

Comprehensive Annual Financial Report

Whatcom County Washington

Fiscal Year Ending December 31, 2017



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

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TABLE OF CONTENTS

Introductory Section

Letter of Transmittal	1
Elected Officials	5
Organizational Chart	6

Financial Section

Management Discussion and Analysis7
---	-----------

Basic Financial Statements	18
---	-----------

Statement of Net Position	18
Statement of Activities	19
Balance Sheet, Governmental Funds	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balance, Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenses and Changes in Fund Net Position, Proprietary Funds	25
Statement of Cash Flows, Proprietary Funds	27
Statement of Fiduciary Net Position, Fiduciary Funds	28
Statement of Changes in Fiduciary Net Position, Fiduciary Funds	29

Notes to the Financial Statements	31
--	-----------

Note 1	Summary of Significant Accounting Policies	33
Note 2	Accounting and Reporting Changes	40
Note 3	Violation of Finance-Related Legal and Contractual Provisions	41
Note 4	Deposits and Investments	41
Note 5	Property Taxes	47
Note 6	Capital Assets and Depreciation	49
Note 7	Pension Plans	50
Note 8	Risk Management	62
Note 9	Long-Term Debt and Leases	64

Note 10	Contingencies . . . . .	.68
Note 11	Construction and Other Significant Commitments . . . . .	.68
Note 12	Interfund Balances and Transfers . . . . .	.69
Note 13	Joint Ventures . . . . .	.70
Note 14	Other Postemployment Benefit (OPEB) Plans. . . . .	.71
Note 15	Postclosure Care Cost. . . . .	.73
Note 16	Tax Abatement . . . . .	.73
Note 17	Prior Period Adjustment . . . . .	.74

Required Supplemental Information76

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	76
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - County Road Fund	77
Notes to Budgetary Comparison Schedule	78
LEOFF I Retiree Medical Benefits Schedule of Funding Progress.	79
Schedule of Proportionate Share of the Net Pension Liability - PERS 1	80
Schedule of Proportionate Share of the Net Pension Liability - PERS 2/3	81
Schedule of Proportionate Share of the Net Pension Liability - PSERS 2	82
Schedule of Proportionate Share of the Net Pension Liability - LEOFF 1	83
Schedule of Proportionate Share of the Net Pension Liability - LEOFF 2	84
Schedule of Employer Contributions - PERS 1	85
Schedule of Employer Contributions - PERS 2/3	86
Schedule of Employer Contributions - PSERS 2	87
Schedule of Employer Contributions - LEOFF 1	88
Schedule of Employer Contributions - LEOFF 2	89

Supplemental Information90

Non-Major Funds Definitions.	90
Governmental Funds	97
Combining Balance Sheet - Non-Major Funds	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Funds	98
Special Revenue Funds.	99
Combining Balance Sheet - Non-Major Funds	99
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Funds	104
Election Reserve.....	109
Veterans' Relief.....	110
Treasurer's O & M.....	111
Whatcom County Jail.....	112
Low-Income Housing.....	113
Homeless Housing.....	114
Stormwater.....	115

Behavioral Health Program	116
Parks Special Revenue	117
Countywide Emergency Medical Services	118
Whatcom County Trial Court Improvement	119
Solid Waste	120
Convention Center	121
Victim/Witness Assistance	122
Whatcom County Drug	123
Auditor's O & M	124
Emergency Management	125
Flood Control Zone District	126
Point Roberts Transportation Benefit District	127
Conservation Futures	128
Road Improvement Districts	129
Lynden/Everson Sub-Zone	130
Sumas/Nooksack/Everson Sub-Zone	131
Acme/Van Zandt Sub-Zone	132
Samish Watershed Sub-Zone	133
Birch Bay Sub-Zone	134
Debt Service Funds	135
Combining Balance Sheet - Non-Major Funds	135
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Funds	136
2010 Ltd. Tax General Obligation Bond	137
Capital Project Funds	138
Combining Balance Sheet - Non-Major Funds	138
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Funds	143
Real Estate Excise Tax II	148
Real Estate Excise Tax I	149
Civic Center Building Improvement	150
East Whatcom Regional Resource Center Construction	151
2010 Jail Improvement	152
Lummi Nation Lease	153
Birch Bay Dr. & Pedestrian Facility Project	154
Birch Bay Lynden Rd./Portal Way Signalization Improvement Project	155
Potter Rd. - South Fork Bridge Replacement Project	156
Sheriff's Record Management System Project	157
New Jail Project	158
Nesset Farm Restoration	159
State St. Building Acquisition & Improvement	160
Slater Rd Intersections Project	161
Dakota Creek Bridge No. 500 Project	162
Telecommunications System Replacement	163
Hannegan Road/Nooksack River Bridge No. 252	164
2015 County Roadway Safety Program	165
Courthouse Improvement	166

2015 Girard Street Building Improvement.....	167
Courthouse Building Envelope Project.....	168
2015 Central Plaza Improvement.....	169
2015 Silver Lake Park Improvement.....	170
2015 Lighthouse Marine Park Improvement	171
2015 South Fork Park Improvement	172
Academy Road Stormwater Improvements.....	173
Agate Heights Estate/Bay Lane Stormwater Improvements.....	174
Cedar Hills/Euclid Stormwater Improvements.....	175
Criminal Justice Integrated Case Mgmt System Projects	176
Integrated Land Records & Permit Mgmt System Projects	177
South Pass Road/Saar Creek Bridge No. 212.....	178
Sudden Valley Stormwater Improvements.....	179
Hovander Park Building Improvements	180
Lake Whatcom Park Trail Development.....	181
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Major Funds	182
Public Utilities Improvement.....	182
Triage Center Expansion.....	183
Internal Service Funds	184
Combining Statement of Net Position - Internal Service Funds	184
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds.	185
Combining Statement of Cash Flows - Internal Service Funds	186
Enterprise Funds.	187
Combining Statement of Net Position - Non-Major Enterprise Funds	187
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Non-Major Enterprise Funds.	188
Combining Statement of Cash Flows - Non-Major Enterprise Funds	189
Investment Trust Funds	190
Combining Statement of Net Position - Investment Trust Funds	190
Combining Statement of Changes in Net Position - Investment Trust Funds.	191
Agency Funds	192
Combining Balance Sheet.	192
Combining Statement of Changes in Assets and Liabilities	195
Cemetery Districts.....	195
Drainage, Diking and Flood Control Districts.....	196
Park and Recreation Districts.....	197
Watershed Management Project Joint Board.....	198
Rural Library.....	199
Northwest Regional Council.....	200
Council of Governments.....	201
Hospital Districts.....	202
Port.....	203
P.U.D. District.....	204
Whatcom Transit.....	205

School Districts	206
Watershed Districts	207
Fire Districts.....	208
Water Districts.....	209
Treasurer’s Suspense.....	210
Inmate Trust Fund.....	211
Claims Fund.....	212
Total Agency Funds.....	213

General Fund Schedule of Expenditures - Budget and Actual	214
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Statistical Section

Schedule 1	Net Position by Component	217
Schedule 2	Changes in Net Position	219
Schedule 3	Fund Balances, Governmental Funds	223
Schedule 4	Changes in Fund Balances, Governmental Funds	225
Schedule 5	Assessed Value of Taxable Property	227
Schedule 6	Direct and Overlapping Property Tax Rates	229
Schedule 7	Principal Property Tax Payers	231
Schedule 8	Property Tax Levies and Collections.	232
Schedule 9	Ratio of Outstanding Debt by Type	233
Schedule 10	Ratio of General Bonded Debt Outstanding	234
Schedule 11	Direct and Overlapping Governmental Activities Debt	235
Schedule 12	Legal Debt Margin Information	237
Schedule 13	Pledged Revenue Coverage.	239
Schedule 14	Demographic and Economic Statistics	240
Schedule 15	Principal Employers	241
Schedule 16	Full-Time Equivalent County Government Employees by Function/Program.	242
Schedule 17	Operating Indicators by Function/Program	243
Schedule 18	Capital Asset Statistics by Function/Program.	244

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



Jack Louws
County Executive

January 31, 2019

Citizens of Whatcom County:

We are pleased to submit the Comprehensive Annual Financial Report of Whatcom County for the year ended December 31, 2017, 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 percent 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 2017 is estimated at 216,300.

Whatcom County operates under a Home Rule Charter adopted by the voters of the county in 1978. The County Council, which consists of six members elected by districts and one member at large, is the policy determining and legislative body of the County. The Council levies taxes, makes appropriations and adopts the budget for the County. The elected County Executive presents to the County Council an annual statement of the financial and governmental affairs of the County, the budget, and capital improvement plans. The county charter was amended in November 1993 to allow the establishment of 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 11 percent since 2010. The County's greatest employment sector is "government." Employment of Whatcom County's workforce of approximately 110,074 includes the following sectors:

Agriculture, Forestry, Fishing and Hunting	4.60%
Mining	*
Utilities	0.04%
Construction	7.81%
Manufacturing.....	11.16%

Transportation and Warehousing.....	2.47%
Wholesale/Retail Trade.....	15.09%
Professional/Technical Services	3.62%
Finance/Insurance/Real Estate	3.66%
Management of Companies and Enterprises.....	0.33%
Administrative/Waste Services.....	4.64%
Educational Services	1.04%
Healthcare and Social Assistance	12.97%
Arts, Entertainment and Recreation	1.53%
Accommodation and Food Services	9.48%
Government	16.50%
Information.....	1.30%
Other Services, except Public Administration.....	3.39%
Not Elsewhere Classified.....	0.37%

**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 a federally designated foreign trade zone that promotes manufacturing, warehousing and trade in the region. Over 275 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 125 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 2017 enrollment was 15,915. As one of the county’s largest employers, WWU employs 1,519 full-time faculty and staff.

Retail Trade

Between 2008 and 2017, annual taxable retail sales in Whatcom County grew by \$1.1 billion or a 34 percent increase. Although the Canadian dollar has weakened, 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 local economy grows.

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

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 our economy continues to grow, our goal is to maintain services, invest in our facilities, and invest in technology to improve efficiency.

OTHER INFORMATION

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, County Auditor 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, 2017

ELECTED OFFICIALS

Executive	Term Ends January, 2020	Jack Louws
Assessor	Term Ends January, 2020	Keith Willnauer
Auditor	Term Ends January, 2020	Debbie Adelstein
Prosecuting Attorney	Term Ends January, 2019	David S. McEachran
Sheriff	Term Ends January, 2020	Bill Elfo
Treasurer	Term Ends January, 2020	Steve Oliver

COUNTY COUNCIL

District No. 1, Position A	Term Ends January, 2018	Barry Buchanan
District No. 1, Position B	Term Ends January, 2020	Todd Donovan
District No. 2, Position A	Term Ends January, 2018	Ken Mann
District No. 2, Position B	Term Ends January, 2020	Satpal Sidhu
District No. 3, Position A	Term Ends January, 2018	Carl Weimer
District No. 3, Position B	Term Ends January, 2020	Barbara Brenner
Councilperson At Large	Term Ends January, 2018	Rud Browne

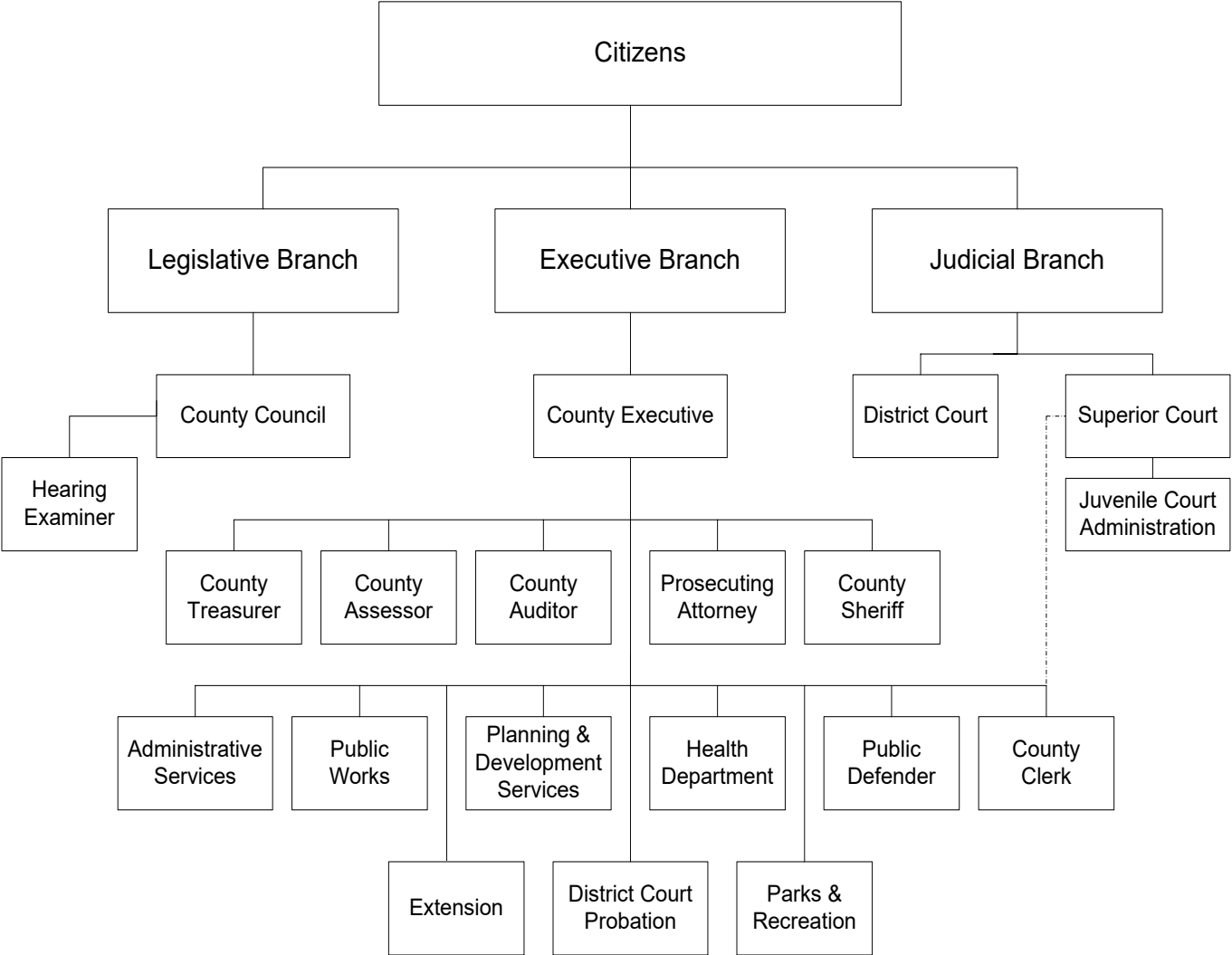
SUPERIOR COURT JUDGES

Department No. 1	Term Ends January, 2021	Ira Uhrig
Department No. 2	Term Ends January, 2021	Deborra Garrett
Department No. 3	Term Ends January, 2021	Charles Synder
Department No. 4	Term Ends January, 2021	Raquel Montoya-Lewis

DISTRICT COURT JUDGES

Position No. 1	Term Ends January, 2019	David Grant
Position No. 2	Term Ends January, 2019	Matthew Elich

Whatcom County Organizational Chart



MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2017

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, 2017.

Financial Highlights

- The County is in good financial condition and our financial growth is back to prerecession levels.
- Overall revenues are up \$12.2 million. A new property tax levy for emergency medical services accounts for \$7.8 million of this increase.
- Assessed valuation of property increased 5.4 percent from 2016 to 2017.
- Building activity is increasing. Building permit revenues were up and have increased 2.0 percent from 2016 to 2017.
- Total retail sales increased 10.3 percent from 2016 to 2017.
- At the end of 2017, the unassigned fund balance for the General Fund was \$19,719,446, or approximately 27.0 percent of total General Fund expenditures. Total fund balance for the General Fund increased 8.8 percent for the year.
- As of December 31, 2017, the County's governmental funds reported combined ending fund balances of \$144.3 million.
- The County's outstanding general obligation debt total \$2.8 million at the end of 2017.

Government-wide Financial Statement Highlights

- Whatcom County's revenue for governmental activities increased \$11.9 million or 8.3 percent between 2016 and 2017.
- The County's long-term debt totaled \$54.1 million. This includes general obligation bonds totaling \$2.3 million, pension obligations totaling \$35.2 million, OPEB obligations totaling \$4.3 million, compensated absences totaling \$7.2 million, and projected self-insurance claims of \$4.3 million. Long-term debt decreased \$9.6 million, or 15.1 percent. The decrease was primarily related to decreased pension obligations.
- Whatcom County's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources (net position) by \$373,976,307 as compared to \$352,698,504 in 2016 (\$21.3 million increase). For 2017, unrestricted net position increased \$6.7 million from last year. Unrestricted net position indicates resources that may be used to meet the government's ongoing obligations to citizens and creditors as defined by the Government Accounting Standards Board (GASB). Details of factors contributing to the increase in net position are discussed later within this management's discussion and analysis.

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).

The governmental-wide financial statements can be found on pages 18-19 of this report.

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.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

- **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.

The basic proprietary fund financial statements can be found on pages 24-27 of this report.

- **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.

The fiduciary fund financial statements can be found on pages 28-29 of this report.

Notes to the financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-74 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The required supplementary information can be found on page 76-89 of this report.

The combining statements are presented in a separate section immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 90-214 of this report.

Government-wide Financial Analysis

The table on the following page reflects a condensed Statement of Net Position.

Table MDA1 - Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$190,406,620	\$169,758,949	\$3,100,205	\$2,783,746	\$193,506,825	\$172,542,695
Capital assets	252,529,976	250,193,719	1,659	2,300	252,531,635	250,196,019
Total assets	442,936,596	419,952,668	3,101,864	2,786,046	446,038,460	422,738,714
Deferred outflows of resources	5,777,615	8,881,604	102,177	153,028	5,879,792	9,034,632
Long-term debt	53,322,366	62,717,034	813,663	1,017,832	54,136,029	63,734,866
Other liabilities	12,055,658	10,225,639	140,427	85,181	12,196,085	10,310,820
Total liabilities	65,378,024	72,942,673	954,090	1,103,013	66,332,114	74,045,686
Deferred inflows of resources	11,493,502	5,001,604	116,329	27,552	11,609,831	5,029,156
Net position:						
Net investment in capital assets	249,804,468	247,592,484	1,659	2,300	249,806,127	247,594,784
Restricted	120,343,165	108,006,250	-	-	120,343,165	108,006,250
Unrestricted	1,695,052	(4,708,739)	2,131,963	1,806,209	3,827,015	(2,902,530)
Total net position	\$371,842,685	\$350,889,995	\$2,133,622	\$1,808,509	\$373,976,307	\$352,698,504

For more detailed information see page 18 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$373,976,307 at the close of 2017; this is an increase of \$21.3 million from 2016 net position. Governmental activities increased Whatcom County's net position by \$21.0 million, thereby accounting for 98.6 percent of the increase in the net position of Whatcom County. Business-type activities increased net position \$325,113.

The largest portion of Whatcom County's net position (66.8 percent) 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 \$2.2 million. Whatcom County invested \$7.5 million in infrastructure, \$4.0 million in equipment, \$1.1 million in land, \$769,000 in construction in progress, \$258,000 in improvements, and \$34,000 in buildings. 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 \$120,343,165 or 32.2 percent 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 is greater than last year by \$12.3 million.

The remaining balance of net position, unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. The balance of unrestricted net position is \$3.8 million.

Table MDA2 - Net Position Comparison

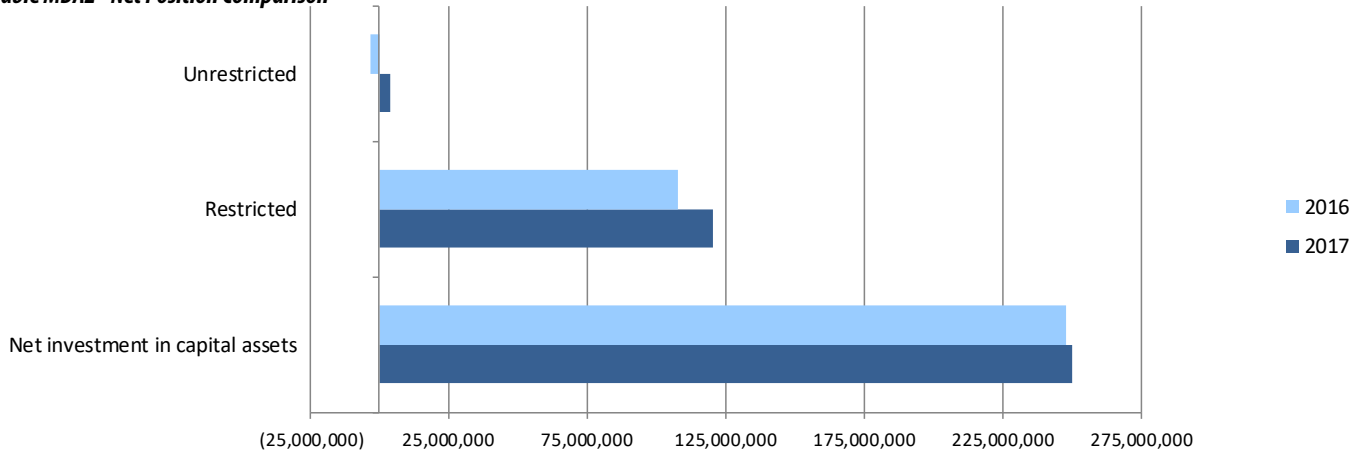


Table MDA3 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenue:						
Charges for services	\$25,700,325	\$25,508,129	\$1,882,244	\$1,809,806	\$27,582,569	\$27,317,935
Operating grants & contributions	20,533,655	19,115,601	316,769	132,026	20,850,424	19,247,627
Capital grants & contributions	5,671,252	8,904,416	-	-	5,671,252	8,904,416
General revenue:						
Property taxes	61,426,749	51,789,000	-	-	61,426,749	51,789,000
Retail taxes	31,608,063	28,656,766	-	-	31,608,063	28,656,766
Business and occupation taxes	31,576	27,402	-	-	31,576	27,402
Excise taxes	6,073,543	5,411,302	-	-	6,073,543	5,411,302
Other	5,036,404	4,730,538	4,990	(11,536)	5,041,394	4,719,002
Total revenues	156,081,567	144,143,154	2,204,003	1,930,296	158,285,570	146,073,450
Expenses						
General government	31,165,548	33,346,649	-	-	31,165,548	33,346,649
Public safety	49,404,289	47,902,859	-	-	49,404,289	47,902,859
Utilities	-	719,438	-	-	-	719,438
Transportation	24,159,637	26,254,000	-	-	24,159,637	26,254,000
Natural and economic environment	10,927,586	8,013,891	-	-	10,927,586	8,013,891
Social services	19,819,560	18,673,421	-	-	19,819,560	18,673,421
Culture and recreation	4,258,868	4,948,161	-	-	4,258,868	4,948,161
Interest on long-term debt	128,083	109,862	-	-	128,083	109,862
Whatcom Co. Investment Pool	-	-	307,898	295,038	307,898	295,038
Ferry System	-	-	2,686,841	2,604,367	2,686,841	2,604,367
Total expenses	139,863,571	139,968,281	2,994,739	2,899,405	142,858,310	142,867,686
Change in net position before transfers	16,217,996	4,174,873	(790,736)	(969,109)	15,427,260	3,205,764
Transfers	(1,115,849)	(1,058,166)	1,115,849	1,058,166	-	-
Change in net position	15,102,147	3,116,707	325,113	89,057	15,427,260	3,205,764
Net position-beginning	350,889,995	347,773,288	1,808,509	1,719,452	352,698,504	349,492,740
Prior period adjustment	5,850,543	-	-	-	5,850,543	-
Net position-beginning (restated)	356,740,538	347,773,288	1,808,509	1,719,452	358,549,047	349,492,740
Net position-ending	\$371,842,685	\$350,889,995	\$2,133,622	\$1,808,509	\$373,976,307	\$352,698,504

For more detailed information see page 19 for the Statement of Activities.

