental Disability Milage	397,374				397,374
County roads		25,000,915			25,000,915
Public facilities projects			17,728,492		17,728,492
Debt service				2,157	2,157
Capital projects				15,971,731	15,971,731
Parks and recreation				164,593	164,593
Chemical dependency/ mental health				5,411,492	5,411,492
Emergency medical/ criminal justice				3,264,317	3,264,317
Flood control/ stormwater				15,448,016	15,448,016
Land purchases				5,452,857	5,452,857
Social services				1,174,169	1,174,169
Solid waste				1,891,130	1,891,130
Tourism promotion				1,175,214	1,175,214
Other purposes				1,756,239	1,756,239
Committed to:					
Elections				585,521	585,521
Capital projects				4,795,677	4,795,677
Assigned to:					
Corrections				2,359,930	2,359,930
Emergency management				157,014	157,014
Unassigned:					
	11,658,731				11,658,731
Total fund balances	<u>\$12,351,960</u>	<u>\$25,000,915</u>	<u>\$17,728,492</u>	<u>\$59,610,057</u>	<u>\$114,691,424</u>

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.

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, 2013 the carrying amount of the county's cash demand deposits was \$139,846,660.

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 BNY Mellon. 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, 2013, 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	92,017,274	92,017,274	-
Money Market Savings Account	6,502,412	6,502,412	-
US Treasury	-	-	-
Federal Farm Credit Bank	34,860,738	10,006,963	24,853,775
Federal Home Loan Bank	54,892,850	10,021,600	44,871,250
Federal Home Loan Mortgage Corp	42,015,290	10,028,350	31,986,940
Federal National Mortgage Assoc.	62,765,222	-	62,765,222
Government National Mortgage Assoc.	-	-	-
General Obligation Municipal Bonds	20,243,179	6,994,924	13,248,255
Promissory Notes	100,000	100,000	-
Bank Deposit Note	-	-	-
Public Funds Deposit	-	-	-
Certificates of Deposit	20,118,622	10,079,283	10,039,339
Total	\$333,515,585	\$145,750,805	\$187,764,780

*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 portfolio is structured so that securities mature to meet cash requirements thereby avoiding the need to sell securities prior to maturity. The County does not have a specific interest rate risk 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, 2013.

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, 2013 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+	10%
Federal Home Loan Bank	Aaa	AA+	16%
Federal Home Loan Mortgage Corp	Aaa	AA+	13%
Federal National Mortgage Assn	Aaa	AA+	19%
General Obligation Municipal Bonds	Aaa	AA+	1%
General Obligation Municipal Bonds	Aa1	AAA	0%
General Obligation Municipal Bonds	Aa1	AA+	2%
General Obligation Municipal Bonds	Aa1	-	2%
General Obligation Municipal Bonds	Aa3	AA	0%
General Obligation Municipal Bonds	-	A+	0%
LGIP	Not Rated		28%

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.

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.

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 investments handled by other than the County Treasurer.

The County reported investments at Fair Value in accordance with GASB No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools". At December 31, 2013, the Fair Value of investments in the WCIP was \$1,242,757 less than the amortized cost.

Fair value of the WCIP is reviewed by the County Finance Committee quarterly, and by the County Treasurer monthly. Fair value is determined using quoted market prices from our safekeeping agent, BNY Mellon, 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. There were no investments purchased by districts not invested in the WCIP for 2013.

The Whatcom County Investment Pool's Condensed Statement of Net Position and Changes in Net Position as of December 31, 2013, are shown on the tables below.

Table FN5 - Condensed Statement of Net Position

Assets	\$333,772,462
Less: Liabilities	-
<u>Net assets held in trust for pool participants</u>	<u>\$333,772,462</u>
Equity of internal pool participants	\$143,167,221
Equity of external pool participants	190,605,241
<u>Total equity</u>	<u>\$333,772,462</u>

Table FN6 - Condensed Statement of Changes in Net Position

Net position - January 1, 2013	\$278,819,952
Prior period adjustments	196,702
Net position - January 1, 2013	279,016,654
Net change in investments by pool participants	54,755,808
<u>Net position - December 31, 2013</u>	<u>\$333,772,462</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
2013	\$23,484,411,003	\$27,113,497	98.2%
2012	23,531,575,782	26,693,838	97.9%
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%

(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 2013 was \$1.1545316885 per \$1,000 on an assessed valuation of \$23.5 billion for a regular levy of \$27,113,497. This levy was used for general governmental purposes.

The Road Fund levied \$1.5421747751 per \$1,000 on an assessed value of \$11.7 billion in 2013. This resulted in a total levy of \$17,974,466 to be used for county road maintenance and construction.

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2013 was as follows:

Table FN8 - Capital Assets Activity

Governmental activities	Beginning Balance 01/01/2013	Increases	Decreases	Ending Balance 12/31/2013
Capital assets, not being depreciated				
Land	\$45,693,186	\$7,273,920	\$(428,767)	\$52,538,339
Construction in progress	-	1,613,880	-	1,613,880
Intangible assets	-	50,400	-	50,400
Total capital assets, not being depreciated	<u>45,693,186</u>	<u>8,938,200</u>	<u>(428,767)</u>	<u>54,202,619</u>
Capital assets, being depreciated				
Buildings	72,581,818	1,923,204	(107,747)	74,397,275
Improvements	11,269,708	2,212,769	(30,818)	13,451,659
Equipment	37,190,771	868,068	(381,845)	37,676,994
Infrastructure	154,819,874	4,302,895	-	159,122,769
Total capital assets being depreciated	<u>275,862,171</u>	<u>9,306,936</u>	<u>(520,410)</u>	<u>284,648,697</u>
Less accumulated depreciation for:				
Buildings	(26,279,250)	(1,920,854)	-	(28,200,104)
Improvements	(4,985,242)	(376,523)	-	(5,361,765)
Equipment	(27,828,832)	(2,020,662)	379,449	(29,470,045)
Infrastructure	(84,857,915)	(5,797,641)	-	(90,655,556)
Total accumulated depreciation	<u>(143,951,239)</u>	<u>(10,115,680)</u>	<u>379,449</u>	<u>(153,687,470)</u>
Total capital assets, being depreciated, net	<u>131,910,932</u>	<u>(808,744)</u>	<u>(140,961)</u>	<u>130,961,227</u>
Governmental activities capital assets, net	<u>\$177,604,118</u>	<u>\$8,129,456</u>	<u>\$(569,728)</u>	<u>\$185,163,846</u>
Business-type activities				
Capital assets, being depreciated				
Equipment	\$24,305	\$-	\$-	\$24,305
Total capital assets being depreciated	<u>24,305</u>	<u>-</u>	<u>-</u>	<u>24,305</u>
Less accumulated depreciation for:				
Equipment	(19,139)	(940)	-	(20,079)
Total accumulated depreciation	<u>(19,139)</u>	<u>(940)</u>	<u>-</u>	<u>(20,079)</u>
Total capital assets, being depreciated, net	<u>5,166</u>	<u>(940)</u>	<u>-</u>	<u>4,226</u>
Business-type activities capital assets, net	<u>\$5,166</u>	<u>\$(940)</u>	<u>\$-</u>	<u>\$4,226</u>

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

Table FN9 - Depreciation Expense

Governmental activities:	
General governments	\$1,900,547
Public safety	741,524
Utilities	104,470
Transportation	7,123,270
Natural and Economic environment	746
Social services	66,929
Culture & recreation	178,194
Total depreciation expense	<u>\$10,115,680</u>
Business-type activities:	
Transportation	<u>\$940</u>
Total depreciation expense	<u>\$940</u>

NOTE 6 – PENSION PLANS

Substantially all county full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit 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. The following disclosures are made pursuant to GASB Statements 27, Accounting for Pensions by State and Local Government Employers and 50, Pension Disclosures, an Amendment of GASB Statements 25 and 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; employees of legislative committees; employees of district and municipal courts; and employees of local governments.

Membership also includes higher education employees not participating in higher education retirement programs. Approximately 49 percent of PERS salaries are accounted for by state employment. 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 Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to Plan 3.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members, and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service.

PERS Plan 1 members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with 25 years of service, or at age 60 with at least 5 years of service. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits.

The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60 percent of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

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. The benefit 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, at which time the benefit is converted to the member's service retirement amount.

A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit 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. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest- paid service months. 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.

PERS Plan 2 members who have at least 20 years of service credit, and are 55 years of age 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, if hired prior to May 1, 2013:

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

PERS Plan 2 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5 percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

PERS Plan 2 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For DRS' Fiscal Year 2013, PERS Plan 3 employee contributions were \$99.0 million, and plan refunds paid out were \$69.4 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

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 by 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:

- 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.
- If they have 30 service credit years and are at least 55 years old, and were hired before May 1, 2013, 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.
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5 percent for each year before age 65.

PERS Plan 3 benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

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 at 3 percent annually.

PERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PERS member who dies 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 the member’s covered employment, if found eligible by the Department of Labor and Industries.

Judicial Benefit Multiplier

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an 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 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program.

There are 1,176 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2012:

Retirees and Beneficiaries Receiving Benefits	82,242
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	30,515
Active Plan Members Vested	106,317
Active Plan Members Non-vested	44,273
TOTAL	263,347

The County covered payroll for the year ended December 31, 2013 was \$48,661,149. The County’s total payroll for all employees was \$59,089,162.

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. 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 contribution rates range from 5 percent to 15 percent.

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, 2013, are as follows:

Table FN11 - PERS Contribution Rates

Members Not Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	9.21%	9.21%	9.21%**
Employee	6.00%	4.92%	***

* The employer rates include the employer administrative expense fee currently set at 0.18%

** 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 Government*	9.21%	9.21%	9.21%**
Employee-Local Government	12.26%	12.30%	7.50%***

* The employer rates include the employer administrative expense fee currently set at 0.18%.

** 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
2013	\$ 147,723	\$ 2,590,698	\$ 1,255,038
2012	\$ 145,541	\$ 2,330,188	\$ 1,087,769
2011	\$ 148,841	\$ 1,934,134	\$ 861,622

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

Plan Description

LEOFF was established in 1970 by the Legislature. Membership 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 effective July 27, 2003, being an exception. LEOFF retirement benefit provisions are established in chapter 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 defined 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.

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.

LEOFF 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 legislative appropriations. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS’ Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings, in lieu of any retirement benefit, upon separation from LEOFF-covered employment.

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

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

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months’ salary within the last 10 years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If there is an eligible spouse, 50 percent of the FAS, plus 5 percent of the FAS for each eligible surviving child, with a limitation on the combined benefit of 60 percent of the FAS; or (2) If there is no eligible spouse, eligible children receive 30 percent of the FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of the FAS, divided equally.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member’s covered employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability benefit 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 benefit or service retirement benefit.

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

Plan 2 members are eligible for retirement at the age of 53 with five years of service, or at age 50 with 20 years of service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service (the FAS is based on the highest consecutive 60 months), actuarially reduced to reflect the choice of a survivor option. Members who retire prior to the age of 53 receive reduced benefits. 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. Otherwise, the benefits are actuarially reduced 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 benefit amount is 2 percent of the FAS for each year of service. Benefits are reduced to reflect the choice of survivor option and for each year that the member's age is less than 53, unless the disability is duty-related. 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 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 catastrophically 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 benefit 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.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by 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 eligible health care insurance premiums.

Legislation passed in 2009 provides to the Washington state registered domestic partners of LEOFF Plan 2 members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

LEOFF members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

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, 2012:

Table FN14 - LEOFF Membership

Retirees and Beneficiaries Receiving Benefits	10,189
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	689
Active Plan Members Vested	14,273
Active Plan Members Non-vested	<u>2,633</u>
TOTAL	27,784

Funding Policy

Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plans. Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. 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, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For DRS' Fiscal Year 2013, the state contributed \$54.2 million to LEOFF Plan 2.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.26 and 41.45 RCW.

The County covered payroll for the year ended December 31, 2013 was \$6,907,315. The County's total payroll for all employees was \$59,089,162.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2013, are shown on the following page.

Table FN15 - LEOFF Contribution Rates

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.18%	5.23%
Employee	0.00%	8.41%

* The employer rates include the employer administrative expense fee currently set at 0.18%.

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

Table FN16 - County Contribution to LEOFF

	LEOFF Plan 1	LEOFF Plan 2
2013	\$ 151	\$ 356,579
2012	\$ 149	\$ 367,447
2011	\$ 144	\$ 351,830

PUBLIC SAFETY EMPLOYEES' RETIREMENT SYSTEM (PSERS) PLAN 2

Plan Description

PSERS was created by the 2004 Legislature and became effective July 1, 2006. PSERS retirement benefit provisions have been established by Chapter 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 membership includes:

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30, 2006; and
- Employees, hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

Covered employers include:

- State of Washington agencies: Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol;
- Washington State counties;
- Washington State cities except for Seattle, Spokane and Tacoma; and

- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

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

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

PSERS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the plan accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in PSERS Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PSERS-covered employment.

PSERS Plan 2 members are vested after completing five years of eligible service.

PSERS members may retire with a monthly benefit of 2 percent of the average final compensation (AFC) 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, or at age 53 with 20 years of service. The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. 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 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.

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The monthly benefit is 2 percent of the AFC for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. 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). 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 members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PSERS member who dies as

a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

There are 75 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2012:

Table FN17 - PSERS Membership

Retirees and Beneficiaries Receiving Benefits	27
Terminated Plan Members Entitled to but not yet Receiving Benefits	60
Active Plan Members Vested	2083
Active Plan Members Non-vested	2167
TOTAL	4,337

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. 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, 2013 was \$3,520,697. The County's total payroll for all employees was \$59,089,162.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2013, are as follows:

Table FN18 - PSERS Required Contribution Rates

Employer*	10.54%
Employee	6.36%

* The employer rates include the employer administrative expense fee at 0.18%.

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
2013	\$ 341,566
2012	\$ 294,615
2011	\$ 267,077

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, 2013, the amount of these liabilities was \$4,502,343. Changes in the balances of claims liabilities during 2012 and 2013 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
2012	\$4,398,143	\$(6,233,256)	\$5,922,901	\$4,087,788
2013	\$4,087,788	\$(6,113,100)	\$6,527,655	\$4,502,343

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, 2013, the estimate of the present value of the future cash payments totals \$16,343.

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, 2013, the balance of the pension is \$241,341.

Whatcom County is a member of the Washington Counties Risk Pool (“Pool”). Other Washington counties that are Pool 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, Skagit, Skamania, Spokane and Thurston, Walla Walla and Yakima Counties. Kitsap, Klickitat and Whitman Counties are former Pool members, having voluntarily terminated their memberships beginning October 1st of 2010, 2002 and 2003 respectively.

Background: The Pool was formed August 18, 1988 after an Interlocal (Cooperative) Agreement under Chapter 39.34 RCW was approved by several Washington counties. The agreement and cooperative created a mechanism to provide 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. Washington's pools operate under the state's "pooling" laws and regulations, more specifically, RCW 48.62 RCW and WAC 200.100. They must be first approved and then are overseen by the State Risk Manager, and they are subject to annual fiscal audits performed and issued by the State Auditor's Office.

Noteworthy is the definition of "insurer" within RCW 48.01.050 for application of the Washington Insurance Code, which reflects the following:

- Two or more local government entities, under any provision of law, that join together and organize to form an organization for the purpose of jointly self-insuring or self-funding are not an "insurer" under this code.

Thus, under Washington law the Pool is not an insurance company, and therefore, not subject to the rules governing insurance policy interpretation.

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. Its 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.

A Membership Compact was added as an addendum to the Interlocal Agreement in 2000. It constitutes a commitment to strengthen the Pool by helping member counties implement and/or enhance their local risk management efforts to reduce losses and support the best management of the Pool and its resources. It obligates member counties to support these goals through three major elements – membership involvement, risk control practices, and a targeted risk management program(s).

New members may be asked to pay modest fees to cover any costs to analyze the member's loss data and risk profile, but they are normally only required to contribute their proportional shares on their entry year's insuring assessments. Members contract initially under the Interlocal Agreement to remain in the Pool for at least five years. Following the initial term, a county may terminate its membership at the conclusion of any Pool fiscal year, provided the county timely files its required advance written notice; otherwise, the Interlocal Agreement and memberships automatically renew for another year. Even after termination, former members remain responsible for reassessments by the Pool for the members' proportional shares of any unresolved, unreported, and in-process claims for the periods that the former members were signatories to the Interlocal Agreement.

Joint Self-Insurance Liability Program ("JSILP"): The Pool, which recently celebrated its Silver Anniversary, has been providing its membership with occurrence-based, jointly purchased and/or jointly self-insured 3rd-party liability coverage since October 1, 1988 for bodily injury, personal injury, property damage, errors and omissions,

and advertising injury caused by an occurrence during the policy period and occurring anywhere in the world. Total coverage limits have grown from the \$1 million limit that existed during the Pool's initial two insuring months to \$5 million, then to \$10 million and onto \$15 million before reaching the \$20 million occurrence limit that has existed since October 1, 2003. (Note: Additional occurrence limits of \$5 million have been available for many years for member counties to choose as an individual county-by-county option.) There are no aggregate limits to the payments the WCRP makes for any one member county or all member counties combined.

The initial \$10 million in coverage is jointly self-insured. The remaining JSILP coverage, up to \$15 million, is acquired as "following form" excess insurance from higher rated commercial carriers. Member counties annually select a deductible amount applicable to each occurrence from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000.

Reinsurance is acquired from higher rated carriers as well to protect the Pool directly and its member counties indirectly from larger-valued losses. The reinsuring program is written with a self-insured retention ("SIR") equal to the greater of the applicable member's deductible or \$100,000. The reinsuring agreements also include first and second layer corridor elements – to \$1 million and from \$1 to \$2 million – with cumulative (WCRP) retentions of \$2.95 and \$0.65 million and annual aggregate limits of \$40 and \$20 million respectively.

616 third-party liability claims (and lawsuits) were reported to the Pool by its member counties during fiscal year 2013, and added to the Pool's administrative database. This represented a 3% reduction in year-over-year filings and a continuation of recent years' decline in annual filings. The new filings raised the to-date total (Oct 1988 – Sep 2013) to 19,232. Total incurred losses (payments made plus reserve estimates for open claims) increased \$8.1 million during fiscal year 2013 to \$250.9 million. The annual amount is 50% more than the corresponding fiscal year 2012 amount of \$5.4M, but it represents just 51% of the fiscal year 2011 increase of \$16.0M, 46% of the \$17.8M in fiscal year 2010, and only 39% of the \$20.8M annual average for fiscal year 2007 through fiscal year 2009. Only 327 claims remained classified as 'open' at year-end. With 307 additional claims projected by the actuary from all years as incurred but not yet reported ("IBNR"), the Pool's estimated ultimate claims totaled 19,539 as of September 30, 2013.

The independent actuary's projection of total reserves for claims that are expected to be the Pool's responsibility decreased slightly (-1%) from fiscal year 2012 to \$14.6 million. This amount includes \$3.4 million (-21% from fiscal year 2012) for losses within the Pool's self-insured retention, \$10.0 million (+7%) for losses subject to the "corridor" programs with the Pool's reinsurers, \$0.2 million for losses within the fiscal year 2013 quota-shared (10%) upper reinsured layer, and \$1.0 million (+3%) for estimated unallocated loss adjustment expenses. NOTE: The corridor programs involving the WCRP's first (and now second) layer reinsurers began seven years ago. These programs included an occurrence coverage maximum of \$0.5 million during the first three years, \$1.0 million during the next three years, and of both \$1.0 million and \$2.0 million beginning with fiscal year 2013. Occurrence coverage minimums have remained since the corridor program began the greater of the applicable member deductible or \$100,000.

Washington Counties Property Program ("WCPP"): Beginning with fiscal year 2006 (October 1, 2005), WCRP

added property insurance as a county-by-county option that is jointly-purchased from a consortium of higher rated commercial carriers. Since the initial offering, both participation and the total values of covered properties have nearly doubled. Twenty six WCRP counties with covered properties totaling over \$2.7 billion participated in the optional insuring program during fiscal year 2013.

The WCPP includes All Other Peril coverage limits of \$500 million per occurrence for losses to buildings and contents, vehicles, mobile/contractors equipment, EDP and communication equipment, etc., as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. All Other Perils coverage limits apply to any occurrence, even those affecting more than one participating county, and there are no annual (AOP) aggregate limitations. Flood and Earthquake coverages each include annual aggregate limits of \$200 million. The WCPP coverage also includes sublimited items, e.g. Equipment Breakdown / Boiler & Machinery (\$100 million), Special Flood Hazard Areas (\$25 million). And there are endorsements for Green Construction Upgrades, Reproduction Coverage for Historic Structures, and Terrorism (\$20 million).

AOP occurrence deductibles, which the participating counties select annually and which the counties are solely responsible for paying, range between \$5,000 and \$50,000. Higher deductibles are applicable to losses resulting from catastrophe relevant losses.

There were 15 claims filed during fiscal year 2013 by participating counties with loss estimates totaling \$2.6 million and losses paid by fiscal year-end of \$1.5 million. During its initial eight years as a WCRP optional insuring program, there have been 103 WCPP claims filed with to-date incurred losses totaling \$15.5 million and losses paid through fiscal 2013 of \$8.9 million. Considering the fact that to-date WCPP premiums have totaled \$22.2 million, the WCPP's cumulative loss ratio is below 0.7.

Other Insurances: Several member counties also use the Pool's contracted producer (broker) to secure other (specialty) insurances. Examples include public officials bonds and crime (and fidelity), cyber risks/security, special events/concessionaires, underground storage tank and other environmental hazards insurance coverages.

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 Board, which is 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 a) determining the extent of the 3rd-party self-insured liability coverage to be offered (approving the insuring document or coverage form), b) selecting the reinsurance program(s) to acquire and the excess insurance(s) to be jointly purchased or offered for optional purchase by the member counties, c) approving the Pool's annual operating budget(s) and work program(s), and d) approving the members' deposit assessment and reassessment formulas for the policy year ensuing and for any deficient prior period(s).

Regular oversight of the Pool's operations is provided by an 11-person executive committee selected from and by the WCRP Board. Committee members are elected to staggered, 3-year terms. The Committee meets several times throughout each policy year to: a) approve all WCRP disbursements and review the Pool's financial health; b) approve case settlements exceeding the applicable member's deductible by at least \$50,000; c) review all claims

with incurred loss estimates exceeding \$100,000; and d) evaluate the Pool's operations and program deliverables as well as the Executive Director's performance. Committee members are expected 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 multi-person claims staff with years of combined experience handles or oversees the handling of the several hundred liability cases each year filed upon and submitted by the Pool's member counties. This includes establishing reserves for covered events and estimating undiscounted future cash payments for losses and their related claims adjustment expenses. Other WCRP staffers provide various member services, e.g. conducting member and potential member risk assessments and compliance audits, coordinating numerous Pool-sponsored trainings, researching other coverages, and marketing the Pool and its risk management services. Some address and support the organization's administrative needs.

Professionals from some of the more respected organizations worldwide are regularly called upon to address various needs of the Pool. More specifically, independent actuarial services are furnished by PricewaterhouseCoopers, LLP. Independent claims auditing is performed by Strategic Claims Direction LLC, and special claims audits are occasionally performed by the Pool's commercial reinsurers/insurers. Insurance producer (broker) and advanced loss control and prevention services are provided by Arthur J. Gallagher Risk Management Services, Inc. Coverage counsel is furnished by J. William Ashbaugh of Hackett Beecher & Hart. These professionals are in addition to the many contracted and in-county attorneys assigned to defend the numerous Pool-covered cases, as well as the examinations by and services from both the State Risk Manager and State Auditor's Offices.

Financial Summary: During fiscal year 2013, Pool assets grew 11% (+\$4.8 million) and liabilities by 3% (+\$1.0 million). Its net (financial) position, which is commonly referred to as "net assets" and sometimes as "owners' equity", improved 30% (+\$3.9 million) during the Pool's Silver Anniversary year to \$16.7 million as of September 30, 2013. Much of the net position is 'restricted' (\$12.5 million) to address the Board of Directors' recently revised requirements in section D of its Underwriting Policy. NOTE: This policy revision resulted in the Pool's own restriction increasing \$7.5 million (+187%) and the unrestricted declining \$3.8 million (-53%). The (State Risk Manager's) solvency provisions in WAC 200.100.03001(3) required \$0.9 million for satisfaction, a year-over-year increase of \$0.1 million (+15%). Another \$0.9 million is invested in capital assets (net of debt). The remaining \$3.3 million is unrestricted.

\$3.75 million in operating income was experienced during fiscal year 2013, an increase of 111% from fiscal year 2012. Operating revenues were 'flat', but expenses declined nearly \$2.0 million (-15%). This reduction was in part due to even more favorable adjustments by the independent actuary, PricewaterhouseCoopers LLP ("PwC"), to the Pool's claims-related reserves, and to the reduction (-26%) in the premiums to acquire the reinsurance, excess insurance and property insurance policies requested by the Board.

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 of the Pool resulting from any fiscal year are financed by reassessments (aka retroactive assessments) placed upon the deficient year's

membership in proportion with the deposit assessments initially levied and collected. The Pool's reassessments receivable balance at December 31, 2013 was ZERO (\$0) as there were no known contingent liabilities at that time.

NOTE 8 – LONG-TERM DEBT AND CAPITAL LEASES

GENERAL OBLIGATION BONDS

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, 2013, outstanding bonds totaled \$3,660,000.

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

Table FN21 - GO Bonds

Year Ending December 31	General Obligation Bonds	
	Principal	Interest
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	145,688
Total	<u>\$3,660,000</u>	<u>\$1,368,738</u>

In proprietary funds, unamortized debt issue costs and bond discounts are recorded as deferred charges. Annual interest expense is increased by amortization of debt costs and discounts.

At December 31, 2013, the County had \$2,157 available in debt service funds to service the general bonded debt.

Changes in Long-Term Debt

During the year ended December 31, 2013, 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
Governmental Activities					
Bonds payable					
General obligation debt	\$3,965,000	\$-	\$305,000	\$3,660,000	\$310,000
Less deferred amounts for issuance discounts/ premiums	177,167	-	18,571	158,596	-
Total bonds payable	<u>4,142,167</u>	<u>-</u>	<u>323,571</u>	<u>3,818,596</u>	<u>310,000</u>
Capital leases	384,412	175,860	118,934	441,338	137,873
Claims and judgements (see Note 7)	4,087,788	6,527,655	6,113,100	4,502,343	4,287,374
Other postemployment benefits payable	1,668,862	233,147		1,902,009	-
Compensated absences	7,673,003	6,452,873	6,809,944	7,315,932	7,014,242
Loans payable	36,552	-	36,552	-	-
Landfill post-closure costs	250,000	-	-	250,000	-
Total Governmental Activities	<u>\$18,242,784</u>	<u>\$13,389,535</u>	<u>\$13,402,101</u>	<u>\$18,230,218</u>	<u>\$11,749,489</u>
Business-Type Activities					
Compensated absences	\$126,796	\$109,404	\$105,374	\$130,826	\$108,535
Total Business-Type Activities	<u>\$126,796</u>	<u>\$109,404</u>	<u>\$105,374</u>	<u>\$130,826</u>	<u>\$108,535</u>

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 above.

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 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	\$729,503
Less: Accumulated depreciation	<u>(288,165)</u>
Total	<u>\$441,338</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2013 are as follows:

	Governmental Activities
2014	\$142,146
2015	131,308
2016	101,197
2017	65,533
2018	13,937
Total Minimum Lease Payments	454,121
Less: Interest	12,783
Present Value of Minimum Lease Payments	\$441,338

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.

Purpose of Indebtedness	Remaining Capacity
General Government (No vote required)	\$341,714,874
General Government (With 3/5 majority vote)	\$578,509,436

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 2013, Whatcom County contributed \$1,432,588 and the City of Bellingham contributed \$1,067,774. 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, 2013, due to and from other funds balances are as follows:

Table FN26 - Due To/From Other Funds

Due To	Due From				Total
	General Fund	County Road	Internal Service	All Others	
General Fund	\$-	\$-	\$181,710	\$368,648	\$550,358
County Road	-	-	-	1,331	1,331
Internal Service	46,859	37,323	-	41,006	125,188
All Others	254,076	3,642	-	13,066	270,784
Total	\$300,935	\$40,965	\$181,710	\$424,051	\$947,661

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, 2013 were as follows:

Table FN27 - Interfund Loans Receivable/Payable

Interfund Loan Receivable	Interfund Loan Payable		
	General Fund	Other	Total
Road	\$-	\$1,000,000	\$1,000,000
Internal Service	1,907,271	-	1,907,271
Total	\$1,907,271	\$1,000,000	\$2,907,271

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, 2013, are shown on the following page.

Table FN28 - Interfund Transfers

Transfer To	Transfers From					Total
	General Fund	County Road	Public Utilities Improvement	Internal Service	All Others	
General Fund	\$13,408	\$-	\$-	\$980,791	\$2,905,304	\$3,899,503
County Road	-	-	-	2,124,829	585,198	2,710,027
Internal Service	410,897	37,322	-	402,191	42,322	892,732
All Others	12,939,995	5,850,729	1,294,100	232,038	6,909,416	27,226,278
Total	\$13,364,300	\$5,888,051	\$1,294,100	\$3,739,849	\$10,442,240	\$34,728,540

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 \$805,595 as its share of operations in 2013. Whatcom County did not have an equity interest in What-Comm in 2013. 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 - \$277 per month for a Medicare supplement for each retiree eligible for Medicare. There is currently 1 active LEOFF I member and 19 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, 2013. The table on the below 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 \$1,902,009 is included as a noncurrent liability on the Statement of Net Position.

The County's OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

Table FN29 - Annual OPEB Cost

	12/31/13
Annual Required Contribution:	
Normal Cost at Year End	\$11,810
Amortization of UAAL*	632,873
Annual Required Contribution	\$644,683
Net OPEB Obligation:	
Annual Required Contribution	\$644,683
Interest on Net OPEB Obligation	66,754
Amortization of Net OPEB Obligation	(150,099)
Annual OPEB Cost	561,338
Contributions Made	(328,191)
Increase in Net OPEB Obligation	233,147
Net OPEB Obligation-Beginning of Year	1,668,862
Net OPEB Obligation-End of Year	\$1,902,009

* Unfunded Actuarial Accrued Liability (UAAL)

Table FN30 - Net OPEB Obligation

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/11	\$522,340	64.6%	\$1,366,743
12/31/12	\$583,843	48.3%	\$1,668,862
12/31/13	\$561,338	58.5%	\$1,902,009

FUNDED STATUS AND FUNDING PROGRESS

As of January 1, 2013, the most recent actuarial valuation date, the plan was 0 percent funded. The accrued liability

for benefits was \$7,036,527 and the actuarial value of the assets was 0 percent resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$7,036,527.

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, 2011 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 2013. 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 (2), and Pt. Roberts, all closed in the 1980's and Cedarville, which was closed in 1990 (Phase I), with final closure in 1993 under WAC 173-304. Whatcom County is required by the Department of Ecology to perform post-closure monitoring of Cedarville for a minimum of 20 years or until the landfill meets certain criteria. The County complies with this requirement through several permits which require monitoring of ground water, gas and leachate production. A new leachate management system was constructed in 2012 but no further capital improvements are anticipated at this time. Excluding the initial permitting and required testing for the new system in 2013 and semi-annual testing events every five years, the typical annual operating budget for Cedarville is expected to be approximately \$28,000 and is funded by solid waste excise taxes. However, the actual cost of post-closure 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 unforeseen post-closure 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 2013, the following funds were added: Birch Bay Drive and Pedestrian Facility Fund, Birch Bay-Lynden/ Portal Way Signalization Improvement Fund, Potter Road/ South Fork Bridge Replacement Fund, Rural Road Safety Program Fund, Sheriff Records Management System Project Fund, New Jail Project Fund, Superior Court Fourth Judge Courtroom Renovation Fund, Nessel Farm Restoration Fund, and State Street Building Acquisition and Improvement Fund. In 2013, the following funds were closed: Yew Street Road Construction Fund and Lincoln Road Construction Fund.

In 2013, the County implemented the following GASB statements: Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." This statement establishes accounting and financial reporting standards for all investments held by governmental external investment pools. Statement No. 65 "Items Previously Reported as Assets and Liabilities. The objective of this statement is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize certain items that were previously reported as assets and liabilities as outflows of resources (expense or expenditures) or inflows of resources (revenues).

PRIOR PERIOD ADJUSTMENTS

Per GASB statement 31, accounting changes adopted to conform to the provisions of this statement should be applied retroactively. Prior period adjustments were made for the 2012 unrealized gain. The beginning net position in the government-wide statements, the beginning fund balances in the governmental fund statements, and the beginning net position in the investment trust fund statements, were restated.



Required Supplemental Information
 Schedule of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual
 General Fund
 Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$40,040,192	\$40,040,192	\$40,545,536	\$505,344
Licenses and permits	1,911,900	1,911,900	2,262,457	350,557
Intergovernmental	14,394,009	15,784,259	15,236,145	(548,114)
Charges for service	7,388,932	7,520,246	7,916,036	395,790
Fines and penalties	2,841,400	2,841,400	2,534,516	(306,884)
Miscellaneous	3,026,437	3,084,537	3,218,238	133,701
Total revenues	69,602,870	71,182,534	71,712,928	530,394
Expenditures				
Current:				
General government	25,901,748	26,178,069	24,377,021	1,801,048
Public safety	23,849,963	24,822,219	23,619,897	1,202,322
Utilities	500	500	-	500
Natural and economic environment	2,074,724	2,495,967	2,048,378	447,589
Social services	12,725,493	13,539,678	12,455,432	1,084,246
Culture and recreation	3,931,307	4,013,393	3,314,845	698,548
Capital outlay	170,000	251,110	247,370	3,740
Debt service:				
Principal	32,588	28,600	28,600	-
Interest	31,333	31,136	20,926	10,210
Total expenditures	68,717,656	71,360,672	66,112,469	5,248,203
Excess (deficiency) of revenues over expenditures	885,214	(178,138)	5,600,459	5,778,597
Other financing sources (uses)				
Sales of capital assets	379,000	4,629,000	4,620,344	(8,656)
Transfers in	3,238,671	4,188,790	3,899,503	(289,287)
Transfers out	(8,130,197)	(13,487,674)	(13,364,300)	123,374
Capital lease proceeds	-	-	167,683	167,683
Total other financing sources (uses)	(4,512,526)	(4,669,884)	(4,676,770)	(6,886)
Net change in fund balances	(3,627,312)	(4,848,022)	923,689	5,771,711
Fund balance as of January 1	-	-	11,406,927	11,406,927
Prior period adjustments	-	-	21,344	21,344
Fund balance as of January 1 (restated)	-	-	11,428,271	11,428,271
Fund balance as of December 31	\$(3,627,312)	\$(4,848,022)	\$12,351,960	\$17,199,982

Required Supplemental Information
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
County Road Fund
Year Ended December 31, 2013

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		
Revenues				
Taxes	\$17,135,000	\$17,135,000	\$17,401,257	\$266,257
Licenses and permits	100,000	100,000	133,389	33,389
Intergovernmental	7,014,342	7,043,155	6,623,522	(419,633)
Charges for service	1,232,814	1,232,814	1,353,949	121,135
Miscellaneous	14,000	237,750	(77,390)	(315,140)
Total revenues	25,496,156	25,748,719	25,434,727	(313,992)
Expenditures				
Current:				
General government	316,425	316,425	531,211	(214,786)
Transportation	18,394,013	18,738,647	16,660,406	2,078,241
Capital outlay	4,541,000	9,015,653	7,346,336	1,669,317
Total expenditures	23,251,438	28,070,725	24,537,953	3,532,772
Excess (deficiency) of revenues over expenditures	2,244,718	(2,322,006)	896,774	3,218,780
Other financing sources (uses)				
Sales of capital assets	450,000	450,000	457,871	7,871
Transfers in	351,082	2,475,911	2,710,027	234,116
Transfers out	(3,362,811)	(5,862,811)	(5,888,051)	(25,240)
Insurance recoveries	-	-	216,662	216,662
Capital lease proceeds	-	-	22,521	22,521
Total other financing sources (uses)	(2,561,729)	(2,936,900)	(2,480,970)	455,930
Net change in fund balances	(317,011)	(5,258,906)	(1,584,196)	3,674,710
Fund balance as of January 1	-	-	26,568,248	26,568,248
Prior Period Adjustments	-	-	16,863	16,863
Fund balance as of January 1 (restated)	-	-	26,585,111	26,585,111
Fund balance as of December 31	\$(317,011)	\$(5,258,906)	\$25,000,915	\$30,259,821

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 2013.

Required Supplemental Information
 LEOFF I Retiree Medical Benefits
 Schedule of Funding Progress
 Year Ended December 31, 2013



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
12/31/11	\$-	\$5,515,156	\$5,515,156	0%	\$93,517	5897.49%
12/31/12	\$-	\$5,515,156	\$5,515,156	0%	\$94,023	5865.75%
12/31/13	\$-	\$7,036,527	\$7,036,527	0%	\$98,593	7136.94%

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 is used for administrative refunds such as errors, appeals and senior citizen petition as per RCW 84.69.

Treasurer's O & M - A fund to account for extraordinary costs incurred collecting delinquent real and personal taxes.

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 Management - A fund to account for the provision of solid waste services to the residents of Whatcom County.

Convention Center - A fund to account for hotel motel tax revenue, used to promote tourism.

Victim Witness Assistance - A fund established to administer the victim witness programs. The fund is financed by the 20% of penalties assessed by the County Courts.

Community Development - A fund established to account for deferred payment loans to low and moderate income homeowners to rehabilitate their homes and in 2013 this fund's purpose was expanded to allow for accounting for on-site sewage system deferred loans and re-loaning of repayments.

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 ten general obligation bond funds.

Road Improvement District Special Assessment Bond - A fund to account for redemption of bonds which will be repaid from the proceeds of special assessments that have been levied against the affected property owners. The county has four road improvement district special assessment bond funds.

CAPITAL PROJECT FUNDS

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

Real Estate Excise Tax II - A fund to account for an additional excise tax on 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.

County Park Improvement - A fund established to account for repair, replacement, improvements and maintenance of existing facilities and equipment for parks, recreation equipment, and senior centers. The funding for expenditure was approved by a vote of the people, authorizing a one year excess property tax levy in the amount of \$2,500,000.

Civic Center Building Improvement - A fund created to account for the acquisition of the Civic Center Building.

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.

Birch Bay Drive and Pedestrian Facility Project - A fund established to account for construction costs to improve a two mile portion of Birch Bay Drive. The project will include a separated berm/ trail to encourage walking and bicycling along Birch Bay Drive to support safety while improving non-motorized mobility. In addition, the project will provide mitigation for both beach erosion and roadway storm damage.

Birch Bay-Lynden Road/ Portal Way Signalization/ Improvement Project - A fund established to account for the cost of signalization improvements. The project will improve the signalization, channelization and illumination of the intersection located south of Blaine and west of I-5.

Potter Road-South Fork Bridge Replacement Project - A fund established to account for construction costs to replace the south fork bridge.

Rural Road Safety Program Project - A fund established to account for construction costs that will address county-wide road safety improvements to intersection safety and run-off-the-road crashes.

Sheriff's Record Management System Project - A fund established to finance the Sheriff Department's new record management system.

New Jail Project - A fund established to finance the planning, design, and construction of a new jail facility.

Superior Court Fourth Judge Courtroom Renovation - The Washington State Legislature approved the addition of a fourth Superior Court judge for Whatcom County. This fund was established to finance the Courthouse renovations necessary to accommodate space needs for a new courtroom and additional staff.

Nesset Farm Restoration - A fund established to finance various restoration projects to Nesset Farms.

State Street Building Acquisition and Improvement - A fund established to finance the acquisition and improvements to 1500 North State Street.

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
Assets				
Cash, cash equivalents and pooled investments	\$23,660,555	\$2,157	\$20,954,188	\$44,616,900
Investments	13,994,651	-	1,191,404	15,186,055
Taxes receivable, net	150,010	-	-	150,010
Accounts receivable, net	213,050	-	-	213,050
Accounts receivable-court, net	99,973	-	-	99,973
Special assessments, net	56,883	-	-	56,883
Interest receivable, net	4,764	-	402	5,166
Notes receivable, net	97,794	-	-	97,794
Due from other funds	261,760	-	-	261,760
Due from other governments	2,693,252	-	413,177	3,106,429
Employee advances	3	-	-	3
Total assets	\$41,232,695	\$2,157	\$22,559,171	\$63,794,023
Liabilities, deferred inflows of resources and fund balance				
Liabilities				
Accounts payable	\$1,737,398	\$-	\$615,264	\$2,352,662
Due to other funds	410,948	-	11,906	422,854
Interfund loans payable	-	-	1,000,000	1,000,000
Due to other governments	26	-	-	26
Other accrued liabilities	2,796	-	-	2,796
Deferred revenue	254,650	-	-	254,650
Deferred credits	968	-	-	968
Total liabilities	2,406,786	-	1,627,170	4,033,956
Deferred inflows of resources	150,010	-	-	150,010
Fund balances:				
Restricted	35,573,434	2,157	16,136,324	51,711,915
Committed	585,521	-	4,795,677	5,381,198
Assigned	2,516,944	-	-	2,516,944
Total fund balance	38,675,899	2,157	20,932,001	59,610,057
Total liabilities, deferred inflows of resources and fund balance	\$41,232,695	\$2,157	\$22,559,171	\$63,794,023

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Governmental Funds
Year Ended December 31, 2013

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

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
Revenues				
Taxes	\$14,796,569	\$-	\$2,846,655	\$17,643,224
Intergovernmental	6,001,927	-	1,036,745	7,038,672
Charges for service	8,218,361	-	-	8,218,361
Fines and penalties	197,860	-	-	197,860
Miscellaneous	1,352,008	(9)	(88,762)	1,263,237
Total revenues	30,566,725	(9)	3,794,638	34,361,354
Expenditures				
Current:				
General government	1,255,926	-	63,690	1,319,616
Public safety	16,457,159	-	-	16,457,159
Utilities	627,269	-	-	627,269
Transportation	51,829	-	-	51,829
Natural and economic environment	6,726,999	-	-	6,726,999
Social services	6,697,740	-	111	6,697,851
Culture and recreation	492,195	-	82,300	574,495
Capital outlay	1,749,117	-	12,002,772	13,751,889
Debt service:				
Principal	-	305,000	-	305,000
Interest	-	167,214	-	167,214
Total expenditures	34,058,234	472,214	12,148,873	46,679,321
Excess (deficiency) of revenues over expenditures	(3,491,509)	(472,223)	(8,354,235)	(12,317,967)
Other financing sources (uses)				
Sales of capital assets	63,950	-	-	63,950
Transfers in	6,308,013	471,614	19,311,923	26,091,550
Transfers out	(5,187,789)	(361)	(5,254,090)	(10,442,240)
Capital lease proceeds	12,712	-	-	12,712
Total other financing sources (uses)	1,196,886	471,253	14,057,833	15,725,972
Net change in fund balances	(2,294,623)	(970)	5,703,598	3,408,005
Fund balance as of January 1	40,945,453	3,127	15,218,081	56,166,661
Prior period adjustments	25,069	-	10,322	35,391
Fund balance as of January 1(restated)	40,970,522	3,127	15,228,403	56,202,052
Fund balance as of December 31	\$38,675,899	\$2,157	\$20,932,001	\$59,610,057

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O&M	Whatcom County Jail	REET Electronic Tech.
Assets						
Cash, cash equivalents and pooled investments	\$115,370	\$680,818	\$243	\$357,617	\$1,867,511	\$-
Investments	-	-	-	-	-	-
Taxes receivable, net	11,179	8,228	-	-	-	-
Accounts receivable, net	-	-	-	-	26,889	-
Accounts receivable-court, net	-	-	-	-	-	-
Special assessments, net	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Notes receivable, net	-	-	-	-	-	-
Due from other funds	-	2,692	-	-	13,066	-
Due from other governments	510,250	-	-	-	726,282	-
Employee advances	21	-	-	-	(18)	-
Total assets	\$636,820	\$691,738	\$243	\$357,617	\$2,633,730	\$-
Liabilities, deferred inflows of resources and fund balance						
Liabilities						
Accounts payable	\$40,120	\$14,475	\$-	\$124	\$272,379	\$-
Due to other funds	-	31,098	-	-	-	-
Due to other governments	-	-	-	-	-	-
Other accrued liabilities	-	1,375	-	-	1,421	-
Deferred revenue	-	-	-	-	-	-
Deferred credits	-	968	-	-	-	-
Total liabilities	40,120	47,916	-	124	273,800	-
Deferred inflows of resources	11,179	8,228	-	-	-	-
Fund balances:						
Restricted	-	635,594	243	357,493	-	-
Committed	585,521	-	-	-	-	-
Assigned	-	-	-	-	2,359,930	-
Total fund balance	585,521	635,594	243	357,493	2,359,930	-
Total liabilities, deferred inflows of resources and fund balance	\$636,820	\$691,738	\$243	\$357,617	\$2,633,730	\$-

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2013

Low-Income Housing	Homeless Housing	Stormwater	Chemical Dependency/ Mental Health	Countywide Emergency Medical Services	WC Trial Court Improvement	Solid Waste	Convention Center	Victim/ Witness Assistance
\$115,209	\$485,751	\$510,841	\$5,927,080	\$3,176,182	\$156,363	\$1,655,980	\$1,208,142	\$22,724
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	186,161	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	230,587	13,935	533	-	-	-
-	248,912	300,579	100,000	74,899	-	117,962	-	-
-	-	-	-	-	-	-	-	-
<u>\$115,209</u>	<u>\$734,663</u>	<u>\$811,420</u>	<u>\$6,257,667</u>	<u>\$3,265,016</u>	<u>\$156,896</u>	<u>\$1,960,103</u>	<u>\$1,208,142</u>	<u>\$22,724</u>
\$34,258	\$277,039	\$72,011	\$575,741	\$699	\$-	\$39,200	\$32,928	\$4,523
-	-	-	270,434	-	5,500	29,747	-	-
-	-	-	-	-	-	26	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>34,258</u>	<u>277,039</u>	<u>72,011</u>	<u>846,175</u>	<u>699</u>	<u>5,500</u>	<u>68,973</u>	<u>32,928</u>	<u>4,523</u>
-	-	-	-	-	-	-	-	-
80,951	457,624	739,409	5,411,492	3,264,317	151,396	1,891,130	1,175,214	18,201
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>80,951</u>	<u>457,624</u>	<u>739,409</u>	<u>5,411,492</u>	<u>3,264,317</u>	<u>151,396</u>	<u>1,891,130</u>	<u>1,175,214</u>	<u>18,201</u>
<u>\$115,209</u>	<u>\$734,663</u>	<u>\$811,420</u>	<u>\$6,257,667</u>	<u>\$3,265,016</u>	<u>\$156,896</u>	<u>\$1,960,103</u>	<u>\$1,208,142</u>	<u>\$22,724</u>