Overall revenues are up \$12.2 million.

Property tax revenue is up \$9.6 million or 18.6 percent over last year. A new property tax levy for emergency medical services accounts for \$7.8 million of this increase.

Sales tax revenue is up \$3.0 million or 10.3 percent from 2016.

Charges for services are slightly greater than 2016 (\$265,000).

Operating grants and contributions increased \$1.6 million from last year. This is attributed to an increase in flood control related grants for 2017.

Capital grants and contributions are \$3.2 million less than 2016. These revenues fluctuate based on the capital projects that are underway during the year.

Excise tax increased \$662,000 or 12.2 percent from 2016. This is principally the result of increased real estate excise tax collections.

Other revenues are \$322,000 greater than last year.

Expenses ended up at \$142.9 million and are about the same as 2016.

Net position increased \$21.3 million from 2016.

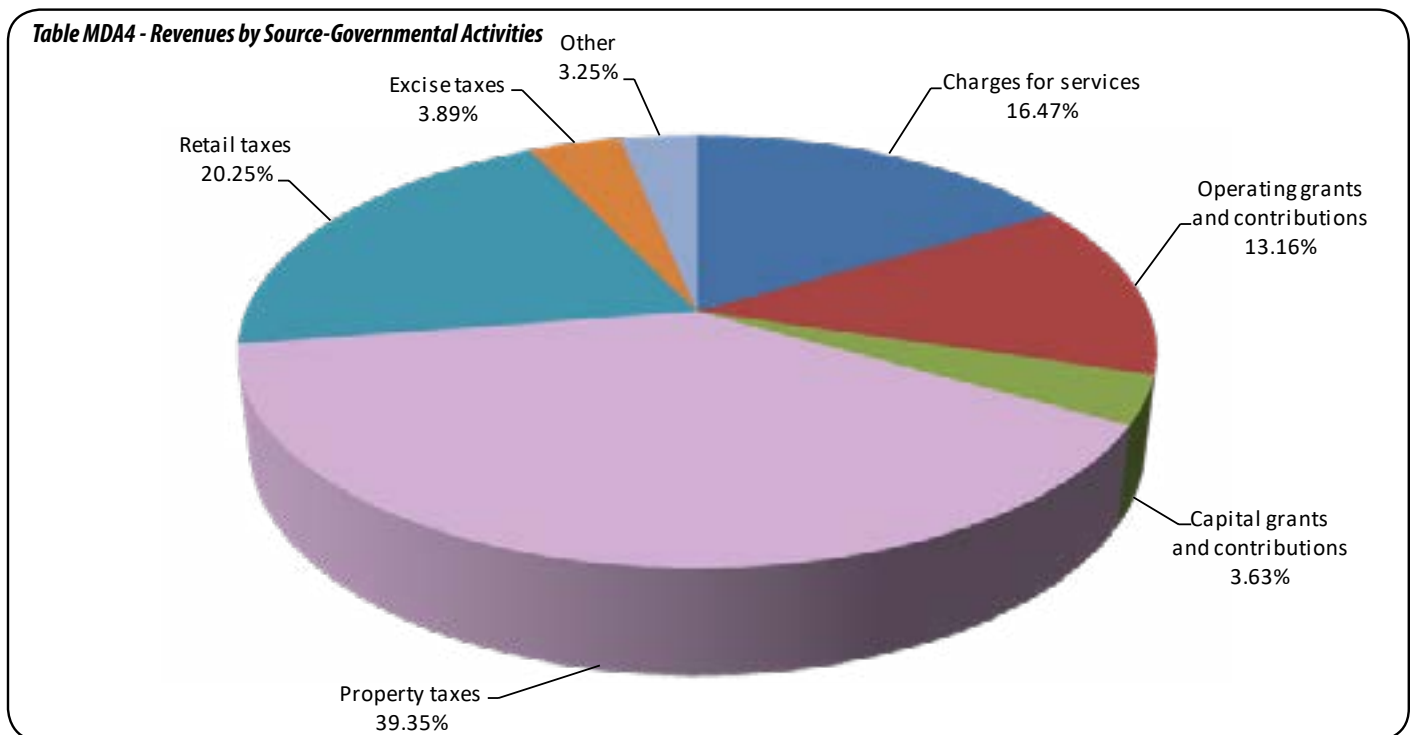
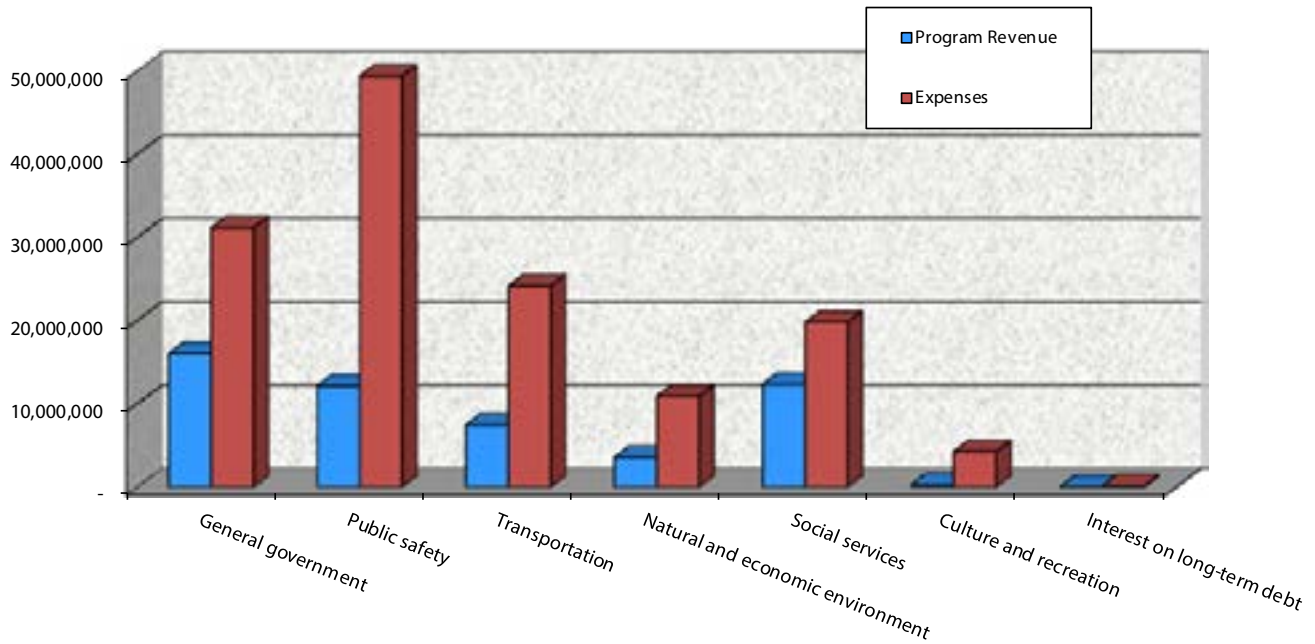


Table MDAS - Expenses and Program Revenues-Governmental Activities



Financial Analysis of the County's Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the County's financing requirements.

As of December 31, 2017, the County's governmental funds reported combined fund balances of \$144.3 million; this is an increase of \$10.5 million over 2016 or 7.8 percent. Overall, the funds collected 96.8 percent of their budgeted revenues and expended 73.5 percent of their budgeted expenditures.

Unassigned fund balance is \$19.7 million or approximately 13.7 percent. Unassigned fund balance is available for spending for any purpose. Assigned fund balance is \$2.0 million or approximately 1.4 percent. Assigned fund balance represents resources Whatcom County intends to use for specific purposes. Committed fund balance totals \$16.0 million or approximately 11.1 percent. 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 \$106.6 million or approximately 73.8 percent. 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 General Fund is the primary operating fund for Whatcom County. At the end of 2017, unassigned fund balance of the General Fund was \$19.7 million, while total fund balance increased to \$21.1 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 27.0 percent of total General Fund expenditures, while total fund balance represents approximately 28.9 percent of that same amount.

During 2017, the fund balance of the General Fund increased by \$1.7 million. Revenues exceeded the amended budget. The increased revenues are from higher than budgeted sales tax revenues.

Under GASB Statement No. 54, certain Special Revenue Funds are required to be reported in the General Fund. For 2017, the LEOFF I Healthcare Fund is combined into the General Fund.

The County Road Fund had a fund balance of \$22.5 million in 2017, which is \$6.9 million less than 2016. Fund balance was projected to be \$9.0 million less at year end; however, expenditures for capital projects were significantly below budget.

The fund balance for the Public Utilities Improvement Fund increased \$2.5 million. This is about \$1.0 million higher than expected. A \$1.1 million grant to the City of Bellingham for a waterfront project was not spent in 2017.

The Triage Center Expansion is a new major fund for 2017 and as of the end of the year; the fund balance was a negative \$19,512. \$2.5 million of revenue received in 2017 was deferred; however, the fund received a portion of the County's unrealized loss based on pooled investments. This resulted in the fund having a negative fund balance.

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, 2017.

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>
Revenues:			
Taxes	\$44,312,831	\$44,312,831	\$45,510,508
Intergovernmental	14,260,289	16,185,116	15,329,143
Other	17,136,836	17,298,291	17,991,647
Total revenues	<u>75,709,956</u>	<u>77,796,238</u>	<u>78,831,298</u>
Expenditures:			
Expenditures	74,807,476	77,358,690	72,978,492
Other financing sources (uses)	(5,775,038)	(6,220,374)	(4,153,723)
Total expenditures	<u>80,582,514</u>	<u>83,579,064</u>	<u>77,132,215</u>
Change to fund balance	<u>\$(4,872,558)</u>	<u>\$(5,782,826)</u>	<u>\$1,699,083</u>

General Fund actual revenues are greater than budgeted revenues by \$1.0 million. Tax revenues are greater than

budgeted amounts by \$1.2 million. Intergovernmental revenue received was \$856,000 less than budgeted revenue. Miscellaneous revenues exceed budgeted amounts by \$693,000.

Overall expenditures for the General Fund are 94.3 percent of the approved budget at year-end. All departments had expenditures within their budgeted authority.

Capital Assets and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$252.5 million (net of accumulated depreciation). This investment in capital assets includes land, right-of-way, easements and development rights, buildings, improvements, machinery and equipment, infrastructure and construction in progress. The total increase in capital assets over 2016 was \$2.3 million.

Major capital asset events during 2017 included the following:

- New equipment purchases totaled \$4.0 million, which included vehicles and road maintenance equipment.
- \$540,000 was spent on improvements to County parks and trails.
- The County purchased conservation easements totaling \$167,000.
- New permit system (2017 costs totaled \$123,000).
- Various projects related to roads, bridges, road-related improvements, and drainage systems totaled \$7.5 million.

Table MDA7 - Capital Assets

	Governmental Activities	
	2017	2016
Land	\$103,073,493	\$101,995,231
Construction in progress	3,624,864	2,855,847
Intangible assets	50,400	50,400
Buildings	43,333,608	44,838,175
Improvements	5,803,924	5,977,691
Equipment	13,154,389	11,316,489
Infrastructure	83,489,298	83,159,886
Totals	\$252,529,976	\$250,193,719

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

Long-term debt. At year-end, the County had \$53,322,366 in outstanding debt compared to \$62,717,034 last year. That is a decrease of \$9.4 million, which is primarily the result of a decrease in pension liability. The County's outstanding general obligation debt totaled \$2.8 million. See Note 9 to the financial statements.

Table MDA8 - Outstanding Debt

	Governmental Activities	
	2017	2016
General obligation bonds	\$2,375,574	\$2,745,521
Capital leases	427,766	270,096
Estimated self-insurance claims	4,347,064	4,588,227
Pension payable	34,514,197	44,254,283
Other postemployment benefits payable	4,291,565	3,627,131
Compensated absences	7,116,200	6,981,776
Other long-term liabilities	250,000	250,000
	<u>\$53,322,366</u>	<u>\$62,717,034</u>

State statutes limit the amount of general obligation debt the County may issue to 2.5 percent of assessed value with a vote, and 1.5 percent of assessed value with no vote required. The current debt limitation for Whatcom County is \$704 million with a vote and \$416 without a vote, both of which are significantly in excess of the County's outstanding general obligation debt of \$2.8 million.

Additional information on Whatcom County's long-term debt can be found in Note 9 on pages 64-68 of this report.

Economic Factors

Whatcom County's local economy is growing steadily. Retail sales are up 8.9 percent over 2016. The unemployment rate has dropped to 4.9 percent for 2017. It has not been that low since 2007. The population of Whatcom County has grown 14.9 percent over ten years ago. Per capita income of Whatcom County has been growing in recent years at approximately 2.6 percent. For 2017, the assessed valuations of property increased 5.4 percent over 2016.

Contacting the County's Financial Management

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

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash, cash equivalents and pooled investments	\$147,229,159	\$1,256,262	\$148,485,421
Cash with fiscal agent	13,410	-	13,410
Investments	10,383,812	-	10,383,812
Receivables, net	2,011,838	1,403,139	3,414,977
Receivables-court, net	2,161,346	-	2,161,346
Due from other governments	23,962,048	-	23,962,048
Internal balances	(440,804)	440,804	-
Inventories	1,235,903	-	1,235,903
Capital assets:			
Non-depreciable	106,748,757	-	106,748,757
Depreciable, net	145,781,219	1,659	145,782,878
Pension asset, net	3,849,908	-	3,849,908
Total assets	442,936,596	3,101,864	446,038,460
Deferred outflows of resources			
Pensions	5,777,615	102,177	5,879,792
Total deferred outflows of resources	5,777,615	102,177	5,879,792
Liabilities			
Accounts payable and accrued expenses	11,684,257	137,312	11,821,569
Due to other governments	165,238	-	165,238
Unearned revenue	206,163	-	206,163
Noncurrent liabilities (Note 9):			
Due within one year	11,884,416	110,790	11,995,206
Due in more than one year	6,923,753	-	6,923,753
Pension liability, net	34,514,197	705,988	35,220,185
Total liabilities	65,378,024	954,090	66,332,114
Deferred inflows of resources			
Pensions	6,818,661	116,329	6,934,990
Court receivables	2,161,346	-	2,161,346
Grants received in advance	2,513,495	-	2,513,495
Total deferred inflows of resources	11,493,502	116,329	11,609,831
Net position			
Net investment in capital assets	249,804,468	1,659	249,806,127
Restricted for:			
General government	1,201,860	-	1,201,860
Public safety	4,482,832	-	4,482,832
Transportation	23,449,616	-	23,449,616
Natural and economic environment	18,918,988	-	18,918,988
Social services	11,397,797	-	11,397,797
Culture and recreation	1,630,494	-	1,630,494
Debt service	1,004	-	1,004
Capital projects	59,260,574	-	59,260,574
Unrestricted (deficit)	1,695,052	2,131,963	3,827,015
Total net position	\$371,842,685	\$2,133,622	\$373,976,307

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	\$31,165,548	\$8,332,666	\$7,713,666	\$-	\$(15,119,216)	\$-	\$(15,119,216)
Public safety	49,404,289	10,914,642	1,241,890	-	(37,247,757)	-	(37,247,757)
Transportation	24,159,637	1,801,653	-	5,671,252	(16,686,732)	-	(16,686,732)
Natural and economic environment	10,927,586	415,297	3,151,060	-	(7,361,229)	-	(7,361,229)
Social services	19,819,560	3,973,395	8,406,066	-	(7,440,099)	-	(7,440,099)
Culture and recreation	4,258,868	262,672	20,973	-	(3,975,223)	-	(3,975,223)
Interest on long-term debt	128,083	-	-	-	(128,083)	-	(128,083)
Total governmental activities	139,863,571	25,700,325	20,533,655	5,671,252	(87,958,339)	-	(87,958,339)
Business-type activities:							
Whatcom Co Investment Pool	307,898	341,556	-	-	-	33,658	33,658
Ferry System	2,686,841	1,540,688	316,769	-	-	(829,384)	(829,384)
Total business-type activities	2,994,739	1,882,244	316,769	-	-	(795,726)	(795,726)
Total primary government	\$142,858,310	\$27,582,569	\$20,850,424	\$5,671,252	(87,958,339)	(795,726)	(88,754,065)
General Revenues:							
Taxes:							
Property taxes					61,426,749	-	61,426,749
Retail taxes					31,608,063	-	31,608,063
Business and occupation taxes					31,576	-	31,576
Excise taxes					6,073,543	-	6,073,543
Unrestricted investment earnings and unrealized gains/ (losses)					1,258,506	4,990	1,263,496
Gain/loss on sale of capital assets					450,255	-	450,255
Miscellaneous					3,327,643	-	3,327,643
Transfers					(1,115,849)	1,115,849	-
Total general revenues and transfers					103,060,486	1,120,839	104,181,325
Change in net position					15,102,147	325,113	15,427,260
Net position-beginning					350,889,995	1,808,509	352,698,504
Prior period adjustments					5,850,543	-	5,850,543
Net position-beginning (restated)					356,740,538	1,808,509	358,549,047
Net position-ending					\$371,842,685	\$2,133,622	\$373,976,307

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

	General	County Road	Public Utilities Improvement	Triage Center Expansion	Other Governmental Funds	Total Governmental Funds
Assets						
Cash, cash equivalents and pooled investments	\$19,883,417	\$24,074,601	\$11,101,126	\$2,480,488	\$65,857,449	\$123,397,081
Deposits with fiscal agent	7,410	-	-	-	-	7,410
Investments	-	-	-	-	10,383,812	10,383,812
Taxes receivable, net	618,181	497,371	-	-	208,809	1,324,361
Accounts receivable, net	504,535	52,857	1,000,508	-	260,840	1,818,740
Accounts receivable-court, net	2,042,022	-	-	-	119,324	2,161,346
Special assessments, net	-	-	-	-	50,218	50,218
Notes receivable, net	-	-	-	-	148,509	148,509
Interfund receivable	1,412,269	20,368	-	-	1,110,149	2,542,786
Interfund loan receivable	-	131,004	-	-	700,000	831,004
Due from other governments	4,892,427	722,576	12,653,985	-	5,679,179	23,948,167
Employee advances	7,581	56	-	-	150	7,787
Prepayments	22,713	240	-	-	1,044	23,997
Advances to other funds	-	400,924	-	-	-	400,924
Total assets	\$29,390,555	\$25,899,997	\$24,755,619	\$2,480,488	\$84,519,483	\$167,046,142
Liabilities, deferred inflows of resources and fund balances						
Liabilities						
Accounts payable	\$1,790,390	\$616,571	\$28,125	\$-	\$4,930,295	\$7,365,381
Interfund payable	449,743	1,890,022	-	-	1,919,179	4,258,944
Interfund loans payable	1,489,360	-	-	-	700,000	2,189,360
Revenue collected in advance	55,363	-	-	-	-	55,363
Due to other governments	155,890	-	-	-	9,348	165,238
Other accrued liabilities	1,781,799	481,954	-	-	341,366	2,605,119
Other current liabilities	9,105	16,650	-	-	-	25,755
Unearned revenue	782	-	-	-	205,381	206,163
Total liabilities	5,732,432	3,005,197	28,125	-	8,105,569	16,871,323
Deferred inflows of resources						
Deferred property tax	513,014	419,587	-	-	208,809	1,141,410
Court receivables	2,042,022	-	-	-	119,324	2,161,346
Special assessments	-	-	-	-	50,219	50,219
Grants received in advance	13,495	-	-	2,500,000	-	2,513,495
Total deferred inflows of resources	2,568,531	419,587	-	2,500,000	378,352	5,866,470
Fund balances:						
Restricted	1,370,146	22,475,213	24,727,494	-	57,985,669	106,558,522
Committed	-	-	-	-	16,059,213	16,059,213
Assigned	-	-	-	-	1,990,680	1,990,680
Unassigned	19,719,446	-	-	(19,512)	-	19,699,934
Total fund balances	21,089,592	22,475,213	24,727,494	(19,512)	76,035,562	144,308,349
Total liabilities, deferred inflows of resources and fund balances	\$29,390,555	\$25,899,997	\$24,755,619	\$2,480,488	\$84,519,483	\$167,046,142

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, 2017

Fund balance - total governmental funds	\$144,308,349
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	240,937,417
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 position.	26,716,939
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	10,222,281
Liabilities, including \$3,023,034 of bonds/ loans payable, \$6,498,481 of compensated absences and \$40,820,786 of pension and other postemployment benefit obligations are not due and payable in the current period and therefore are not reported in the funds.	<u>(50,342,301)</u>
Net position of governmental activities	<u>\$371,842,685</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, 2017

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

	General	County Road	Public Utilities Improvement	Triage Center Expansion	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$45,510,508	\$19,112,872	\$4,001,887	\$-	\$30,609,109	\$99,234,376
Licenses and permits	3,680,204	108,226	-	-	-	3,788,430
Intergovernmental	15,329,143	5,192,733	-	-	5,226,730	25,748,606
Charges for service	8,494,703	725,537	-	-	9,165,433	18,385,673
Fines and penalties	2,057,707	-	-	-	471,933	2,529,640
Miscellaneous	3,759,033	174,109	97,561	(19,512)	1,804,197	5,815,388
Total revenues	78,831,298	25,313,477	4,099,448	(19,512)	47,277,402	155,502,113
Expenditures						
Current:						
General government	28,681,168	554,632	6,915	-	1,964,761	31,207,476
Public safety	24,358,755	-	-	-	24,646,449	49,005,204
Transportation	-	19,445,316	-	-	36,267	19,481,583
Natural and economic environment	2,027,268	-	118,313	-	8,566,146	10,711,727
Social services	13,692,335	-	-	-	6,398,555	20,090,890
Culture and recreation	3,880,440	-	-	-	199,381	4,079,821
Capital outlay	320,549	4,523,159	-	-	4,331,180	9,174,888
Debt service:						
Principal	-	-	-	-	355,000	355,000
Interest	17,977	-	-	-	121,013	138,990
Total expenditures	72,978,492	24,523,107	125,228	-	46,618,752	144,245,579
Excess (deficiency) of revenues over expenditures	5,852,806	790,370	3,974,220	(19,512)	658,650	11,256,534
Other financing sources (uses)						
Sales of capital assets	171,858	217,876	-	-	60,521	450,255
Transfers in	3,913,764	2,175,598	-	-	22,908,269	28,997,631
Transfers out	(8,480,748)	(10,092,757)	(1,504,312)	-	(10,414,398)	(30,492,215)
Capital lease proceeds	241,403	19,110	-	-	25,402	285,915
Total other financing sources (uses)	(4,153,723)	(7,680,173)	(1,504,312)	-	12,579,794	(758,414)
Net change in fund balances	1,699,083	(6,889,803)	2,469,908	(19,512)	13,238,444	10,498,120
Fund balances-beginning	16,888,871	28,683,606	21,581,886	-	60,805,323	127,959,686
Prior period adjustments	2,501,638	681,410	675,700	-	1,991,795	5,850,543
Fund balance as of January 1 (restated)	19,390,509	29,365,016	22,257,586	-	62,797,118	133,810,229
Fund balances-ending	\$21,089,592	\$22,475,213	\$24,727,494	\$(19,512)	\$76,035,562	\$144,308,349

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, 2017



Net change in fund balances-total governmental funds	\$10,498,120
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$10,384,382) exceeded depreciation expense (\$9,560,924) in the current period.</p>	823,458
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.</p>	1,421,936
<p>Revenues in the funds that are related to prior periods are not revenues in the statement of activities.</p>	(395,100)
<p>In the statement of activities, certain operating expenses 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.</p>	2,398,733
<p>Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	<u>355,000</u>
Change in net position of governmental activities	<u>\$15,102,147</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	\$1,256,262	\$23,832,078
Deposits with fiscal agent	-	6,000
Receivables, net	-	9,238
Interfund receivable	1,403,076	354,919
Due from other governments	-	13,881
Interfund loan receivable	-	790,139
Employee advances	50	243
Inventories	-	1,235,903
Prepayments	13	324
Total current assets	2,659,401	26,242,725
Noncurrent assets		
Interfund loan-long-term	-	167,293
Capital assets:		
Land	-	439,864
Building and structures, net	-	1,042,468
Capital leases, net	-	34,120
Other improvements, net	-	373,849
Machinery and equipment, net	1,659	9,651,858
Intangible assets, net	-	50,400
Total capital assets, net	1,659	11,592,559
Total noncurrent assets	1,659	11,759,852
Total assets	2,661,060	38,002,577
Deferred outflows of resources		
Pension	102,177	596,871
Total deferred outflows of resources	102,177	596,871
Liabilities		
Current liabilities		
Accounts payable	59,650	1,375,936
Claims cost payable	-	4,287,242
Interfund payable	29,409	12,428
Compensated absences	110,790	617,719
Other accrued liabilities	48,253	252,888
Total current liabilities	248,102	6,546,213
Noncurrent liabilities		
Other noncurrent liabilities	-	93,943
Pension liability, net	705,988	4,124,090
Total noncurrent liabilities	705,988	4,218,033
Total liabilities	954,090	10,764,246

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

	Enterprise Funds	Page 2 of 2 Internal Service Funds
Deferred inflows of resources		
Pension	116,329	679,547
Total deferred inflows of resources	116,329	679,547
Net position		
Net investment in capital assets	1,659	11,592,559
Unrestricted	1,691,159	15,563,096
Total net position	1,692,818	\$27,155,655
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.	440,804	
Net position of business-type activities	\$2,133,622	

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, 2017

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

	Enterprise Funds	Internal Service Funds
Operating revenues		
Intergovernmental	\$316,769	\$-
Charges for service	1,521,089	25,793,087
Rents and parking	-	5,439,066
Fines and forfeits	-	910
Miscellaneous	361,155	62,350
Total operating revenues	2,199,013	31,295,413
Operating expenses		
General operations	2,831,277	28,288,085
General administration	217,092	493,758
Depreciation	642	1,589,181
Total operating expenses	3,049,011	30,371,024
Operating income (loss)	(849,998)	924,389
Non-operating revenues (expenses)		
Gain (loss) on sale of capital assets	-	18,165
Interest revenue	-	11,360
Interest expense	-	(225)
Unrealized gain (loss) on investments	4,990	(39,482)
Insurance recoveries	-	111,318
Total non-operating revenues (expenses)	4,990	101,136
Income (loss) before transfers	(845,008)	1,025,525
Capital contributions	-	71,948
Transfers in	1,382,155	935,354
Transfers out	(266,306)	(556,619)
Changes in net position	270,841	1,476,208
Total net position-beginning		25,679,447
Total net position-ending		\$27,155,655
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.	54,272	
Change in net position of business-type activities	\$325,113	

	Enterprise Funds	Internal Service Funds
Cash flows from operating activities:		
Receipts from customers	\$886,592	\$31,549,308
Payments for goods and services	(1,648,923)	(21,971,715)
Payments to employees	(1,459,594)	(7,225,065)
Net cash provided (used) by operating activities	(2,221,925)	2,352,528
Cash flows from non-capital financing activities:		
Transfers in	1,382,155	648,449
Transfers out	(266,306)	(556,619)
Interest revenue	-	11,360
Insurance recoveries	-	111,318
Net cash provided (used) by non-capital financing activities	1,115,849	214,508
Cash flows from capital financing activities:		
Interest paid on capital debt	-	(225)
Transfers in	-	286,905
Proceeds from sale of assets	-	94,993
Purchases of capital assets	-	(3,106,864)
Net cash provided (used) by capital financing activities	-	(2,725,191)
Cash flows from investing activities:		
Unrealized gain (loss) on investments	4,990	(39,482)
Net cash provided (used) by investing activities	4,990	(39,482)
Net increase (decrease) in cash and cash equivalents	(1,101,086)	(197,637)
Balances - beginning of the year	2,357,348	24,029,715
Balances - end of the year	\$1,256,262	\$23,832,078
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$(849,998)	\$924,389
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	642	1,589,181
Change in assets and liabilities:		
Receivables, net	(1,312,421)	253,897
Inventories	-	168,979
Accounts and other payables	(50,738)	(594,393)
Accrued expenses	(9,410)	10,475
Net cash provided by operating activities	\$(2,221,925)	\$2,352,528
Noncash capital financing activities:		

Internal Service Funds received \$78,376 of capital assets from other funds and had capital leases totaling \$22,039 for 2017.

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2017



	Investment Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$-	\$22,550,002
Deposits with fiscal agent	-	251,535
Investments	240,642,415	-
Accounts receivable, net	-	(3,071)
Total assets	240,642,415	22,798,466
Liabilities		
Warrants payable	-	10,633,192
Accounts payable	-	318,153
Other accrued liabilities	-	21,841
Revenue collected in advance	-	136,957
Custodial accounts	-	11,688,323
Total liabilities	-	22,798,466
Net position		
Held in trust for pool participants	\$240,642,415	\$-

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, 2017

	Investment Trust Fund
Additions	
Contributions	\$248,045,053
Investment earnings:	
Interest	2,798,487
Net increase (decrease) in fair value of investments	(443,770)
Total additions	250,399,770
Deductions	
Distributions	290,683,864
Total deductions	290,683,864
Change in net position	(40,284,094)
Net position-beginning	280,926,509
Net position-ending	\$240,642,415

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



NOTES TO THE FINANCIAL STATEMENTS

Note 1	Summary of Significant Accounting Policies . . . . .	.33
Note 2	Accounting and Reporting Changes . . . . .	.40
Note 3	Violation of Finance-Related Legal and Contractual Provisions . . . . .	.41
Note 4	Deposits and Investments. . . . .	.41
Note 5	Property Taxes . . . . .	.47
Note 6	Capital Assets and Depreciation . . . . .	.49
Note 7	Pension Plans. . . . .	.50
Note 8	Risk Management . . . . .	.62
Note 9	Long-Term Debt and Leases . . . . .	.64
Note 10	Contingencies . . . . .	.68
Note 11	Construction and Other Significant Commitments . . . . .	.68
Note 12	Interfund Balances and Transfers . . . . .	.69
Note 13	Joint Ventures . . . . .	.70
Note 14	Other Postemployment Benefit (OPEB) Plans. . . . .	.71
Note 15	Postclosure Care Cost. . . . .	.73
Note 16	Tax Abatement. . . . .	.73
Note 17	Prior Period Adjustment . . . . .	.74
Table FN1	Capital Assets and Depreciation . . . . .	.38
Table FN2	Fund Balance Details . . . . .	.40
Table FN3	Investment Maturities . . . . .	.43
Table FN4	Investments Measured at Fair Value. . . . .	.44
Table FN5	Credit Quality Distribution for Securities. . . . .	.45
Table FN6	Deposits and Investment Reconciliations . . . . .	.46
Table FN7	Condensed Statement of Net Position . . . . .	.47
Table FN8	Condensed Statement of Changes in Net Position . . . . .	.47
Table FN9	Tax Collection Record. . . . .	.48
Table FN10	Capital Assets Activity . . . . .	.49
Table FN11	Depreciation Expense . . . . .	.50
Table FN12	Aggregate Pension Amounts - All Plans . . . . .	.50
Table FN13	PERS Plan 1 Actual Contribution Rates . . . . .	.52
Table FN14	PERS Plan 2/3 Actual Contribution Rates. . . . .	.53
Table FN15	PSERS Plan 2 Actual Contribution Rates . . . . .	.55
Table FN16	LEOFF Plan 2 Actual Contribution Rates . . . . .	.56
Table FN17	Estimated Rates of Return by Asset Class . . . . .	.58

Table FN18	Net Pension Liability by Discount Rate . . . . .	.59
Table FN19	Net Pension Liability/(Asset) by Plan . . . . .	.59
Table FN20	Total Net Pension Liability/(Asset) for LEOFF Plan 1 and Plan 2. . . . .	.59
Table FN21	County's Proportionate Share of Net Position Liabilities . . . . .	.60
Table FN22	Pension Expense . . . . .	.60
Table FN23	Sources of Deferred Outflows/Inflows of Resources Related to Pensions . . . . .	.61
Table FN24	Deferred Outflows/Inflows Recognized in Pension Expense by Year . . . . .	.62
Table FN25	Claims Liability Balance Changes . . . . .	.62
Table FN26	GO Bonds . . . . .	.65
Table FN27	Changes in Long-Term Debt . . . . .	.66
Table FN28	Operating Leases . . . . .	.67
Table FN29	Capital Lease Assets. . . . .	.67
Table FN30	Future Minimum Lease Obligations. . . . .	.67
Table FN31	Long-Term Debt Capacity . . . . .	.68
Table FN32	Interfund Receivable/Payable . . . . .	.69
Table FN33	Interfund Loans Receivable/Payable . . . . .	.69
Table FN34	Interfund Transfers . . . . .	.70
Table FN35	Annual OPEB Cost . . . . .	.72
Table FN36	Net OPEB Obligation . . . . .	.72

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 two blended component units 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 these units is combined with the data from the primary government.

Blended Component Units: 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.

The Point Roberts Transportation Benefit District was established in 1991 to address the transportation needs of the Point Roberts area. The current County Council serves as the entire governing body. The Point Roberts Transportation Benefit District is reported as a special revenue fund.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In March 2016, Government Accounting Standards Board (GASB) issued Statement No. 82, Pension Issues. This Statement addresses certain issues that have been raised with respect Statement No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68, and amendments to certain provisions of GASB Statement 67 and 68. Specifically, this Statement addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes and the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The County has implemented this statement for the year ended December 31, 2017.

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.

- **Triage Center Expansion Fund:** This fund accounts for the revenues and expenditures for the expansion of the Triage Center. This project includes plan design, architectural services and public outreach efforts.

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.

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, Community Development, and Emergency Communications; debt service funds: CRID No. 9 General Debt and 2003 Ltd. Tax General Obligation Bond; and capital project fund: County Parks Improvement, which are not budgeted. For governmental funds, there are no differences between the budgetary basis and generally accepted accounting principles.

Annual appropriated budgets are adopted at the level of the fund, except in the General Fund, where expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level. Subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object class.

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

Except for project budgets, appropriations for all funds lapse at year-end. Expenditure authority for contracts extending beyond one year is granted through a continuing appropriation procedure.

Amending the Budget: The County Executive is authorized to approve transfers between accounts. However, any revisions that alter total expenditures of a fund, department, 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, Behavioral Health Program 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 4.

Receivables: Taxes receivable consist of property taxes due as of December 31 (See Note 5). 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 inflows of resources 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 consist of amounts due from private individuals for home improvement loans granted through the Federal Community Development Block Grant Program, and loans to pay impact fees related to low-income housing from the Public Utilities Improvement Fund. Repayment of these loans is due upon sale or exchange of the 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. All loans are secured by liens 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. 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 “interfund receivable/interfund payable.” 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 12 (Interfund Balances and Transfers).

Inventories: Inventories are stated at cost. Inventories in proprietary funds are valued at First In First Out inventory basis. The County has no inventory in governmental funds.

Capital Assets and Depreciation: See Note 6. 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 Depreciation

Capital Asset	Useful Life	Capitalization Threshold
Buildings	50 years	\$ 5,000
Capital Leases	3-30 years	\$ 5,000
Improvements	5-30 years	\$ 5,000
Machinery 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 Outflows of Resources: These accounts include a consumption of net assets that are applicable to a future reporting period. Pensions are included in these accounts.

Deferred Inflows of Resources: These accounts include acquisitions of net assets that are applicable to a future reporting period. Pensions, grants received in advance, deferred property taxes, property tax advance payments, court receivables, and special assessments are included in these accounts.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans’ fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with

the benefit terms. Investments are reported at fair value.

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, 2017. 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 9.

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 includes amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance consists of 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 represents amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. The County Council is the highest level of decision-making authority for the County and can commit fund balance by adoption of an ordinance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.
- Assigned fund balance are amounts a government intends to use for a specific purpose but do not meet the criteria to be classified as committed. The County Council has authority to assign fund balance.
- Unassigned fund balance are amounts that are available for any purpose; positive amounts are reported only in the General Fund.

Fund Balance Details:**Table FN2 - Fund Balance Details**

	General	County Road	Public Utilities Improvement	Triage Center Expansion	Other Govt'l Funds	Total
Fund balances:						
Restricted for:						
Boating safety	50,874					50,874
Historical document preservation	324,165					324,165
Developmental disability milage	995,107					995,107
County roads		22,475,213				22,475,213
Public facilities projects			24,727,494			24,727,494
Debt service					1,004	1,004
Capital projects					20,910,364	20,910,364
Parks and recreation					98,421	98,421
Chemical dependency/ mental health					8,080,088	8,080,088
Emergency medical/ criminal justice					3,972,829	3,972,829
Flood control/ stormwater					13,623,690	13,623,690
Land purchases					3,638,331	3,638,331
Social services					913,752	913,752
Solid waste					2,543,639	2,543,639
Tourism promotion					1,500,401	1,500,401
Other purposes					2,703,150	2,703,150
Committed to:						
Elections					905,918	905,918
Parks and recreation					1,489,579	1,489,579
Capital projects					13,663,716	13,663,716
Assigned to:						
Corrections					1,767,072	1,767,072
Parks and recreation					43,750	43,750
Emergency management					179,858	179,858
Unassigned:						
	19,719,446			(19,512)		19,699,934
Total fund balances	<u>\$21,089,592</u>	<u>\$22,475,213</u>	<u>\$24,727,494</u>	<u>\$(19,512)</u>	<u>\$76,035,562</u>	<u>\$144,308,349</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 percent of the fund's annual revenue of the most recently closed fiscal year.

NOTE 2 – ACCOUNTING AND REPORTING CHANGES

During 2017, the following funds were added: Sudden Valley Storm Water Improvement, Hovander Park Building

Improvement, Lake Whatcom Trail Development and Triage Center Expansion. In 2017, the following funds were closed: Birch Bay Lynden Road/ Portal Way Signalization Project, Slater Road Intersections Project, Dakota Creek Bridge No. 500 Project, Hannegan Road/ Nooksack River Bridge No. 252, 2015 Central Plaza Improvement and South Pass Road/ Saar Creek Bridge No. 212.

In 2017, the County implemented the following GASB statement: Statement No. 82, "Pension Issues." This Statement addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes and the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

NOTE 3 – VIOLATION OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

There have been no material violations of finance-related legal or contractual provisions in any of the funds of the County. At December 31, 2017, the Triage Center Expansion Fund, the Nessel Farm Restoration Fund, and the Cedar Hills/ Euclid Storm Water Improvement Fund reported deficits in fund balance. The Triage Center Expansion Fund's negative fund balance of \$19,512, the Nessel Farm Restoration Fund's negative fund balance of \$66 and the Cedar Hills/ Euclid Storm Water Improvement Fund's negative fund balance of \$2,314 is the result of an unrealized loss on investments allocated to the funds based on pooled investments.

NOTE 4 – DEPOSITS AND INVESTMENTS

Whatcom County is authorized by RCW's 39.58 and 39.59 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), USD dollar denominated bonds, notes, or other obligations that are issued or guaranteed by supranational institutions, Banker's Acceptances (BA's) purchased through State of Washington Financial Institutions and authorized broker/dealers, Commercial Paper (in compliance with State Investment Board (SIB) policies), Corporate Notes (in compliance with SIB policies), Non-negotiable Certificates of Deposit, 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), and the Washington State Local Government Investment Pool (LGIP).

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

Deposits

RCW 39.58.130 authorizes the investment of municipal funds in deposits in qualified public depositories provided

that in no case shall the aggregate of demand and investment deposits of public funds by any such treasurer in any one public depository exceed at any time the net worth of that depository.

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.

Investments

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 Wells Fargo Institutional Retirement and Trust. 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.

Whatcom County is a participant in the Local Government Investment Pool which is authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. In 1995, the State Treasurer established the LGIP Advisory Committee to provide advice on the pool's operation. The advisory committee includes 12 members selected from active pool participants. Eight members are appointed by participant associations, and four are appointed by the State Treasurer. The State Treasurer is responsible for establishing the investment policy for the pool, reviews the policy annually, and proposed policy changes are reviewed by the LGIP Advisory Committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASBS 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <http://www.tre.wa.gov>.

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, 2017.

As of December 31, 2017, 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 **	\$23,992,078	\$23,992,078	\$-
Money Market Savings Account **	25,242,615	25,242,615	-
US Treasury	4,981,450	4,981,450	-
Federal Farm Credit Bank	34,815,000	19,945,800	14,869,200
Federal Home Loan Bank	55,531,170	19,943,750	35,587,420
Federal Home Loan Mortgage Corp	56,234,069	29,869,750	26,364,319
Federal National Mortgage Assoc.	73,852,711	9,996,450	63,856,261
Inter-American Development Bank	5,084,150	5,084,150	-
International Bank Recon & Development	44,558,502	7,037,877	37,520,625
International Finance Corp	4,997,250	4,997,250	-
Municipal Bonds	65,217,888	12,860,986	52,356,902
Certificates of Deposit **	20,102,799	20,102,799	-
Total	\$414,609,682	\$184,054,955	\$230,554,727

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

**The Fair Value of investments in the LGIP money market savings accounts, and CD's are reported at amortized cost.

Investments Measured at Fair Value: The County measures and records its investments within the fair value hierarchy established by generally accepted accounting principles. These guidelines recognize a three-tiered hierarchy: Level 1, quoted prices in active markets for identical assets; Level 2, quoted market prices for similar assets, quoted market prices for identical or similar assets in markets that are not active; and Level 3, unobservable inputs for an asset. Recurring fair value measurements for the County at December 31, 2017, are shown on the following page.

Table FN4 - Investments Measured at Fair Value

Investments by fair value level	Total	Level 1	Level 2	Level 3
US Treasury	\$4,981,450	\$4,981,450	\$-	\$-
Federal Farm Credit Bank	34,815,000	-	34,815,000	-
Federal Home Loan Bank	55,531,170	-	55,531,170	-
Federal Home Loan Mortgage Corp	56,234,069	-	56,234,069	-
Federal National Mortgage Assoc.	73,852,711	-	73,852,711	-
International Bank Recon & Development	44,558,502	-	44,558,502	-
Inter-American Development Bank	5,084,150	-	5,084,150	-
International Finance Corp	4,997,250	-	4,997,250	-
Municipal Bonds	65,217,888	-	65,217,888	-
Total	\$345,272,190	\$4,981,450	\$340,290,740	\$-

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, supnationals, and repurchase agreements to 40 percent of the portfolio; bankers acceptances to 25 percent of the portfolio; commercial paper and corporate notes to a combined 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 reverse repurchase agreements to 10 percent of the portfolio. At December 31, 2017 the County held no investments in banker's acceptances, repurchase agreements, corporate notes or commercial paper.

As of year-end, the credit quality ratings of debt securities (other than US government and US government guaranteed) are shown on the following page.

Table FNS - Credit Quality Distribution for Securities

<u>Investment Type</u>	<u>Moody's Rating</u>	<u>S & P's Rating</u>	<u>Percentage of Portfolio</u>
Federal Farm Credit Bank	Aaa		7%
Federal Farm Credit Bank		AA+	1%
Federal Home Loan Bank	Aaa		13%
Federal Home Loan Mortgage Corp	Aaa		12%
Federal Home Loan Mortgage Corp		AA+	1%
Federal National Mortgage Assn	Aaa		14%
Federal National Mortgage Assn		AA+	4%
General Obligation Municipal Bonds	Aaa		5%
General Obligation Municipal Bonds	Aa1		7%
General Obligation Municipal Bonds	Aa2		1%
General Obligation Municipal Bonds	Aa3		1%
General Obligation Municipal Bonds	A1		1%
General Obligation Municipal Bonds		AA+	0%
Inter-American Development Bank	Aaa		1%
International Bank Rec & Development	Aaa		11%
International Finance Corp	Aaa		1%
US Treasury	Aaa		1%
LGIP	Not Rated		6%

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, supranationals, and repurchase agreements to 40 percent of the portfolio and 15 and 10 percent per issuer respectively; bankers acceptances to 25 percent of the portfolio and 10 percent per issuer; commercial paper and corporate notes combined to 25 percent of the portfolio and 3 percent per issuer; WA state and local government bonds to 20 percent and 10 percent per issuer, general obligation bonds outside the state of WA to 15 percent and 5 percent per issuer, and reverse repurchase agreements to 10 percent of the portfolio.

As of 12/31/17, a reconciliation of deposits and investments is shown on the following page.

Table FN6 - Deposits and Investment Reconciliations**Composition of cash and investments:**

CD's and Savings accounts	45,345,414
Municipal Notes	65,217,888
US Treasury Notes	4,981,450
US Agency Notes	220,432,950
Supranational Agency Notes	54,639,902
LGIP	23,992,078
Pool interest accruals	899,786
Total Investments (fair value)	415,509,468
Deposits with financial institutions	6,357,872
Petty cash	194,310
Total Cash and Investments (Internal and External)	422,061,650
Cash and pooled investments reported on statements:	
County funds	158,869,233
Investment Trust fund	240,642,415
Agency funds	22,550,002
Total Cash and Investments (Internal and External)	422,061,650

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. As of December 31, 2017, the WCIP had one discretionary pool participant accounting for 8 percent of pool assets.

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, 2017, the fair value of investments in the WCIP was \$3,548,454 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, 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 the WCIP Operating Terms and Conditions. There were no investments purchased by districts not invested in the WCIP for 2017.

The Whatcom County Investment Pool's Condensed Statement of Net Position and Changes in Net Position as of December 31, 2017 are shown on the tables below:

Table FN7 - Condensed Statement of Net Position

Assets	\$415,509,468
Less: Liabilities	-
Net assets held in trust for pool participants	\$415,509,468
Equity of internal pool participants	\$174,867,053
Equity of external pool participants	240,642,415
Total equity	\$415,509,468

Table FN8 - Condensed Statement of Changes in Net Position

Net position-beginning	\$437,140,015
Net change in investments by pool participants	(21,630,547)
Net position-ending	\$415,509,468

NOTE 5 – 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 below:

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 shown on the following page.

Table FN9 - Tax Collection Record

Collection Year	Regular Assessed Valuation (1)	Ad Valorem Tax Levy (2)	Year of Levy| Tax Collection
2017	\$26,674,688,544	\$28,860,065	98.6%
2016	25,299,329,005	28,531,297	98.6%
2015	24,304,119,963	28,052,610	98.4%
2014	23,679,456,188	27,579,208	98.3%
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%

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

(2) Does not include conservation futures, county road district, flood control zone district, and emergency medical services levies.

The County may levy up to \$1.80 per \$1,000 of assessed valuation for general governmental services, subject to three limitations:

- Washington State law in RCW 84.55.010 limits the growth of regular property taxes to 101 percent of the previous year's levy, adjusted for new construction.
- 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.
- 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 2017 was \$1.0819269578 per \$1,000 on an assessed valuation of \$26.7 billion for a regular levy of \$28,860,065. This levy was used for general governmental purposes.

The Road Fund levied \$1.4798903580 per \$1,000 on an assessed value of \$12.8 billion in 2017. This resulted in a total levy of \$18,930,402 to be used for county road maintenance and construction.

The Flood Control Zone District Fund levied \$0.1290186123 per \$1,000 on an assessed value of \$26.7 billion in 2017. This resulted in a total levy of \$3,441,531 to be used to address flooding and associated storm water issues and to achieve flood damage reduction.

The Conservation Futures Fund levied \$0.0400333349 per \$1,000 on an assessed value of \$26.7 billion in 2017. This resulted in a total levy of \$1,067,877 to be used to acquire rights and interest in open space land, farm and agricultural land and timber land.