	Community Development	Emergency Communi- cations	Whatcom County Drug	Auditor's O & M	Emergency Management	Flood Control Zone District
Assets						
Cash, cash equivalents and pooled investments	\$-	\$-	\$150,365	\$397,860	\$131,076	\$410,590
Investments	-	-	-	-	-	10,999,117
Taxes receivable, net	-	-	-	-	-	100,020
Accounts receivable, net	-	-	-	-	-	-
Accounts receivable-court, net	-	-	99,973	-	-	-
Special assessments, net	-	-	-	-	-	10
Interest receivable	-	-	-	-	-	3,719
Notes receivable, net	97,794	-	-	-	-	-
Due from other funds	-	-	947	-	-	-
Due from other governments	-	-	-	-	212,835	211,545
Employee advances	-	-	-	-	-	-
Total assets	97,794	\$-	\$251,285	\$397,860	\$343,911	\$11,725,001
Liabilities, deferred inflows of resources and fund balance						
Liabilities						
Accounts payable	\$-	\$-	\$11	\$1,072	\$186,897	\$100,170
Due to other funds	-	-	7,038	-	-	37,322
Due to other governments	-	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-
Deferred revenue	97,794	-	99,973	-	-	10
Deferred credits	-	-	-	-	-	-
Total liabilities	97,794	-	107,022	1,072	186,897	137,502
Deferred inflows of resources	-	-	-	-	-	100,020
Fund balances:						
Restricted	-	-	144,263	396,788	-	11,487,479
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	157,014	-
Total fund balance	-	-	144,263	396,788	157,014	11,487,479
Total liabilities, deferred inflows of resources and fund balance	97,794	\$-	\$251,285	\$397,860	\$343,911	\$11,725,001

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2013

Point Roberts Fuel Tax	Conservation Futures	Road Improvement Districts	Lynden/ Everson Sub-Zone	Sumas/ Nooksack/ Everson Sub-Zone	Acme/ Van Zandt Sub-Zone	Samish Watershed Sub-Zone	Birch Bay Sub-Zone	Total Non Major Special Revenue Funds
\$654,095	\$5,384,266	\$36,418	\$17,836	\$145,781	\$29,637	\$16,313	\$6,487	\$23,660,555
-	-	-	257,634	883,956	193,263	67,580	1,593,101	13,994,651
-	30,583	-	-	-	-	-	-	150,010
-	-	-	-	-	-	-	-	213,050
-	-	-	-	-	-	-	-	99,973
-	-	2,485	796	6,242	2,053	337	44,960	56,883
-	-	-	87	299	65	23	571	4,764
-	-	-	-	-	-	-	-	97,794
-	-	-	-	-	-	-	-	261,760
-	110,000	-	-	-	-	-	79,988	2,693,252
-	-	-	-	-	-	-	-	3
<u>\$654,095</u>	<u>\$5,524,849</u>	<u>\$38,903</u>	<u>\$276,353</u>	<u>\$1,036,278</u>	<u>\$225,018</u>	<u>\$84,253</u>	<u>\$1,725,107</u>	<u>\$41,232,695</u>
\$-	\$11,600	\$2,658	\$763	\$-	\$-	\$-	\$70,730	\$1,737,398
-	29,809	-	-	-	-	-	-	410,948
-	-	-	-	-	-	-	-	26
-	-	-	-	-	-	-	-	2,796
-	-	2,485	796	6,242	2,053	337	44,960	254,650
-	-	-	-	-	-	-	-	968
-	41,409	5,143	1,559	6,242	2,053	337	115,690	2,406,786
-	30,583	-	-	-	-	-	-	150,010
654,095	5,452,857	33,760	274,794	1,030,036	222,965	83,916	1,609,417	35,573,434
-	-	-	-	-	-	-	-	585,521
-	-	-	-	-	-	-	-	2,516,944
<u>654,095</u>	<u>5,452,857</u>	<u>33,760</u>	<u>274,794</u>	<u>1,030,036</u>	<u>222,965</u>	<u>83,916</u>	<u>1,609,417</u>	<u>38,675,899</u>
<u>\$654,095</u>	<u>\$5,524,849</u>	<u>\$38,903</u>	<u>\$276,353</u>	<u>\$1,036,278</u>	<u>\$225,018</u>	<u>\$84,253</u>	<u>\$1,725,107</u>	<u>\$41,232,695</u>

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2013

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O&M	Whatcom County Jail	REET Electronic Technology
Revenues						
Taxes	\$365,063	\$267,963	\$-	\$-	\$3,580,099	\$-
Intergovernmental	11,163	36	-	-	128,124	-
Charges for service	743,818	-	-	171,089	3,979,893	-
Fines and penalties	-	-	-	-	-	-
Miscellaneous	(508)	(623)	(1)	(1,732)	489,496	-
Total revenues	<u>1,119,536</u>	<u>267,376</u>	<u>(1)</u>	<u>169,357</u>	<u>8,177,612</u>	<u>-</u>
Expenditures						
Current:						
General government	978,586	-	-	46,634	-	-
Public safety	-	-	-	-	12,298,860	-
Utilities	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Natural and economic environment	-	-	-	-	-	-
Social services	-	369,114	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	22,707	-
Total expenditures	<u>978,586</u>	<u>369,114</u>	<u>-</u>	<u>46,634</u>	<u>12,321,567</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>140,950</u>	<u>(101,738)</u>	<u>(1)</u>	<u>122,723</u>	<u>(4,143,955)</u>	<u>-</u>
Other financing sources (uses)						
Sales of capital assets	4,738	3,477	-	-	-	-
Transfers in	78,000	-	-	-	5,117,229	-
Transfers out	-	-	-	(87,139)	(2,939,576)	-
Capital lease proceeds	-	-	-	-	12,712	-
Total other financing sources (uses)	<u>82,738</u>	<u>3,477</u>	<u>-</u>	<u>(87,139)</u>	<u>2,190,365</u>	<u>-</u>
Net change in fund balances	<u>223,688</u>	<u>(98,261)</u>	<u>(1)</u>	<u>35,584</u>	<u>(1,953,590)</u>	<u>-</u>
Fund balance as of January 1	<u>361,694</u>	<u>733,350</u>	<u>244</u>	<u>321,701</u>	<u>4,310,808</u>	<u>-</u>
Prior period adjustments	139	505	-	208	2,712	-
Fund balance as of January 1 (restated)	<u>361,833</u>	<u>733,855</u>	<u>244</u>	<u>321,909</u>	<u>4,313,520</u>	<u>-</u>
Fund balance as of Dec. 31	<u>\$585,521</u>	<u>\$635,594</u>	<u>\$243</u>	<u>\$357,493</u>	<u>\$2,359,930</u>	<u>\$-</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 December 31, 2013

Low-Income Housing	Homeless Housing	Stormwater	Chemical Dependency/ Mental Health	Countywide Emergency Medical Services	Whatcom Co Trial Court Improvement	Solid Waste	Convention Center	Victim/ Witness Assistance
\$-	\$-	\$-	\$3,576,258	\$2,008,792	\$-	\$-	\$580,489	\$-
-	1,597,306	586,726	200,846	-	47,988	241,203	-	7,024
213,026	1,102,211	55,469	26,717	892,780	-	758,431	-	75,329
-	-	-	-	-	-	-	-	29,124
(600)	(2,585)	(2,130)	(6,394)	(2,145)	(232)	2,233	(5,862)	(117)
<u>212,426</u>	<u>2,696,932</u>	<u>640,065</u>	<u>3,797,427</u>	<u>2,899,427</u>	<u>47,756</u>	<u>1,001,867</u>	<u>574,627</u>	<u>111,360</u>
-	-	-	-	-	-	-	-	82,190
-	-	-	-	3,030,539	-	-	-	-
-	-	-	-	-	-	627,269	-	-
-	-	-	-	-	-	-	-	-
242,871	-	1,069,769	-	-	-	-	-	-
-	2,770,548	-	3,558,078	-	-	-	-	-
-	-	-	-	-	-	-	492,195	-
-	-	582,112	-	-	-	-	-	-
<u>242,871</u>	<u>2,770,548</u>	<u>1,651,881</u>	<u>3,558,078</u>	<u>3,030,539</u>	<u>-</u>	<u>627,269</u>	<u>492,195</u>	<u>82,190</u>
<u>(30,445)</u>	<u>(73,616)</u>	<u>(1,011,816)</u>	<u>239,349</u>	<u>(131,112)</u>	<u>47,756</u>	<u>374,598</u>	<u>82,432</u>	<u>29,170</u>
-	-	-	-	-	-	-	-	-
-	-	910,555	-	-	-	-	-	-
-	-	-	(6,835)	(675,000)	(5,500)	(95,583)	-	(38,840)
-	-	-	-	-	-	-	-	-
-	-	910,555	(6,835)	(675,000)	(5,500)	(95,583)	-	(38,840)
<u>(30,445)</u>	<u>(73,616)</u>	<u>(101,261)</u>	<u>232,514</u>	<u>(806,112)</u>	<u>42,256</u>	<u>279,015</u>	<u>82,432</u>	<u>(9,670)</u>
111,287	530,725	840,492	5,175,267	4,067,886	109,041	1,611,205	1,092,069	27,851
109	515	178	3,711	2,543	99	910	713	20
111,396	531,240	840,670	5,178,978	4,070,429	109,140	1,612,115	1,092,782	27,871
<u>\$80,951</u>	<u>\$457,624</u>	<u>\$739,409</u>	<u>\$5,411,492</u>	<u>\$3,264,317</u>	<u>\$151,396</u>	<u>\$1,891,130</u>	<u>\$1,175,214</u>	<u>\$18,201</u>

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2013

	Community Development	Emergency Communi- cations	Whatcom County Drug	Auditor's O&M	Emergency Management	Flood Control Zone District
Revenues						
Taxes	\$-	\$-	\$-	\$-	\$-	\$3,277,508
Intergovernmental	-	-	2,174	105,228	1,117,682	1,746,606
Charges for service	-	-	-	100,712	81,362	17,524
Fines and penalties	-	-	166,712	-	-	-
Miscellaneous	-	-	4,844	(2,003)	9,797	(7,709)
Total revenues	-	-	173,730	203,937	1,208,841	5,033,929
Expenditures						
Current:						
General government	-	-	-	148,516	-	-
Public safety	-	-	93,693	-	1,034,067	-
Utilities	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Natural and economic environment	-	-	-	-	-	4,751,615
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	84,399	224,765
Total expenditures	-	-	93,693	148,516	1,118,466	4,976,380
Excess (deficiency) of revenues over expenditures	-	-	80,037	55,421	90,375	57,549
Other financing sources (uses)						
Sales of capital assets	-	-	-	-	-	42,512
Transfers in	-	-	-	-	202,229	-
Transfers out	(4,104)	-	(255,984)	(121,316)	(289,785)	(537,956)
Capital lease proceeds	-	-	-	-	-	-
Total other financing sources (uses)	(4,104)	-	(255,984)	(121,316)	(87,556)	(495,444)
Net change in fund balances	(4,104)	-	(175,947)	(65,895)	2,819	(437,895)
Fund balance as of January 1	4,104	-	320,042	462,376	154,175	11,917,813
Prior period adjustments			168	307	20	7,561
Fund balance as of January 1 (restated)	4,104	-	320,210	462,683	154,195	11,925,374
Fund balance as of Dec. 31	\$-	\$-	\$144,263	\$396,788	\$157,014	\$11,487,479