For 2017, the Emergency Medical Services levy for the County was \$0.2950000000 per \$1,000 on an assessed valuation of \$26.7 billion for a total levy of \$7,869,033.

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2017 is shown below:

Table FN10 - Capital Assets Activity

	Beginning Balance 01/01/2017	Increases	Decreases	Ending Balance 12/31/2017
Governmental activities				
Capital assets, not being depreciated				
Land	\$101,995,231	\$1,078,262	\$-	\$103,073,493
Construction in progress	2,855,847	769,017	-	3,624,864
Intangible assets	50,400	-	-	50,400
Total capital assets, not being depreciated	104,901,478	1,847,279	-	106,748,757
Capital assets, being depreciated				
Buildings	78,218,403	33,567	-	78,251,970
Improvements	12,362,560	258,125	-	12,620,685
Equipment	39,834,306	3,950,908	(2,278,178)	41,507,036
Infrastructure	193,711,945	7,473,311	-	201,185,256
Total capital assets being depreciated	324,127,214	11,715,911	(2,278,178)	333,564,947
Less accumulated depreciation for:				
Buildings	(33,380,228)	(1,538,134)	-	(34,918,362)
Improvements	(6,384,869)	(431,892)	-	(6,816,761)
Equipment	(28,517,817)	(2,036,179)	2,201,349	(28,352,647)
Infrastructure	(110,552,059)	(7,143,899)	-	(117,695,958)
Total accumulated depreciation	(178,834,973)	(11,150,104)	2,201,349	(187,783,728)
Total capital assets, being depreciated, net	145,292,241	565,807	(76,829)	145,781,219
Governmental activities capital assets, net	\$250,193,719	\$2,413,086	\$(76,829)	\$252,529,976
Business-type activities				
Capital assets, being depreciated				
Equipment	\$24,305	\$-	\$-	\$24,305
Total capital assets being depreciated	24,305	-	-	24,305
Less accumulated depreciation for:				
Equipment	(22,005)	(641)	-	(22,646)
Total accumulated depreciation	(22,005)	(641)	-	(22,646)
Total capital assets, being depreciated, net	2,300	(641)	-	1,659
Business-type activities capital assets, net	\$2,300	\$(641)	\$-	\$1,659

Depreciation expense was charged to functions/programs of the primary government as shown on the following page.

Table FN11 - Depreciation Expense

Governmental activities:	
General governments	\$1,473,845
Public safety	592,705
Transportation	8,388,980
Natural and Economic environment	307,131
Social services	74,332
Culture & recreation	313,111
Total depreciation expense	<u>\$11,150,104</u>
Business-type activities:	
Transportation	\$641
Total depreciation expense	<u>\$641</u>

NOTE 7 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions for the year 2017*:

Table FN12 - Aggregate Pension Amounts - All Plans

Pension liabilities	\$(35,220,185)
Pension assets	\$3,849,908
Deferred outflows of resources	\$5,879,792
Deferred inflows of resources	\$(6,934,990)
Pension expense/expenditures	\$3,281,114

STATE SPONSORED PENSION PLANS

Substantially all Whatcom County's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

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 the address on the following page.

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The PERS Plan 1 member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2017 are shown on the following page.

Table FN13 - PERS Plan 1 Actual Contribution Rates

	Employer	Employee*
January - June 2017:		
PERS Plan 1	6.23%	6.00%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Total	11.18%	6.00%
July - December 2017:		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	12.70%	6.00%

*For employees participating in Judicial Benefit Multiplier, the contribution rate was 12.26%.

PERS Plan 2/3 provides retirement, disability, and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and one percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 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 benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three 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 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five 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 credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. 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 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined

contribution portion of their plan.

Contributions

The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2017 are shown on below:

Table FN14 - PERS Plan 2/3 Actual Contribution Rates

	Employer	Employee*
January - June 2017:		
PERS Plan 2		6.12%
PERS Plan 3		varies
PERS Plan 2/3	6.23%	
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Total	11.18%	6.12%
July - December 2017:		
PERS Plan 2		7.38%
PERS Plan 3		varies
PERS Plan 2/3	7.49%	
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	12.70%	7.38%

**For employees participating in JBM, the contribution rate was 15.30%.*

The County’s actual PERS plan contributions were \$2,548,237 to PERS Plan 1 and \$3,060,193 to PERS Plan 2/3 for the year ended December 31, 2017.

Public Safety Employees’ Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006. To be eligible for membership, 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 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.

PSERS covered employers include:

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

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (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. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before age 60 is considered an early retirement. 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 three percent per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

Contributions

The PSERS Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The Plan 2 employer rates include components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. In addition to the regular change in contribution rates on July 1, 2017, PSERS contribution rates changed again September 1, 2017 due to HB 1709, which allows PERS members meeting specific criteria to transfer service credit into PSERS as long as they and their employer pay the difference between the PERS and PSERS contribution rates.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2017 are shown below:

Table FN15 - PSERS Plan 2 Actual Contribution Rates

	Employer	Employee*
January - June 2017:		
PSERS Plan 2	6.59%	6.59%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Total	11.54%	6.59%
July - August 2017:		
PSERS Plan 2	6.73%	6.73%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	11.94%	6.73%
September - December 2017:		
PSERS Plan 2	6.74%	6.74%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	11.95%	6.74%

The County's actual plan contributions were \$334,459 to PSERS Plan 2 for the year ended December 31, 2017.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

LEOFF Plan 1 provides retirement, disability, and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0 percent of FAS
- 10-19 years of service – 1.5 percent of FAS
- 5-9 years of service – 1 percent of FAS

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 ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September

30, 1977.

Contributions

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2017. Employers paid only the administrative expense of 0.18 percent of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. 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 three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions

The LEOFF Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

Table FN16 - LEOFF Plan 2 Actual Contribution Rates

	Employer	Employee*
January - June 2017:		
State and local governments	5.05%	8.41%
Administrative Fee	0.18%	
Total	5.23%	8.41%
July - December 2017:		
State and local governments	5.25%	8.75%
Administrative Fee	0.18%	
Total	5.43%	8.75%

The County's actual contributions to the plan were \$394,184 for the year ended December 31, 2017.

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 the state fiscal year ending June 30, 2017, the state contributed \$62,155,262 to LEOFF Plan 2. The amount recognized by the County as its proportionate share of this amount is \$3,331,519.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2016. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* and the *2015 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2017. Plan liabilities were rolled forward from June 30, 2016, to June 30, 2017, reflecting each plan's normal cost (using the entry-age cost method), assumed interest, and actual benefit payments.

- **Inflation:** 3.0 percent total economic inflation; 3.75 percent salary inflation
- **Salary increases:** In addition to the base 3.75 percent salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5 percent

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- For all plans except LEOFF Plan 1, how terminated and vested member benefits are valued was corrected.
- How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.
- For all plans, the average expected remaining service lives calculation was revised.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent.

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent). Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members

and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Table FN17 - Estimated Rates of Return by Asset Class

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.90%
Real Estate	15%	5.80%
Global Equity	37%	6.30%
Private Equity	23%	9.30%
	100%	

Sensitivity of the Net Pension Liability/ (Asset)

The table on the following page presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

Table FN18 - Net Pension Liability by Discount Rate

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$23,529,340	\$19,314,982	\$15,664,446
PERS 2/3	\$42,122,144	\$15,634,932	\$(6,067,409)
PSERS 2	\$1,814,760	\$270,271	\$(940,700)
LEOFF 1	\$(384,523)	\$(518,389)	\$(633,349)
LEOFF 2	\$720,936	\$(3,331,519)	\$(6,633,289)

Pension Plan Fiduciary Net Position

Detailed information about the State’s pension plans’ fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the County reported its proportionate share of the net pension liabilities/ (assets) as follows:

Table FN19 - Net Pension Liability/(Asset) by Plan

	Liability (or Asset)
PERS 1	\$19,314,982
PERS 2/3	\$15,634,932
PSERS 2	\$270,271
LEOFF 1	\$(518,389)
LEOFF 2	\$(3,331,519)

The amount of the asset reported above for LEOFF Plan 1 and 2 reflects a reduction for State pension support provided to the County. The amount recognized by the County as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension liability asset that was associated with the County were as follows:

Table FN20 - Total Net Pension Liability/(Asset) for LEOFF Plan 1 and Plan 2

	LEOFF 1 Asset	LEOFF 2 Asset
Employer’s proportionate share	\$(518,389)	\$(3,331,519)
State’s proportionate share of the net pension liability/ (asset) associated with the employer	\$(3,506,370)	\$(2,161,094)
Total	\$(4,024,759)	\$(5,492,613)

At June 30, the County’s proportionate share of the collective net pension liabilities was as shown on the following page.

Table FN21 - County's Proportionate Share of Net Pension Liabilities

	Proportionate Share 6/30/16	Proportionate Share 6/30/17	Change in Proportion
PERS 1	0.411%	0.407%	-0.004%
PERS 2/3	0.446%	0.450%	0.004%
PSERS 2	1.426%	1.379%	-0.047%
LEOFF 1	0.035%	0.034%	-0.001%
LEOFF 2	0.247%	0.240%	-0.007%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations for all plans except LEOFF 1*.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2017. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2017, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2017, the state of Washington contributed 39.35 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.65 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2017, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2016, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2017, the County recognized pension expense as follows:

Table FN22 - Pension Expense

	Pension Expense
PERS 1	\$960,239
PERS 2/3	\$1,892,078
PSERS 2	\$375,004
LEOFF 1	\$(70,773)
LEOFF 2	\$124,566
Total	\$3,281,114

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Table FN23 - Sources of Deferred Outflows/Inflows of Resources Related to Pensions

	Plan 1		Plan 2/3	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Public Employees' Retirement System (PERS)				
Difference between expected and actual experience	\$-	\$-	\$1,584,187	\$(514,206)
Net difference between projected and actual investment earnings on pension plan investments	\$-	\$(720,781)	\$-	\$(4,167,897)
Change of assumptions	\$-	\$-	\$166,073	\$-
Changes in proportion and differences between contributions and proportionate share of contributions	\$-	\$-	\$130,957	\$(355,983)
Contributions subsequent to the measurement date	\$1,402,905	\$-	\$1,774,109	\$-
Total	\$1,402,905	\$(720,781)	\$3,655,326	\$(5,038,086)
	Plan 2			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Public Safety Employees' Retirement System (PSERS)				
Difference between expected and actual experience	\$159,848	\$(19,202)		
Net difference between projected and actual investment earnings on pension plan investments	\$-	\$(189,561)		
Change of assumptions	\$2,290	\$-		
Changes in proportion and differences between contributions and proportionate share of contributions	\$2,428	\$(8,846)		
Contributions subsequent to the measurement date	\$180,441	\$-		
Total	\$345,007	\$(217,609)		
	Plan 1		Plan 2	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)				
Difference between expected and actual experience	\$-	\$-	\$146,427	\$(126,337)
Net difference between projected and actual investment earnings on pension plan investments	\$-	\$(48,170)	\$-	\$(747,949)
Change of assumptions	\$-	\$-	\$4,012	\$-
Changes in proportion and differences between contributions and proportionate share of contributions	\$-	\$-	\$103,066	\$(36,058)
Contributions subsequent to the measurement date	\$-	\$-	\$223,050	\$-
Total	\$-	\$(48,170)	\$476,555	\$(910,344)

Deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31,

2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Table FN24 - Deferred Outflows/Inflows Recognized in Pension Expense by Year

Year ended December 31:	PERS 1	PERS 2/3	PSERS	LEOFF 1	LEOFF 2
2018	(487,202)	(1,892,520)	(40,400)	(30,231)	(333,440)
2019	153,817	361,553	34,075	8,153	87,986
2020	(35,715)	(342,137)	9,425	(3,256)	(41,167)
2021	(351,682)	(1,655,553)	(39,560)	(22,837)	(327,278)
2022	-	161,647	(1,363)	-	(7,668)
Thereafter	-	210,141	(15,224)	-	(35,273)

NOTE 8 – 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, 2017, the amount of these liabilities was \$4,347,064. Changes in the balances of claims liabilities during 2016 and 2017 are shown below:

Table FN25 - Claims Liability Balance Changes

	Beginning of Year Claims Liability	Claims Paid During the Year	Estimated Additional Liability Incurred	Balance at Year End
2016	\$4,278,069	\$(8,543,813)	\$8,853,971	\$4,588,227
2017	\$4,588,227	\$(8,295,852)	\$8,054,689	\$4,347,064

For each of the last three years, the County's settlements have not exceeded the County's insurance coverage.

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. In 2017, the total amount of the pension changed from \$317,910 to \$284,590. The monthly pension benefit is \$2,470 and as of December 31, 2017, the balance of the pension is \$89,462.

Whatcom County is a participating member of the Washington Counties Risk Pool (WCRP). Chapter 48.62 RCW authorizes the governing body of one or more governmental entities to join together for the joint purchasing of

insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2017, 26 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits are \$20 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2017, Whatcom County selects a per-occurrence deductible of \$100,000.

Members make an annual contribution to fund the Pool. The Pool acquires reinsurance for further protection from larger losses, direct protection for the Pool and indirect for the member counties due to the contingent liabilities they would otherwise incur from risk-sharing those losses. The reinsurance agreements are written with self-insured retentions ("SIRs") equal to the greater of the deductible for the member with the claim or \$100,000. More recent years' reinsurance programs have included "corridor deductibles" with aggregated stop losses which have the effect of increasing the Pool's SIR. For 2016-17, the "corridor" increased the SIR to \$2 million, with an aggregated stop loss of \$4.35 million. Other reinsurance agreements respond up to the applicable policy limits. Those reinsurance agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$40 million (lowest reinsured layer), \$20 million, (second layer), \$30 million (third layer) and \$50 million (final reinsured layer). Since the Pool is a cooperative program, there is a joint liability among the participating members.

New members may be asked to pay modest fees to cover the costs to analyze their loss data and risk profiles, and for their proportional shares of the entry year's assessments. New members contract under the Interlocal Agreement to remain in the Pool for at least five years. Following its initial 60-month term, any member may terminate its membership at the conclusion of any Pool fiscal year, provided the County timely files the required advance written notice. Otherwise, the Interlocal Agreement and membership automatically renews 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.

The Pool is fully funded by its member participants. Claims are filed directly with the Pool by members and adjusted by one of the six staff members responsible for evaluating each claim for coverage, establishing reserves, and investigating for any risk-shared liability. The Pool does not contract with any third party administrators for claims adjustment or loss prevention services.

During 2016-17, Whatcom County was also one of twenty-six (26) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties' buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes 'All Other Perils ("AOP")' coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Whatcom County also participates in the jointly purchased cyber risk and security coverage from a highly-rated commercial insurer.

The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. The Board of Directors generally meets three-times each year with the Annual Meeting of the Pool being held in summer. The Board approves the extent of risk-sharing, approves the Pool's self-insuring coverage documents, approves the selection of reinsurance and excess agreements, and approves the Pool's annual operating budget.

An 11-member executive committee is elected by and from the WCRP Board for staggered, 3-year terms. Authority has been delegated to the Committee by the Board of Directors to, a) approve all disbursements and reviews 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, program deliverables, and the Executive Director's performance. Committee members are expected to participate in the Board's standing committees (finance, personnel, risk management, and underwriting) which develop or review/revise proposals for and/or recommendations to the association's policies and its coverages for the Board to consider and act upon.

During 2016-17, the WCRP's assets remained stable at \$46.8 million while its liabilities decreased slightly to \$28.6 million. The Pool's net position increased slightly from \$17.9 million to \$18.1 million. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2017 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

NOTE 9 – LONG-TERM DEBT AND 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 General Fund revenues. As of December 31, 2017, outstanding bonds totaled \$2,340,000.

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

Table FN26 - GO Bonds

Year Ending December 31	General Obligation Bonds	
	Principal	Interest
2018	\$355,000	\$110,825
2019	140,000	98,725
2020	145,000	94,525
2021	150,000	87,675
2022	155,000	80,175
2023	160,000	72,425
2024	165,000	64,425
2025	165,000	56,175
2026 - 2030	905,000	145,688
Total	\$2,340,000	\$810,638

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.

ARBITRAGE

Issuers of tax-exempt bonds are generally subject to investment or arbitrage limitations under the Internal Revenue Code. For year ended December 31, 2017, Whatcom County had no arbitrage liability.

CHANGES IN LONG-TERM DEBT

The changes that occurred in long-term liabilities, during the year ended December 31, 2017, are shown on the following page.

Table FN27 - Changes in Long-Term Debt

	January 1	Additions	Reductions	December 31	Due Within One Year
Governmental Activities					
Bonds payable					
General obligation debt	\$2,695,000	\$-	\$355,000	\$2,340,000	\$355,000
Discounts/ premiums	50,521	-	14,947	35,574	-
Total bonds payable	2,745,521	-	369,947	2,375,574	355,000
Capital leases	270,096	273,934	116,264	427,766	125,974
Claims	4,588,227	8,054,689	8,295,852	4,347,064	4,287,242
Pension obligations	44,254,283	-	9,740,086	34,514,197	-
OPEB obligations	3,627,131	664,434	-	4,291,565	-
Compensated absences	6,981,776	7,461,506	7,327,082	7,116,200	7,116,200
Landfill post-closure costs	250,000	-	-	250,000	-
Total Governmental Activities	\$62,717,034	\$16,454,563	\$25,849,231	\$53,322,366	\$11,884,416
Business-Type Activities					
Pension obligations	\$908,971	\$-	\$202,983	\$705,988	\$-
Compensated absences	108,861	117,141	115,212	110,790	110,790
Total Business-Type Activities	\$1,017,832	\$117,141	\$318,195	\$816,778	\$110,790

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 above.

COMPENSATED ABSENCES

For governmental activities, the compensated absences liability will be paid from the General Fund, County Road, Election Reserve, Whatcom County Jail, Behavioral Health Program, Solid Waste, Auditor's O & M and Emergency Management special revenue funds and Equipment Rental and Revolving and Administrative Services internal service funds.

OPERATING LEASES

The County leases a building from the Port of Bellingham to provide a facility for the emergency operations center. Total cost for the lease was \$70,330 for the year ended December 31, 2017. The future minimum lease payments for this lease are shown on the following page.

Table FN28 - Operating Leases

Year Ending December 31		Amount
2018	*	\$72,440
2019	*	74,614
2020	*	76,852
2021	*	79,158
2022	*	81,532
2023	*	83,978
Total		\$468,574

**Actual lease payments will be adjusted by the Consumer Price Index. For the future minimum lease payments, a 3% increase per year was used.*

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 as follows:

Table FN29 - Capital Lease Assets

Asset:	Governmental Activities
Machinery and equipment	\$765,146
Less: Accumulated depreciation	(337,380)
Total	\$427,766

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017, are as follows:

Table FN30 - Future Minimum Lease Obligations

	Governmental Activities
2018	\$129,257
2019	114,268
2020	98,923
2021	69,583
2022	26,528
Total Minimum Lease Payments	438,559
Less: Interest	10,794
Present Value of Minimum Lease Payments	\$427,765

DEBT LIMITATIONS

The amount of long-term debt that can be incurred by a county is limited by state statute. The following table

presents the remaining unused long-term debt capacity available to the County based upon the limits set by statute.

Table FN31 - Long-Term Debt Capacity

Purpose of Indebtedness	Remaining Capacity
General Government (No vote required)	\$416,003,759
General Government (With 3/5 majority vote)	\$703,640,428

NOTE 10 – 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 8) 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 11 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

CONSTRUCTION COMMITMENTS

The County has various construction projects in progress as of December 31, 2017. The major projects include storm water improvements, park improvements, jail improvements, and county road projects.

At year-end there are no significant construction commitments with contractors. (The County has determined that for materiality purposes, only construction commitments greater than five hundred thousand dollars will be disclosed.)

OTHER COMMITMENTS

In 2017, Whatcom County entered into a new contract with the City of Bellingham and Whatcom County Fire Protection District #7 to provide countywide emergency medical advanced life support services. Payments for services in 2017 totaled \$8,020,472. The agreement calls for payments for services in 2018 of \$8,251,116. In 2019, payments will be increased by the greater of June CPI-W for Seattle Tacoma Bellevue or 2.5 percent. The agreement continues unless terminated by any of the parties. The agreement calls for renegotiation of the rates in 2019 for 2020-2023.

These services are funded by a combination of sales tax and user fees.

NOTE 12 – 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, 2017, interfund receivable and interfund payable balances are as follows:

Table FN32 - Interfund Receivable/Payable

Due To	Due From				Total
	General Fund	County Road	Internal Service	All Others	
General Fund	\$-	\$-	\$-	\$1,412,269	\$1,412,269
County Road	2,460	-	10,717	7,191	20,368
Internal Service	170,812	135,999	-	48,108	354,919
All Others	276,471	1,754,023	1,711	481,020	2,513,225
Total	\$449,743	\$1,890,022	\$12,428	\$1,948,588	\$4,300,781

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 and advances are fund transfers, usually interest bearing, which will be repaid in future years. Interfund loans outstanding as of December 31, 2017 were as follows:

Table FN33 - Interfund Loans Receivable/Payable

Interfund Loan Receivable	Interfund Loan Payable		
	General Fund	All Others	Total
County Road	\$531,928	\$-	\$531,928
Internal Service	957,432	-	957,432
All Others	-	700,000	700,000
Total	\$1,489,360	\$700,000	\$2,189,360

The Road Fund loaned \$531,928 to the General Fund to finance the cost of replacing the Sheriff/ Jail records management system.

The Real Estate Excise Tax II Fund loaned \$700,000 to finance cash flow for Cedar Hills/ Euclid Storm Water capital project budget.

The Equipment Rental and Revolving Fund loaned the General Fund \$957,432 to finance the Central Plaza building and the Assessor/ Treasurer system.

INTERFUND TRANSFERS

Interfund transfers are subsidies and contributions provided by one fund to another fund with no corresponding promise for repayment. Interfund 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, 2017, are shown below:

Table FN34 - Interfund Transfers

Transfer To	Transfers From					Total
	General Fund	County Road	Public Utilities Improvement	Internal Service	All Others	
General Fund	\$20,000	\$370,340		\$439,599	\$3,083,825	\$3,913,764
County Road	50,000	-		117,020	2,008,578	2,175,598
Internal Service	588,557	149,926		-	196,871	935,354
All Others	7,822,191	9,572,491	1,504,312	-	5,391,430	24,290,424
Total	\$8,480,748	\$10,092,757	\$1,504,312	\$556,619	\$10,680,704	\$31,315,140

Below are significant interfund transfers the County made for 2017:

- The General Fund transferred funds to support a new permit system.
- The Road Fund provided funding for Birch Bay Drive and Pedestrian Facility Project Budget and Uplands lease agreement for Lummi Island ferry use at Gooseberry Point.
- The Public Utilities Improvement Fund transferred funding to the courthouse envelope project and other courthouse projects and the Birch Bay Drive and Pedestrian Facility Project Budget.
- Non-major fund transfers out include a transfer from Real Estate Excise Tax I Fund to fund the courthouse envelope project.

NOTE 13 – 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 \$974,644 as its share of operations in 2017. Whatcom County did not have an equity interest in What-Comm in 2017. Financial statements for What-Comm Communications Center can be obtained from the City of Bellingham, 210 Lottie Street, Bellingham, Washington 98225.

NOTE 14 – 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. There are 18 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, 2016. The table on the following page shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB. The net OPEB obligation of \$4,291,565 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 2017 are shown on the following page.

Table FN35 - Annual OPEB Cost

Annual OPEB Cost	12/31/17
Annual Required Contribution:	
Normal Cost at Year End	\$20,931
Amortization of UAAL*	754,065
Annual Required Contribution	\$774,996
Net OPEB Obligation:	
Annual Required Contribution	\$774,996
Interest on Net OPEB Obligation	268,372
Amortization of Net OPEB Obligation	(277,214)
Annual OPEB Cost	766,154
Contributions Made	(101,720)
Increase in Net OPEB Obligation	664,434
Net OPEB Obligation-Beginning of Year	3,627,131
Net OPEB Obligation-End of Year	\$4,291,565

* *Unfunded Actuarial Accrued Liability (UAAL)*

Table FN36 - Net OPEB Obligation

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
12/31/15	\$734,919	12.3%	\$3,082,173
12/31/16	\$621,069	12.3%	\$3,627,131
12/31/17	\$766,154	13.3%	\$4,291,565

FUNDED STATUS AND FUNDING PROGRESS

As of January 1, 2016, the most recent actuarial valuation date, the plan was 0 percent funded. The accrued liability for benefits was \$8,383,992 and the actuarial value of the assets was 0 percent resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$8,383,992.

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 55.3 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, 2014 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 four active groupings and four inactive groupings. The actuarial cost method used to determine the actuarial accrued liability was the 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 15 – POSTCLOSURE CARE COST

Whatcom County owns four closed solid waste landfills. These are Birch-Bay Lynden, Y Road, 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. The typical annual operating budget for Cedarville is expected to be approximately \$28,000 for ground water testing and maintenance. These costs are funded by solid waste excise taxes. A reserve of \$250,000 was established in the Solid Waste Fund in 1992 to cover unforeseen post-closure care costs. The actual cost of post-closure care may change due to inflation or regulations.

NOTE 16 – TAX ABATEMENT

The County is subject to tax abatements granted by the City of Bellingham and the City of Lynden. There are two programs authorized by the State of Washington, one encourages new and rehabilitated multiple-unit dwellings in urban centers (RCW 84.14), and one encourages preservation and refurbishment of historic property (RCW 84.26).

The purpose of the New and Rehabilitated Multiple-Unit Dwellings in Urban Centers program is to encourage increased residential opportunities within urban centers, including affordable housing opportunities, in cities that plan under the growth management act. Cities determine their urban center and establish criteria in addition to the state's requirements for qualifying for the program. The value of new housing construction, conversion, and

rehabilitation improvements qualifying under this program are exempt from ad valorem property taxation for a period of eight years or twelve years if 20 percent of the units are sold or rented to low and moderate-income households.

The purpose of the Historic Property program is to encourage maintenance, improvement, and preservation of privately owned historic landmarks. To be eligible, the building must be listed in the National Register of Historic Places, certified as contributing to a National Register Historic District, listed on the City's Local Register of Historic Places, or certified as contributing to a local historic district.

County property taxes abated are as follows:

New and Rehabilitated Multiple-Unit Dwelling in Urban Centers Program

- City of Bellingham \$33,379

Historic Property Program

- City of Bellingham \$11,225
- City of Lynden \$4,902

NOTE 17 – PRIOR PERIOD ADJUSTMENT

In prior years, sales tax, local criminal justice tax, and motor vehicle fuel tax was not properly accrued. Receipts posted to January and February 2017 were actually revenue for November and December of 2016. To correct 2017 revenue, prior period adjustments were made which reduced 2017 tax revenue by \$5,890,542. The beginning net position in the government-wide statements and the beginning fund balances in the governmental fund statements were restated.

In 2016, \$40,000 of revenue was recorded twice in the Emergency Management Fund. A prior period adjustment was made in 2017 to correct this error. The beginning net position in the government-wide statements and the beginning fund balances in the governmental 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, 2017

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	\$44,312,831	\$44,312,831	\$45,510,508	\$1,197,677
Licenses and permits	3,418,943	3,450,943	3,680,204	229,261
Intergovernmental	14,260,289	16,185,116	15,329,143	(855,973)
Charges for service	8,154,373	8,206,571	8,494,703	288,132
Fines and penalties	2,239,750	2,239,750	2,057,707	(182,043)
Miscellaneous	3,323,770	3,401,027	3,759,033	358,006
Total revenues	75,709,956	77,796,238	78,831,298	1,035,060
Expenditures				
Current:				
General government	30,708,652	30,458,208	28,681,168	1,777,040
Public safety	24,242,704	25,551,663	24,358,755	1,192,908
Natural and economic environment	1,715,908	2,142,726	2,027,268	115,458
Social services	13,789,595	14,740,580	13,692,335	1,048,245
Culture and recreation	4,132,657	4,247,553	3,880,440	367,113
Capital outlay	195,146	195,146	320,549	(125,403)
Debt service:				
Interest	22,814	22,814	17,977	4,837
Total expenditures	74,807,476	77,358,690	72,978,492	4,380,198
Excess (deficiency) of revenues over expenditures	902,480	437,548	5,852,806	5,415,258
Other financing sources (uses)				
Sales of capital assets	374,000	374,000	171,858	(202,142)
Transfers in	4,283,282	4,397,589	3,913,764	(483,825)
Transfers out	(10,432,320)	(10,991,963)	(8,480,748)	2,511,215
Capital lease proceeds	-	-	241,403	241,403
Total other financing sources (uses)	(5,775,038)	(6,220,374)	(4,153,723)	2,066,651
Net change in fund balances	(4,872,558)	(5,782,826)	1,699,083	7,481,909
Fund balances-beginning	16,888,871	16,888,871	16,888,871	-
Prior period adjustments	-	-	2,501,638	2,501,638
Fund balance as of January 1 (restated)	16,888,871	16,888,871	19,390,509	2,501,638
Fund balances-ending	\$12,016,313	\$11,106,045	\$21,089,592	\$9,983,547

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

Required Supplemental Information
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
County Road Fund
Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$18,331,851	\$18,331,851	\$19,112,872	\$781,021
Licenses and permits	134,000	134,000	108,226	(25,774)
Intergovernmental	5,721,661	5,761,661	5,192,733	(568,928)
Charges for service	484,720	484,720	725,537	240,817
Miscellaneous	106,238	106,238	174,109	67,871
Total revenues	24,778,470	24,818,470	25,313,477	495,007
Expenditures				
Current:				
General government	431,734	431,734	554,632	(122,898)
Transportation	22,977,185	22,682,834	19,445,316	3,237,518
Capital outlay	8,206,713	8,972,154	4,523,159	4,448,995
Total expenditures	31,615,632	32,086,722	24,523,107	7,563,615
Excess (deficiency) of revenues over expenditures	(6,837,162)	(7,268,252)	790,370	8,058,622
Other financing sources (uses)				
Sales of capital assets	450,000	450,000	217,876	(232,124)
Transfers in	977,883	1,017,883	2,175,598	1,157,715
Transfers out	(8,211,621)	(10,192,590)	(10,092,757)	99,833
Capital lease proceeds	-	-	19,110	19,110
Total other financing sources (uses)	(6,783,738)	(8,724,707)	(7,680,173)	1,044,534
Net change in fund balances	(13,620,900)	(15,992,959)	(6,889,803)	9,103,156
Fund balances-beginning	28,683,606	28,683,606	28,683,606	-
Prior period adjustments	-	-	681,410	681,410
Fund balance as of January 1 (restated)	28,683,606	28,683,606	29,365,016	681,410
Fund balances-ending	\$15,062,706	\$12,690,647	\$22,475,213	\$9,784,566

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

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 2017.

Required Supplemental Information
 LEOFF I Retiree Medical Benefits
 Schedule of Funding Progress
 Year Ended December 31, 2017



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
12/31/15	\$-	\$7,036,527	\$7,036,527	0%	\$101,233	6950.82%
12/31/16	\$-	\$8,383,992	\$8,383,992	0%	\$109,692	7643.21%
12/31/17	\$-	\$8,383,992	\$8,383,992	0%	\$20,688	40525.87%

Required Supplemental Information
 Schedule of Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS) Plan 1
 As of June 30, 2017
 Last 10 Fiscal Years*

	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.407%	0.411%	0.414%
Employer's proportionate share of the net pension liability	\$19,314,982	\$22,079,993	\$21,643,182
Employer's covered employee payroll	\$50,011,855	\$47,429,547	\$45,367,441
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	38.62%	46.55%	47.71%
Plan fiduciary net position as a percentage of the total pension liability	61.24%	57.03%	59.10%

*Information is only available for fiscal years 2015, 2016 and 2017.

Note: Employer's proportionate share is based on Whatcom County's employer transmittals processed by Department of Retirement Systems in the fiscal year ended June 30, 2017 relative to all other plan employers transmittals processed. Net pension liability is determined by projecting the plan's total pension liability and subtracting the plans net position. Net position will vary from year to year based on investment returns and plan experience. Whatcom County's net pension liability (asset) is calculated by multiplying its proportionate share of the net pension liability (asset) by the plans total net pension liability (asset).

Required Supplemental Information
 Schedule of Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS) Plan 2/3
 As of June 30, 2017
 Last 10 Fiscal Years*



	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.450%	0.446%	0.447%
Employer's proportionate share of the net pension liability	\$15,634,932	\$22,477,398	\$15,961,703
Employer's covered employee payroll	\$44,116,747	\$41,561,677	\$39,639,460
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	35.44%	54.08%	40.27%
Plan fiduciary net position as a percentage of the total pension liability	90.97%	85.82%	89.20%

*Information is only available for fiscal years 2015, 2016 and 2017.

Note: Employer's proportionate share is based on Whatcom County's employer transmittals processed by Department of Retirement Systems in the fiscal year ended June 30, 2017 relative to all other plan employers transmittals processed. Net pension liability is determined by projecting the plan's total pension liability and subtracting the plans net position. Net position will vary from year to year based on investment returns and plan experience. Whatcom County's net pension liability (asset) is calculated by multiplying its proportionate share of the net pension liability (asset) by the plans total net pension liability (asset).

Required Supplemental Information
 Schedule of Proportionate Share of the Net Pension Liability
 Public Safety Employees' Retirement System (PSERS) Plan 2
 As of June 30, 2017
 Last 10 Fiscal Years*



	2017	2016	2015
Employer's proportion of the net pension liability (asset)	1.379%	1.426%	1.392%
Employer's proportionate share of the net pension liability	\$270,271	\$605,863	\$253,983
Employer's covered employee payroll	\$4,883,959	\$4,618,833	\$4,074,397
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	5.53%	13.12%	6.23%
Plan fiduciary net position as a percentage of the total pension liability	96.26%	90.41%	95.08%

*Information is only available for fiscal years 2015, 2016 and 2017.

Note: Employer's proportionate share is based on Whatcom County's employer transmittals processed by Department of Retirement Systems in the fiscal year ended June 30, 2017 relative to all other plan employers transmittals processed. Net pension liability is determined by projecting the plan's total pension liability and subtracting the plans net position. Net position will vary from year to year based on investment returns and plan experience. Whatcom County's net pension liability (asset) is calculated by multiplying its proportionate share of the net pension liability (asset) by the plans total net pension liability (asset).

Required Supplemental Information
 Schedule of Proportionate Share of the Net Pension Liability
 Law Enforcement Officers' and Fire Fighters' Retirement System
 (LEOFF) Plan 1
 As of June 30, 2017
 Last 10 Fiscal Years*

	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.034%	0.035%	0.035%
Employer's proportionate share of the net pension liability	\$(518,389)	\$(362,589)	\$(422,249)
State's proportionate share of the net pension liability (asset) associated with the employer	\$(3,506,370)	\$(2,452,540)	\$(2,856,082)
TOTAL	\$(4,024,759)	\$(2,815,129)	\$(3,278,331)
Employer's covered employee payroll	\$-	\$-	\$-
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	135.96%	123.74%	127.36%

*Information is only available for fiscal years 2015, 2016 and 2017.

Note: LEOFF Plan 1 net position exceeds projected total pension liability. No employer contributions have been required since June of 2000. Whatcom County's employers proportionate share of the net pension liability (asset) was determined based on the county's total contributions to LEOFF Plan 1 relative to all other employer's contributions. If the plan becomes underfunded, funding the remaining liability will require new Washington State legislation.

Required Supplemental Information
 Schedule of Proportionate Share of the Net Pension Liability
 Law Enforcement Officers' and Fire Fighters' Retirement System
 (LEOFF) Plan 2
 As of June 30, 2017
 Last 10 Fiscal Years*



	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.240%	0.247%	0.240%
Employer's proportionate share of the net pension liability	\$(3,331,519)	\$(1,435,184)	\$(2,467,409)
State's proportionate share of the net pension liability (asset) associated with the employer	\$(2,161,094)	\$(935,635)	\$(1,631,453)
TOTAL	\$(5,492,613)	\$(2,370,819)	\$(4,098,862)
Employer's covered employee payroll	\$7,510,107	\$7,475,130	\$6,967,690
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	-73.14%	-31.72%	-58.83%
Plan fiduciary net position as a percentage of the total pension liability	113.36%	106.04%	111.67%

*Information is only available for fiscal years 2015, 2016 and 2017.

Note: Employer's proportionate share is based on Whatcom County's employer transmittals processed by Department of Retirement Systems in the fiscal year ended June 30, 2017 relative to all other plan employers transmittals processed. Net pension liability is determined by projecting the plan's total pension liability and subtracting the plans net position. Net position will vary from year to year based on investment returns and plan experience. Whatcom County's net pension liability (asset) is calculated by multiplying its proportionate share of the net pension liability (asset) by the plans total net pension liability (asset).

Required Supplemental Information
 Schedule of Employer Contributions
 Public Employees' Retirement System (PERS) Plan 1
 As of December 31, 2017
 Last 10 Fiscal Years*



	2017	2016	2015
Statutorily or contractually required contributions	\$2,548,237	\$2,490,469	\$2,097,126
Contributions in relation to the statutorily or contractually required contributions	\$(2,548,237)	\$(2,490,469)	\$(2,097,126)
Contribution deficiency (excess)	\$-	\$-	\$-
Covered employer payroll	\$50,620,497	\$50,783,623	\$46,030,402
Contributions as a percentage of covered employee payroll	5.03%	4.90%	4.56%

*Information is only available for fiscal years 2015, 2016 and 2017.

Note: Contributions include employer contributions for PERS Plan 1 employees as well as PERS Plan 1 unfunded actuarial accrued liability (UAAL) contribution assessed on wages of PERS Plan 2 & 3 and Public Safety Employees Retirement System (PSERS) employees. Covered employer payroll fluctuates based on number of employees, hours worked and wage rates. PERS rates increased effective July 1, 2017. The employer contribution for PERS Plan 1 increased from 6.23% to 7.49% and the UAAL for PERS Plan 1 increased from 4.77% to 5.03% of covered payroll.

Required Supplemental Information
 Schedule of Employer Contributions
 Public Employees' Retirement System (PERS) Plan 2/3
 As of December 31, 2017
 Last 10 Fiscal Years*

	2017	2016	2015
Statutorily or contractually required contributions	\$3,060,192	\$2,791,242	\$2,248,551
Contributions in relation to the statutorily or contractually required contributions	\$(3,060,192)	\$(2,791,242)	\$(2,248,551)
Contribution deficiency (excess)	\$-	\$-	\$-
Covered employer payroll	\$44,611,164	\$44,790,477	\$40,129,411
Contributions as a percentage of covered employee payroll	6.86%	6.23%	5.60%

*Information is only available for fiscal years 2015, 2016 and 2017.

Note: Covered employer payroll fluctuates based on number of employees, hours worked and wage rates. PERS Plan 2 & 3 employer contribution rates increased effective July 1, 2017. Rates increased from 6.23% to 7.49% of covered payroll.

Required Supplemental Information
 Schedule of Employer Contributions
 Public Safety Employees' Retirement System (PSERS) Plan 2
 As of December 31, 2017
 Last 10 Fiscal Years*



	2017	2016	2015
Statutorily or contractually required contributions	\$334,459	\$324,140	\$281,587
Contributions in relation to the statutorily or contractually required contributions	\$(334,459)	\$(324,140)	\$(281,587)
Contribution deficiency (excess)	\$-	\$-	\$-
Covered employer payroll	\$5,019,549	\$4,918,683	\$4,350,221
Contributions as a percentage of covered employee payroll	6.66%	6.59%	6.47%

*Information is only available for fiscal years 2015, 2016 and 2017.

Note: Covered employer payroll fluctuates based on number of employees, hours worked and wage rates. PSERS Plan 2 employer contribution rates increased effective July 1, 2017 and September 1, 2017. Rates increased from 6.59% to 6.73% and then to 6.74% of covered payroll.

Required Supplemental Information
 Schedule of Employer Contributions
 Law Enforcement Officers' and Fire Fighters' Retirement System
 (LEOFF) Plan 1
 As of December 31, 2017
 Last 10 Fiscal Years*



	2017	2016	2015
Statutorily or contractually required contributions	\$-	\$-	\$-
Contributions in relation to the statutorily or contractually required contributions	\$-	\$-	\$-
Contribution deficiency (excess)	\$-	\$-	\$-
Covered employer payroll	\$-	\$-	\$-
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%

*Information is only available for fiscal years 2015, 2016 and 2017.

Note: There are no employer contributions required for LEOFF Plan 1.

Required Supplemental Information
 Schedule of Employer Contributions
 Law Enforcement Officers' and Fire Fighters' Retirement System
 (LEOFF) Plan 2
 As of December 31, 2017
 Last 10 Fiscal Years*



	2017	2016	2015
Statutorily or contractually required contributions	\$394,184	\$393,726	\$366,458
Contributions in relation to the statutorily or contractually required contributions	\$(394,184)	\$(393,726)	\$(366,458)
Contribution deficiency (excess)	\$-	\$-	\$-
Covered employer payroll	\$7,601,695	\$7,796,545	\$7,256,591
Contributions as a percentage of covered employee payroll	5.19%	5.05%	5.05%

*Information is only available for fiscal years 2015, 2016 and 2017.

Note: Covered employer payroll fluctuates based on number of employees, hours worked and wage rates. LEOFF Plan 2 employer contribution rates increased effective July 1, 2017. Rates increased from 5.05% to 5.25% of covered payroll.

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.

Behavioral Health Program - A fund to account for a 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.

Parks Special Revenue - A fund to account for restricted and committed revenues which will be used to fund maintenance, operations and parks improvements in accordance with external funding sources and County Council requirements.

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

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

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

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

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

Community Development - A fund 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 Transportation Benefit District - 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.

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.

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.

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.

Slater Road Intersections Project - A fund established to account for revenues and expenditures for improvements to the Slater Road intersections at Imhoff and Ferndale Roads.

Dakota Creek Bridge No. 500 Project - A fund established to account for revenues and expenditures for seismic

improvements to the Dakota Creek Bridge No. 500.

Telecommunications System Replacement - A fund established to account for revenues and expenditures for the replacement of the county's telecommunications system.

Hannegan Road/Nooksack River Bridge - A fund established to account for revenues and expenditures of the scour mitigation project.

2015 County Roadway Safety Program - A fund established to account for revenues and expenditures of the County Roadway Safety Program (CRP no. 915015) project.

Courthouse Improvement - A fund established to account for revenues and expenditures of the Courthouse improvements (Courthouse fire alarm system and Juvenile roof).

2015 Girard Street Building Improvement - A fund established to account for revenues and expenditures of the Girard Street improvements.

Courthouse Building Envelope Project - A fund established to account for the revenues and expenditures of the Courthouse building envelope project.

2015 Central Plaza Improvement - A fund established to account for the revenues and expenditures of the Central Plaza building improvements.

2015 Silver Lake Park Improvements - A fund established to account for the revenues and expenditures of Silver Lake Park improvements.

2015 Lighthouse Marine Park Improvements - A fund established to account for the revenues and expenditures of Lighthouse Marine Park improvements.

2015 South Fork Park Improvement - A fund established to account for the revenues and expenditures of South Fork Park.

Academy Road Storm Water Improvements - A fund established to account for the revenues and expenditures of the Academy Road storm water improvements.

Agate Heights Estate/Bay Lane Storm Water Improvements - A fund established to account for the revenues and expenditures of the Agate Heights Estate/Bay Lane storm water improvements.

Cedar Hills/Euclid Storm Water Improvements - A fund established to account for the revenues and expenditures of the Cedar Hills/Euclid storm water improvements.

Criminal Justice Integrated Case Management System Projects - A fund established to account for the revenues and expenditures for a new case management system in the Prosecutor's Office, Juvenile Court and District Court Probation.

Integrated Land Records and Permit Management System Projects - A fund established to account for the revenues and expenditures for improvements to the land records geographic information system (GIS), implementation of software for storm water asset maintenance, planning for the replacement of the permit system and implementation of Web GIS.

South Pass Road/Saar Creek Bridge No. 212 - A fund established to account for the revenues and expenditures of the South Pass Road/Saar Creek Bridge No. 212 replacement project.

Sudden Valley Storm Water Improvements - A fund established to account for the revenues and expenditures for the design and construction of low impact development storm water control facilities and storm water treatment facilities. These facilities are specifically designed to remove phosphorus in urban runoff draining to Lake Whatcom.

Hovander Park Building Improvements - A fund established to account for the revenues and expenditures for the demolition, removal and site restoration for two deteriorated buildings that are no longer functional and pose safety hazards.

Lake Whatcom Park Trail Development - A fund established to account for the revenues and expenditures of this project. This project will assist Whatcom County in reducing its deficit in trail miles to meet adopted levels of service established in the County Comprehensive Plan.