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2013

Point Roberts Fuel Tax	Conservation Futures	Road Improvement Districts	Lynden/ Everson Sub-Zone	Sumas/ Nooksack/ Everson Sub-Zone	Acme/ Van Zandt Sub-Zone	Samish Watershed Sub-Zone	Birch Bay Sub-Zone	Total Non Major Special Revenue Funds
\$96,674	\$1,016,895	\$26,828	\$-	\$-	\$-	\$-	\$-	\$14,796,569
-	110,137	-	-	-	-	-	99,684	6,001,927
-	-	-	-	-	-	-	-	8,218,361
-	-	28	62	378	113	49	1,394	197,860
(3,154)	(24,769)	961	34,962	107,464	22,548	17,879	722,388	1,352,008
<u>93,520</u>	<u>1,102,263</u>	<u>27,817</u>	<u>35,024</u>	<u>107,842</u>	<u>22,661</u>	<u>17,928</u>	<u>823,466</u>	<u>30,566,725</u>
-	-	-	-	-	-	-	-	1,255,926
-	-	-	-	-	-	-	-	16,457,159
-	-	-	-	-	-	-	-	627,269
20,623	-	31,206	-	-	-	-	-	51,829
-	22,829	-	21,175	5,641	2,291	12,648	598,160	6,726,999
-	-	-	-	-	-	-	-	6,697,740
-	-	-	-	-	-	-	-	492,195
-	449,602	-	-	-	-	-	385,532	1,749,117
<u>20,623</u>	<u>472,431</u>	<u>31,206</u>	<u>21,175</u>	<u>5,641</u>	<u>2,291</u>	<u>12,648</u>	<u>983,692</u>	<u>34,058,234</u>
<u>72,897</u>	<u>629,832</u>	<u>(3,389)</u>	<u>13,849</u>	<u>102,201</u>	<u>20,370</u>	<u>5,280</u>	<u>(160,226)</u>	<u>(3,491,509)</u>
-	13,223	-	-	-	-	-	-	63,950
-	-	-	-	-	-	-	-	6,308,013
-	(130,171)	-	-	-	-	-	-	(5,187,789)
-	-	-	-	-	-	-	-	12,712
-	(116,948)	-	-	-	-	-	-	1,196,886
<u>72,897</u>	<u>512,884</u>	<u>(3,389)</u>	<u>13,849</u>	<u>102,201</u>	<u>20,370</u>	<u>5,280</u>	<u>(160,226)</u>	<u>(2,294,623)</u>
580,832	4,937,796	37,129	260,777	927,241	202,466	78,587	1,768,495	40,945,453
366	2,177	20	168	594	129	49	1,148	25,069
<u>581,198</u>	<u>4,939,973</u>	<u>37,149</u>	<u>260,945</u>	<u>927,835</u>	<u>202,595</u>	<u>78,636</u>	<u>1,769,643</u>	<u>40,970,522</u>
<u>\$654,095</u>	<u>\$5,452,857</u>	<u>\$33,760</u>	<u>\$274,794</u>	<u>\$1,030,036</u>	<u>\$222,965</u>	<u>\$83,916</u>	<u>\$1,609,417</u>	<u>\$38,675,899</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Election Reserve
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$363,700	\$365,063	\$1,363	\$366,134
Intergovernmental	6,000	11,163	5,163	4,994
Charges for service	655,000	743,818	88,818	608,396
Miscellaneous	-	(508)	(508)	104
Total revenues	<u>1,024,700</u>	<u>1,119,536</u>	<u>94,836</u>	<u>979,628</u>
Expenditures				
Current:				
General government	1,216,470	978,586	237,884	1,353,515
Capital outlay	-	-	-	12,040
Total expenditures	<u>1,216,470</u>	<u>978,586</u>	<u>237,884</u>	<u>1,365,555</u>
Excess (deficiency) of revenues over expenditures	<u>(191,770)</u>	<u>140,950</u>	<u>332,720</u>	<u>(385,927)</u>
Other financing sources (uses)				
Sales of capital assets	6,000	4,738	(1,262)	8,132
Transfers in	312,000	78,000	(234,000)	309,000
Capital lease proceeds	-	-	-	12,040
Total other financing sources (uses)	<u>318,000</u>	<u>82,738</u>	<u>(235,262)</u>	<u>329,172</u>
Net change in fund balances	<u>126,230</u>	<u>223,688</u>	<u>97,458</u>	<u>(56,755)</u>
Fund balance as of January 1	-	361,694	361,694	418,449
Prior period adjustments	-	139	139	-
Fund balance as of January 1 (restated)	<u>-</u>	<u>361,833</u>	<u>361,833</u>	<u>418,449</u>
Fund balance as of December 31	<u>\$126,230</u>	<u>\$585,521</u>	<u>\$459,291</u>	<u>\$361,694</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Veterans' Relief
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$269,600	\$267,963	\$(1,637)	\$269,350
Intergovernmental	10	36	26	130
Miscellaneous	5,029	(623)	(5,652)	4,345
Total revenues	<u>274,639</u>	<u>267,376</u>	<u>(7,263)</u>	<u>273,825</u>
Expenditures				
Current:				
Social services	467,893	369,114	98,779	382,583
Total expenditures	<u>467,893</u>	<u>369,114</u>	<u>98,779</u>	<u>382,583</u>
Excess (deficiency) of revenues over expenditures	<u>(193,254)</u>	<u>(101,738)</u>	<u>91,516</u>	<u>(108,758)</u>
Other financing sources (uses)				
Sales of capital assets	5,000	3,477	(1,523)	5,661
Total other financing sources (uses)	<u>5,000</u>	<u>3,477</u>	<u>(1,523)</u>	<u>5,661</u>
Net change in fund balances	<u>(188,254)</u>	<u>(98,261)</u>	<u>89,993</u>	<u>(103,097)</u>
Fund balance as of January 1	-	733,350	733,350	836,447
Prior period adjustments	-	505	505	-
Fund balance as of January 1 (restated)	-	733,855	733,855	836,447
Fund balance as of December 31	<u>\$(188,254)</u>	<u>\$635,594</u>	<u>\$823,848</u>	<u>\$733,350</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Treasurer's O & M
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for service	\$218,693	\$171,089	\$(47,604)	\$138,534
Miscellaneous	-	(1,732)	(1,732)	-
Total revenues	<u>218,693</u>	<u>169,357</u>	<u>(49,336)</u>	<u>138,534</u>
Expenditures				
Current:				
General government	137,734	46,634	91,100	38,303
Capital outlay	4,939	-	4,939	-
Total expenditures	<u>142,673</u>	<u>46,634</u>	<u>96,039</u>	<u>38,303</u>
Excess (deficiency) of revenues over expenditures	<u>76,020</u>	<u>122,723</u>	<u>46,703</u>	<u>100,231</u>
Other financing sources (uses)				
Transfers out	(75,000)	(87,139)	(12,139)	(84,086)
Total other financing sources (uses)	<u>(75,000)</u>	<u>(87,139)</u>	<u>(12,139)</u>	<u>(84,086)</u>
Net change in fund balances	<u>1,020</u>	<u>35,584</u>	<u>34,564</u>	<u>16,145</u>
Fund balance as of January 1	-	321,701	321,701	305,556
Prior period adjustments	-	208	208	-
Fund balance as of January 1 (restated)	-	321,909	321,909	305,556
Fund balance as of December 31	<u>\$1,020</u>	<u>\$357,493</u>	<u>\$356,473</u>	<u>\$321,701</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Jail
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$3,445,027	\$3,580,099	\$135,072	\$3,358,409
Intergovernmental	2,139,792	128,124	(2,011,668)	2,379,352
Charges for service	1,099,502	3,979,893	2,880,391	601,005
Miscellaneous	942,730	489,496	(453,234)	369,762
Total revenues	<u>7,627,051</u>	<u>8,177,612</u>	<u>550,561</u>	<u>6,708,528</u>
Expenditures				
Current:				
Public safety	13,203,397	12,298,860	904,537	11,684,834
Capital outlay	10,000	22,707	(12,707)	-
Total expenditures	<u>13,213,397</u>	<u>12,321,567</u>	<u>891,830</u>	<u>11,684,834</u>
Excess (deficiency) of revenues over expenditures	<u>(5,586,346)</u>	<u>(4,143,955)</u>	<u>1,442,391</u>	<u>(4,976,306)</u>
Other financing sources (uses)				
Transfers in	5,117,229	5,117,229	-	5,558,967
Transfers out	(2,939,576)	(2,939,576)	-	(252,433)
Capital lease proceeds	-	12,712	12,712	-
Total other financing sources (uses)	<u>2,177,653</u>	<u>2,190,365</u>	<u>12,712</u>	<u>5,306,534</u>
Net change in fund balances	<u>(3,408,693)</u>	<u>(1,953,590)</u>	<u>1,455,103</u>	<u>330,228</u>
Fund balance as of January 1	-	4,310,808	4,310,808	3,980,580
Prior period adjustments	-	2,712	2,712	-
Fund balance as of January 1 (restated)	-	4,313,520	4,313,520	3,980,580
Fund balance as of December 31	<u><u>\$(3,408,693)</u></u>	<u><u>\$2,359,930</u></u>	<u><u>\$5,768,623</u></u>	<u><u>\$4,310,808</u></u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Low-Income Housing
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for service	\$225,775	\$213,026	\$(12,749)	\$217,056
Miscellaneous	-	(600)	(600)	-
Total revenues	<u>225,775</u>	<u>212,426</u>	<u>(13,349)</u>	<u>217,056</u>
Expenditures				
Current:				
Natural and economic environment	250,670	242,871	7,799	208,210
Total expenditures	<u>250,670</u>	<u>242,871</u>	<u>7,799</u>	<u>208,210</u>
Excess (deficiency) of revenues over expenditures	<u>(24,895)</u>	<u>(30,445)</u>	<u>(5,550)</u>	<u>8,846</u>
Fund balance as of January 1	-	111,287	111,287	102,441
Prior period adjustments	-	109	109	-
Fund balance as of January 1 (restated)	-	111,396	111,396	102,441
Fund balance as of December 31	<u>\$(24,895)</u>	<u>\$80,951</u>	<u>\$105,846</u>	<u>\$111,287</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Homeless Housing
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$1,995,815	\$1,597,306	\$(398,509)	\$952,020
Charges for service	1,103,180	1,102,211	(969)	1,010,422
Miscellaneous	-	(2,585)	(2,585)	-
Total revenues	<u>3,098,995</u>	<u>2,696,932</u>	<u>(402,063)</u>	<u>1,962,442</u>
Expenditures				
Current:				
Social services	3,023,031	2,770,548	252,483	2,087,204
Total expenditures	<u>3,023,031</u>	<u>2,770,548</u>	<u>252,483</u>	<u>2,087,204</u>
Excess (deficiency) of revenues over expenditures	<u>75,964</u>	<u>(73,616)</u>	<u>(149,580)</u>	<u>(124,762)</u>
Fund balance as of January 1	-	530,725	530,725	655,487
Prior period adjustments	-	515	515	-
Fund balance as of January 1 (restated)	-	531,240	531,240	655,487
Fund balance as of December 31	<u>\$75,964</u>	<u>\$457,624</u>	<u>\$381,660</u>	<u>\$530,725</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Stormwater
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$563,202	\$586,726	\$23,524	\$617,324
Charges for service	29,189	55,469	26,280	-
Miscellaneous	-	(2,130)	(2,130)	300
Total revenues	<u>592,391</u>	<u>640,065</u>	<u>47,674</u>	<u>617,624</u>
Expenditures				
Current:				
Natural and economic environment	1,987,409	1,069,769	917,640	1,099,939
Capital outlay	85,172	582,112	(496,940)	316,967
Total expenditures	<u>2,072,581</u>	<u>1,651,881</u>	<u>420,700</u>	<u>1,416,906</u>
Excess (deficiency) of revenues over expenditures	<u>(1,480,190)</u>	<u>(1,011,816)</u>	<u>468,374</u>	<u>(799,282)</u>
Other financing sources (uses)				
Transfers in	1,287,735	910,555	(377,180)	486,875
Transfers out	(36,811)	-	36,811	-
Total other financing sources (uses)	<u>1,250,924</u>	<u>910,555</u>	<u>(340,369)</u>	<u>486,875</u>
Net change in fund balances	<u>(229,266)</u>	<u>(101,261)</u>	<u>128,005</u>	<u>(312,407)</u>
Fund balance as of January 1	-	840,492	840,492	1,152,899
Prior period adjustments	-	178	178	-
Fund balance as of January 1 (restated)	-	840,670	840,670	1,152,899
Fund balance as of December 31	<u><u>\$(229,266)</u></u>	<u><u>\$739,409</u></u>	<u><u>\$968,675</u></u>	<u><u>\$840,492</u></u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Chemical Dependency/Mental Health
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$3,484,872	\$3,576,258	\$91,386	\$3,352,102
Intergovernmental	80,000	200,846	120,846	101,812
Charges for service	40,000	26,717	(13,283)	32,170
Miscellaneous	42,994	(6,394)	(49,388)	29,736
Total revenues	<u>3,647,866</u>	<u>3,797,427</u>	<u>149,561</u>	<u>3,515,820</u>
Expenditures				
Current:				
Social services	4,010,210	3,558,078	452,132	2,584,453
Capital outlay	-	-	-	7,210
Total expenditures	<u>4,010,210</u>	<u>3,558,078</u>	<u>452,132</u>	<u>2,591,663</u>
Excess (deficiency) of revenues over expenditures	<u>(362,344)</u>	<u>239,349</u>	<u>601,693</u>	<u>924,157</u>
Other financing sources (uses)				
Transfers out	-	(6,835)	(6,835)	(372,886)
Capital lease proceeds	-	-	-	7,210
Total other financing sources (uses)	<u>-</u>	<u>(6,835)</u>	<u>(6,835)</u>	<u>(365,676)</u>
Net change in fund balances	<u>(362,344)</u>	<u>232,514</u>	<u>594,858</u>	<u>558,481</u>
Fund balance as of January 1	-	5,175,267	5,175,267	4,616,786
Prior period adjustments	-	3,711	3,711	-
Fund balance as of January 1 (restated)	-	5,178,978	5,178,978	4,616,786
Fund balance as of December 31	<u><u>\$(362,344)</u></u>	<u><u>\$5,411,492</u></u>	<u><u>\$5,773,836</u></u>	<u><u>\$5,175,267</u></u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Countywide Emergency Medical Services
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$2,823,861	\$2,008,792	\$(815,069)	\$1,895,011
Intergovernmental	-	-	-	842,231
Charges for service	-	892,780	892,780	-
Miscellaneous	22,332	(2,145)	(24,477)	22,330
Total revenues	<u>2,846,193</u>	<u>2,899,427</u>	<u>53,234</u>	<u>2,759,572</u>
Expenditures				
Current:				
Public safety	3,050,242	3,030,539	19,703	2,352,321
Total Expenditures	<u>3,050,242</u>	<u>3,030,539</u>	<u>19,703</u>	<u>2,352,321</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(204,049)</u>	<u>(131,112)</u>	<u>72,937</u>	<u>407,251</u>
Other financing sources (uses)				
Transfers out	(675,000)	(675,000)	-	(575,000)
Total other financing sources (uses)	<u>(675,000)</u>	<u>(675,000)</u>	<u>-</u>	<u>(575,000)</u>
Net change in fund balances	<u>(879,049)</u>	<u>(806,112)</u>	<u>72,937</u>	<u>(167,749)</u>
Fund balance as of January 1	-	4,067,886	4,067,886	4,235,635
Prior period adjustments	-	2,543	2,543	-
Fund balance as of January 1 (restated)	-	4,070,429	4,070,429	4,235,635
Fund balance as of December 31	<u>\$(879,049)</u>	<u>\$3,264,317</u>	<u>\$4,143,366</u>	<u>\$4,067,886</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Trial Court Improvement
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$47,500	\$47,988	\$488	\$47,648
Miscellaneous	607	(232)	(839)	696
Total revenues	<u>48,107</u>	<u>47,756</u>	<u>(351)</u>	<u>48,344</u>
Excess (deficiency) of revenues over expenditures	<u>48,107</u>	<u>47,756</u>	<u>(351)</u>	<u>48,344</u>
Other financing sources (uses)				
Transfers out	(13,735)	(5,500)	8,235	(40,274)
Total other financing sources (uses)	<u>(13,735)</u>	<u>(5,500)</u>	<u>8,235</u>	<u>(40,274)</u>
Net change in fund balances	<u>34,372</u>	<u>42,256</u>	<u>7,884</u>	<u>8,070</u>
Fund balance as of January 1	-	109,041	109,041	100,971
Prior period adjustments	-	99	99	-
Fund balance as of January 1 (restated)	<u>-</u>	<u>109,140</u>	<u>109,140</u>	<u>100,971</u>
Fund balance as of December 31	<u>\$34,372</u>	<u>\$151,396</u>	<u>\$117,024</u>	<u>\$109,041</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Solid Waste
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$161,276	\$241,203	\$79,927	\$262,258
Charges for service	740,000	758,431	18,431	753,589
Miscellaneous	10,200	2,233	(7,967)	10,800
Total revenues	<u>911,476</u>	<u>1,001,867</u>	<u>90,391</u>	<u>1,026,647</u>
Expenditures				
Current:				
Utilities	752,485	627,269	125,216	701,318
Capital outlay	-	-	-	173,275
Total expenditures	<u>752,485</u>	<u>627,269</u>	<u>125,216</u>	<u>874,593</u>
Excess (deficiency) of revenues over expenditures	<u>158,991</u>	<u>374,598</u>	<u>215,607</u>	<u>152,054</u>
Other financing sources (uses)				
Transfers out	(147,308)	(95,583)	51,725	(154,681)
Total other financing sources (uses)	<u>(147,308)</u>	<u>(95,583)</u>	<u>51,725</u>	<u>(154,681)</u>
Net change in fund balances	<u>11,683</u>	<u>279,015</u>	<u>267,332</u>	<u>(2,627)</u>
Fund balance as of January 1	-	1,611,205	1,611,205	1,613,832
Prior period adjustments	-	910	910	-
Fund balance as of January 1 (restated)	<u>-</u>	<u>1,612,115</u>	<u>1,612,115</u>	<u>1,613,832</u>
Fund balance as of December 31	<u>\$11,683</u>	<u>\$1,891,130</u>	<u>\$1,879,447</u>	<u>\$1,611,205</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Convention Center
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$513,000	\$580,489	\$67,489	\$555,496
Miscellaneous	-	(5,862)	(5,862)	-
Total revenues	<u>513,000</u>	<u>574,627</u>	<u>61,627</u>	<u>555,496</u>
Expenditures				
Current:				
Culture and recreation	564,985	492,195	72,790	585,542
Total expenditures	<u>564,985</u>	<u>492,195</u>	<u>72,790</u>	<u>585,542</u>
Excess (deficiency) of revenues over expenditures	<u>(51,985)</u>	<u>82,432</u>	<u>134,417</u>	<u>(30,046)</u>
Fund balance as of January 1	-	1,092,069	1,092,069	1,122,115
Prior period adjustments	-	713	713	-
Fund balance as of January 1 (restated)	-	1,092,782	1,092,782	1,122,115
Fund balance as of December 31	<u><u>\$(51,985)</u></u>	<u><u>\$1,175,214</u></u>	<u><u>\$1,227,199</u></u>	<u><u>\$1,092,069</u></u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Victim/Witness Assistance
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$11,350	\$7,024	\$(4,326)	\$12,395
Charges for service	84,600	75,329	(9,271)	80,759
Fines and penalties	31,000	29,124	(1,876)	30,946
Miscellaneous	-	(117)	(117)	-
Total revenues	<u>126,950</u>	<u>111,360</u>	<u>(15,590)</u>	<u>124,100</u>
Expenditures				
Current:				
General government	82,351	82,190	161	79,803
Total expenditures	<u>82,351</u>	<u>82,190</u>	<u>161</u>	<u>79,803</u>
Excess (deficiency) of revenues over expenditures	<u>44,599</u>	<u>29,170</u>	<u>(15,429)</u>	<u>44,297</u>
Other financing sources (uses)				
Transfers out	(65,679)	(38,840)	26,839	(65,679)
Total other financing sources (uses)	<u>(65,679)</u>	<u>(38,840)</u>	<u>26,839</u>	<u>(65,679)</u>
Net change in fund balances	<u>(21,080)</u>	<u>(9,670)</u>	<u>11,410</u>	<u>(21,382)</u>
Fund balance as of January 1	-	27,851	27,851	49,233
Prior period adjustments	-	20	20	-
Fund balance as of January 1 (restated)	<u>-</u>	<u>27,871</u>	<u>27,871</u>	<u>49,233</u>
Fund balance as of December 31	<u>\$(21,080)</u>	<u>\$18,201</u>	<u>\$39,281</u>	<u>\$27,851</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Community Development
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$5,000	\$-	\$(5,000)	\$2,867
Total revenues	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>2,867</u>
Excess (deficiency) of revenues over expenditures	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>2,867</u>
Other financing sources (uses)				
Transfers out	(5,000)	(4,104)	896	(5,000)
Total other financing sources (uses)	<u>(5,000)</u>	<u>(4,104)</u>	<u>896</u>	<u>(5,000)</u>
Net change in fund balances	<u>-</u>	<u>(4,104)</u>	<u>(4,104)</u>	<u>(2,133)</u>
Fund balance as of January 1	-	4,104	4,104	6,237
Fund balance as of December 31	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$4,104</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Drug
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$-	\$2,174	\$2,174	\$-
Fines and penalties	655,000	166,712	(488,288)	838,710
Miscellaneous	2,500	4,844	2,344	6,663
Total revenues	<u>657,500</u>	<u>173,730</u>	<u>(483,770)</u>	<u>845,373</u>
Expenditures				
Current:				
Public safety	82,000	93,693	(11,693)	75,652
Total expenditures	<u>82,000</u>	<u>93,693</u>	<u>(11,693)</u>	<u>75,652</u>
Excess (deficiency) of revenues over expenditures	<u>575,500</u>	<u>80,037</u>	<u>(495,463)</u>	<u>769,721</u>
Other financing sources (uses)				
Transfers out	(511,967)	(255,984)	255,983	(511,967)
Total other financing sources (uses)	<u>(511,967)</u>	<u>(255,984)</u>	<u>255,983</u>	<u>(511,967)</u>
Net change in fund balances	<u>63,533</u>	<u>(175,947)</u>	<u>(239,480)</u>	<u>257,754</u>
Fund balance as of January 1	-	320,042	320,042	62,288
Prior period adjustments	-	168	168	-
Fund balance as of January 1 (restated)	-	320,210	320,210	62,288
Fund balance as of December 31	<u>\$63,533</u>	<u>\$144,263</u>	<u>\$80,730</u>	<u>\$320,042</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Auditor's O & M
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$80,000	\$105,228	\$25,228	\$84,265
Charges for service	86,500	100,712	14,212	100,615
Miscellaneous	-	(2,003)	(2,003)	-
Total revenues	<u>166,500</u>	<u>203,937</u>	<u>37,437</u>	<u>184,880</u>
Expenditures				
Current:				
General government	151,612	148,516	3,096	106,387
Capital outlay	10,000	-	10,000	-
Total expenditures	<u>161,612</u>	<u>148,516</u>	<u>13,096</u>	<u>106,387</u>
Excess (deficiency) of revenues over expenditures	<u>4,888</u>	<u>55,421</u>	<u>50,533</u>	<u>78,493</u>
Other financing sources (uses)				
Transfers out	(129,240)	(121,316)	7,924	(116,552)
Total other financing sources (uses)	<u>(129,240)</u>	<u>(121,316)</u>	<u>7,924</u>	<u>(116,552)</u>
Net change in fund balances	<u>(124,352)</u>	<u>(65,895)</u>	<u>58,457</u>	<u>(38,059)</u>
Fund balance as of January 1	-	462,376	462,376	500,435
Prior period adjustments	-	307	307	-
Fund balance as of January 1 (restated)	-	462,683	462,683	500,435
Fund balance as of December 31	<u>\$(124,352)</u>	<u>\$396,788</u>	<u>\$521,140</u>	<u>\$462,376</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Emergency Management
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$1,721,005	\$1,117,682	\$(603,323)	\$963,512
Charges for service	-	81,362	81,362	-
Miscellaneous	13,975	9,797	(4,178)	14,913
Total revenues	<u>1,734,980</u>	<u>1,208,841</u>	<u>(526,139)</u>	<u>978,425</u>
Expenditures				
Current:				
Public safety	1,563,496	1,034,067	529,429	917,526
Capital outlay	83,969	84,399	(430)	6,293
Total expenditures	<u>1,647,465</u>	<u>1,118,466</u>	<u>528,999</u>	<u>923,819</u>
Excess (deficiency) of revenues over expenditures	<u>87,515</u>	<u>90,375</u>	<u>2,860</u>	<u>54,606</u>
Other financing sources (uses)				
Transfers in	187,289	202,229	14,940	223,833
Transfers out	(289,744)	(289,785)	(41)	(257,202)
Capital lease proceeds	-	-	-	6,293
Total other financing sources (uses)	<u>(102,455)</u>	<u>(87,556)</u>	<u>14,899</u>	<u>(27,076)</u>
Net change in fund balances	<u>(14,940)</u>	<u>2,819</u>	<u>17,759</u>	<u>27,530</u>
Fund balance as of January 1	-	154,175	154,175	126,645
Prior period adjustments	-	20	20	-
Fund balance as of January 1 (restated)	-	154,195	154,195	126,645
Fund balance as of December 31	<u>\$(14,940)</u>	<u>\$157,014</u>	<u>\$171,954</u>	<u>\$154,175</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Flood Control Zone District
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$3,237,331	\$3,277,508	\$40,177	\$3,241,340
Intergovernmental	2,203,510	1,746,606	(456,904)	500,024
Charges for service	41,724	17,524	(24,200)	22,836
Miscellaneous	63,600	(7,709)	(71,309)	73,395
Total revenues	<u>5,546,165</u>	<u>5,033,929</u>	<u>(512,236)</u>	<u>3,837,595</u>
Expenditures				
Current:				
Utilities	12,974	-	12,974	-
Natural and economic environment	7,615,455	4,751,615	2,863,840	2,197,413
Capital outlay	560,000	224,765	335,235	90,573
Total expenditures	<u>8,188,429</u>	<u>4,976,380</u>	<u>3,212,049</u>	<u>2,287,986</u>
Excess (deficiency) of revenues over expenditures	<u>(2,642,264)</u>	<u>57,549</u>	<u>2,699,813</u>	<u>1,549,609</u>
Other financing sources (uses)				
Sales of capital assets	50,000	42,512	(7,488)	67,501
Transfers out	(500,634)	(537,956)	(37,322)	(364,391)
Total other financing sources (uses)	<u>(450,634)</u>	<u>(495,444)</u>	<u>(44,810)</u>	<u>(296,890)</u>
Net change in fund balances	<u>(3,092,898)</u>	<u>(437,895)</u>	<u>2,655,003</u>	<u>1,252,719</u>
Fund balance as of January 1	-	11,917,813	11,917,813	10,665,094
Prior period adjustments	-	7,561	7,561	-
Fund balance as of January 1 (restated)	-	11,925,374	11,925,374	10,665,094
Fund balance as of December 31	<u>\$(3,092,898)</u>	<u>\$11,487,479</u>	<u>\$14,580,377</u>	<u>\$11,917,813</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Point Roberts Fuel Tax
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$60,000	\$96,674	\$36,674	\$98,937
Miscellaneous	-	(3,154)	(3,154)	-
Total revenues	<u>60,000</u>	<u>93,520</u>	<u>33,520</u>	<u>98,937</u>
Expenditures				
Current:				
Transportation	-	20,623	(20,623)	-
Total expenditures	<u>-</u>	<u>20,623</u>	<u>(20,623)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>60,000</u>	<u>72,897</u>	<u>12,897</u>	<u>98,937</u>
Other financing sources (uses)				
Transfers out	(300,000)	-	300,000	-
Total other financing sources (uses)	<u>(300,000)</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
Net change in fund balances	<u>(240,000)</u>	<u>72,897</u>	<u>312,897</u>	<u>98,937</u>
Fund balance as of January 1	-	580,832	580,832	481,895
Prior period adjustments	-	366	366	-
Fund balance as of January 1 (restated)	-	581,198	581,198	481,895
Fund balance as of December 31	<u>\$(240,000)</u>	<u>\$654,095</u>	<u>\$894,095</u>	<u>\$580,832</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Conservation Futures
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$1,000,647	\$1,016,895	\$16,248	\$1,003,230
Intergovernmental	187,545	110,137	(77,408)	479
Miscellaneous	160	(24,769)	(24,929)	281
Total revenues	<u>1,188,352</u>	<u>1,102,263</u>	<u>(86,089)</u>	<u>1,003,990</u>
Expenditures				
Current:				
Natural and economic environment	210,000	22,829	187,171	-
Capital outlay	632,200	449,602	182,598	-
Total expenditures	<u>842,200</u>	<u>472,431</u>	<u>369,769</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>346,152</u>	<u>629,832</u>	<u>283,680</u>	<u>1,003,990</u>
Other financing sources (uses)				
Sales of capital assets	10,000	13,223	3,223	21,651
Transfers out	(149,000)	(130,171)	18,829	(98,778)
Total other financing sources (uses)	<u>(139,000)</u>	<u>(116,948)</u>	<u>22,052</u>	<u>(77,127)</u>
Net change in fund balances	<u>207,152</u>	<u>512,884</u>	<u>305,732</u>	<u>926,863</u>
Fund balance as of January 1	-	4,937,796	4,937,796	2,489,708
Prior period adjustments	-	2,177	2,177	-
Fund balance as of January 1 (restated)	-	4,939,973	4,939,973	2,489,708
Fund balance as of December 31	<u>\$207,152</u>	<u>\$5,452,857</u>	<u>\$5,245,705</u>	<u>\$3,416,571</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Road Improvement Districts
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$27,065	\$26,828	\$(237)	\$26,871
Fine and penalties	-	28	28	-
Miscellaneous	1,090	961	(129)	1,100
Total revenues	<u>28,155</u>	<u>27,817</u>	<u>(338)</u>	<u>27,971</u>
Expenditures				
Current:				
Transportation	30,300	31,206	(906)	30,317
Total expenditures	<u>30,300</u>	<u>31,206</u>	<u>(906)</u>	<u>30,317</u>
Excess (deficiency) of revenues over expenditures	<u>(2,145)</u>	<u>(3,389)</u>	<u>(1,244)</u>	<u>(2,346)</u>
Other financing sources (uses)				
Transfers out	(1,082)	-	1,082	(1,081)
Total other financing sources (uses)	<u>(1,082)</u>	<u>-</u>	<u>1,082</u>	<u>(1,081)</u>
Net change in fund balances	<u>(3,227)</u>	<u>(3,389)</u>	<u>(162)</u>	<u>(3,427)</u>
Fund balance as of January 1	-	37,129	37,129	40,556
Prior period adjustments	-	20	20	-
Fund balance as of January 1 (restated)	-	37,149	37,149	40,556
Fund balance as of December 31	<u>\$(3,227)</u>	<u>\$33,760</u>	<u>\$36,987</u>	<u>\$37,129</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Lynden/Everson Sub-Zone
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$36,281	\$-	\$(36,281)	\$36,476
Fines and penalties	-	62	62	-
Miscellaneous	1,600	34,962	33,362	1,291
Total revenues	<u>37,881</u>	<u>35,024</u>	<u>(2,857)</u>	<u>37,767</u>
Expenditures				
Current:				
Natural and economic environment	100,000	21,175	78,825	21,041
Total expenditures	<u>100,000</u>	<u>21,175</u>	<u>78,825</u>	<u>21,041</u>
Excess (deficiency) of revenues over expenditures	<u>(62,119)</u>	<u>13,849</u>	<u>75,968</u>	<u>16,726</u>
Fund balance as of January 1	-	260,777	260,777	244,051
Prior period adjustments	-	168	168	-
Fund balance as of January 1 (restated)	-	260,945	260,945	244,051
Fund balance as of December 31	<u><u>\$(62,119)</u></u>	<u><u>\$274,794</u></u>	<u><u>\$336,913</u></u>	<u><u>\$260,777</u></u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Sumas/Nooksack/Everson Sub-Zone
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$109,243	\$-	\$(109,243)	\$111,882
Fines and penalties	-	378	378	-
Miscellaneous	5,400	107,464	102,064	4,378
Total revenues	<u>114,643</u>	<u>107,842</u>	<u>(6,801)</u>	<u>116,260</u>
Expenditures				
Current:				
Natural and economic environment	87,500	5,641	81,859	16,240
Total expenditures	<u>87,500</u>	<u>5,641</u>	<u>81,859</u>	<u>16,240</u>
Excess (deficiency) of revenues over expenditures	<u>27,143</u>	<u>102,201</u>	<u>75,058</u>	<u>100,020</u>
Other financing sources (uses)				
Transfers out	-	-	-	(328)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(328)</u>
Net change in fund balances	<u>27,143</u>	<u>102,201</u>	<u>75,058</u>	<u>99,692</u>
Fund balance as of January 1	-	927,241	927,241	827,549
Prior period adjustments	-	594	594	-
Fund balance as of January 1 (restated)	-	927,835	927,835	827,549
Fund balance as of December 31	<u>\$27,143</u>	<u>\$1,030,036</u>	<u>\$1,002,893</u>	<u>\$927,241</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Acme/Van Zandt Sub-Zone
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$22,691	\$-	\$(22,691)	\$22,654
Fines and penalties	-	113	113	-
Miscellaneous	1,200	22,548	21,348	965
Total revenues	<u>23,891</u>	<u>22,661</u>	<u>(1,230)</u>	<u>23,619</u>
Expenditures				
Current:				
Natural and economic environment	34,790	2,291	32,499	4,116
Total expenditures	<u>34,790</u>	<u>2,291</u>	<u>32,499</u>	<u>4,116</u>
Excess (deficiency) of revenues over expenditures	<u>(10,899)</u>	<u>20,370</u>	<u>31,269</u>	<u>19,503</u>
Fund balance as of January 1	-	202,466	202,466	182,963
Prior period adjustments	-	129	129	-
Fund balance as of January 1 (restated)	-	202,595	202,595	182,963
Fund balance as of December 31	<u><u>\$(10,899)</u></u>	<u><u>\$222,965</u></u>	<u><u>\$233,864</u></u>	<u><u>\$202,466</u></u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Samish Watershed Sub-Zone
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$18,290	\$-	\$(18,290)	\$17,963
Fines and penalties	-	49	49	-
Miscellaneous	-	17,879	17,879	345
Total revenues	<u>18,290</u>	<u>17,928</u>	<u>(362)</u>	<u>18,308</u>
Expenditures				
Current:				
Natural and economic environment	19,546	12,648	6,898	7,078
Total expenditures	<u>19,546</u>	<u>12,648</u>	<u>6,898</u>	<u>7,078</u>
Excess (deficiency) of revenues over expenditures	<u>(1,256)</u>	<u>5,280</u>	<u>6,536</u>	<u>11,230</u>
Fund balance as of January 1	-	78,587	78,587	67,357
Prior period adjustments	-	49	49	-
Fund balance as of January 1 (restated)	-	78,636	78,636	67,357
Fund balance as of December 31	<u><u>\$(1,256)</u></u>	<u><u>\$83,916</u></u>	<u><u>\$85,172</u></u>	<u><u>\$78,587</u></u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Birch Bay Sub-Zone
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$723,000	\$-	\$(723,000)	\$753,416
Intergovernmental	153,823	99,684	(54,139)	103,039
Fines and penalties	-	1,394	1,394	-
Miscellaneous	12,000	722,388	710,388	7,803
Total revenues	<u>888,823</u>	<u>823,466</u>	<u>(65,357)</u>	<u>864,258</u>
Expenditures				
Current:				
Natural and economic environment	838,757	598,160	240,597	366,448
Capital outlay	520,000	385,532	134,468	22,660
Total expenditures	<u>1,358,757</u>	<u>983,692</u>	<u>375,065</u>	<u>389,108</u>
Excess (deficiency) of revenues over expenditures	<u>(469,934)</u>	<u>(160,226)</u>	<u>309,708</u>	<u>475,150</u>
Other financing sources (uses)				
Transfers out	-	-	-	(33,802)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,802)</u>
Net change in fund balances	<u>(469,934)</u>	<u>(160,226)</u>	<u>309,708</u>	<u>441,348</u>
Fund balance as of January 1	-	1,768,495	1,768,495	1,327,147
Prior period adjustments	-	1,148	1,148	-
Fund balance as of January 1 (restated)	<u>-</u>	<u>1,769,643</u>	<u>1,769,643</u>	<u>1,327,147</u>
Fund balance as of December 31	<u>\$(469,934)</u>	<u>\$1,609,417</u>	<u>\$2,079,351</u>	<u>\$1,768,495</u>