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	\$31,382,446	\$1,004	\$34,473,999	\$65,857,449
Investments	10,162,696	-	221,116	10,383,812
Taxes receivable, net	208,809	-	-	208,809
Accounts receivable, net	260,738	-	102	260,840
Accounts receivable-court, net	119,324	-	-	119,324
Special assessments, net	50,218	-	-	50,218
Notes receivable, net	148,509	-	-	148,509
Interfund receivable	539,258	-	570,891	1,110,149
Interfund loan receivable	-	-	700,000	700,000
Due from other governments	5,636,644	-	42,535	5,679,179
Employee advances	150	-	-	150
Prepayments	1,044	-	-	1,044
Total assets	\$48,509,836	\$1,004	\$36,008,643	\$84,519,483
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	\$4,206,808	\$-	\$723,487	\$4,930,295
Interfund payable	1,909,359	-	9,820	1,919,179
Interfund loans payable	-	-	700,000	700,000
Due to other governments	9,348	-	-	9,348
Other accrued liabilities	341,366	-	-	341,366
Unearned revenue	205,381	-	-	205,381
Total liabilities	6,672,262	-	1,433,307	8,105,569
Deferred inflows of resources				
Deferred property tax	208,809	-	-	208,809
Court receivables	119,324	-	-	119,324
Special assessments	50,219	-	-	50,219
Total deferred inflows of resources	378,352	-	-	378,352
Fund balances:				
Restricted	37,073,045	1,004	20,911,620	57,985,669
Committed	2,395,497	-	13,663,716	16,059,213
Assigned	1,990,680	-	-	1,990,680
Total fund balances	41,459,222	1,004	34,575,336	76,035,562
Total liabilities, deferred inflows of resources and fund balances	\$48,509,836	\$1,004	\$36,008,643	\$84,519,483

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Governmental Funds
Year Ended December 31, 2017

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	\$26,101,254	\$-	\$4,507,855	\$30,609,109
Intergovernmental	4,540,569	-	686,161	5,226,730
Charges for service	9,165,433	-	-	9,165,433
Fines and penalties	471,933	-	-	471,933
Miscellaneous	1,732,367	(4)	71,834	1,804,197
Total revenues	42,011,556	(4)	5,265,850	47,277,402
Expenditures				
Current:				
General government	1,415,322	-	549,439	1,964,761
Public safety	24,316,151	-	330,298	24,646,449
Transportation	36,267	-	-	36,267
Natural and economic environment	8,566,146	-	-	8,566,146
Social services	6,398,555	-	-	6,398,555
Culture and recreation	3,590	-	195,791	199,381
Capital outlay	785,028	-	3,546,152	4,331,180
Debt service:				
Principal	-	355,000	-	355,000
Interest	-	121,013	-	121,013
Total expenditures	41,521,059	476,013	4,621,680	46,618,752
Excess (deficiency) of revenues over expenditures	490,497	(476,017)	644,170	658,650
Other financing sources (uses)				
Sales of capital assets	60,521	-	-	60,521
Transfers in	8,218,126	476,413	14,213,730	22,908,269
Transfers out	(5,113,560)	-	(5,300,838)	(10,414,398)
Capital lease proceeds	25,402	-	-	25,402
Total other financing sources (uses)	3,190,489	476,413	8,912,892	12,579,794
Net change in fund balances	3,680,986	396	9,557,062	13,238,444
Fund balances-beginning	35,786,441	608	25,018,274	60,805,323
Prior period adjustments	1,991,795	-	-	1,991,795
Fund balance as of January 1 (restated)	37,778,236	608	25,018,274	62,797,118
Fund balances-ending	\$41,459,222	\$1,004	\$34,575,336	\$76,035,562

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Whatcom County Jail
Assets					
Cash, cash equivalents and pooled investments	\$374,323	\$686,265	\$243	\$584,172	\$1,449,908
Investments	-	-	-	-	-
Taxes receivable, net	7,586	6,159	-	-	-
Accounts receivable, net	-	-	-	-	20,363
Accounts receivable-court, net	-	-	-	-	-
Special assessments, net	-	-	-	-	-
Notes receivable, net	-	-	-	-	-
Interfund receivable	-	6,864	-	-	49,499
Due from other governments	569,175	-	-	-	1,134,682
Employee advances	106	-	-	-	25
Prepayments	9	-	-	-	973
Total assets	\$951,199	\$699,288	\$243	\$584,172	\$2,655,450
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$22,990	\$19,230	\$-	\$64	\$586,110
Interfund payable	-	40,788	-	-	-
Due to other governments	-	-	-	-	6,460
Other accrued liabilities	14,705	-	-	-	295,808
Unearned revenue	-	-	-	-	-
Total liabilities	37,695	60,018	-	64	888,378
Deferred inflows of resources					
Deferred property tax	7,586	6,159	-	-	-
Court receivables	-	-	-	-	-
Special assessments	-	-	-	-	-
Total deferred inflows of resources	7,586	6,159	-	-	-
Fund balances:					
Restricted	-	633,111	243	584,108	-
Committed	905,918	-	-	-	-
Assigned	-	-	-	-	1,767,072
Total fund balances	905,918	633,111	243	584,108	1,767,072
Total liabilities, deferred inflows of resources and fund balances	\$951,199	\$699,288	\$243	\$584,172	\$2,655,450

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2017

REET Electronic Tech.	Low-Income Housing	Homeless Housing	Stormwater	Behavioral Health Program	Parks Special Revenue	Countywide Emergency Medical Services	WC Trial Court Impr	Solid Waste
\$-	\$163,119	\$454,481	\$407,060	\$7,961,599	\$1,662,173	\$5,622,694	\$201,736	\$2,391,937
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	99,661	-	-
-	-	-	-	-	-	-	-	221,380
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	307,498	99,154	-	34,219	2,183	-
-	-	263,345	-	809,833	-	717,391	-	-
-	-	-	-	-	-	-	-	19
-	-	-	-	10	-	-	-	19
<u>\$-</u>	<u>\$163,119</u>	<u>\$717,826</u>	<u>\$714,558</u>	<u>\$8,870,596</u>	<u>\$1,662,173</u>	<u>\$6,473,965</u>	<u>\$203,919</u>	<u>\$2,613,355</u>
\$-	\$23,437	\$534,352	\$58,255	\$524,310	\$-	\$1,368,142	\$-	\$40,191
-	-	42,515	-	253,463	28,847	1,033,333	-	25,150
-	-	-	-	-	2,581	-	-	-
-	-	-	-	12,735	-	-	-	2,754
-	-	-	-	-	251	-	-	1,621
-	<u>23,437</u>	<u>576,867</u>	<u>58,255</u>	<u>790,508</u>	<u>31,679</u>	<u>2,401,475</u>	-	<u>69,716</u>
-	-	-	-	-	-	99,661	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	99,661	-	-
-	139,682	140,959	656,303	8,080,088	97,165	3,972,829	203,919	2,543,639
-	-	-	-	-	1,489,579	-	-	-
-	-	-	-	-	43,750	-	-	-
-	<u>139,682</u>	<u>140,959</u>	<u>656,303</u>	<u>8,080,088</u>	<u>1,630,494</u>	<u>3,972,829</u>	<u>203,919</u>	<u>2,543,639</u>
<u>\$-</u>	<u>\$163,119</u>	<u>\$717,826</u>	<u>\$714,558</u>	<u>\$8,870,596</u>	<u>\$1,662,173</u>	<u>\$6,473,965</u>	<u>\$203,919</u>	<u>\$2,613,355</u>

	Convention Center	Victim/ Witness Assist.	Community Development	Emergency Commun- ications	Whatcom County Drug
Assets					
Cash, cash equivalents and pooled investments	\$1,486,885	\$25,358	\$16,884	\$-	\$794,178
Investments	-	-	-	-	-
Taxes receivable, net	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Accounts receivable-court, net	-	66,718	-	-	52,606
Special assessments, net	-	-	-	-	-
Notes receivable, net	-	-	148,509	-	-
Interfund receivable	-	-	-	-	6,483
Due from other governments	139,417	-	-	-	-
Employee advances	-	-	-	-	-
Prepayments	-	-	-	-	-
Total assets	\$1,626,302	\$92,076	\$165,393	\$-	\$853,267
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$125,901	\$-	\$-	\$-	\$274,633
Interfund payable	-	12,000	-	-	15,718
Due to other governments	-	-	-	-	307
Other accrued liabilities	-	-	-	-	-
Unearned revenue	-	-	148,509	-	-
Total liabilities	125,901	12,000	148,509	-	290,658
Deferred inflows of resources					
Deferred property tax	-	-	-	-	-
Court receivables	-	66,718	-	-	52,606
Special assessments	-	-	-	-	-
Total deferred inflows of resources	-	66,718	-	-	52,606
Fund balances:					
Restricted	1,500,401	13,358	16,884	-	510,003
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total fund balances	1,500,401	13,358	16,884	-	510,003
Total liabilities, deferred inflows of resources and fund balances	\$1,626,302	\$92,076	\$165,393	\$-	\$853,267

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2017

Auditor's O & M	Emergency Management	Flood Control Zone District	Point Roberts Transportation Benefit District	Conservation Futures	Road Improvement Districts	Lynden/ Everson Sub-Zone	Sumas/ Nooksack/ Everson Sub-Zone	Acme/ Van Zandt Sub-Zone
\$415,846	\$241,915	\$612,254	\$961,314	\$3,633,287	\$13,089	\$67,040	\$320,722	\$105,016
-	-	7,637,605	-	-	-	154,720	905,896	197,780
-	-	72,828	-	22,575	-	-	-	-
-	18,995	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	2,078	526	4,459	977
-	-	-	-	-	-	-	-	-
-	8,315	-	-	25,043	-	-	-	-
-	38,542	1,964,259	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	33	-	-	-	-	-	-	-
<u>\$415,846</u>	<u>\$307,800</u>	<u>\$10,286,946</u>	<u>\$961,314</u>	<u>\$3,680,905</u>	<u>\$15,167</u>	<u>\$222,286</u>	<u>\$1,231,077</u>	<u>\$303,773</u>
\$3,267	\$59,766	\$487,504	\$-	\$19,999	\$-	\$1,773	\$-	\$-
10,159	-	447,386	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,188	13,176	-	-	-	-	-	-	-
-	55,000	-	-	-	-	-	-	-
<u>15,614</u>	<u>127,942</u>	<u>934,890</u>	<u>-</u>	<u>19,999</u>	<u>-</u>	<u>1,773</u>	<u>-</u>	<u>-</u>
-	-	72,828	-	22,575	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	2,078	526	4,459	978
-	-	72,828	-	22,575	2,078	526	4,459	978
400,232	-	9,279,228	961,314	3,638,331	13,089	219,987	1,226,618	302,795
-	-	-	-	-	-	-	-	-
-	179,858	-	-	-	-	-	-	-
<u>400,232</u>	<u>179,858</u>	<u>9,279,228</u>	<u>961,314</u>	<u>3,638,331</u>	<u>13,089</u>	<u>219,987</u>	<u>1,226,618</u>	<u>302,795</u>
<u>\$415,846</u>	<u>\$307,800</u>	<u>\$10,286,946</u>	<u>\$961,314</u>	<u>\$3,680,905</u>	<u>\$15,167</u>	<u>\$222,286</u>	<u>\$1,231,077</u>	<u>\$303,773</u>

	Samish Watershed Sub-Zone	Birch Bay Sub-Zone	Total Non Major Special Revenue Funds
Assets			
Cash, cash equivalents and pooled investments	\$44,770	\$684,178	\$31,382,446
Investments	69,123	1,197,572	10,162,696
Taxes receivable, net	-	-	208,809
Accounts receivable, net	-	-	260,738
Accounts receivable-court, net	-	-	119,324
Special assessments, net	376	41,802	50,218
Notes receivable, net	-	-	148,509
Interfund receivable	-	-	539,258
Due from other governments	-	-	5,636,644
Employee advances	-	-	150
Prepayments	-	-	1,044
Total assets	\$114,269	\$1,923,552	\$48,509,836
Liabilities, deferred inflows of resources and fund balances			
Liabilities			
Accounts payable	\$1,027	\$55,857	\$4,206,808
Interfund payable	-	-	1,909,359
Due to other governments	-	-	9,348
Other accrued liabilities	-	-	341,366
Unearned revenue	-	-	205,381
Total liabilities	1,027	55,857	6,672,262
Deferred inflows of resources			
Deferred property tax	-	-	208,809
Court receivables	-	-	119,324
Special assessments	376	41,802	50,219
Total deferred inflows of resources	376	41,802	378,352
Fund balances:			
Restricted	112,866	1,825,893	37,073,045
Committed	-	-	2,395,497
Assigned	-	-	1,990,680
Total fund balances	112,866	1,825,893	41,459,222
Total liabilities, deferred inflows of resources and fund balances	\$114,269	\$1,923,552	\$48,509,836

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2017

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O&M	Whatcom County Jail	REET Electronic Technology
Revenues						
Taxes	\$363,951	\$303,119	\$-	\$-	\$4,406,488	\$-
Intergovernmental	53	44	-	-	96,229	-
Charges for service	855,042	-	-	239,428	3,144,549	-
Fines and penalties	-	-	-	-	-	-
Miscellaneous	404	5,360	-	(1,469)	182,187	-
Total revenues	1,219,450	308,523	-	237,959	7,829,453	-
Expenditures						
Current:						
General government	1,131,061	-	-	51,418	-	-
Public safety	-	-	-	-	14,242,904	-
Transportation	-	-	-	-	-	-
Natural and economic environment	-	-	-	-	-	-
Social services	-	227,608	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	17,479	-	-	-	27,922	-
Total expenditures	1,148,540	227,608	-	51,418	14,270,826	-
Excess (deficiency) of revenues over expenditures	70,910	80,915	-	186,541	(6,441,373)	-
Other financing sources (uses)						
Sales of capital assets	2,055	1,686	-	-	-	-
Transfers in	150,000	-	-	-	6,374,070	-
Transfers out	(9,914)	(37,702)	-	(110,145)	(685,517)	-
Capital lease proceeds	17,479	-	-	-	7,923	-
Total other financing sources (uses)	159,620	(36,016)	-	(110,145)	5,696,476	-
Net change in fund balances	230,530	44,899	-	76,396	(744,897)	-
Fund balances-beginning	675,388	588,212	243	507,712	1,766,819	-
Prior period adjustments	-	-	-	-	745,150	-
Fund balance as of January 1 (restated)	675,388	588,212	243	507,712	2,511,969	-
Fund balances-ending	\$905,918	\$633,111	\$243	\$584,108	\$1,767,072	\$-

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2017

	Low-Income Housing	Homeless Housing	Stormwater	Behavioral Health Program	Parks Special Revenue	Countywide Emergency Medical Services
Revenues						
Taxes	\$-	\$-	\$-	\$4,405,258	\$-	\$10,293,153
Intergovernmental	-	1,553,132	-	101,375	-	7,957
Charges for service	207,982	1,116,066	9,532	28,564	1,400	3,039,607
Fines and penalties	-	-	-	-	-	-
Miscellaneous	(297)	264	1,168	85,550	54,823	(5,742)
Total revenues	207,685	2,669,462	10,700	4,620,747	56,223	13,334,975
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	9,267,927
Transportation	-	-	-	-	-	-
Natural and economic environment	178,300	-	813,150	-	-	-
Social services	-	2,771,428	-	2,734,310	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	178,300	2,771,428	813,150	2,734,310	-	9,267,927
Excess (deficiency) of revenues over expenditures	29,385	(101,966)	(802,450)	1,886,437	56,223	4,067,048
Other financing sources (uses)						
Sales of capital assets	-	-	-	-	-	30,820
Transfers in	-	-	967,009	-	-	-
Transfers out	-	(66,974)	(173,769)	(1,037,956)	(28,847)	(800,000)
Capital lease proceeds	-	-	-	-	-	-
Total other financing sources (uses)	-	(66,974)	793,240	(1,037,956)	(28,847)	(769,180)
Net change in fund balances	29,385	(168,940)	(9,210)	848,481	27,376	3,297,868
Fund balances-beginning	110,297	309,899	665,513	6,486,569	1,603,118	259,658
Prior period adjustments	-	-	-	745,038	-	415,303
Fund balance as of January 1 (restated)	110,297	309,899	665,513	7,231,607	1,603,118	674,961
Fund balances-ending	\$139,682	\$140,959	\$656,303	\$8,080,088	\$1,630,494	\$3,972,829

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 December 31, 2017

Whatcom Co Trial Court Improvement	Solid Waste	Convention Center	Victim/ Witness Assistance	Community Development	Emergency Communi- cations	Whatcom County Drug	Auditor's O&M	Emergency Management
\$-	\$882,146	\$745,479	\$-	\$-	\$-	\$-	\$-	\$-
46,899	15,330	-	-	-	-	-	94,383	226,430
-	-	-	68,688	-	-	-	93,908	166,496
-	-	-	22,432	-	-	445,674	-	-
1,751	5,438	(3,130)	(104)	16,884	-	22,539	(802)	105,464
48,650	902,914	742,349	91,016	16,884	-	468,213	187,489	498,390
-	-	-	76,285	-	-	-	156,558	-
-	-	-	-	-	-	174,189	-	631,131
-	-	-	-	-	-	-	-	-
-	-	613,955	-	-	-	-	-	-
-	665,209	-	-	-	-	-	-	-
-	-	3,590	-	-	-	-	-	-
9,946	-	-	-	-	-	216,313	-	208,117
9,946	665,209	617,545	76,285	-	-	390,502	156,558	839,248
38,704	237,705	124,804	14,731	16,884	-	77,711	30,931	(340,858)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	317,660
(23,730)	(289,893)	-	(13,787)	-	-	-	-	(15,441)
-	-	-	-	-	-	-	-	-
(23,730)	(289,893)	-	(13,787)	-	-	-	-	302,219
14,974	(52,188)	124,804	944	16,884	-	77,711	30,931	(38,639)
188,945	2,595,827	1,249,293	12,414	-	-	432,292	369,301	258,497
-	-	126,304	-	-	-	-	-	(40,000)
188,945	2,595,827	1,375,597	12,414	-	-	432,292	369,301	218,497
\$203,919	\$2,543,639	\$1,500,401	\$13,358	\$16,884	\$-	\$510,003	\$400,232	\$179,858

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2017

	Emergency Management	Flood Control Zone District	Point Roberts Transportation Benefit District	Conservation Futures	Road Improvement Districts	Lynden/ Everson Sub-Zone
Revenues						
Taxes	\$-	\$3,538,330	\$65,313	\$1,098,017	\$-	\$-
Intergovernmental	226,430	2,373,694	-	25,043	-	-
Charges for service	166,496	194,171	-	-	-	-
Fines and penalties	-	-	458	-	18	106
Miscellaneous	105,464	188,025	(2,026)	72,091	30,504	40,641
Total revenues	498,390	6,294,220	63,745	1,195,151	30,522	40,747
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	631,131	-	-	-	-	-
Transportation	-	-	2,002	-	34,265	-
Natural and economic environment	-	6,328,775	-	96,287	-	80,920
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	208,117	120,457	-	166,581	-	-
Total expenditures	839,248	6,449,232	2,002	262,868	34,265	80,920
Excess (deficiency) of revenues over expenditures	(340,858)	(155,012)	61,743	932,283	(3,743)	(40,173)
Other financing sources (uses)						
Sales of capital assets	-	19,811	-	6,149	-	-
Transfers in	317,660	409,387	-	-	-	-
Transfers out	(15,441)	(1,553,123)	-	(159,886)	-	-
Capital lease proceeds	-	-	-	-	-	-
Total other financing sources (uses)	302,219	(1,123,925)	-	(153,737)	-	-
Net change in fund balances	(38,639)	(1,278,937)	61,743	778,546	(3,743)	(40,173)
Fund balances-beginning	258,497	10,558,165	899,571	2,859,785	16,832	260,160
Prior period adjustments	(40,000)	-	-	-	-	-
Fund balance as of January 1 (restated)	218,497	10,558,165	899,571	2,859,785	16,832	260,160
Fund balances-ending	\$179,858	\$9,279,228	\$961,314	\$3,638,331	\$13,089	\$219,987

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 December 31, 2017

Sumas/ Nooksack/ Everson Sub-Zone	Acme/ Van Zandt Sub-Zone	Samish Watershed Sub-Zone	Birch Bay Sub-Zone	Total Non Major Special Revenue Funds
\$-	\$-	\$-	\$-	\$26,101,254
-	-	-	-	4,540,569
-	-	-	-	9,165,433
370	64	14	2,797	471,933
120,702	24,317	19,188	768,637	1,732,367
121,072	24,381	19,202	771,434	42,011,556
-	-	-	-	1,415,322
-	-	-	-	24,316,151
-	-	-	-	36,267
18,108	101	6,306	430,244	8,566,146
-	-	-	-	6,398,555
-	-	-	-	3,590
-	-	-	18,213	785,028
18,108	101	6,306	448,457	41,521,059
102,964	24,280	12,896	322,977	490,497
-	-	-	-	60,521
-	-	-	-	8,218,126
(38,419)	-	-	(68,457)	(5,113,560)
-	-	-	-	25,402
(38,419)	-	-	(68,457)	3,190,489
64,545	24,280	12,896	254,520	3,680,986
1,162,073	278,515	99,970	1,571,373	35,786,441
-	-	-	-	1,991,795
1,162,073	278,515	99,970	1,571,373	37,778,236
\$1,226,618	\$302,795	\$112,866	\$1,825,893	\$41,459,222

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Election Reserve
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Taxes	\$364,800	\$363,951	\$(849)	\$365,253
Intergovernmental	-	53	53	11
Charges for service	859,668	855,042	(4,626)	959,615
Miscellaneous	-	404	404	(2,251)
Total revenues	1,224,468	1,219,450	(5,018)	1,322,628
Expenditures				
Current:				
General government	1,262,202	1,131,061	131,141	1,550,727
Capital outlay	-	17,479	(17,479)	-
Total expenditures	1,262,202	1,148,540	113,662	1,550,727
Excess (deficiency) of revenues over expenditures	(37,734)	70,910	108,644	(228,099)
Other financing sources (uses)				
Sales of capital assets	6,000	2,055	(3,945)	1,919
Transfers in	150,000	150,000	-	100,000
Transfers out	(9,914)	(9,914)	-	(11,139)
Capital lease proceeds	-	17,479	17,479	-
Total other financing sources (uses)	146,086	159,620	13,534	90,780
Net changes in fund balances	108,352	230,530	122,178	(137,319)
Fund balances-beginning	-	675,388	675,388	812,707
Fund balances-ending	\$108,352	\$905,918	\$797,566	\$675,388

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Veterans' Relief
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Taxes	\$288,200	\$303,119	\$14,919	\$288,540
Intergovernmental	30	44	14	9
Miscellaneous	-	5,360	5,360	2,766
Total revenues	288,230	308,523	20,293	291,315
Expenditures				
Current:				
Social services	292,240	227,608	64,632	234,883
Total expenditures	292,240	227,608	64,632	234,883
Excess (deficiency) of revenues over expenditures	(4,010)	80,915	84,925	56,432
Other financing sources (uses)				
Sales of capital assets	4,000	1,686	(2,314)	1,507
Transfers out	(26,535)	(37,702)	(11,167)	(18,626)
Total other financing sources (uses)	(22,535)	(36,016)	(13,481)	(17,119)
Net changes in fund balances	(26,545)	44,899	71,444	39,313
Fund balances-beginning	-	588,212	588,212	548,899
Fund balances-ending	\$(26,545)	\$633,111	\$659,656	\$588,212

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Treasurer's O & M
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Charges for service	\$290,515	\$239,428	\$(51,087)	\$184,479
Miscellaneous	-	(1,469)	(1,469)	(1,995)
Total revenues	290,515	237,959	(52,556)	182,484
Expenditures				
Current:				
General government	137,946	51,418	86,528	35,897
Capital outlay	4,939	-	4,939	-
Total expenditures	142,885	51,418	91,467	35,897
Excess (deficiency) of revenues over expenditures	147,630	186,541	38,911	146,587
Other financing sources (uses)				
Transfers out	(85,000)	(110,145)	(25,145)	(94,992)
Total other financing sources (uses)	(85,000)	(110,145)	(25,145)	(94,992)
Net changes in fund balances	62,630	76,396	13,766	51,595
Fund balances-beginning	-	507,712	507,712	456,117
Fund balances-ending	\$62,630	\$584,108	\$521,478	\$507,712

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Jail
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Taxes	\$4,107,855	\$4,406,488	\$298,633	\$4,004,807
Intergovernmental	109,223	96,229	(12,994)	95,907
Charges for service	3,441,945	3,144,549	(297,396)	3,321,267
Miscellaneous	235,000	182,187	(52,813)	276,996
Total revenues	7,894,023	7,829,453	(64,570)	7,698,977
Expenditures				
Current:				
Public safety	14,732,566	14,242,904	489,662	13,807,591
Capital outlay	26,430	27,922	(1,492)	-
Total expenditures	14,758,996	14,270,826	488,170	13,807,591
Excess (deficiency) of revenues over expenditures	(6,864,973)	(6,441,373)	423,600	(6,108,614)
Other financing sources (uses)				
Transfers in	6,334,348	6,374,070	39,722	5,268,278
Transfers out	(679,089)	(685,517)	(6,428)	(411,522)
Capital lease proceeds	-	7,923	7,923	-
Total other financing sources (uses)	5,655,259	5,696,476	41,217	4,856,756
Net changes in fund balances	(1,209,713)	(744,897)	464,816	(1,251,858)
Fund balances-beginning	-	1,766,819	1,766,819	3,018,677
Prior period adjustments	-	745,150	745,150	-
Fund balances-beginning (restated)	-	2,511,969	2,511,969	3,018,677
Fund balances-ending	\$(1,209,713)	\$1,767,072	\$2,976,785	\$1,766,819

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Low-Income Housing
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Charges for service	\$205,000	\$207,982	\$2,982	\$211,100
Miscellaneous	-	(297)	(297)	(717)
Total revenues	205,000	207,685	2,685	210,383
Expenditures				
Current:				
Natural and economic environment	205,000	178,300	26,700	191,854
Total expenditures	205,000	178,300	26,700	191,854
Excess (deficiency) of revenues over expenditures	-	29,385	29,385	18,529
Fund balances-beginning	-	110,297	110,297	91,768
Fund balances-ending	\$-	\$139,682	\$139,682	\$110,297

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Homeless Housing
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$1,935,872	\$1,553,132	\$(382,740)	\$1,456,854
Charges for service	1,250,393	1,116,066	(134,327)	1,133,246
Miscellaneous	-	264	264	(1,288)
Total revenues	3,186,265	2,669,462	(516,803)	2,588,812
Expenditures				
Current:				
Social services	3,256,902	2,771,428	485,474	2,747,000
Total expenditures	3,256,902	2,771,428	485,474	2,747,000
Excess (deficiency) of revenues over expenditures	(70,637)	(101,966)	(31,329)	(158,188)
Other financing sources (uses)				
Transfers out	(75,024)	(66,974)	8,050	(67,995)
Total other financing sources (uses)	(75,024)	(66,974)	8,050	(67,995)
Net changes in fund balances	(145,661)	(168,940)	(23,279)	(226,183)
Fund balances-beginning	-	309,899	309,899	536,082
Fund balances-ending	\$(145,661)	\$140,959	\$286,620	\$309,899

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Stormwater
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$385,000	\$-	\$(385,000)	\$-
Charges for service	-	9,532	9,532	28,205
Miscellaneous	38,500	1,168	(37,332)	(2,522)
Total revenues	423,500	10,700	(412,800)	25,683
Expenditures				
Current:				
Natural and economic environment	1,406,130	813,150	592,980	698,141
Total expenditures	1,406,130	813,150	592,980	698,141
Excess (deficiency) of revenues over expenditures	(982,630)	(802,450)	180,180	(672,458)
Other financing sources (uses)				
Transfers in	1,052,694	967,009	(85,685)	750,154
Transfers out	(210,735)	(173,769)	36,966	(130,418)
Total other financing sources (uses)	841,959	793,240	(48,719)	619,736
Net changes in fund balances	(140,671)	(9,210)	131,461	(52,722)
Fund balances-beginning	-	665,513	665,513	718,235
Fund balances-ending	\$(140,671)	\$656,303	\$796,974	\$665,513

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Behavioral Health Program
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Taxes	\$3,900,000	\$4,405,258	\$505,258	\$4,002,512
Intergovernmental	101,375	101,375	-	101,214
Charges for service	20,000	28,564	8,564	126,996
Miscellaneous	40,000	85,550	45,550	31,586
Total revenues	4,061,375	4,620,747	559,372	4,262,308
Expenditures				
Current:				
Social services	3,302,481	2,734,310	568,171	2,762,475
Capital outlay	-	-	-	1,031
Total expenditures	3,302,481	2,734,310	568,171	2,763,506
Excess (deficiency) of revenues over expenditures	758,894	1,886,437	1,127,543	1,498,802
Other financing sources (uses)				
Transfers out	(1,086,039)	(1,037,956)	48,083	(885,833)
Total other financing sources (uses)	(1,086,039)	(1,037,956)	48,083	(885,833)
Net changes in fund balances	(327,145)	848,481	1,175,626	612,969
Fund balances-beginning	-	6,486,569	6,486,569	5,873,600
Prior period adjustments	-	745,038	745,038	-
Fund balances-beginning (restated)	-	7,231,607	7,231,607	5,873,600
Fund balances-ending	\$(327,145)	\$8,080,088	\$8,407,233	\$6,486,569

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Parks Special Revenue
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Charges for service	\$2,100	\$1,400	\$(700)	\$1,400
Miscellaneous	85,142	54,823	(30,319)	91,032
Total revenues	87,242	56,223	(31,019)	92,432
Other financing sources (uses)				
Transfers out	(100,000)	(28,847)	71,153	(70,247)
Total other financing sources (uses)	(100,000)	(28,847)	71,153	(70,247)
Net changes in fund balances	(12,758)	27,376	40,134	22,185
Fund balances-beginning	-	1,603,118	1,603,118	1,580,933
Fund balances-ending	\$(12,758)	\$1,630,494	\$1,643,252	\$1,603,118

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Countywide Emergency Medical Services
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Taxes	\$11,026,973	\$10,293,153	\$(733,820)	\$2,220,151
Intergovernmental	-	7,957	7,957	275,291
Charges for service	2,300,000	3,039,607	739,607	3,164,125
Miscellaneous	1,379	(5,742)	(7,121)	5,168
Total revenues	13,328,352	13,334,975	6,623	5,664,735
Expenditures				
Current:				
Public safety	9,577,609	9,267,927	309,682	7,479,467
Capital outlay	35,000	-	35,000	-
Total expenditures	9,612,609	9,267,927	344,682	7,479,467
Excess (deficiency) of revenues over expenditures	3,715,743	4,067,048	351,305	(1,814,732)
Other financing sources (uses)				
Sales of capital assets	-	30,820	30,820	-
Transfers in	-	-	-	1,380,737
Transfers out	(800,000)	(800,000)	-	(675,000)
Total other financing sources (uses)	(800,000)	(769,180)	30,820	705,737
Net changes in fund balances	2,915,743	3,297,868	382,125	(1,108,995)
Fund balances-beginning	-	259,658	259,658	1,368,653
Prior period adjustments	-	415,303	415,303	-
Fund balances-beginning (restated)	-	674,961	674,961	1,368,653
Fund balances-ending	\$2,915,743	\$3,972,829	\$1,057,086	\$259,658

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Trial Court Improvement
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$45,000	\$46,899	\$1,899	\$45,339
Miscellaneous	-	1,751	1,751	471
Total revenues	45,000	48,650	3,650	45,810
Expenditures				
Current:				
General government	-	-	-	6,373
Capital outlay	185,946	9,946	176,000	-
Total expenditures	185,946	9,946	176,000	6,373
Excess (deficiency) of revenues over expenditures	(140,946)	38,704	179,650	39,437
Other financing sources (uses)				
Transfers in	-	-	-	40,000
Transfers out	(23,730)	(23,730)	-	(16,608)
Total other financing sources (uses)	(23,730)	(23,730)	-	23,392
Net changes in fund balances	(164,676)	14,974	179,650	62,829
Fund balances-beginning	-	188,945	188,945	126,116
Fund balances-ending	\$(164,676)	\$203,919	\$368,595	\$188,945

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Solid Waste
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Taxes	\$773,000	\$882,146	\$109,146	\$817,070
Intergovernmental	198,560	15,330	(183,230)	284,989
Miscellaneous	12,000	5,438	(6,562)	(547)
Total revenues	983,560	902,914	(80,646)	1,101,512
Expenditures				
Current:				
Utilities	-	-	-	609,888
Social services	835,809	665,209	170,600	-
Total expenditures	835,809	665,209	170,600	609,888
Excess (deficiency) of revenues over expenditures	147,751	237,705	89,954	491,624
Other financing sources (uses)				
Transfers out	(391,346)	(289,893)	101,453	(290,075)
Total other financing sources (uses)	(391,346)	(289,893)	101,453	(290,075)
Net changes in fund balances	(243,595)	(52,188)	191,407	201,549
Fund balances-beginning	-	2,595,827	2,595,827	2,394,278
Fund balances-ending	\$(243,595)	\$2,543,639	\$2,787,234	\$2,595,827

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Convention Center
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Taxes	\$625,000	\$745,479	\$120,479	\$616,685
Miscellaneous	-	(3,130)	(3,130)	(5,166)
Total revenues	625,000	742,349	117,349	611,519
Expenditures				
Current:				
Natural and economic environment	669,000	613,955	55,045	-
Culture and recreation	9,000	3,590	5,410	612,343
Total expenditures	678,000	617,545	60,455	612,343
Excess (deficiency) of revenues over expenditures	(53,000)	124,804	177,804	(824)
Fund balances-beginning	-	1,249,293	1,249,293	1,250,117
Prior period adjustments	-	126,304	126,304	-
Fund balances-beginning (restated)	-	1,375,597	1,375,597	1,250,117
Fund balances-ending	\$(53,000)	\$1,500,401	\$1,553,401	\$1,249,293

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Victim/Witness Assistance
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Charges for service	\$66,250	\$68,688	\$2,438	\$69,256
Fines and penalties	25,000	22,432	(2,568)	22,828
Miscellaneous	-	(104)	(104)	(58)
Total revenues	91,250	91,016	(234)	92,026
Expenditures				
Current:				
General government	80,657	76,285	4,372	80,110
Total expenditures	80,657	76,285	4,372	80,110
Excess (deficiency) of revenues over expenditures	10,593	14,731	4,138	11,916
Other financing sources (uses)				
Transfers out	(13,787)	(13,787)	-	(13,507)
Total other financing sources (uses)	(13,787)	(13,787)	-	(13,507)
Net changes in fund balances	(3,194)	944	4,138	(1,591)
Fund balances-beginning	-	12,414	12,414	14,005
Fund balances-ending	\$(3,194)	\$13,358	\$16,552	\$12,414

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Drug
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Fines and penalties	\$170,000	\$445,674	\$275,674	\$101,036
Miscellaneous	3,500	22,539	19,039	8,560
Total revenues	173,500	468,213	294,713	109,596
Expenditures				
Current:				
Public safety	183,500	174,189	9,311	153,697
Capital outlay	250,000	216,313	33,687	-
Total expenditures	433,500	390,502	42,998	153,697
Excess (deficiency) of revenues over expenditures	(260,000)	77,711	337,711	(44,101)
Other financing sources (uses)				
Transfers out	(209,484)	-	209,484	-
Total other financing sources (uses)	(209,484)	-	209,484	-
Net changes in fund balances	(469,484)	77,711	547,195	(44,101)
Fund balances-beginning	-	432,292	432,292	476,393
Fund balances-ending	\$(469,484)	\$510,003	\$979,487	\$432,292

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Auditor's O & M
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$80,000	\$94,383	\$14,383	\$88,568
Charges for service	70,050	93,908	23,858	96,039
Fines and penalties	-	-	-	-
Miscellaneous	-	(802)	(802)	(1,449)
Total revenues	150,050	187,489	37,439	183,158
Expenditures				
Current:				
General government	242,592	156,558	86,034	116,933
Capital outlay	-	-	-	7,500
Total expenditures	242,592	156,558	86,034	124,433
Excess (deficiency) of revenues over expenditures	(92,542)	30,931	123,473	58,725
Fund balances-beginning	-	369,301	369,301	310,576
Fund balances-ending	\$(92,542)	\$400,232	\$492,774	\$369,301

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Emergency Management
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$152,362	\$226,430	\$74,068	\$163,921
Charges for service	146,496	166,496	20,000	173,956
Miscellaneous	173,418	105,464	(67,954)	47,395
Total revenues	472,276	498,390	26,114	385,272
Expenditures				
Current:				
Public safety	744,078	631,131	112,947	479,593
Capital outlay	146,956	208,117	(61,161)	23,237
Total expenditures	891,034	839,248	51,786	502,830
Excess (deficiency) of revenues over expenditures	(418,758)	(340,858)	77,900	(117,558)
Other financing sources (uses)				
Transfers in	322,007	317,660	(4,347)	229,481
Transfers out	(15,441)	(15,441)	-	(25,831)
Capital lease proceeds	-	-	-	9,921
Total other financing sources (uses)	306,566	302,219	(4,347)	213,571
Net changes in fund balances	(112,192)	(38,639)	73,553	96,013
Fund balances-beginning	-	258,497	258,497	162,484
Prior period adjustments	-	(40,000)	(40,000)	-
Fund balances-beginning (restated)	-	218,497	218,497	162,484
Fund balances-ending	\$(112,192)	\$179,858	\$292,050	\$258,497

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Flood Control Zone District
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Taxes	\$3,551,272	\$3,538,330	\$(12,942)	\$3,449,595
Intergovernmental	2,539,071	2,373,694	(165,377)	335,030
Charges for service	298,616	194,171	(104,445)	30,050
Miscellaneous	68,780	188,025	119,245	242,434
Total revenues	6,457,739	6,294,220	(163,519)	4,057,109
Expenditures				
Current:				
Natural and economic environment	9,941,547	6,328,775	3,612,772	3,704,410
Capital outlay	428,000	120,457	307,543	43,645
Total expenditures	10,369,547	6,449,232	3,920,315	3,748,055
Excess (deficiency) of revenues over expenditures	(3,911,808)	(155,012)	3,756,796	309,054
Other financing sources (uses)				
Sales of capital assets	45,000	19,811	(25,189)	18,078
Transfers in	15,000	409,387	394,387	-
Transfers out	(1,732,338)	(1,553,123)	179,215	(1,192,701)
Total other financing sources (uses)	(1,672,338)	(1,123,925)	548,413	(1,174,623)
Net changes in fund balances	(5,584,146)	(1,278,937)	4,305,209	(865,569)
Fund balances-beginning	-	10,558,165	10,558,165	11,423,734
Fund balances-ending	\$(5,584,146)	\$9,279,228	\$14,863,374	\$10,558,165

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Point Roberts Transportation Benefit District
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Taxes	\$75,000	\$65,313	\$(9,687)	\$68,373
Fines and penalties	-	458	458	492
Miscellaneous	-	(2,026)	(2,026)	(3,469)
Total revenues	75,000	63,745	(11,255)	65,396
Expenditures				
Current:				
Transportation	-	2,002	(2,002)	-
Total expenditures	-	2,002	(2,002)	-
Excess (deficiency) of revenues over expenditures	75,000	61,743	(13,257)	65,396
Other financing sources (uses)				
Transfers out	(150,000)	-	150,000	-
Total other financing sources (uses)	(150,000)	-	150,000	-
Net changes in fund balances	(75,000)	61,743	136,743	65,396
Fund balances-beginning	-	899,571	899,571	834,175
Fund balances-ending	\$(75,000)	\$961,314	\$1,036,314	\$899,571

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Conservation Futures
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Taxes	\$1,098,338	\$1,098,017	\$(321)	\$1,071,294
Intergovernmental	-	25,043	25,043	-
Miscellaneous	82,700	72,091	(10,609)	(11,310)
Total revenues	1,181,038	1,195,151	14,113	1,059,984
Expenditures				
Current:				
Natural and economic environment	121,837	96,287	25,550	87,748
Capital outlay	201,485	166,581	34,904	408,963
Total expenditures	323,322	262,868	60,454	496,711
Excess (deficiency) of revenues over expenditures	857,716	932,283	74,567	563,273
Other financing sources (uses)				
Sales of capital assets	10,000	6,149	(3,851)	5,615
Transfers out	(175,500)	(159,886)	15,614	(170,114)
Total other financing sources (uses)	(165,500)	(153,737)	11,763	(164,499)
Net changes in fund balances	692,216	778,546	86,330	398,774
Fund balances-beginning	-	2,859,785	2,859,785	2,461,011
Fund balances-ending	\$692,216	\$3,638,331	\$2,946,115	\$2,859,785

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Road Improvement Districts
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Fines and penalties	\$-	\$18	\$18	\$16
Miscellaneous	28,055	30,504	2,449	27,299
Total revenues	28,055	30,522	2,467	27,315
Expenditures				
Current:				
Transportation	36,800	34,265	2,535	36,848
Total expenditures	36,800	34,265	2,535	36,848
Excess (deficiency) of revenues over expenditures	(8,745)	(3,743)	5,002	(9,533)
Other financing sources (uses)				
Transfers out	(1,093)	-	1,093	-
Total other financing sources (uses)	(1,093)	-	1,093	-
Net changes in fund balances	(9,838)	(3,743)	6,095	(9,533)
Fund balances-beginning	-	16,832	16,832	26,365
Fund balances-ending	\$(9,838)	\$13,089	\$22,927	\$16,832

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Lynden/Everson Sub-Zone
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Fines and penalties	\$-	\$106	\$106	\$71
Miscellaneous	37,788	40,641	2,853	37,733
Total revenues	37,788	40,747	2,959	37,804
Expenditures				
Current:				
Natural and economic environment	150,000	80,920	69,080	87,240
Total expenditures	150,000	80,920	69,080	87,240
Excess (deficiency) of revenues over expenditures	(112,212)	(40,173)	72,039	(49,436)
Fund balances-beginning	-	260,160	260,160	309,596
Fund balances-ending	\$(112,212)	\$219,987	\$332,199	\$260,160

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Sumas/Nooksack/Everson Sub-Zone
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Fines and penalties	\$-	\$370	\$370	\$363
Miscellaneous	114,960	120,702	5,742	114,302
Total revenues	114,960	121,072	6,112	114,665
Expenditures				
Current:				
Natural and economic environment	177,500	18,108	159,392	46,973
Total expenditures	177,500	18,108	159,392	46,973
Excess (deficiency) of revenues over expenditures	(62,540)	102,964	165,504	67,692
Other financing sources (uses)				
Transfers out	(30,000)	(38,419)	(8,419)	-
Total other financing sources (uses)	(30,000)	(38,419)	(8,419)	-
Net changes in fund balances	(92,540)	64,545	157,085	67,692
Fund balances-beginning	-	1,162,073	1,162,073	1,094,381
Fund balances-ending	\$(92,540)	\$1,226,618	\$1,319,158	\$1,162,073

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Acme/Van Zandt Sub-Zone
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Fines and penalties	\$-	\$64	\$64	\$78
Miscellaneous	23,382	24,317	935	23,026
Total revenues	23,382	24,381	999	23,104
Expenditures				
Current:				
Natural and economic environment	36,670	101	36,569	10,110
Total expenditures	36,670	101	36,569	10,110
Excess (deficiency) of revenues over expenditures	(13,288)	24,280	37,568	12,994
Fund balances-beginning	-	278,515	278,515	265,521
Fund balances-ending	\$(13,288)	\$302,795	\$316,083	\$278,515

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Samish Watershed Sub-Zone
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Fines and penalties	\$-	\$14	\$14	\$43
Miscellaneous	19,139	19,188	49	19,136
Total revenues	19,139	19,202	63	19,179
Expenditures				
Current:				
Natural and economic environment	21,205	6,306	14,899	13,380
Total expenditures	21,205	6,306	14,899	13,380
Excess (deficiency) of revenues over expenditures	(2,066)	12,896	14,962	5,799
Fund balances-beginning	-	99,970	99,970	94,171
Fund balances-ending	\$(2,066)	\$112,866	\$114,932	\$99,970

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Birch Bay Sub-Zone
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Fines and penalties	\$2,500	\$2,797	\$297	\$1,688
Miscellaneous	764,000	768,637	4,637	740,069
Total revenues	766,500	771,434	4,934	741,757
Expenditures				
Current:				
Natural and economic environment	649,411	430,244	219,167	545,321
Capital outlay	159,903	18,213	141,690	216,404
Total expenditures	809,315	448,457	360,857	761,725
Excess (deficiency) of revenues over expenditures	(42,815)	322,977	365,791	(19,968)
Other financing sources (uses)				
Transfers in	-	-	-	200,000
Transfers out	(67,337)	(68,457)	(1,120)	(81,625)
Total other financing sources (uses)	(67,337)	(68,457)	(1,120)	118,375
Net changes in fund balances	(110,151)	254,520	364,671	98,407
Fund balances-beginning	-	1,571,373	1,571,373	1,472,966
Fund balances-ending	\$(110,151)	\$1,825,893	\$1,936,044	\$1,571,373

	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	\$-	\$-	\$1,004	\$1,004
Total assets	\$-	\$-	\$1,004	\$1,004
Fund balances:				
Restricted	\$-	\$-	\$1,004	\$1,004
Total fund balances	-	-	1,004	1,004
Total liabilities and fund balances	\$-	\$-	\$1,004	\$1,004

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2017



	CRID No. 9 General Debt	2003 Ltd. Tax GO Bond	2010 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
Revenues				
Miscellaneous	\$-	\$-	\$(4)	\$(4)
Total revenues	-	-	(4)	(4)
Expenditures				
Current:				
Principal	-	-	355,000	355,000
Interest	-	-	121,013	121,013
Total expenditures	-	-	476,013	476,013
Excess (deficiency) of revenues over expenditures	-	-	(476,017)	(476,017)
Other financing sources (uses)				
Transfers in	-	-	476,413	476,413
Total other financing sources (uses)	-	-	476,413	476,413
Net changes in fund balances	-	-	396	396
Fund balances-beginning	-	-	608	608
Fund balances-ending	\$-	\$-	\$1,004	\$1,004

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2010 Ltd Tax GO Bond
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017			2016
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(4)	\$(4)	\$(2)
Total revenues	-	(4)	(4)	(2)
Expenditures				
Debt service:				
Principal	355,000	355,000	-	330,000
Interest	121,413	121,013	400	134,213
Total expenditures	476,413	476,013	400	464,213
Excess (deficiency) of revenues over expenditures	(476,413)	(476,017)	396	(464,215)
Other financing sources (uses)				
Transfers in	476,413	476,413	-	464,218
Total other financing sources (uses)	476,413	476,413	-	464,218
Net changes in fund balances	-	396	396	3
Fund balances-beginning	-	608	-	605
Fund balances-ending	\$-	\$1,004	\$396	\$608

	Real Estate Excise Tax II	Real Estate Excise Tax I	County Park Improvement	Civic Center Building Improvement	East Whatcom Regional Resource Center Construction	2010 Jail Improvement
Assets						
Cash, cash equivalents and pooled investments	\$2,904,250	\$4,031,852	\$1	\$2,455,229	\$314,253	\$26,690
Investments	-	-	1,255	-	-	219,861
Accounts receivable, net	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Interfund loan receivable	700,000	-	-	-	-	-
Due from other governments	-	-	-	-	8,422	-
Total assets	\$3,604,250	\$4,031,852	\$1,256	\$2,455,229	\$322,675	\$246,551
Liabilities and fund balances						
Liabilities						
Accounts payable	\$11,243	\$75,105	\$-	\$-	\$8,847	\$66,924
Interfund payable	6,560	-	-	-	-	-
Interfund loans payable	-	-	-	-	-	-
Total liabilities	17,803	75,105	-	-	8,847	66,924
Fund balances:						
Restricted	3,586,447	3,956,747	1,256	2,455,229	313,828	179,627
Committed	-	-	-	-	-	-
Total fund balances	3,586,447	3,956,747	1,256	2,455,229	313,828	179,627
Total liabilities and fund balances	\$3,604,250	\$4,031,852	\$1,256	\$2,455,229	\$322,675	\$246,551

	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	Sheriff's Record Management System Prjt	New Jail Project
Assets						
Cash, cash equivalents and pooled investments	\$2,531,450	\$5,028,158	\$-	\$1,148,284	\$183,367	\$2,672,549
Investments	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	\$2,531,450	\$5,028,158	\$-	\$1,148,284	\$183,367	\$2,672,549
Liabilities and fund balances						
Liabilities						
Accounts payable	\$216,124	\$40,215	\$-	\$-	\$-	\$5,278
Interfund payable	-	-	-	-	-	-
Interfund loans payable	-	-	-	-	-	-
Total liabilities	216,124	40,215	-	-	-	5,278
Fund balances:						
Restricted	2,315,326	4,987,943	-	1,148,284	-	-
Committed	-	-	-	-	183,367	2,667,271
Total fund balances	2,315,326	4,987,943	-	1,148,284	183,367	2,667,271
Total liabilities and fund balances	\$2,531,450	\$5,028,158	\$-	\$1,148,284	\$183,367	\$2,672,549

Nesset Farm Restoration	State St Building Acquisition and Improvement	Slater Rd Intersections Project	Dakota Cr Bridge No.500 Project	Telecommunications System Replacement	Hannegan Rd/ Nooksack River Bridge No. 252	2015 County Roadway Safety Program	Courthouse Improvement	2015 Girard Street Building Improvement
\$8,332	\$2,577,130	\$-	\$-	\$665,300	\$-	\$20,543	\$870,258	\$438,095
-	-	-	-	-	-	-	-	-
102	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	34,113	-	-
<u>\$8,434</u>	<u>\$2,577,130</u>	<u>\$-</u>	<u>\$-</u>	<u>\$665,300</u>	<u>\$-</u>	<u>\$54,656</u>	<u>\$870,258</u>	<u>\$438,095</u>
\$8,500	\$2,689	\$-	\$-	\$2,011	\$-	\$-	\$18,156	\$-
-	3,260	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>8,500</u>	<u>5,949</u>	<u>-</u>	<u>-</u>	<u>2,011</u>	<u>-</u>	<u>-</u>	<u>18,156</u>	<u>-</u>
(66)	-	-	-	-	-	54,656	-	-
-	2,571,181	-	-	663,289	-	-	852,102	438,095
(66)	2,571,181	-	-	663,289	-	54,656	852,102	438,095
<u>\$8,434</u>	<u>\$2,577,130</u>	<u>\$-</u>	<u>\$-</u>	<u>\$665,300</u>	<u>\$-</u>	<u>\$54,656</u>	<u>\$870,258</u>	<u>\$438,095</u>