	CRID No. 9 General Debt	2003 Ltd. Tax GO Bond	2010 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
Assets				
Cash, cash equivalents and pooled investments	\$-	\$-	\$2,157	\$2,157
Total assets	<u>\$-</u>	<u>\$-</u>	<u>\$2,157</u>	<u>\$2,157</u>
Fund balances:				
Restricted	\$-	\$-	\$2,157	\$2,157
Total fund balance	<u>-</u>	<u>-</u>	<u>2,157</u>	<u>2,157</u>
Total liabilities and fund balance	<u>\$-</u>	<u>\$-</u>	<u>\$2,157</u>	<u>\$2,157</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2013

	CRID No. 9 General Debt	2003 Ltd. Tax GO Bond	2010 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
Revenues				
Miscellaneous	\$-	\$-	\$(9)	\$(9)
Total revenues	<u>-</u>	<u>-</u>	<u>\$(9)</u>	<u>\$(9)</u>
Expenditures				
Debt service:				
Principal	-	-	305,000	305,000
Interest	-	-	167,214	167,214
Total expenditures	<u>-</u>	<u>-</u>	<u>472,214</u>	<u>472,214</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(472,223)</u>	<u>(472,223)</u>
Other financing sources (uses)				
Transfers in	-	-	471,614	471,614
Transfers out	-	(361)	-	(361)
Total other financing sources (uses)	<u>-</u>	<u>(361)</u>	<u>471,614</u>	<u>471,253</u>
Net changes in fund balances	<u>-</u>	<u>(361)</u>	<u>(609)</u>	<u>(970)</u>
Fund balance as of January 1	<u>-</u>	<u>361</u>	<u>2,766</u>	<u>3,127</u>
Fund balance as of December 31	<u>\$-</u>	<u>\$-</u>	<u>\$2,157</u>	<u>\$2,157</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2010 Ltd Tax GO Bond
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

Whatcom County

WASHINGTON

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(9)	\$(9)	\$-
Total Revenues	<u>-</u>	<u>\$(9)</u>	<u>\$(9)</u>	<u>-</u>
Expenditures				
Debt Service:				
Principal	305,000	305,000	-	475,000
Interest	167,218	167,214	4	171,968
Total expenditures	<u>472,218</u>	<u>472,214</u>	<u>4</u>	<u>646,968</u>
Excess (deficiency) of revenues over expenditures	<u>(472,218)</u>	<u>(472,223)</u>	<u>(5)</u>	<u>(646,968)</u>
Other financing sources (uses)				
Transfers in	471,614	471,614	-	646,967
Total other financing sources (uses)	<u>471,614</u>	<u>471,614</u>	<u>-</u>	<u>646,967</u>
Net changes in fund balances	<u>(604)</u>	<u>(609)</u>	<u>(5)</u>	<u>(1)</u>
Fund balance as of January 1	-	2,766	2,766	2,767
Fund balance as of December 31	<u><u>\$(604)</u></u>	<u><u>\$2,157</u></u>	<u><u>\$2,761</u></u>	<u><u>\$2,766</u></u>

	Real Estate Excise Tax II	Real Estate Excise Tax I	County Park Improvement	Civic Center Building Improvement	East Whatcom Regional Resource Ctr Construction	Yew St. Rd. Construction
Assets						
Cash, cash equivalents and pooled investments	\$5,607,991	\$1,100,447	\$-	\$2,523,252	\$76,452	\$-
Investments	-	-	164,538	-	-	-
Interest receivable	-	-	55	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	\$5,607,991	\$1,100,447	\$164,593	\$2,523,252	\$76,452	\$-
Liabilities and fund balance						
Liabilities						
Accounts payable	\$21,414	\$31,083	\$-	\$1,056	\$-	\$-
Due to other funds	11,772	-	-	-	-	-
Interfund loans payable	-	-	-	-	-	-
Total liabilities	33,186	31,083	-	1,056	-	-
Fund balances:						
Restricted	5,574,805	1,069,364	164,593	2,522,196	76,452	-
Committed	-	-	-	-	-	-
Total fund balance	5,574,805	1,069,364	164,593	2,522,196	76,452	-
Total liabilities and fund balance	\$5,607,991	\$1,100,447	\$164,593	\$2,523,252	\$76,452	\$-

Lincoln Rd. Construction	2010 Jail Improvement	Lummi Nation Lease	Birch Bay Dr and Pedestrian Facility Project	Birch Bay- Lynden Rd/ Portal Way Signl/Imp Prj	Potter Rd-S Fork Bridge Rplcmnt Prjt	Rural Rd Safety Program Project	Sheriff's Record Management System Prjt	New Jail Project
\$-	\$218	\$1,991,512	\$662,550	\$264,833	\$1,647,773	\$620,574	\$705,285	\$587,787
-	1,026,866	-	-	-	-	-	-	-
-	347	-	-	-	-	-	-	-
-	-	-	-	16,038	-	397,139	-	-
<u>\$-</u>	<u>\$1,027,431</u>	<u>\$1,991,512</u>	<u>\$662,550</u>	<u>\$280,871</u>	<u>\$1,647,773</u>	<u>\$1,017,713</u>	<u>\$705,285</u>	<u>\$587,787</u>
\$-	\$14,177	\$-	\$38	\$130,446	\$386	\$3,755	\$408,409	\$-
-	-	-	134	-	-	-	-	-
-	-	-	-	-	-	1,000,000	-	-
<u>-</u>	<u>14,177</u>	<u>-</u>	<u>172</u>	<u>130,446</u>	<u>386</u>	<u>1,003,755</u>	<u>408,409</u>	<u>-</u>
-	1,013,254	1,991,512	662,378	150,425	1,647,387	13,958	-	-
-	-	-	-	-	-	-	296,876	587,787
<u>-</u>	<u>1,013,254</u>	<u>1,991,512</u>	<u>662,378</u>	<u>150,425</u>	<u>1,647,387</u>	<u>13,958</u>	<u>296,876</u>	<u>587,787</u>
<u>\$-</u>	<u>\$1,027,431</u>	<u>\$1,991,512</u>	<u>\$662,550</u>	<u>\$280,871</u>	<u>\$1,647,773</u>	<u>\$1,017,713</u>	<u>\$705,285</u>	<u>\$587,787</u>

	Sup Ct Fourth Judge Courtroom Renovation	Nesset Farm Restoration	State St Building Acquisition & Improvement	Total Non Major Capital Project Funds
Assets				
Cash, cash equivalents and pooled investments	\$144,232	\$-	\$5,021,282	\$20,954,188
Investments	-	-	-	1,191,404
Interest receivable	-	-	-	402
Due from other governments	-	-	-	413,177
Total assets	\$144,232	\$-	\$5,021,282	\$22,559,171
Liabilities and fund balance				
Liabilities				
Accounts payable	\$4,500	\$-	\$-	\$615,264
Due to other funds	-	-	-	11,906
Interfund loans payable	-	-	-	1,000,000
Total liabilities	4,500	-	-	1,627,170
Fund balances:				
Restricted	-	-	1,250,000	16,136,324
Committed	139,732	-	3,771,282	4,795,677
Total fund balance	139,732	-	5,021,282	20,932,001
Total liabilities and fund balance	\$144,232	\$-	\$5,021,282	\$22,559,171

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2013

	Real Estate Excise Tax II	Real Estate Excise Tax I	County Park Improvement	Civic Center Building Improvement	East Whatcom Regional Resource Ctr Construction	Yew St. Rd. Construction
Revenues						
Taxes	\$1,423,327	\$1,423,328	\$-	\$-	\$-	\$-
Intergovernmental	51,134	-	-	-	-	-
Miscellaneous	(19,973)	(6,065)	(116)	(11,744)	(395)	-
Total revenues	<u>1,454,488</u>	<u>1,417,263</u>	<u>(116)</u>	<u>(11,744)</u>	<u>(395)</u>	<u>-</u>
Expenditures						
Current:						
General government	-	63,690	-	-	-	-
Social Services	-	111	-	-	-	-
Culture and recreation	82,300	-	-	-	-	-
Capital outlay	789,689	76,965	-	1,562,210	-	701
Total expenditures	<u>871,989</u>	<u>140,766</u>	<u>-</u>	<u>1,562,210</u>	<u>-</u>	<u>701</u>
Excess (deficiency) of revenues over expenditures	<u>582,499</u>	<u>1,276,497</u>	<u>(116)</u>	<u>(1,573,954)</u>	<u>(395)</u>	<u>(701)</u>
Other financing sources (uses)						
Transfers in	14,286	-	-	2,544,100	-	-
Transfers out	(2,230,606)	(2,424,000)	-	-	-	(14,286)
Total other financing sources (uses)	<u>(2,216,320)</u>	<u>(2,424,000)</u>	<u>-</u>	<u>2,544,100</u>	<u>-</u>	<u>(14,286)</u>
Net changes in fund balances	<u>(1,633,821)</u>	<u>(1,147,503)</u>	<u>(116)</u>	<u>970,146</u>	<u>(395)</u>	<u>(14,987)</u>
Fund balance as of January 1	7,204,054	2,215,462	163,640	1,551,060	76,778	14,987
Prior period adjustments	4,572	1,405	1,069	990	69	-
Fund balance as of January 1 (restated)	<u>7,208,626</u>	<u>2,216,867</u>	<u>164,709</u>	<u>1,552,050</u>	<u>76,847</u>	<u>14,987</u>
Fund balance as of December 31	<u><u>\$5,574,805</u></u>	<u><u>\$1,069,364</u></u>	<u><u>\$164,593</u></u>	<u><u>\$2,522,196</u></u>	<u><u>\$76,452</u></u>	<u><u>\$-</u></u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2013

Lincoln Rd Construction	2010 Jail Improvement	Lummi Nation Lease	Birch Bay Dr and Pedestrian Facility Project	Birch Bay-Lynden Rd/Portal Way Signl/Imp Prj	Potter Rd-S Fork Bridge Rplcmnt Prjt	Rural Rd Safety Program Project	Sheriff's Record Management System Prjt	New Jail Project
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
-	-	-	19,658	162,410	-	803,543	-	-
-	(767)	(9,755)	(2,824)	(604)	(7,023)	(1,970)	(3,006)	(2,505)
-	(767)	(9,755)	16,834	161,806	(7,023)	801,573	(3,006)	(2,505)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
23,557	370,274	-	99,456	311,381	245,590	803,615	1,140,280	6,503,199
23,557	370,274	-	99,456	311,381	245,590	803,615	1,140,280	6,503,199
(23,557)	(371,041)	(9,755)	(82,622)	(149,575)	(252,613)	(2,042)	(1,143,286)	(6,505,704)
-	-	-	745,000	300,000	1,900,000	16,000	1,440,162	7,093,491
(585,198)	-	-	-	-	-	-	-	-
(585,198)	-	-	745,000	300,000	1,900,000	16,000	1,440,162	7,093,491
(608,755)	(371,041)	(9,755)	662,378	150,425	1,647,387	13,958	296,876	587,787
608,755	1,383,345	2,000,000	-	-	-	-	-	-
-	950	1,267	-	-	-	-	-	-
608,755	1,384,295	2,001,267	-	-	-	-	-	-
\$-	\$1,013,254	\$1,991,512	\$662,378	\$150,425	\$1,647,387	\$13,958	\$296,876	\$587,787

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2013

	Sup Ct Fourth Judge Courtroom Renovation	Nesset Farm Restoration	State St Building Acquisition & Improvement	Total Non Major Capital Project Funds
Revenues				
Taxes	\$-	\$-	\$-	\$2,846,655
Intergovernmental	-	-	-	1,036,745
Miscellaneous	(615)	-	(21,400)	(88,762)
Total revenues	<u>(615)</u>	<u>-</u>	<u>(21,400)</u>	<u>3,794,638</u>
Expenditures				
Current:				
General government	-	-	-	63,690
Social Services	-	-	-	111
Culture and recreation	-	-	-	82,300
Capital outlay	59,653	-	16,202	12,002,772
Total expenditures	<u>59,653</u>	<u>-</u>	<u>16,202</u>	<u>12,148,873</u>
Excess (deficiency) of revenues over expenditures	<u>(60,268)</u>	<u>-</u>	<u>(37,602)</u>	<u>(8,354,235)</u>
Other financing sources (uses)				
Transfers in	200,000	-	5,058,884	19,311,923
Transfers out	-	-	-	(5,254,090)
Total other financing sources (uses)	<u>200,000</u>	<u>-</u>	<u>5,058,884</u>	<u>14,057,833</u>
Net changes in fund balances	<u>139,732</u>	<u>-</u>	<u>5,021,282</u>	<u>5,703,598</u>
Fund balance as of January 1	-	-	-	15,218,081
Prior period adjustments	-	-	-	10,322
Fund balance as of January 1 (restated)	-	-	-	15,228,403
Fund balance as of December 31	<u>\$139,732</u>	<u>\$-</u>	<u>\$5,021,282</u>	<u>\$20,932,001</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Real Estate Excise Tax II
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$1,126,000	\$1,423,327	\$297,327	\$1,270,923
Intergovernmental	225,648	51,134	(174,514)	112,943
Miscellaneous	8,500	(19,973)	(28,473)	-
Total revenues	<u>1,360,148</u>	<u>1,454,488</u>	<u>94,340</u>	<u>1,383,866</u>
Expenditures				
Current:				
Culture and recreation	82,600	82,300	300	116,528
Capital outlay	1,088,177	789,689	298,488	128,438
Total expenditures	<u>1,170,777</u>	<u>871,989</u>	<u>298,788</u>	<u>244,966</u>
Excess (deficiency) of revenues over expenditures	<u>189,371</u>	<u>582,499</u>	<u>393,128</u>	<u>1,138,900</u>
Other financing sources (uses)				
Transfer in	-	14,286	14,286	745,000
Transfers out	(2,607,786)	(2,230,606)	377,180	(350,022)
Total other financing sources (uses)	<u>(2,607,786)</u>	<u>(2,216,320)</u>	<u>391,466</u>	<u>394,978</u>
Net changes in fund balances	<u>(2,418,415)</u>	<u>(1,633,821)</u>	<u>784,594</u>	<u>1,533,878</u>
Fund balance as of January 1	-	7,204,054	7,204,054	5,670,176
Prior period adjustments	-	4,572	4,572	-
Fund balance as of January 1 (restated)	-	7,208,626	7,208,626	5,670,176
Fund balance as of December 31	<u>\$(2,418,415)</u>	<u>\$5,574,805</u>	<u>\$7,993,220</u>	<u>\$7,204,054</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Real Estate Excise Tax I
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

Whatcom County

WASHINGTON

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$1,126,000	\$1,423,328	\$297,328	\$1,270,923
Miscellaneous	-	(6,065)	(6,065)	-
Total revenues	<u>1,126,000</u>	<u>1,417,263</u>	<u>291,263</u>	<u>1,270,923</u>
Expenditures				
Current:				
General government	230,511	63,690	166,821	8,524
Utilities	-	-	-	11,292
Social Services	-	111	(111)	-
Culture and recreation	-	-	-	41,984
Capital outlay	149,000	76,965	72,035	-
Total expenditures	<u>379,511</u>	<u>140,766</u>	<u>238,745</u>	<u>61,800</u>
Excess (deficiency) of revenues over expenditures	<u>746,489</u>	<u>1,276,497</u>	<u>530,008</u>	<u>1,209,123</u>
Other financing sources (uses)				
Transfer in	37,000	-	(37,000)	-
Transfers out	(2,424,000)	(2,424,000)	-	(301,291)
Total other financing sources (uses)	<u>(2,387,000)</u>	<u>(2,424,000)</u>	<u>(37,000)</u>	<u>(301,291)</u>
Net changes in fund balances	<u>(1,640,511)</u>	<u>(1,147,503)</u>	<u>493,008</u>	<u>907,832</u>
Fund balance as of January 1	-	2,215,462	2,215,462	1,307,630
Prior period adjustments	-	1,405	1,405	-
Fund balance as of January 1 (restated)	-	2,216,867	2,216,867	1,307,630
Fund balance as of December 31	<u><u>\$(1,640,511)</u></u>	<u><u>\$1,069,364</u></u>	<u><u>\$2,709,875</u></u>	<u><u>\$2,215,462</u></u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 County Parks Improvement
 Year Ended December 31, 2013
 (With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$800	\$(116)	\$(916)	\$8,655
Total revenues	<u>800</u>	<u>(116)</u>	<u>(916)</u>	<u>8,655</u>
Excess (deficiency) of revenues over expenditures	<u>800</u>	<u>(116)</u>	<u>(916)</u>	<u>8,655</u>
Net changes in fund balances	<u>800</u>	<u>(116)</u>	<u>(916)</u>	<u>8,655</u>
Fund balance as of January 1	-	163,640	163,640	1,676,210
Prior period adjustments	-	1,069	1,069	(1,521,225)
Fund balance as of January 1 (restated)	-	164,709	164,709	154,985
Fund balance as of December 31	<u>\$800</u>	<u>\$164,593</u>	<u>\$163,793</u>	<u>\$163,640</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Civic Center Building Improvement
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

Whatcom County

W A S H I N G T O N

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(11,744)	\$(11,744)	\$375
Total revenues	<u>-</u>	<u>(11,744)</u>	<u>(11,744)</u>	<u>375</u>
Expenditures				
Current:				
Capital outlay	4,062,574	1,562,210	2,500,364	90,224
Total expenditures	<u>4,062,574</u>	<u>1,562,210</u>	<u>2,500,364</u>	<u>90,224</u>
Excess (deficiency) of revenues over expenditures	<u>(4,062,574)</u>	<u>(1,573,954)</u>	<u>2,488,620</u>	<u>(89,849)</u>
Other financing sources (uses)				
Transfers in	2,544,100	2,544,100	-	204,662
Total other financing sources (uses)	<u>2,544,100</u>	<u>2,544,100</u>	<u>-</u>	<u>204,662</u>
Net changes in fund balances	<u>(1,518,474)</u>	<u>970,146</u>	<u>2,488,620</u>	<u>114,813</u>
Fund balance as of January 1	-	1,551,060	1,551,060	1,436,247
Prior period adjustments	-	990	990	-
Fund balance as of January 1 (restated)	<u>-</u>	<u>1,552,050</u>	<u>1,552,050</u>	<u>1,436,247</u>
Fund balance as of December 31	<u><u>\$(1,518,474)</u></u>	<u><u>\$2,522,196</u></u>	<u><u>\$4,040,670</u></u>	<u><u>\$1,551,060</u></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, 2013
 (With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$-	\$-	\$-	\$-
Miscellaneous	-	(395)	(395)	-
Total revenues	-	(395)	(395)	-
Expenditures				
Current:				
Capital outlay	76,580	-	76,580	47,728
Total expenditures	76,580	-	76,580	47,728
Excess (deficiency) of revenues over expenditures	(76,580)	(395)	76,185	(47,728)
Other financing sources (uses)				
Transfers in	-	-	-	80,000
Total other financing sources (uses)	-	-	-	80,000
Net changes in fund balances	(76,580)	(395)	76,185	32,272
Fund balance as of January 1	-	76,778	76,778	44,506
Prior period adjustments	-	69	69	-
Fund balance as of January 1 (restated)	-	76,847	76,847	44,506
Fund balance as of December 31	\$(76,580)	\$76,452	\$153,032	\$76,778

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Yew St. Rd. Construction
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$-	\$-	\$-	\$8,155
Miscellaneous	-	-	-	250
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,405</u>
Expenditures				
Current:				
Capital outlay	701	701	-	159,400
Total expenditures	<u>701</u>	<u>701</u>	<u>-</u>	<u>159,400</u>
Excess (deficiency) of revenues over expenditures	<u>(701)</u>	<u>(701)</u>	<u>-</u>	<u>(150,995)</u>
Other financing sources (uses)				
Transfers out	(14,286)	(14,286)	-	(745,000)
Total other financing sources (uses)	<u>(14,286)</u>	<u>(14,286)</u>	<u>-</u>	<u>(745,000)</u>
Net changes in fund balances	<u>(14,987)</u>	<u>(14,987)</u>	<u>-</u>	<u>(895,995)</u>
Fund balance as of January 1	-	14,987	14,987	910,982
Fund balance as of December 31	<u><u>\$(14,987)</u></u>	<u><u>\$-</u></u>	<u><u>\$14,987</u></u>	<u><u>\$14,987</u></u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Lincoln Rd. Construction
 Year Ended December 31, 2013
 (With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Current:				
Capital outlay	\$592,432	\$23,557	\$568,875	\$166,490
Total expenditures	<u>592,432</u>	<u>23,557</u>	<u>568,875</u>	<u>166,490</u>
Excess (deficiency) of revenues over expenditures	<u>(592,432)</u>	<u>(23,557)</u>	<u>568,875</u>	<u>(166,490)</u>
Other financing sources (uses)				
Transfers out	-	(585,198)	(585,198)	-
Total other financing sources (uses)	<u>-</u>	<u>(585,198)</u>	<u>(585,198)</u>	<u>-</u>
Net changes in fund balances	<u>(592,432)</u>	<u>(608,755)</u>	<u>(16,323)</u>	<u>(166,490)</u>
Fund balance as of January 1	-	608,755	608,755	775,245
Fund balance as of December 31	<u><u>\$(592,432)</u></u>	<u><u>\$-</u></u>	<u><u>\$592,432</u></u>	<u><u>\$608,755</u></u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2010 Jail Improvement
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(767)	\$(767)	\$9,117
Total revenues	<u>-</u>	<u>\$(767)</u>	<u>\$(767)</u>	<u>9,117</u>
Expenditures				
Current:				
Capital outlay	1,363,047	370,274	992,773	1,730,835
Total expenditures	<u>1,363,047</u>	<u>370,274</u>	<u>992,773</u>	<u>1,730,835</u>
Excess (deficiency) of revenues over expenditures	<u>(1,363,047)</u>	<u>(371,041)</u>	<u>992,006</u>	<u>(1,721,718)</u>
Fund balance as of January 1	-	1,383,345	1,383,345	3,105,063
Prior period adjustments	-	950	950	-
Fund balance as of January 1 (restated)	-	1,384,295	1,384,295	3,105,063
Fund balance as of December 31	<u><u>\$(1,363,047)</u></u>	<u><u>\$1,013,254</u></u>	<u><u>\$2,376,301</u></u>	<u><u>\$1,383,345</u></u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Birch Bay Drive & Pedestrian Facility Project
 Year Ended December 31, 2013
 (With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$327,324	\$19,658	\$(307,666)	\$-
Miscellaneous	-	(2,824)	(2,824)	-
Total revenues	<u>327,324</u>	<u>16,834</u>	<u>(310,490)</u>	<u>-</u>
Expenditures				
Current:				
Capital outlay	1,072,324	99,456	972,868	-
Total expenditures	<u>1,072,324</u>	<u>99,456</u>	<u>972,868</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(745,000)</u>	<u>(82,622)</u>	<u>662,378</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	745,000	745,000	-	-
Total other financing sources (uses)	<u>745,000</u>	<u>745,000</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>662,378</u>	<u>662,378</u>	<u>-</u>
Fund balance as of January 1	-	-	-	-
Fund balance as of December 31	<u><u>\$-</u></u>	<u><u>\$662,378</u></u>	<u><u>\$662,378</u></u>	<u><u>\$-</u></u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Birch Bay Lynden Rd/Portal Way Signalization Improv. Project
 Year Ended December 31, 2013
 (With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$4,000,000	\$162,410	\$(3,837,590)	\$-
Miscellaneous	-	(604)	(604)	-
Total revenues	<u>4,000,000</u>	<u>161,806</u>	<u>(3,838,194)</u>	<u>-</u>
Expenditures				
Current:				
Capital outlay	3,620,000	311,381	3,308,619	-
Total expenditures	<u>3,620,000</u>	<u>311,381</u>	<u>3,308,619</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>380,000</u>	<u>(149,575)</u>	<u>(529,575)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	300,000	300,000	-	-
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>680,000</u>	<u>150,425</u>	<u>(529,575)</u>	<u>-</u>
Fund balance as of January 1	-	-	-	-
Fund balance as of December 31	<u>\$680,000</u>	<u>\$150,425</u>	<u>\$(529,575)</u>	<u>\$-</u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Potter Rd-S Fork Bridge Replacement Project
 Year Ended December 31, 2013
 (With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$7,700,000	\$-	\$(7,700,000)	\$-
Miscellaneous	-	(7,023)	(7,023)	-
Total revenues	<u>7,700,000</u>	<u>(7,023)</u>	<u>(7,707,023)</u>	<u>-</u>
Expenditures				
Current:				
Capital outlay	8,450,000	245,590	8,204,410	-
Total expenditures	<u>8,450,000</u>	<u>245,590</u>	<u>8,204,410</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(750,000)</u>	<u>(252,613)</u>	<u>497,387</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	1,900,000	1,900,000	-	-
Total other financing sources (uses)	<u>1,900,000</u>	<u>1,900,000</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>1,150,000</u>	<u>1,647,387</u>	<u>497,387</u>	<u>-</u>
Fund balance as of January 1	-	-	-	-
Fund balance as of December 31	<u>\$1,150,000</u>	<u>\$1,647,387</u>	<u>\$497,387</u>	<u>\$-</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Rural Rd Safety Program Project
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

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

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$1,754,389	\$803,543	\$(950,846)	\$-
Miscellaneous	-	(1,970)	(1,970)	-
Total revenues	<u>1,754,389</u>	<u>801,573</u>	<u>(952,816)</u>	<u>-</u>
Expenditures				
Current:				
Capital outlay	1,769,389	803,615	965,774	-
Total expenditures	<u>1,769,389</u>	<u>803,615</u>	<u>965,774</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(15,000)</u>	<u>(2,042)</u>	<u>12,958</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	15,000	16,000	1,000	-
Total other financing sources (uses)	<u>15,000</u>	<u>16,000</u>	<u>1,000</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>13,958</u>	<u>13,958</u>	<u>-</u>
Fund balance as of January 1	-	-	-	-
Fund balance as of December 31	<u>\$-</u>	<u>\$13,958</u>	<u>\$13,958</u>	<u>\$-</u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Sheriff's Record Mgmt System Project
 Year Ended December 31, 2013
 (With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(3,006)	\$(3,006)	\$-
Total revenues	<u>-</u>	<u>(3,006)</u>	<u>(3,006)</u>	<u>-</u>
Expenditures				
Current:				
Capital outlay	1,440,162	1,140,280	299,882	-
Total expenditures	<u>1,440,162</u>	<u>1,140,280</u>	<u>299,882</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,440,162)</u>	<u>(1,143,286)</u>	<u>296,876</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	1,440,162	1,440,162	-	-
Total other financing sources (uses)	<u>1,440,162</u>	<u>1,440,162</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>296,876</u>	<u>296,876</u>	<u>-</u>
Fund balance as of January 1	-	-	-	-
Fund balance as of December 31	<u>\$-</u>	<u>\$296,876</u>	<u>\$296,876</u>	<u>\$-</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
New Jail Project
Year Ended December 31, 2013
(With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(2,505)	\$(2,505)	\$-
Total revenues	<u>-</u>	<u>(2,505)</u>	<u>(2,505)</u>	<u>-</u>
Expenditures				
Current:				
Capital outlay	6,638,393	6,503,199	135,194	-
Total expenditures	<u>6,638,393</u>	<u>6,503,199</u>	<u>135,194</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(6,638,393)</u>	<u>(6,505,704)</u>	<u>132,689</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	7,093,491	7,093,491	-	-
Total other financing sources (uses)	<u>7,093,491</u>	<u>7,093,491</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>455,098</u>	<u>587,787</u>	<u>132,689</u>	<u>-</u>
Fund balance as of January 1	-	-	-	-
Fund balance as of December 31	<u><u>\$455,098</u></u>	<u><u>\$587,787</u></u>	<u><u>\$132,689</u></u>	<u><u>\$-</u></u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Superior Ct 4th Judge Courtroom Renovation
 Year Ended December 31, 2013
 (With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(615)	\$(615)	\$-
Total revenues	<u>-</u>	<u>(615)</u>	<u>(615)</u>	<u>-</u>
Expenditures				
Current:				
Capital outlay	200,000	59,653	140,347	-
Total expenditures	<u>200,000</u>	<u>59,653</u>	<u>140,347</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(200,000)</u>	<u>(60,268)</u>	<u>139,732</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	200,000	200,000	-	-
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>139,732</u>	<u>139,732</u>	<u>-</u>
Fund balance as of January 1	-	-	-	-
Fund balance as of December 31	<u><u>\$-</u></u>	<u><u>\$139,732</u></u>	<u><u>\$139,732</u></u>	<u><u>\$-</u></u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Nessel Farm Restoration
 Year Ended December 31, 2013
 (With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$250,000	\$-	\$(250,000)	\$-
Total revenues	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>
Expenditures				
Current:				
Capital outlay	250,000	-	250,000	-
Total expenditures	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance as of January 1	-	-	-	-
Fund balance as of December 31	<u><u>\$-</u></u>	<u><u>\$-</u></u>	<u><u>\$-</u></u>	<u><u>\$-</u></u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 State St Building Acquisition & Improv.
 Year Ended December 31, 2013
 (With comparative totals for December 31, 2012)

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(21,400)	\$(21,400)	\$-
Total revenues	<u>-</u>	<u>\$(21,400)</u>	<u>\$(21,400)</u>	<u>-</u>
Expenditures				
Current:				
Capital outlay	5,058,884	16,202	5,042,682	-
Total expenditures	<u>5,058,884</u>	<u>16,202</u>	<u>5,042,682</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(5,058,884)</u>	<u>(37,602)</u>	<u>5,021,282</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	5,058,884	5,058,884	-	-
Total other financing sources (uses)	<u>5,058,884</u>	<u>5,058,884</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>5,021,282</u>	<u>5,021,282</u>	<u>-</u>
Fund balance as of January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance as of December 31	<u><u>\$-</u></u>	<u><u>\$5,021,282</u></u>	<u><u>\$5,021,282</u></u>	<u><u>\$-</u></u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual
Public Utilities Improvement
Year Ended December 31, 2013

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

	Budgeted Amounts			Variance with Final Budget Positive/ (Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes	\$3,154,364	\$3,154,364	\$3,247,488	\$93,124
Miscellaneous	53,566	53,566	753	(52,813)
Total revenues	<u>3,207,930</u>	<u>3,207,930</u>	<u>3,248,241</u>	<u>40,311</u>
Expenditures				
Current:				
General government	160,511	160,511	104,295	56,216
Capital outlay	306,000	1,878,333	534,470	1,343,863
Total expenditures	<u>466,511</u>	<u>2,038,844</u>	<u>638,765</u>	<u>1,400,079</u>
Excess (deficiency) of revenues over expenditures	<u>2,741,419</u>	<u>1,169,086</u>	<u>2,609,476</u>	<u>1,440,390</u>
Other financing sources (uses)				
Transfer out	(37,000)	(1,331,100)	(1,294,100)	37,000
Total other financing sources (uses)	<u>(37,000)</u>	<u>(1,331,100)</u>	<u>(1,294,100)</u>	<u>37,000</u>
Net changes in fund balances	<u>2,704,419</u>	<u>(162,014)</u>	<u>1,315,376</u>	<u>1,477,390</u>
Fund balance as of January 1	-	-	16,405,733	16,405,733
Prior period adjustments	-	-	7,383	7,383
Fund balance as of January 1 (restated)	-	-	16,413,116	16,413,116
Fund balance as of December 31	<u>\$2,704,419</u>	<u>\$(162,014)</u>	<u>\$17,728,492</u>	<u>\$17,890,506</u>

	Equipment Rental	Administrative Services	Total
Assets			
Current assets			
Cash, cash equivalents and pooled investments	\$9,092,536	\$16,889,202	\$25,981,738
Deposits with fiscal agent	-	31,936	31,936
Accounts receivable, net	787	23,443	24,230
Due from other funds	13,221	111,967	125,188
Due from other governments	3,306	10,003	13,309
Interfund loan receivable	233,927	-	233,927
Employee advances	-	1,416	1,416
Inventory	1,227,442	58,103	1,285,545
Total current assets	10,571,219	17,126,070	27,697,289
Noncurrent assets			
Interfund loan-long-term	1,673,344	-	1,673,344
Capital assets:			
Land	321,614	119,000	440,614
Building and structures, net	1,155,715	56,699	1,212,414
Capital leases, net	-	25,195	25,195
Other improvements, net	288,995	1,141	290,136
Machinery and equipment, net	5,336,801	185,663	5,522,464
Intangible assets	50,400	-	50,400
Total capital assets, net	7,153,525	387,698	7,541,223
Total noncurrent assets	8,826,869	387,698	9,214,567
Total assets	19,398,088	17,513,768	36,911,856
Liabilities			
Current liabilities			
Accounts payable	217,287	532,883	750,170
Claims cost payable	-	4,287,374	4,287,374
Due to other funds	-	181,710	181,710
Compensated absences	165,425	495,517	660,942
Total current liabilities	382,712	5,497,484	5,880,196
Noncurrent liabilities			
Other liabilities	-	240,165	240,165
Total noncurrent liabilities	-	240,165	240,165
Total liabilities	382,712	5,737,649	6,120,361
Net position			
Net investment in capital assets	7,153,525	387,698	7,541,223
Unrestricted	11,861,851	11,388,421	23,250,272
Total net position	\$19,015,376	\$11,776,119	\$30,791,495

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2013

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

	Equipment Rental	Administrative Services	Total
Operating Revenue			
Intergovernmental	\$-	\$42,573	\$42,573
Charges for service	5,427,201	8,405,334	13,832,535
Rents and parking	4,035,483	409,936	4,445,419
Fines and forfeits	-	2,240	2,240
Insurance premiums	-	8,694,289	8,694,289
Other miscellaneous revenues	-	67,060	67,060
Total operating revenues	9,462,684	17,621,432	27,084,116
Operating expenses			
General operations	7,799,022	17,299,520	25,098,542
General administration	681,991	-	681,991
Depreciation	1,254,847	165,225	1,420,072
Total operating expenses	9,735,860	17,464,745	27,200,605
Operating income (loss)	(273,176)	156,687	(116,489)
Non-operating revenues (expenses)			
Gain (loss) on sale of capital assets	(257,632)	-	(257,632)
Interest revenue	20,231	-	20,231
Interest expense	-	(2,837)	(2,837)
Unrealized gain (loss) on investments	(45,274)	(82,327)	(127,601)
Insurance recoveries	24,962	174,998	199,960
Total non-operating revenues (expenses)	(257,713)	89,834	(167,879)
Income (loss) before contributions and transfers	(530,889)	246,521	(284,368)
Capital contributions	45,836	-	45,836
Transfers in	548,897	343,835	892,732
Transfers out	(2,923,910)	(815,939)	(3,739,849)
Changes in net position	(2,860,066)	(225,583)	(3,085,649)
Total net position-beginning	21,868,920	11,991,143	33,860,063
Prior period adjustments	6,522	10,559	17,081
Total net position-beginning (restated)	21,875,442	12,001,702	33,877,144
Total net position-ending	\$19,015,376	\$11,776,119	\$30,791,495

	Equipment Rental	Administrative Services	Total
Cash flows from operating activities:			
Cash received from customers	\$9,740,020	\$17,689,304	\$27,429,324
Cash payments for goods and services	(7,146,341)	(11,609,406)	(18,755,747)
Cash payments to employees	(1,187,999)	(5,244,634)	(6,432,633)
Net cash provided by operating activities	1,405,680	835,264	2,240,944
Cash flows from non-capital financing activities:			
Transfers in	548,897	343,835	892,732
Transfers out	(2,923,910)	(815,939)	(3,739,849)
Interest revenue	20,231	-	20,231
Insurance recoveries	24,962	174,998	199,960
Net cash provided by non-capital financing activities	(2,329,820)	(297,106)	(2,626,926)
Cash flows from capital financing activities:			
Interest paid on lease purchase	-	(2,837)	(2,837)
Proceeds from sale of assets	176,938	-	176,938
Payments for capital assets	(393,353)	(256,371)	(649,724)
Net cash used by capital financing activities	(216,415)	(259,208)	(475,623)
Cash flows from investing activities:			
Unrealized gain (loss) on investments	(45,274)	(82,327)	(127,601)
Total cash flows from investing activities	(45,274)	(82,327)	(127,601)
Net Increase (decrease) in cash and cash equivalents	(1,185,829)	196,623	(989,206)
Balances - beginning of the year	10,271,843	16,682,020	26,953,863
Prior period adjustments	6,522	10,559	17,081
Balances - beginning of the year (restated)	10,278,365	16,692,579	26,970,944
Balances - end of the year	\$9,092,536	\$16,889,202	\$25,981,738
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$(273,176)	\$156,687	\$(116,489)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	1,254,847	165,225	1,420,072
Change in assets and liabilities:			
Receivables	277,338	67,872	345,210
Inventories	228,732	(24,991)	203,741
Accounts and other payables	(80,774)	541,032	460,258
Accrued expenses	(1,287)	(70,561)	(71,848)
Net cash provided by operating activities	\$1,405,680	\$835,264	\$2,240,944

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Assets			
Current assets			
Cash, cash equivalents and pooled investments	\$122,620	\$1,607,890	\$1,730,510
Deposits with fiscal agent	-	10,000	10,000
Due from other funds	-	9,024	9,024
Total current assets	122,620	1,626,914	1,749,534
Noncurrent assets			
Machinery and equipment, net	-	4,226	4,226
Total noncurrent assets	-	4,226	4,226
Total assets	122,620	1,631,140	1,753,760
Liabilities			
Current liabilities			
Accounts payable	7,824	6,481	14,305
Due to other funds	-	1,197	1,197
Compensated absences	27,647	103,179	130,826
Total current liabilities	35,471	110,857	146,328
Total liabilities	35,471	110,857	146,328
Net position			
Net investment in capital assets	-	4,226	4,226
Unrestricted	87,149	1,516,057	1,603,206
Total net position	\$87,149	\$1,520,283	\$1,607,432

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Non-Major Enterprise Funds
Year Ended December 31, 2013

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

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Operating revenues			
Intergovernmental	\$-	\$134,374	\$134,374
Charges for service	-	1,475,990	1,475,990
Other miscellaneous revenues	259,360	5,659	265,019
Total operating revenues	<u>259,360</u>	<u>1,616,023</u>	<u>1,875,383</u>
Operating expenses			
General operations	255,158	2,281,672	2,536,830
General administration	-	239,008	239,008
Depreciation	-	940	940
Total operating expenses	<u>255,158</u>	<u>2,521,620</u>	<u>2,776,778</u>
Operating income (loss)	<u>4,202</u>	<u>(905,597)</u>	<u>(901,395)</u>
Non-operating revenues (expenses)			
Unrealized gain (loss) on investments	-	(7,746)	(7,746)
Total non-operating revenues (expenses)	<u>-</u>	<u>(7,746)</u>	<u>(7,746)</u>
Income (loss) before contributions and transfers	<u>4,202</u>	<u>(913,343)</u>	<u>(909,141)</u>
Transfers in	-	1,134,728	1,134,728
Changes in net position	<u>4,202</u>	<u>221,385</u>	<u>225,587</u>
Total net position-beginning	<u>82,947</u>	<u>1,297,997</u>	<u>1,380,944</u>
Prior period adjustment	-	901	901
Total net position-beginning (restated)	<u>82,947</u>	<u>1,298,898</u>	<u>1,381,845</u>
Total net position-ending	<u>\$87,149</u>	<u>\$1,520,283</u>	<u>\$1,607,432</u>

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Cash flows from operating activities:			
Cash received from customers	\$259,360	\$1,622,926	\$1,882,286
Cash payments for goods and services	(55,455)	(1,485,448)	(1,540,903)
Cash payments to employees	(197,126)	(1,083,175)	(1,280,301)
Net cash provided by operating activities	<u>6,779</u>	<u>(945,697)</u>	<u>(938,918)</u>
Cash flows from non-capital financing activities:			
Transfers in	-	1,134,728	1,134,728
Net cash provided by non-capital financing activities	<u>-</u>	<u>1,134,728</u>	<u>1,134,728</u>
Cash flows from investing activities:			
Unrealized gain (loss) on investments	-	(7,746)	(7,746)
Total cash flows from investing activities	<u>-</u>	<u>(7,746)</u>	<u>(7,746)</u>
Net increase (decrease) in cash and cash equivalents	6,779	181,285	188,064
Balances - beginning of the year	115,841	1,425,704	1,541,545
Prior period adjustments	-	901	901
Balances - beginning of the year (restated)	115,841	1,426,605	1,542,446
Balances - end of the year	<u>\$122,620</u>	<u>\$1,607,890</u>	<u>\$1,730,510</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$4,202	\$(905,597)	\$(901,395)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	-	940	940
Change in assets and liabilities:			
Receivables, net	-	6,903	6,903
Accounts and other payables	(150)	(49,246)	(49,396)
Accrued expenses	2,727	1,303	4,030
Net cash provided by operating activities	<u>\$6,779</u>	<u>\$(945,697)</u>	<u>\$(938,918)</u>

	Investment Trust Fund
Assets	
Certificates of deposit and saving accounts	\$15,292,053
Taxable municipal notes	11,591,885
US agency notes	111,311,638
LGIP	52,352,770
Promissory Notes	56,895
Total assets	190,605,241
Net position	
Held in trust for pool participants	190,605,241
Total net position	\$190,605,241

Combining Statement of Changes in Net Position
Investment Trust Funds
Year Ended December 31, 2013

	Investment Trust Fund
Additions	
Contributions	\$234,281,154
Net investment earnings (losses)	
Interest	520,291
Decrease in the fair value of investments	(682,270)
Total additions	234,119,175
Deductions	
Distributions	176,384,867
Change in net position	57,734,308
Net position - January 1, 2013	132,773,194
Prior period adjustments	97,739
Net position - January 1, 2013 (restated)	132,870,933
Net position - December 31, 2013	\$190,605,241

	Cemetery Districts	Drainage, Diking & Flood Cntrl Districts	Park & Recreation Districts	Watershed Mngmt Project Joint Board	Rural Library	Northwest Regional Council
Assets						
Cash and cash equivalents	\$726,972	\$396,746	\$308,288	\$454,827	\$284,131	\$764,434
Deposits with fiscal agent	-	-	-	-	-	-
Assets held in trust-external investment pool	1,665,142	145,902	689,673	-	9,034,140	1,527,162
Accounts receivable, net	-	-	-	-	-	-
Due from other governments	-	-	-	11,315	-	-
Total assets	\$2,392,114	\$542,648	\$997,961	\$466,142	\$9,318,271	\$2,291,596
Liabilities						
Warrants payable	\$-	\$-	\$-	\$-	\$-	\$-
Accounts payable	298	2,176	-	4,016	174,406	39,353
Matured interest payable	-	-	-	-	-	-
Other accrued liabilities	4,044	-	628	-	-	32,128
Revenue collected in advance	-	-	-	-	-	-
Deferred credits	-	-	-	-	-	17,319
Custodial accounts	2,387,772	540,472	997,333	462,126	9,143,865	2,202,796
Total liabilities	\$2,392,114	\$542,648	\$997,961	\$466,142	\$9,318,271	\$2,291,596

Council of Government	Hospital Districts	Port	P.U.D. District	Whatcom Transit	School Districts	Watershed Districts	Fire Districts	Water Districts
\$90,752	\$10,061	\$95,787	\$29,044	\$-	\$6,591,762	\$11,091	\$1,368,967	\$692,548
-	-	-	-	-	133,950	-	-	-
174	229,238	-	11,402,374	25,766,560	120,683,816	-	15,458,095	4,002,965
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$90,926</u>	<u>\$239,299</u>	<u>\$95,787</u>	<u>\$11,431,418</u>	<u>\$25,766,560</u>	<u>\$127,409,528</u>	<u>\$11,091</u>	<u>\$16,827,062</u>	<u>\$4,695,513</u>
\$-	\$-	\$-	\$-	\$-	\$6,111,980	\$-	\$-	\$-
-	-	-	-	-	-	-	209,634	16,834
-	-	-	-	-	5,000	-	-	-
-	105	-	5,638	-	23,271	-	27,618	5,554
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>90,926</u>	<u>239,194</u>	<u>95,787</u>	<u>11,425,780</u>	<u>25,766,560</u>	<u>121,269,277</u>	<u>11,091</u>	<u>16,589,810</u>	<u>4,673,125</u>
<u>\$90,926</u>	<u>\$239,299</u>	<u>\$95,787</u>	<u>\$11,431,418</u>	<u>\$25,766,560</u>	<u>\$127,409,528</u>	<u>\$11,091</u>	<u>\$16,827,062</u>	<u>\$4,695,513</u>

	Treasurer's Suspense	Inmate Trust Fund	Claims Fund	Total
Assets				
Cash and cash equivalents	\$3,689,216	\$42,222	\$2,474,724	\$18,031,572
Deposits with fiscal agent	-	-	-	133,950
Assets held in trust-external investment pool	-	-	-	190,605,241
Accounts receivable, net	(73)	-	-	(73)
Due from other governments	-	-	-	11,315
Total assets	\$3,689,143	\$42,222	\$2,474,724	\$208,782,005
Liabilities				
Warrants payable	\$-	\$-	\$2,474,724	\$8,586,704
Accounts payable	-	-	-	446,717
Matured interest payable	-	-	-	5,000
Other accrued liabilities	-	-	-	98,986
Revenue collected in advance	350,457	-	-	350,457
Deferred credits	-	-	-	17,319
Custodial accounts	3,338,686	42,222	-	199,276,822
Total liabilities	\$3,689,143	\$42,222	\$2,474,724	\$208,782,005

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Cemetery Districts
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$542,244	\$2,241,832	\$2,057,104	\$726,972
Assets held in trust-external investment pool	1,641,051	160,888	136,797	1,665,142
Total assets	\$2,183,295	\$2,402,720	\$2,193,901	\$2,392,114
Liabilities				
Accounts payable	\$3,718	\$259,731	\$263,151	\$298
Other accrued liabilities	-	368,766	364,722	4,044
Custodial accounts	2,179,577	208,195	-	2,387,772
Total liabilities	\$2,183,295	\$836,692	\$627,873	\$2,392,114

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Drainage, Diking and Flood Control Districts
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$306,951	\$563,773	\$473,978	\$396,746
Assets held in trust-external investment pool	150,293	698	5,089	145,902
Total assets	\$457,244	\$564,471	\$479,067	\$542,648
Liabilities				
Accounts payable	\$2,795	\$156,070	\$156,689	\$2,176
Custodial accounts	454,449	86,023	-	540,472
Total liabilities	\$457,244	\$242,093	\$156,689	\$542,648

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Park and Recreation Districts
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$79,473	\$1,047,756	\$818,941	\$308,288
Assets held in trust-external investment pool	740,538	8,670	59,535	689,673
Total assets	\$820,011	\$1,056,426	\$878,476	\$997,961
Liabilities				
Accounts payable	\$9,699	\$118,548	\$128,247	\$-
Other accrued liabilities	-	62,121	61,493	628
Custodial accounts	810,312	187,021	-	997,333
Total liabilities	\$820,011	\$367,690	\$189,740	\$997,961

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Watershed Management Project Joint Board
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$585,457	\$366,978	\$497,608	\$454,827
Due from other governments	-	32,952	21,637	11,315
Total assets	\$585,457	\$399,930	\$519,245	\$466,142
Liabilities				
Accounts payable	\$12,644	\$120,723	\$129,351	\$4,016
Custodial accounts	572,813	-	110,687	462,126
Total liabilities	\$585,457	\$120,723	\$240,038	\$466,142

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Rural Library
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$239,524	\$18,654,937	\$18,610,330	\$284,131
Assets held in trust-external investment pool	7,983,316	4,526,691	3,475,867	9,034,140
Total assets	\$8,222,840	\$23,181,628	\$22,086,197	\$9,318,271
Liabilities				
Accounts payable	\$218,403	\$3,230,040	\$3,274,037	\$174,406
Custodial accounts	8,004,437	1,139,428	-	9,143,865
Total liabilities	\$8,222,840	\$4,369,468	\$3,274,037	\$9,318,271

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Northwest Regional Council
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$1,143,727	\$28,282,879	\$28,662,172	\$764,434
Assets held in trust-external investment pool	1,528,875	7,284	8,997	1,527,162
Total assets	\$2,672,602	\$28,290,163	\$28,671,169	\$2,291,596
Liabilities				
Accounts payable	\$7,683	\$5,494,539	\$5,462,869	\$39,353
Other accrued liabilities	(136)	5,053,321	5,021,057	32,128
Deferred credits	-	17,319	-	17,319
Custodial accounts	2,665,055	-	462,259	2,202,796
Total liabilities	\$2,672,602	\$10,565,179	\$10,946,185	\$2,291,596

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$21,154	\$7,498,804	\$7,429,206	\$90,752
Assets held in trust-external investment pool	159,785	659,679	819,290	174
Total assets	\$180,939	\$8,158,483	\$8,248,496	\$90,926
Liabilities				
Accounts payable	\$-	\$1,469,682	\$1,469,682	\$-
Other accrued liabilities	-	1,223,525	1,223,525	-
Custodial accounts	180,939	-	90,013	90,926
Total liabilities	\$180,939	\$2,693,207	\$2,783,220	\$90,926

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Hospital Districts
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$6,028	\$921,078	\$917,045	\$10,061
Assets held in trust-external investment pool	253,339	156,823	180,924	229,238
Total assets	\$259,367	\$1,077,901	\$1,097,969	\$239,299
Liabilities				
Accounts payable	\$14,632	\$214,173	\$228,805	\$-
Other accrued liabilities	-	35,583	35,478	105
Custodial accounts	244,735	11,439	16,980	239,194
Total liabilities	\$259,367	\$261,195	\$281,263	\$239,299

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Port
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$109,828	\$6,926,010	\$6,940,051	\$95,787
Total assets	<u>\$109,828</u>	<u>\$6,926,010</u>	<u>\$6,940,051</u>	<u>\$95,787</u>
Liabilities				
Custodial accounts	\$109,828	\$-	\$14,041	\$95,787
Total liabilities	<u>\$109,828</u>	<u>\$-</u>	<u>\$14,041</u>	<u>\$95,787</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 P.U.D. District
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$35,387	\$89,985,740	\$89,992,083	\$29,044
Assets held in trust-external investment pool	19,488,616	25,099,413	33,185,655	11,402,374
Total assets	\$19,524,003	\$115,085,153	\$123,177,738	\$11,431,418
Liabilities				
Accounts payable	\$5,084	\$18,458,168	\$18,463,252	\$-
Other accrued liabilities	4	2,341,585	2,335,951	5,638
Custodial accounts	19,518,915	-	8,093,135	11,425,780
Total liabilities	\$19,524,003	\$20,799,753	\$28,892,338	\$11,431,418

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$-	\$53,550,783	\$53,550,783	\$-
Assets held in trust-external investment pool	24,718,284	27,423,379	26,375,103	25,766,560
Total assets	<u>\$24,718,284</u>	<u>\$80,974,162</u>	<u>\$79,925,886</u>	<u>\$25,766,560</u>
Liabilities				
Custodial accounts	<u>\$24,718,284</u>	<u>\$1,048,276</u>	<u>\$-</u>	<u>\$25,766,560</u>
Total liabilities	<u>\$24,718,284</u>	<u>\$1,048,276</u>	<u>\$-</u>	<u>\$25,766,560</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 School Districts
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$8,775,812	\$483,586,181	\$485,770,231	\$6,591,762
Deposits with fiscal agent	106,748	21,788,299	21,761,097	133,950
Assets held in trust-external investment pool	57,284,749	167,065,728	103,666,661	120,683,816
Total assets	\$66,167,309	\$672,440,208	\$611,197,989	\$127,409,528
Liabilities				
Warrants payable	\$8,270,499	\$143,176,273	\$145,334,792	\$6,111,980
Matured long-term debt	-	15,524,543	15,524,543	-
Matured interest payable	5,000	6,257,673	6,257,673	5,000
Other accrued liabilities	23,271	-	-	23,271
Custodial accounts	57,868,539	207,138,736	143,737,998	121,269,277
Total liabilities	\$66,167,309	\$372,097,225	\$310,855,006	\$127,409,528

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$17,911	\$94,064	\$100,884	\$11,091
Total assets	\$17,911	\$94,064	\$100,884	\$11,091
Liabilities				
Accounts payable	\$-	\$24,923	\$24,923	\$-
Custodial accounts	17,911	-	6,820	11,091
Total liabilities	\$17,911	\$24,923	\$31,743	\$11,091

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Fire Districts
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$1,029,787	\$62,394,513	\$62,055,333	\$1,368,967
Assets held in trust-external investment pool	15,308,529	11,942,673	11,793,107	15,458,095
Total assets	\$16,338,316	\$74,337,186	\$73,848,440	\$16,827,062
Liabilities				
Accounts payable	\$110,661	\$7,485,423	\$7,386,450	\$209,634
Other accrued liabilities	1,668	8,664,151	8,638,201	27,618
Custodial accounts	16,225,987	363,823	-	16,589,810
Total liabilities	\$16,338,316	\$16,513,397	\$16,024,651	\$16,827,062

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Water Districts
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$898,371	\$20,406,208	\$20,612,031	\$692,548
Assets held in trust-external investment pool	3,613,558	807,216	417,809	4,002,965
Total assets	\$4,511,929	\$21,213,424	\$21,029,840	\$4,695,513
Liabilities				
Accounts payable	\$116,198	\$3,505,106	\$3,604,470	\$16,834
Other accrued liabilities	(52)	884,525	878,919	5,554
Custodial accounts	4,395,783	277,342	-	4,673,125
Total liabilities	\$4,511,929	\$4,666,973	\$4,483,389	\$4,695,513

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Treasurer's Suspense
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$4,148,964	\$135,721,851	\$136,181,599	\$3,689,216
Accounts receivable, net	1,057	7,918,038	7,919,168	(73)
Total assets	\$4,150,021	\$143,639,889	\$144,100,767	\$3,689,143
Liabilities				
Accounts Payable	\$5	\$-	\$5	\$-
Revenue collected in advance	250,307	551,628	451,478	350,457
Custodial accounts	3,899,709	-	561,023	3,338,686
Total liabilities	\$4,150,021	\$551,628	\$1,012,506	\$3,689,143

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Inmate Trust Fund
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$71,525	\$1,389,628	\$1,418,931	\$42,222
Total assets	<u>\$71,525</u>	<u>\$1,389,628</u>	<u>\$1,418,931</u>	<u>\$42,222</u>
Liabilities				
Custodial accounts	\$71,525	\$1,389,628	\$1,418,931	\$42,222
Total liabilities	<u>\$71,525</u>	<u>\$1,389,628</u>	<u>\$1,418,931</u>	<u>\$42,222</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Claims Fund
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$2,115,766	\$617,677,289	\$617,318,331	\$2,474,724
Total assets	<u>\$2,115,766</u>	<u>\$617,677,289</u>	<u>\$617,318,331</u>	<u>\$2,474,724</u>
Liabilities				
Warrants payable	\$2,115,766	\$114,213,038	\$113,854,080	\$2,474,724
Total liabilities	<u>\$2,115,766</u>	<u>\$114,213,038</u>	<u>\$113,854,080</u>	<u>\$2,474,724</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Total Agency Funds
 For the Year Ended December 31, 2013



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$20,127,909	\$1,531,310,304	\$1,533,406,641	\$18,031,572
Deposits with fiscal agent	106,748	21,788,299	21,761,097	133,950
Assets held in trust-external investment pool	132,870,933	237,859,142	180,124,834	190,605,241
Accounts receivable, net	1,057	7,918,038	7,919,168	(73)
Due from other governments	-	32,952	21,637	11,315
Total assets	\$153,106,647	\$1,798,875,783	\$1,743,211,740	\$208,782,005
Liabilities				
Warrants payable	\$10,386,265	\$257,389,311	\$259,188,872	\$8,586,704
Accounts payable	501,522	40,537,126	40,591,931	446,717
Matured long-term debt	-	15,524,543	15,524,543	-
Matured interest payable	5,000	6,257,673	6,257,673	5,000
Other accrued liabilities	24,755	18,633,577	18,559,346	98,986
Revenue collected in advance	250,307	551,628	451,478	350,457
Deferred credits	-	17,319	-	17,319
Custodial accounts	141,938,798	211,849,911	154,511,887	199,276,822
Total liabilities	\$153,106,647	\$550,761,088	\$495,085,730	\$208,782,005

Schedule of Expenditures - Budget and Actual
 General Fund by Department
 Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Expenditures*				
Assessor	\$2,823,955	\$2,823,955	\$2,700,035	\$123,920
Auditor	1,309,288	1,309,288	1,292,423	16,865
County Council	971,848	1,088,676	1,054,757	33,919
County Executive	547,723	547,723	530,791	16,932
Planning & Development Services	5,067,990	5,116,103	4,581,437	534,666
Treasurer	1,361,873	1,387,751	1,333,171	54,580
Sheriff	13,468,226	14,474,968	13,559,863	915,105
District Court	2,015,981	2,075,263	1,958,082	117,181
District Court Probation	1,614,399	1,555,117	1,396,879	158,238
Hearing Examiner	181,384	181,774	180,862	912
Juvenile	4,197,336	4,171,228	3,899,561	271,667
Prosecuting Attorney	5,694,137	5,728,137	5,543,403	184,734
Public Defender	3,313,854	3,315,435	3,242,697	72,738
Superior Court	4,970,142	4,996,784	4,692,887	303,897
Extension	343,691	361,295	346,158	15,137
Non-Departmental	13,212,929	19,822,270	18,082,029	1,740,241
Park	3,598,857	3,678,339	3,421,782	256,557
Health	12,154,240	12,214,240	11,455,886	758,354
Total expenditures	\$76,847,853	\$84,848,346	\$79,272,703	\$5,575,643

* Includes transfers out. Also, expenditures for the General Fund on the Statement of Revenues, Expenditures, and Changes in Fund Balance are \$204,066 greater due to Special Revenue Funds that are required to be added to the General Fund per GASB 54.

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 LEOFF I Healthcare*
 For the Year Ended December 31, 2013



	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$-	\$-	\$(1,046)	\$(1,046)
Total revenues	<u>-</u>	<u>-</u>	<u>(1,046)</u>	<u>(1,046)</u>
Expenditures				
Current:				
Public safety	204,066	204,066	204,066	-
Total expenditures	<u>204,066</u>	<u>204,066</u>	<u>204,066</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(204,066)</u>	<u>(204,066)</u>	<u>(205,112)</u>	<u>(1,046)</u>
Fund balance as of January 1	-	-	392,344	392,344
Prior period adjustments	-	-	247	247
Fund balance as of January 1 (restated)	<u>-</u>	<u>-</u>	<u>392,591</u>	<u>392,591</u>
Fund balance as of December 31	<u>\$(204,066)</u>	<u>\$(204,066)</u>	<u>\$187,479</u>	<u>\$391,545</u>

* The activities of this fund are reported with the General Fund in the basic financial statements.

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 Position by Component
 Last Ten Fiscal Years
(accrual basis of accounting)
 Schedule 1

	Fiscal Year			
	2004	2005	2006	2007
Governmental activities				
Invested in capital assets, net of related debt	\$127,722,278	\$134,873,463	\$147,777,970	\$152,741,995
Restricted	28,799,551	35,266,155	37,138,374	42,636,125
Unrestricted	45,698,449	46,612,203	47,089,887	42,369,254
Total governmental activities net position	\$202,220,278	\$216,751,821	\$232,006,231	\$237,747,374
Business-type activities				
Invested in capital assets, net of related debt	\$-	\$-	\$-	\$-
Unrestricted	62,298	138,394	1,356,979	1,118,015
Total business-type activities net position	\$62,298	\$138,394	\$1,356,979	\$1,118,015
Primary government				
Invested in capital assets, net of related debt	\$127,722,278	\$134,873,463	\$147,777,970	\$152,741,995
Restricted	28,799,551	35,266,155	37,138,374	42,636,125
Unrestricted	45,760,747	46,750,597	48,446,866	43,487,269
Total primary government net position	\$202,282,576	\$216,890,215	\$233,363,210	\$238,865,389

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

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$154,711,058	\$161,673,277	\$170,627,638	\$177,863,686	\$174,525,706	\$181,963,507
48,763,237	52,108,715	55,818,803	82,559,994	93,042,965	98,335,999
40,277,750	41,820,506	48,310,008	30,353,275	33,346,775	31,177,254
<u>\$243,752,045</u>	<u>\$255,602,498</u>	<u>\$274,756,449</u>	<u>\$290,776,955</u>	<u>\$300,915,446</u>	<u>\$311,476,760</u>
\$-	\$11,030	\$13,604	\$9,385	\$5,166	\$4,226
1,281,325	1,065,524	717,027	1,074,308	1,720,740	1,938,503
<u>\$1,281,325</u>	<u>\$1,076,554</u>	<u>\$730,631</u>	<u>\$1,083,693</u>	<u>\$1,725,906</u>	<u>\$1,942,729</u>
\$154,711,058	\$161,684,307	\$170,638,668	\$177,873,071	\$174,530,872	\$181,967,733
48,763,237	52,108,715	55,818,803	82,559,994	93,042,965	98,335,999
41,559,075	42,886,030	49,375,532	31,427,583	35,067,515	33,115,757
<u>\$245,033,370</u>	<u>\$256,679,052</u>	<u>\$275,833,003</u>	<u>\$291,860,648</u>	<u>\$302,641,352</u>	<u>\$313,419,489</u>

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

	Fiscal Year			
	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government	\$20,640,020	\$23,079,350	\$25,962,056	\$28,158,688
Public safety	27,370,451	30,495,277	32,987,070	37,224,359
Utilities	-	-	-	-
Physical environment	4,241,623	4,735,305	6,834,562	5,347,914
Transportation	20,089,939	21,254,817	20,255,214	22,278,320
Natural and economic environment	1,768,412	2,095,684	1,699,968	3,124,810
Social services	9,226,067	9,893,505	10,391,837	11,434,223
Culture and recreation	3,737,864	3,918,909	4,127,397	4,477,382
Interest on long-term debt	635,089	586,099	520,685	455,019
Total governmental activities expenses	87,709,465	96,058,946	102,778,789	112,500,715
Business-type activities:				
Whatcom County Investment Pool	163,494	162,519	166,927	121,904
Whatcom County Ferry System	-	-	1,853,340	1,878,616
Total business-type activities expense	163,494	162,519	2,020,267	2,000,520
Total primary government expenses	\$87,872,959	\$96,221,465	\$104,799,056	\$114,501,235
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$3,364,168	\$4,087,134	\$4,465,927	\$4,961,311
Public safety	5,411,257	6,318,706	5,438,864	4,493,174
Utilities	-	-	-	-
Physical environment	818,983	836,399	861,816	872,539
Transportation	2,266,228	2,386,724	2,086,524	1,927,735
Natural and economic environment	341,943	515,901	619,536	727,247
Social services	1,971,109	2,092,146	2,200,935	2,172,139
Culture and recreation	340,494	334,705	357,967	375,583
Operating grants and contributions	16,080,469	18,765,699	20,823,563	18,649,931
Capital grants and contributions	5,952,476	7,449,734	8,920,486	6,780,293
Total governmental activities program revenues	36,547,127	42,787,148	45,775,618	40,959,952
Business-type activities:				
Charges for services	221,635	238,615	1,085,280	1,352,430
Total business-type activities program revenues	221,635	238,615	1,085,280	1,352,430
Total primary government program revenues	\$36,768,762	\$43,025,763	\$46,860,898	\$42,312,382
Net (Expense)/Revenue				
Governmental activities	\$(51,162,338)	\$(53,271,798)	\$(57,003,171)	\$(71,540,763)
Business-type activities	58,141	76,096	(934,987)	(648,090)
Total primary government net expense	\$(51,104,197)	\$(53,195,702)	\$(57,938,158)	\$(72,188,853)

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

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$27,997,779	\$28,168,081	\$28,311,133	\$28,299,947	\$28,215,657	\$27,733,347
38,232,242	40,222,432	39,655,473	39,647,081	39,547,247	41,025,695
-	-	-	-	-	728,915
6,186,344	5,837,464	5,879,096	4,906,672	4,858,695	-
22,798,444	21,018,834	20,425,894	21,759,103	21,548,292	22,423,554
2,850,280	3,238,483	3,202,356	3,461,965	3,864,716	8,756,169
12,120,599	12,533,782	12,554,614	12,908,382	13,889,613	19,148,787
4,629,266	4,471,334	4,341,404	4,081,926	4,494,034	4,001,986
386,777	349,055	338,326	303,440	232,859	175,929
<u>115,201,731</u>	<u>115,839,465</u>	<u>114,708,296</u>	<u>115,368,516</u>	<u>116,651,113</u>	<u>123,994,382</u>
210,241	231,888	237,051	240,334	246,714	255,269
<u>2,122,726</u>	<u>2,610,124</u>	<u>2,703,673</u>	<u>2,489,181</u>	<u>2,370,448</u>	<u>2,531,174</u>
<u>2,332,967</u>	<u>2,842,012</u>	<u>2,940,724</u>	<u>2,729,515</u>	<u>2,617,162</u>	<u>2,786,443</u>
<u>\$117,534,698</u>	<u>\$118,681,477</u>	<u>\$117,649,020</u>	<u>\$118,098,031</u>	<u>\$119,268,275</u>	<u>\$126,780,825</u>
\$5,053,605	\$4,943,476	\$4,864,383	\$5,104,591	\$5,071,916	\$8,016,016
4,792,536	4,304,219	4,255,009	3,623,893	4,045,779	8,161,295
-	-	-	-	-	758,431
814,710	765,824	780,925	769,494	776,426	-
1,783,013	2,898,710	2,821,648	2,687,479	2,671,800	2,434,042
760,265	1,046,421	1,166,884	1,049,701	1,254,669	1,182,061
2,113,196	2,603,941	2,604,947	2,331,138	2,675,550	2,649,232
447,164	382,305	334,926	361,225	365,545	364,486
20,863,909	22,394,421	25,612,409	26,001,375	22,426,812	21,304,942
5,945,726	11,302,265	10,320,164	8,089,478	6,111,570	7,609,133
<u>42,574,124</u>	<u>50,641,582</u>	<u>52,761,295</u>	<u>50,018,374</u>	<u>45,400,067</u>	<u>52,479,638</u>
1,551,139	1,488,534	1,432,710	1,887,527	1,780,726	1,875,383
<u>1,551,139</u>	<u>1,488,534</u>	<u>1,432,710</u>	<u>1,887,527</u>	<u>1,780,726</u>	<u>1,875,383</u>
<u>\$44,125,263</u>	<u>\$52,130,116</u>	<u>\$54,194,005</u>	<u>\$51,905,901</u>	<u>\$47,180,793</u>	<u>\$54,355,021</u>
\$(72,627,607)	\$(65,197,883)	\$(61,947,001)	\$(65,350,142)	\$(71,251,046)	\$(71,514,744)
<u>(781,828)</u>	<u>(1,353,478)</u>	<u>(1,508,014)</u>	<u>(841,988)</u>	<u>(836,436)</u>	<u>(911,060)</u>
<u>\$(73,409,435)</u>	<u>\$(66,551,361)</u>	<u>\$(63,455,015)</u>	<u>\$(66,192,130)</u>	<u>\$(72,087,482)</u>	<u>\$(72,425,804)</u>

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

	Fiscal Year			
	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes	\$37,287,454	\$39,217,958	\$40,919,106	\$42,763,435
Timber taxes	166,270	165,567	198,732	278,895
Retail taxes	11,631,120	14,343,922	19,145,002	20,126,476
Business and occupation taxes	-	-	-	-
Excise taxes	4,222,852	5,363,992	5,266,333	5,181,286
Penalties and interest	1,970,312	2,016,817	1,603,642	1,659,701
Unrestricted investment earnings	2,076,569	3,004,248	4,618,179	5,648,889
Gain/loss on sale of capital assets	1,984,251	1,887,188	1,070,852	406,285
Miscellaneous	1,314,903	1,803,649	1,589,307	1,626,065
Transfers	-	-	(2,153,572)	(409,126)
Total governmental activities	60,653,731	67,803,341	72,257,581	77,281,906
Business-type activities:				
Unrestricted investment earnings	-	-	-	-
Transfers	-	-	2,153,572	409,126
Total business-type activities	-	-	2,153,572	409,126
Total primary government	\$60,653,731	\$67,803,341	\$74,411,153	\$77,691,032
Change in Net Assets				
Governmental activities	\$9,491,393	\$14,531,543	\$15,254,410	\$5,741,143
Business-type activities	58,141	76,096	1,218,585	(238,964)
Total primary government	\$9,549,534	\$14,607,639	\$16,472,995	\$5,502,179

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

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$44,559,288	\$46,380,334	\$47,208,461	\$47,891,011	\$48,366,671	\$49,162,835
329,173	184,659	183,636	354,707	550,876	-
21,174,687	22,018,138	22,368,270	22,887,516	24,049,680	25,757,926
-	-	-	-	-	31,439
3,744,369	2,773,961	2,466,037	2,612,122	3,202,538	2,888,689
1,582,257	1,519,426	2,362,264	2,498,709	2,088,649	-
4,397,348	2,610,935	1,358,391	1,096,735	717,360	(6,966)
2,041,760	902,804	698,530	1,013,444	1,453,925	708,201
1,748,534	1,806,786	2,869,262	1,677,984	2,438,487	4,570,601
(945,138)	(1,148,707)	(1,162,091)	(1,195,050)	(1,025,137)	(1,134,728)
<u>78,632,278</u>	<u>77,048,336</u>	<u>78,352,760</u>	<u>78,837,178</u>	<u>81,843,049</u>	<u>81,977,997</u>
				-	(7,746)
<u>945,138</u>	<u>1,148,707</u>	<u>1,162,091</u>	<u>1,195,050</u>	<u>1,025,137</u>	<u>1,134,728</u>
<u>945,138</u>	<u>1,148,707</u>	<u>1,162,091</u>	<u>1,195,050</u>	<u>1,025,137</u>	<u>1,126,982</u>
<u>\$79,577,416</u>	<u>\$78,197,043</u>	<u>\$79,514,851</u>	<u>\$80,032,228</u>	<u>\$82,868,186</u>	<u>\$83,104,979</u>
\$6,004,671	\$11,850,453	\$16,405,759	\$13,487,036	\$10,592,003	\$10,463,253
163,310	(204,771)	(345,923)	353,062	188,701	215,922
<u>\$6,167,981</u>	<u>\$11,645,682</u>	<u>\$16,059,836</u>	<u>\$13,840,098</u>	<u>\$10,780,704</u>	<u>\$10,679,175</u>

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

	Fiscal Year				
	2004	2005	2006	2007	2008
General Fund					
Reserved	\$961,837	\$1,533,073	\$1,500,338	\$1,578,146	\$496,119
Unreserved	21,314,448	22,074,170	21,264,377	13,946,987	10,449,164
Restricted	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$22,276,285</u>	<u>\$23,607,243</u>	<u>\$22,764,715</u>	<u>\$15,525,133</u>	<u>\$10,945,283</u>
All Other Governmental Funds					
Reserved	\$4,521,743	\$4,649,640	\$3,555,539	\$11,536,525	\$7,462,881
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	27,062,122	29,301,974	27,435,371	28,828,111	38,144,944
Capital projects funds	10,481,786	14,534,527	18,986,564	16,861,084	19,377,053
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$42,065,651</u>	<u>\$48,486,141</u>	<u>\$49,977,474</u>	<u>\$57,225,720</u>	<u>\$64,984,878</u>

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

Fiscal Year				
2009	2010	2011	2012	2013
\$1,905,595	\$349,228	\$-	\$-	\$-
5,780,610	8,839,368	-	-	-
-	-	158,781	536,962	693,229
-	-	10,370,694	10,869,965	11,658,731
<u>\$7,686,205</u>	<u>\$9,188,596</u>	<u>\$-</u>	<u>\$11,406,927</u>	<u>\$12,351,960</u>
\$10,233,116	\$10,092,405	\$-	\$-	\$-
-	-	85,559,994	94,313,965	94,441,322
-	-	418,449	361,694	5,381,198
-	-	4,107,225	4,464,983	2,516,944
45,552,152	51,695,565	-	-	-
17,469,599	21,780,998	-	-	-
-	-	-	-	-
<u>\$73,254,867</u>	<u>\$83,568,968</u>	<u>\$90,085,668</u>	<u>\$99,140,642</u>	<u>\$102,339,464</u>

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

	Fiscal Year				
	2004	2005	2006	2007	2008
Revenues					
Taxes	\$55,452,648	\$61,728,366	\$67,370,343	\$70,107,234	\$71,604,169
Licenses and permits	2,390,146	2,734,130	2,414,757	2,274,537	2,129,723
Intergovernmental	21,763,095	25,326,753	29,274,897	25,185,457	26,676,379
Charges for services	10,163,856	11,344,374	10,868,913	11,024,720	11,014,729
Fines and forfeits	2,124,567	2,242,373	2,341,077	2,215,230	2,472,025
Miscellaneous	3,388,809	4,874,670	6,255,152	7,252,667	6,091,879
Total Revenues	<u>95,283,121</u>	<u>108,250,666</u>	<u>118,525,139</u>	<u>118,059,845</u>	<u>119,988,904</u>
Expenditures					
General government	19,443,137	21,788,506	23,812,063	24,866,182	26,805,883
Public safety	25,866,906	29,133,971	32,082,423	35,688,892	36,746,100
Utilities	-	-	-	-	-
Physical environment	4,167,394	4,690,061	6,800,424	5,316,908	6,159,485
Transportation	14,761,101	15,371,674	14,265,469	15,626,476	16,678,152
Natural and economic environment	1,758,741	2,112,155	1,686,264	3,106,759	2,852,800
Social services	9,151,500	9,758,671	10,317,834	11,392,901	12,019,930
Culture and recreation	3,623,601	3,822,326	4,023,630	4,412,479	4,494,523
Capital outlay	10,215,134	12,328,740	20,223,545	13,466,397	8,241,819
Debt service:					
Principal	1,366,817	1,454,054	1,487,667	1,471,877	1,564,266
Interest	630,680	582,938	513,772	443,708	377,370
Total expenditures	<u>90,985,011</u>	<u>101,043,096</u>	<u>115,213,091</u>	<u>115,792,579</u>	<u>115,940,328</u>
Excess of revenues over (under) expenditures	4,298,110	7,207,570	3,312,048	2,267,266	4,048,576
Other Financing Sources (Uses)					
Proceeds of refunding long-term debt	-	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-	-
Sales of capital assets	1,984,251	1,887,188	1,070,852	406,285	2,041,760
Transfers in	3,282,824	6,308,650	13,664,755	14,419,515	13,070,745
Transfers out	(3,913,828)	(7,651,960)	(17,398,850)	(17,084,402)	(15,991,306)
Insurance recoveries	-	-	-	-	9,533
Capital Lease Proceeds	-	-	-	-	-
Proceeds of refunding long-term debt	-	-	-	-	-
Prior period adjustments	-	-	-	-	-
Total other financing sources (uses)	<u>1,353,247</u>	<u>543,878</u>	<u>(2,663,243)</u>	<u>(2,258,602)</u>	<u>(869,268)</u>
Net change in fund balance	<u>\$5,651,357</u>	<u>\$7,751,448</u>	<u>\$648,805</u>	<u>\$8,664</u>	<u>\$3,179,308</u>
Debt service as a percentage of noncapital expenditures	2.5%	2.3%	2.1%	1.9%	1.8%

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

Fiscal Year				
2009	2010	2011	2012	2013
\$73,092,573	\$75,212,285	\$77,746,503	\$79,361,709	\$78,837,505
2,318,034	2,314,115	2,091,213	2,005,544	2,395,846
33,569,286	35,734,318	33,678,960	28,279,651	28,898,339
11,719,977	11,240,618	10,738,984	11,173,817	17,488,346
1,996,883	2,314,995	2,157,685	2,735,872	2,732,376
3,818,078	3,187,505	2,991,394	3,261,098	4,404,838
<u>126,514,831</u>	<u>130,003,836</u>	<u>129,404,739</u>	<u>126,817,691</u>	<u>134,757,250</u>
26,465,479	26,796,709	26,560,989	26,509,059	26,332,143
39,325,404	39,352,531	38,991,462	39,015,373	40,077,056
-	-	-	-	627,269
5,886,626	5,992,306	4,925,995	4,905,619	-
15,278,092	14,881,399	15,744,702	16,065,687	16,712,235
3,224,050	3,202,329	3,461,926	3,871,139	8,775,376
12,433,475	12,522,896	12,859,278	13,958,410	19,153,283
4,337,790	4,201,730	4,003,549	4,347,714	3,889,340
13,503,595	13,908,191	13,058,768	7,765,286	21,880,066
1,636,834	4,984,596	1,912,564	945,754	333,600
340,715	343,889	308,415	236,501	188,140
<u>122,432,060</u>	<u>126,186,576</u>	<u>121,827,648</u>	<u>117,620,542</u>	<u>137,968,508</u>
4,048,576	4,082,771	7,577,091	9,197,149	(3,211,258)
-	-	-	-	-
-	-	-	-	-
902,804	698,530	1,013,444	1,453,925	5,142,165
19,572,672	20,336,343	18,045,344	11,417,019	32,701,080
(19,547,336)	(20,060,214)	(19,173,253)	(12,394,872)	(30,988,691)
-	31,395	-	-	216,662
-	152,156	24,916	259,205	202,916
-	6,299,585	-	-	-
-	-	-	-	80,981
<u>928,140</u>	<u>7,457,795</u>	<u>(89,549)</u>	<u>735,277</u>	<u>7,355,113</u>
<u>\$4,976,716</u>	<u>\$11,540,566</u>	<u>\$7,487,542</u>	<u>\$9,932,426</u>	<u>\$4,143,855</u>
1.8%	4.7%	2.0%	1.1%	0.4%

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
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
2012	\$22,244,515,577	\$675,219,121	\$564,676,305	\$23,484,411,003	2.81
2013	\$22,331,901,450	\$683,030,216	\$664,524,522	\$23,679,456,188	2.88

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
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
2012	1.110	1.702	0.000	2.812	3.586	1.110	0.289	2.252	2.508
2013	1.128	1.749	0.000	2.877	2.715	1.203	0.286	2.372	2.670

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
0.495	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
0.500	0.564	0.084	0.514	0.069
0.500	0.588	0.084	0.000	0.073

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

Taxpayer	2013			2004		
	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 (ARCO)	\$761,976,836	1	3.22%	\$533,793,945	1	3.81%
Phillips 66 Company	460,394,090	2	1.94	267,828,425	2	1.91
Puget Sound Energy	360,360,073	3	1.52	-	-	-
Alumet Corporation (Intalco)	81,429,214	4	0.34	88,909,450	3	0.63
Northwest Pipeline Corporation	49,124,650	5	0.21	-	-	-
Trans Mountain Pipeline	48,594,563	6	0.21	-	-	-
Resort Semiahmoo LLC	44,738,269	7	0.19	-	-	-
Bellis Fair Partners	41,556,253	8	0.18	35,163,745	7	0.25
IKO Pacific INC	39,610,008	9	0.17	-	-	-
Cascade Natural Gas Corporation	35,508,821	10	0.15	-	-	-
Sumas Cogeneration Co., LP	-	-	-	63,529,930	4	0.45
Tenaska Washington Partners	-	-	-	58,983,470	5	0.42
Talbot Real Estate LLC	-	-	-	42,849,830	6	0.31
Pan Pacific Development	-	-	-	28,525,595	8	0.20
Trillium	-	-	-	27,960,495	9	0.20
Roundup CO	-	-	-	25,756,880	10	0.18
Total	<u>\$1,923,292,777</u>		<u>8.12%</u>	<u>\$1,173,301,765</u>		<u>8.37%</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
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%
2012	\$48,443,499	\$47,404,513	97.86%	\$1,049,012	\$48,453,525	100.02%
2013	\$49,323,113	\$48,426,750	98.18%	\$808,809	\$49,235,559	99.82%

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 Total	Percentage of Personal Income Percentage	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Leases			
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	0.74%	\$25
2012	\$3,965,000	\$-	\$384,412	\$4,349,412	0.90%	\$21
2013	\$3,660,000	\$-	\$384,412	\$4,044,412	Not Available	\$20

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 ^a of Property	Per Capita ^b
2004	\$12,805,000	0.09%	\$73.38
2005	\$11,495,000	0.07%	\$64.83
2006	\$10,115,000	0.05%	\$55.95
2007	\$8,675,000	0.04%	\$47.07
2008	\$7,145,000	0.03%	\$37.94
2009	\$5,545,000	0.02%	\$29.03
2010	\$6,735,000	0.03%	\$34.88
2011	\$4,865,000	0.02%	\$24.88
2012	\$3,965,000	0.02%	\$19.32
2013	\$3,660,000	0.02%	\$17.74

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

^a See Schedule 5 for property value data.

^b Population data can be found in Schedule 14.

Direct and Overlapping Governmental Activities Debt
Schedule 11

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Whatcom County	Amount Applicable to Whatcom County
Whatcom County	\$3,660,000	100%	\$3,660,000
Total Direct Bonded Debt	\$3,660,000		\$3,660,000
Fire Districts	\$1,980,000	100%	\$1,980,000
Water Districts	\$809,266	100%	\$809,266
School Districts	\$194,955,483	100%	\$194,955,483
Park Districts	\$715,000	100%	\$715,000
Total Overlapping Bonded Debt	\$198,459,749		\$198,459,749
Total Direct & Overlapping Bonded Debt	\$202,119,749		\$202,119,749

Source: Whatcom County Treasurer.



	Fiscal Year				
	2004	2005	2006	2007	2008
Debt limit	\$217,976,649	\$251,111,247	\$304,185,667	\$332,994,971	\$363,972,353
Total net debt applicable to limit	19,949,864	20,994,212	18,940,844	17,952,035	16,095,405
Legal debt margin	\$198,026,785	\$230,117,035	\$285,244,823	\$315,042,936	\$347,876,948
Total net debt applicable to the limit as a percentage of debt limit	9.15%	8.36%	6.23%	5.39%	4.42%

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				
2009	2010	2011	2012	2013
\$376,163,103	\$355,935,992	\$352,973,637	\$352,266,165	\$355,191,843
<u>15,119,442</u>	<u>16,587,403</u>	<u>15,087,827</u>	<u>14,852,077</u>	<u>13,476,969</u>
<u>\$361,043,661</u>	<u>\$339,348,589</u>	<u>\$337,885,810</u>	<u>\$337,414,088</u>	<u>\$341,714,874</u>
4.02%	4.66%	4.27%	4.22%	3.79%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value	23,679,456,188
Debt limit (1.5% of assessed value without a vote)	355,191,843
Debt applicable to limit:	
Outstanding debt	13,479,135
Less: Amounts set aside for repayment of general obligation debt	<u>(2,166)</u>
Total net debt applicable to limit	<u>13,476,969</u>
Legal debt margin	<u>\$341,714,874</u>

Pledged Revenue Coverage
 Last Ten Fiscal Years
 Schedule 13



Fiscal Year	Special Assessment Bonds			
	Assessments Collected	Debt Service		Coverage
		Principal	Interest	
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	\$-	\$-	-
2012	\$-	\$-	\$-	-
2013	\$-	\$-	\$-	-

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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	\$7,759,117	\$38,098	36.89	27,161	8.3%
2012	205,262	\$8,029,146	\$39,117	36.97	27,375	7.1%
2013	206,353	Not Available	Not Available	37.22	27,369	6.2%

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

Principal Employers
Current and Nine Years Ago
Schedule 15

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

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
St. Joseph Hospital/Madrona	2,753	1	2.86%	1,800	2	1.81%
Western Washington University	1,575	2	1.64%	1,842	1	1.85%
Bellingham School District	1,200	3	1.25%	1,244	3	1.25%
BP (Cherry Point Refinery)	1,100	4	1.14%	600		0.60%
Heath Techna	850	5	0.88%	-		-
Whatcom County	811	6	0.84%	800	6	0.80%
City of Bellingham	807	7	0.84%	808	4	0.81%
Haggen, Inc.	787	8	0.82%	807	5	0.81%
Lummi Tribal Office	700	9	0.73%	-		-
Fred Meyer	660	10	0.69%	-		-
Intalco	-		-	689	8	0.69%
Ferndale School District	-		-	742	7	0.75%
Brown & Cole Stores	-		-	620	9	0.62%
T-Mobile	-		-	563	10	0.57%
Total	11,243		11.68%	9,332		9.38%

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Administrative Svcs	67.45	72.95	77.55	81.75	81.05	78.45	66.85	61.85	61.15	60.55
Assessor	30.00	30.00	30.00	30.00	30.00	30.00	29.00	28.00	28.00	28.00
Auditor	20.00	22.00	22.00	22.00	22.00	21.00	19.00	19.00	19.00	19.00
County Council	9.50	9.50	9.50	10.50	10.50	10.50	9.50	9.50	9.50	9.50
County Executive	4.50	4.50	4.50	4.50	4.50	4.40	4.00	4.00	4.00	3.70
District Court Prob.	18.00	19.00	20.00	19.50	19.50	18.50	15.70	15.70	15.70	14.00
District Court	17.00	18.00	19.00	21.00	21.00	20.00	18.50	18.50	18.50	18.50
Prosecuting Attorney	48.60	52.60	52.60	54.60	54.60	54.60	50.90	50.90	49.90	49.90
Public Defender	28.00	33.50	34.50	36.80	37.80	36.80	32.80	29.80	29.80	28.80
Superior Court	34.70	37.20	41.50	44.50	44.50	43.50	40.20	40.20	40.20	39.20
Treasurer	16.00	16.00	16.00	16.00	16.00	15.00	13.00	13.00	13.00	13.00
Public Safety										
Jail	63.00	88.00	88.50	91.50	91.50	92.50	88.50	86.50	86.50	86.50
Juvenile Court Admin	45.10	45.80	45.80	45.80	46.80	46.80	38.40	38.40	37.40	37.60
Planning & Dev't Svcs	57.00	69.60	72.60	74.60	73.60	67.60	47.00	47.00	45.00	43.00
Sheriff	99.80	101.80	102.20	106.20	108.20	108.70	106.50	108.50	108.50	107.50
Transportation										
Public Works	155.00	155.50	163.70	173.70	176.20	169.70	153.70	155.70	155.70	154.70
Economic Environment										
Hearing Examiner	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mental & Physical Health										
Health	80.10	80.50	80.70	84.70	90.70	86.70	75.20	73.15	73.15	71.35
Culture and Recreation										
Cooperative Extension	2.52	2.52	2.52	2.52	2.52	2.42	2.52	2.52	2.52	2.52
Parks & Recreation	33.55	33.55	33.55	34.75	34.75	33.75	25.75	23.00	23.00	23.00
Total	830.82	893.52	917.72	955.92	966.72	941.92	838.02	826.22	821.52	811.32

Source: Whatcom County Administrative Services.

Function/ Program	Fiscal Year			
	2004	2005	2006	2007
General Government				
General Election (1)				
# of Registered Voters	106,094	102,118	102,819	102,458
# of Votes	91,497	63,716	69,782	55,059
% of Reg. Voters Voting	86.2%	62.4%	67.9%	53.7%
Assessor (2)				
Real Property Parcels	102,261	105,200	108,076	109,013
Building Permits Evaluated	5,276	5,528	5,521	5,821
New Single Family Residences	1,992	2,295	2,487	2,592
Judicial (3)				
District Court Infractions	19,016	18,393	19,837	21,062
Public Safety (4)				
# of Fire Inspections	540	303	163	336
# Sheriffs - Commissioned	77.00	78.00	78.00	82.00
# Sheriffs - Civilian	22.80	23.80	24.20	24.20
Calls for Service	26,930	28,815	28,477	29,917
Average Daily Jail Population	246	263	290	262
Building Department				
Permits Applications	2,022	2,050	1,748	1,409
Mechanical/Plumbing	800	607	496	515
Physical Environment (5)				
Flood Permits Issued	125	115	50	32
Transportation (6)				
Roads Oiled	666.03	667.17	668.53	667.15
Roads Asphalt	226.23	230.75	235.07	236.11
Roads Gravel	41.79	38.99	35.24	31.74
Roads Misc	17.90	17.86	15.69	16.04
Ferry Passengers	230,563	226,933	231,111	222,604
Ferry Vehicle Trips	137,127	133,717	137,366	129,552
Culture and Recreation (7)				
Number of Parks	11	11	12	12

(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					
2008	2009	2010	2011	2012	2013
115,314	114,292	116,581	117,162	125,485	127,002
101,399	61,288	86,993	69,147	104,727	69,709
87.9%	53.6%	74.6%	59.0%	83.5%	54.9%
109,507	110,327	111,567	111,107	111,302	111,453
4,083	5,460	3,186	4,622	2,716	3,099
877	496	151	210	314	517
21,253	17,478	19,142	18,206	18,790	16,802
337	325	253	180	168	164
84.00	84.00	85.00	88.00	88.00	86.00
24.20	24.70	20.50	20.50	20.50	22.00
29,499	27,642	27,230	26,632	25,713	26,313
277	283	275	261	278	258
1,142	855	946	739	722	744
420	433	467	461	512	460
17	22	55	91	118	137
667.94	663.93	663.55	663.24	661.75	661.34
237.83	233.39	233.94	234.09	235.66	234.45
30.46	30.40	30.40	29.55	29.35	29.37
15.54	15.60	15.60	14.59	14.59	14.59
216,838	207,160	197,980	185,801	182,484	171,317
123,285	119,400	110,405	107,164	109,336	106,594
20	20	20	17	17	20

Function/ Program	Fiscal Year			
	2004	2005	2006	2007
Function				
Public Safety (1)				
Sheriff Patrol Units	82.00	87.50	87.50	91.50
Transportation (1)				
Miles of Road	952.00	954.77	954.54	951.04
Traffic Signals	4	4	4	4
Ferry Vessel	1	1	1	1
Fire Protection (2)				
No. of Districts	18	17	16	16
No. of Paid Firemen	55	54	58	58
No. of Volunteer Firemen	584	566	529	528
Culture and Recreation (3)				
Regional Parks - Number	10	11	12	12
Community Parks - Number	-	-	-	-
Neighbor Parks - Number	-	-	-	-
Parks - Acres	6,615.69	6,636.69	6,820.35	6,894.88
Senior Centers	8*	8*	8*	8*
Public Schools (4)				
Number of Schools				
Elementary	36	35	35	35
Middle	12	11	11	11
High	11	10	10	10
Alternative or Special	12	10	15	17
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					
2008	2009	2010	2011	2012	2013
93.50	93.5	93.5	93.5	93.5	93
951.77	943.32	943.49	941.47	941.35	939.75
3	3	3	3	3	3
1	1	1	1	1	1
16	12	12	11	11	14
58	53	53	45	45	52
528	448	448	396	396	361
20	20	20	17	17	20
-	-	-	-	-	2
-	-	-	-	-	4
7,030.38	7,030.38	7,030.38	7,109.00	7,109.00	7,156.00
8*	8*	8*	8*	8*	8*
35	35	36	37	36	36
11	11	10	11	11	11
10	11	11	11	11	11
16	13	13	14	13	13
1	1	1	1	1	1
1	1	1	1	1	1