	Courthouse Building Envelope Project	2015 Central Plaza Improvement	2015 Silver Lake Park Improvement	2015 Lighthouse Marine Park Improvement	2015 South Fork Park Improvement	Academy Rd Storm Water Imprvmnts
Assets						
Cash, cash equivalents and pooled investments	\$2,581,150	\$-	\$758,157	\$145,247	\$78,152	\$1
Investments	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-
Interfund receivable	-	-	6,560	-	-	-
Interfund loan receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	\$2,581,150	\$-	\$764,717	\$145,247	\$78,152	\$1
Liabilities and fund balances						
Liabilities						
Accounts payable	\$57,001	\$-	\$7,434	\$25,736	\$14,306	\$-
Interfund payable	-	-	-	-	-	-
Interfund loans payable	-	-	-	-	-	-
Total liabilities	57,001	-	7,434	25,736	14,306	-
Fund balances:						
Restricted	-	-	-	-	-	1
Committed	2,524,149	-	757,283	119,511	63,846	-
Total fund balances	2,524,149	-	757,283	119,511	63,846	1
Total liabilities and fund balances	\$2,581,150	\$-	\$764,717	\$145,247	\$78,152	\$1

Combining Balance Sheet
 Non-Major Capital Project Funds
 December 31, 2017

Agate Heights Estate/ Bay Lane Storm Water Imprvmnts	Cedar Hills/ Euclid Storm Water Imprvmnts	Criminal Justice Integrated Case Mgmt System Projects	Integrated Land Records and Permit Management System Projects	S Pass Rd/Saar Ck BridgeNo. 212	Sudden Valley Storm Water Imprvmnts	Hovander Park Building Imprvmnts	Lake Whatcom Park Trail Development	Total Non Major Capital Project Funds
\$541,300	\$697,686	\$551,538	\$1,853,021	\$-	\$773,913	\$249,022	\$369,071	\$34,473,999
-	-	-	-	-	-	-	-	221,116
-	-	-	-	-	-	-	-	102
-	-	-	564,331	-	-	-	-	570,891
-	-	-	-	-	-	-	-	700,000
-	-	-	-	-	-	-	-	42,535
<u>\$541,300</u>	<u>\$697,686</u>	<u>\$551,538</u>	<u>\$2,417,352</u>	<u>\$-</u>	<u>\$773,913</u>	<u>\$249,022</u>	<u>\$369,071</u>	<u>\$36,008,643</u>
\$16,830	\$-	\$-	\$145,268	\$-	\$-	\$-	\$1,820	\$723,487
-	-	-	-	-	-	-	-	9,820
-	700,000	-	-	-	-	-	-	700,000
<u>16,830</u>	<u>700,000</u>	<u>-</u>	<u>145,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,820</u>	<u>1,433,307</u>
524,470	(2,314)	-	-	-	773,913	249,022	367,251	20,911,620
-	-	551,538	2,272,084	-	-	-	-	13,663,716
<u>524,470</u>	<u>(2,314)</u>	<u>551,538</u>	<u>2,272,084</u>	<u>-</u>	<u>773,913</u>	<u>249,022</u>	<u>367,251</u>	<u>34,575,336</u>
<u>\$541,300</u>	<u>\$697,686</u>	<u>\$551,538</u>	<u>\$2,417,352</u>	<u>\$-</u>	<u>\$773,913</u>	<u>\$249,022</u>	<u>\$369,071</u>	<u>\$36,008,643</u>

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2017

	Real Estate Excise Tax II	Real Estate Excise Tax I	County Park Improvement	Civic Center Building Improvement	East Whatcom Regional Resource Ctr Construction	2010 Jail Improvement
Revenues						
Taxes	\$2,253,928	\$2,253,927	\$-	\$-	\$-	\$-
Intergovernmental	-	-	-	-	23,242	-
Miscellaneous	(7,465)	(5,763)	17	(4,177)	(448)	5,184
Total revenues	<u>2,246,463</u>	<u>2,248,164</u>	<u>17</u>	<u>(4,177)</u>	<u>22,794</u>	<u>5,184</u>
Expenditures						
Current:						
General government	-	143,946	-	-	-	-
Public safety	-	-	-	-	-	321,605
Culture and recreation	189,091	6,700	-	-	-	-
Capital outlay	682	-	-	-	37,852	-
Total expenditures	<u>189,773</u>	<u>150,646</u>	<u>-</u>	<u>-</u>	<u>37,852</u>	<u>321,605</u>
Excess (deficiency) of revenues over expenditures	<u>2,056,690</u>	<u>2,097,518</u>	<u>17</u>	<u>(4,177)</u>	<u>(15,058)</u>	<u>(316,421)</u>
Other financing sources (uses)						
Transfers in	-	8,260	-	-	-	-
Transfers out	(1,527,426)	(2,359,403)	-	-	-	-
Total other financing sources (uses)	<u>(1,527,426)</u>	<u>(2,351,143)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>529,264</u>	<u>(253,625)</u>	<u>17</u>	<u>(4,177)</u>	<u>(15,058)</u>	<u>(316,421)</u>
Fund balances-beginning	<u>3,057,183</u>	<u>4,210,372</u>	<u>1,239</u>	<u>2,459,406</u>	<u>328,886</u>	<u>496,048</u>
Fund balances-ending	<u>\$3,586,447</u>	<u>\$3,956,747</u>	<u>\$1,256</u>	<u>\$2,455,229</u>	<u>\$313,828</u>	<u>\$179,627</u>

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2017

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	Sheriff's Record Management System Prjt	New Jail Project	Nesset Farm Restoration	State St Building Acquisition and Improvement	Slater Rd Intersections Project
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
-	-	-	326,859	-	-	-	-	-
(12,043)	(37,597)	716	(4,270)	(260)	(4,344)	183,978	(4,043)	1,755
(12,043)	(37,597)	716	322,589	(260)	(4,344)	183,978	(4,043)	1,755
-	-	-	-	-	-	-	61,091	-
-	-	-	-	8,693	-	-	-	-
-	-	-	-	-	-	-	-	-
869,878	1,122,257	6	289,230	-	38,120	183,467	-	-
869,878	1,122,257	6	289,230	8,693	38,120	183,467	61,091	-
(881,921)	(1,159,854)	710	33,359	(8,953)	(42,464)	511	(65,134)	1,755
2,000,000	5,990,000	-	-	-	-	-	-	-
-	-	(300,351)	-	-	-	-	-	(287,155)
2,000,000	5,990,000	(300,351)	-	-	-	-	-	(287,155)
1,118,079	4,830,146	(299,641)	33,359	(8,953)	(42,464)	511	(65,134)	(285,400)
1,197,247	157,797	299,641	1,114,925	192,320	2,709,735	(577)	2,636,315	285,400
\$2,315,326	\$4,987,943	\$-	\$1,148,284	\$183,367	\$2,667,271	\$(66)	\$2,571,181	\$-

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2017

	Dakota Cr Bridge No.500 Project	Telecomm- unications System Replacement	Hannegan Rd/ Nooksack River Bridge No. 252	2015 County Roadway Safety Program	Courthouse Improvement	2015 Girard Street Building Improvement
Revenues						
Taxes	\$-	\$-	\$-	\$-	\$-	\$-
Intergovernmental	33,510	-	17,497	100,653	-	-
Miscellaneous	1,981	(981)	1,519	2,796	(6,000)	(745)
Total revenues	35,491	(981)	19,016	103,449	(6,000)	(745)
Expenditures						
Current:						
General government	-	-	-	-	94,590	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	23,314	1,871	92,787	-	-
Total expenditures	-	23,314	1,871	92,787	94,590	-
Excess (deficiency) of revenues over expenditures	35,491	(24,295)	17,145	10,662	(100,590)	(745)
Other financing sources (uses)						
Transfers in	-	-	-	-	811,907	-
Transfers out	(358,380)	-	(16,323)	-	-	-
Total other financing sources (uses)	(358,380)	-	(16,323)	-	811,907	-
Net changes in fund balances	(322,889)	(24,295)	822	10,662	711,317	(745)
Fund balances-beginning	322,889	687,584	(822)	43,994	140,785	438,840
Fund balances-ending	\$-	\$663,289	\$-	\$54,656	\$852,102	\$438,095

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2017

Courthouse Building Envelope Project	2015 Central Plaza Improvement	2015 Silver Lake Park Improvement	2015 Lighthouse Marine Park Improvement	2015 South Fork Park Improvement	Academy Rd Storm Water Imprvmnts	Agate Heights Estate/ Bay Lane Storm Water Imprvmnts	Cedar Hills/ Euclid Storm Water Imprvmnts	Criminal Justice Integrated Case Mgmt System Projects
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
-	-	-	-	-	22,490	-	161,910	-
(18,895)	110	(1,078)	94	597	978	29	(4,180)	(699)
(18,895)	110	(1,078)	94	597	23,468	29	157,730	(699)
113,780	6,210	-	-	-	-	-	-	39,022
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	36,627	88,585	132,913	33,446	167,836	200,041	-
113,780	6,210	36,627	88,585	132,913	33,446	167,836	200,041	39,022
(132,675)	(6,100)	(37,705)	(88,491)	(132,316)	(9,978)	(167,807)	(42,311)	(39,721)
2,427,809	-	-	-	-	29,427	-	-	-
-	(8,260)	-	-	-	-	-	-	-
2,427,809	(8,260)	-	-	-	29,427	-	-	-
2,295,134	(14,360)	(37,705)	(88,491)	(132,316)	19,449	(167,807)	(42,311)	(39,721)
229,015	14,360	794,988	208,002	196,162	(19,448)	692,277	39,997	591,259
\$2,524,149	\$-	\$757,283	\$119,511	\$63,846	\$1	\$524,470	\$(2,314)	\$551,538

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2017

Whatcom County

W A S H I N G T O N

Page 5 of 5

	Integrated Land Records and Permit Management System Projects	S Pass Rd/Saar Ck BridgeNo. 212	Sudden Valley Storm Water Imprvmnts	Hovander Park Building Imprvmnts	Lake Whatcom Park Trail Development	Total Non Major Capital Project Funds
Revenues						
Taxes	\$-	\$-	\$-	\$-	\$-	\$4,507,855
Intergovernmental	-	-	-	-	-	686,161
Miscellaneous	(8,115)	3,617	(6,087)	(1,443)	(2,904)	71,834
Total revenues	(8,115)	3,617	(6,087)	(1,443)	(2,904)	5,265,850
Expenditures						
Current:						
General government	90,800	-	-	-	-	549,439
Public safety	-	-	-	-	-	330,298
Culture and recreation	-	-	-	-	-	195,791
Capital outlay	122,667	7,193	-	24,535	72,845	3,546,152
Total expenditures	213,467	7,193	-	24,535	72,845	4,621,680
Excess (deficiency) of revenues over expenditures	(221,582)	(3,576)	(6,087)	(25,978)	(75,749)	644,170
Other financing sources (uses)						
Transfers in	1,448,327	-	780,000	275,000	443,000	14,213,730
Transfers out	-	(443,540)	-	-	-	(5,300,838)
Total other financing sources (uses)	1,448,327	(443,540)	780,000	275,000	443,000	8,912,892
Net changes in fund balances	1,226,745	(447,116)	773,913	249,022	367,251	9,557,062
Fund balances-beginning	1,045,339	447,116	-	-	-	25,018,274
Fund balances-ending	\$2,272,084	\$-	\$773,913	\$249,022	\$367,251	\$34,575,336

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Real Estate Excise Tax II
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

Whatcom County

WASHINGTON

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Taxes	\$2,000,710	\$2,253,928	\$253,218	\$1,960,741
Intergovernmental	-	-	-	6,822
Miscellaneous	-	(7,465)	(7,465)	(8,616)
Total revenues	2,000,710	2,246,463	245,753	1,958,947
Expenditures				
Current:				
Natural and economic environment	-	-	-	54,177
Culture and recreation	16,820	189,091	(172,271)	39,453
Capital outlay	345,000	682	344,318	28,913
Total expenditures	361,820	189,773	172,047	122,543
Excess (deficiency) of revenues over expenditures	1,638,890	2,056,690	417,800	1,836,404
Other financing sources (uses)				
Transfers out	(1,829,562)	(1,527,426)	302,136	(1,831,383)
Total other financing sources (uses)	(1,829,562)	(1,527,426)	302,136	(1,831,383)
Net changes in fund balances	(190,672)	529,264	719,936	5,021
Fund balances-beginning	-	3,057,183	3,057,183	3,052,162
Fund balances-ending	\$(190,672)	\$3,586,447	\$3,777,119	\$3,057,183

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Real Estate Excise Tax I
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Taxes	\$2,000,710	\$2,253,927	\$253,217	\$1,960,741
Miscellaneous	-	(5,763)	(5,763)	101,331
Total revenues	2,000,710	2,248,164	247,454	2,062,072
Expenditures				
Current:				
General government	174,011	143,946	30,065	337,819
Culture and recreation	-	6,700	(6,700)	1,765
Capital outlay	479,975	-	479,975	210,872
Total expenditures	653,986	150,646	503,340	550,456
Excess (deficiency) of revenues over expenditures	1,346,724	2,097,518	750,794	1,511,616
Other financing sources (uses)				
Transfers in	-	8,260	8,260	-
Transfers out	(2,359,403)	(2,359,403)	-	(424,000)
Total other financing sources (uses)	(2,359,403)	(2,351,143)	8,260	(424,000)
Net changes in fund balances	(1,012,679)	(253,625)	759,054	1,087,616
Fund balances-beginning	-	4,210,372	4,210,372	3,122,756
Fund balances-ending	\$(1,012,679)	\$3,956,747	\$4,969,426	\$4,210,372

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Civic Center Building Improvement
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

Whatcom County

W A S H I N G T O N

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(4,177)	\$(4,177)	\$(9,002)
Total revenues	-	(4,177)	(4,177)	(9,002)
Expenditures				
Current:				
Capital outlay	2,441,593	-	2,441,593	5,060
Total expenditures	2,441,593	-	2,441,593	5,060
Excess (deficiency) of revenues over expenditures	(2,441,593)	(4,177)	2,437,416	(14,062)
Fund balances-beginning	-	2,459,406	2,459,406	2,473,468
Fund balances-ending	\$(2,441,593)	\$2,455,229	\$4,896,822	\$2,459,406

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 East Whatcom Regional Resource Ctr Construction
 Year Ended December 31, 2017
 (With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$620,570	\$23,242	\$(597,328)	\$129,430
Miscellaneous	-	(448)	(448)	(1,661)
Total revenues	620,570	22,794	(597,776)	127,769
Expenditures				
Current:				
Capital outlay	951,290	37,852	913,438	245,067
Total expenditures	951,290	37,852	913,438	245,067
Excess (deficiency) of revenues over expenditures	(330,720)	(15,058)	315,662	(117,298)
Other financing sources (uses)				
Transfers in	-	-	-	300,000
Total other financing sources (uses)	-	-	-	300,000
Net changes in fund balances	(330,720)	(15,058)	315,662	182,702
Fund balances-beginning	-	328,886	328,886	146,184
Fund balances-ending	\$(330,720)	\$313,828	\$644,548	\$328,886

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2010 Jail Improvement
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$5,184	\$5,184	\$5,491
Total revenues	-	5,184	5,184	5,491
Expenditures				
Current:				
Public safety	-	321,605	(321,605)	-
Capital outlay	457,743	-	457,743	242,223
Total expenditures	457,743	321,605	136,138	242,223
Excess (deficiency) of revenues over expenditures	(457,743)	(316,421)	141,322	(236,732)
Fund balances-beginning	-	496,048	496,048	732,780
Fund balances-ending	\$(457,743)	\$179,627	\$637,370	\$496,048

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Lummi Nation Lease
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(12,043)	\$(12,043)	\$(2,925)
Total revenues	-	(12,043)	(12,043)	(2,925)
Expenditures				
Current:				
Capital outlay	1,205,118	869,878	335,240	794,882
Total expenditures	1,205,118	869,878	335,240	794,882
Excess (deficiency) of revenues over expenditures	(1,205,118)	(881,921)	323,197	(797,807)
Other financing sources (uses)				
Transfers in	-	2,000,000	2,000,000	-
Total other financing sources (uses)	-	2,000,000	2,000,000	-
Net changes in fund balances	(1,205,118)	1,118,079	2,323,197	(797,807)
Fund balances-beginning	-	1,197,247	1,197,247	1,995,054
Fund balances-ending	\$(1,205,118)	\$2,315,326	\$3,520,444	\$1,197,247

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Birch Bay Drive & Pedestrian Facility Project
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017			2016
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$1,610,000	\$-	\$(1,610,000)	\$157,870
Miscellaneous	-	(37,597)	(37,597)	(729)
Total revenues	1,610,000	(37,597)	(1,647,597)	157,141
Expenditures				
Current:				
Capital outlay	9,357,648	1,122,257	8,235,391	625,006
Total expenditures	9,357,648	1,122,257	8,235,391	625,006
Excess (deficiency) of revenues over expenditures	(7,747,648)	(1,159,854)	6,587,794	(467,865)
Other financing sources (uses)				
Transfers in	7,587,896	5,990,000	(1,597,896)	-
Total other financing sources (uses)	7,587,896	5,990,000	(1,597,896)	-
Net changes in fund balances	(159,752)	4,830,146	4,989,898	(467,865)
Fund balances-beginning	-	157,797	157,797	625,662
Fund balances-ending	\$(159,752)	\$4,987,943	\$5,147,695	\$157,797

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, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$400,226	\$-	\$(400,226)	\$210,563
Miscellaneous	-	716	716	2,045
Total revenues	400,226	716	(399,510)	212,608
Expenditures				
Current:				
Capital outlay	164,707	6	164,701	35,993
Total expenditures	164,707	6	164,701	35,993
Excess (deficiency) of revenues over expenditures	235,519	710	(234,809)	176,615
Other financing sources (uses)				
Transfers out	-	(300,351)	(300,351)	-
Total other financing sources (uses)	-	(300,351)	(300,351)	-
Net changes in fund balances	235,519	(299,641)	(535,160)	176,615
Fund balances-beginning	-	299,641	299,641	123,026
Fund balances-ending	\$235,519	\$-	\$(235,519)	\$299,641

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, 2017
 (With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$1,958,702	\$326,859	\$(1,631,843)	\$1,852,214
Miscellaneous	-	(4,270)	(4,270)	(3,278)
Total revenues	1,958,702	322,589	(1,636,113)	1,848,936
Expenditures				
Current:				
Capital outlay	1,028,389	289,230	739,159	1,192,513
Total expenditures	1,028,389	289,230	739,159	1,192,513
Excess (deficiency) of revenues over expenditures	930,313	33,359	(896,954)	656,423
Fund balances-beginning	-	1,114,925	1,114,925	458,502
Fund balances-ending	\$930,313	\$1,148,284	\$217,971	\$1,114,925

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Sheriff's Record Mgmt System Project
 Year Ended December 31, 2017
 (With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(260)	\$(260)	\$(519)
Total revenues	-	(260)	(260)	(519)
Expenditures				
Current:				
Public safety	-	8,693	(8,693)	-
Capital outlay	193,503	-	193,503	2,799
Total expenditures	193,503	8,693	184,810	2,799
Excess (deficiency) of revenues over expenditures	(193,503)	(8,953)	184,550	(3,318)
Fund balances-beginning	-	192,320	192,320	195,638
Fund balances-ending	\$(193,503)	\$183,367	\$376,870	\$192,320

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
New Jail Project
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(4,344)	\$(4,344)	\$(12,286)
Total revenues	-	(4,344)	(4,344)	(12,286)
Expenditures				
Current:				
Capital outlay	172,203	38,120	134,083	13,537
Total expenditures	172,203	38,120	134,083	13,537
Excess (deficiency) of revenues over expenditures	(172,203)	(42,464)	129,739	(25,823)
Other financing sources (uses)				
Transfers in	-	-	-	1,000,000
Total other financing sources (uses)	-	-	-	1,000,000
Net changes in fund balances	(172,203)	(42,464)	129,739	974,177
Fund balances-beginning	-	2,709,735	2,709,735	1,735,558
Fund balances-ending	\$(172,203)	\$2,667,271	\$2,839,474	\$2,709,735

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Nessel Farm Restoration
 Year Ended December 31, 2017
 (With comparative totals for December 31, 2016)

	2017		Variance	2016
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$246,690	\$183,978	\$(62,712)	\$2,265
Total revenues	246,690	183,978	(62,712)	2,265
Expenditures				
Current:				
Capital outlay	246,690	183,467	63,223	2,597
Total expenditures	246,690	183,467	63,223	2,597
Excess (deficiency) of revenues over expenditures	-	511	511	(332)
Fund balances-beginning	-	(577)	(577)	(245)
Fund balances-ending	\$-	\$(66)	\$(66)	\$(577)

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
State St Building Acquisition & Improv.
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

Whatcom County

W A S H I N G T O N

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(4,043)	\$(4,043)	\$(9,576)
Total revenues	-	(4,043)	(4,043)	(9,576)
Expenditures				
Current:				
General government	-	61,091	(61,091)	-
Capital outlay	2,652,545	-	2,652,545	34,479
Total expenditures	2,652,545	61,091	2,591,454	34,479
Excess (deficiency) of revenues over expenditures	(2,652,545)	(65,134)	2,587,411	(44,055)
Fund balances-beginning	-	2,636,315	2,636,315	2,680,370
Fund balances-ending	\$(2,652,545)	\$2,571,181	\$5,223,726	\$2,636,315

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Slater Rd Intersections Project
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$1,755	\$1,755	\$(647)
Total revenues	-	1,755	1,755	(647)
Expenditures				
Current:				
Capital outlay	286,261	-	286,261	102,989
Total expenditures	286,261	-	286,261	102,989
Excess (deficiency) of revenues over expenditures	(286,261)	1,755	288,016	(103,636)
Other financing sources (uses)				
Transfers out	-	(287,155)	(287,155)	-
Total other financing sources (uses)	-	(287,155)	(287,155)	-
Net changes in fund balances	(286,261)	(285,400)	861	(103,636)
Fund balances-beginning	-	285,400	285,400	389,036
Fund balances-ending	\$(286,261)	\$-	\$286,261	\$285,400

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Dakota Creek Bridge No. 500 Project
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$43,613	\$33,510	\$(10,103)	\$31,281
Miscellaneous	-	1,981	1,981	1,718
Total revenues	43,613	35,491	(8,122)	32,999
Expenditures				
Current:				
Capital outlay	339,415	-	339,415	68,412
Total expenditures	339,415	-	339,415	68,412
Excess (deficiency) of revenues over expenditures	(295,802)	35,491	331,293	(35,413)
Other financing sources (uses)				
Transfers out	-	(358,380)	(358,380)	-
Total other financing sources (uses)	-	(358,380)	(358,380)	-
Net changes in fund balances	(295,802)	(322,889)	(27,087)	(35,413)
Fund balances-beginning	-	322,889	322,889	358,302
Fund balances-ending	\$(295,802)	\$-	\$295,802	\$322,889

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Telecommunications System Replacement
 Year Ended December 31, 2017
 (With comparative totals for December 31, 2016)

	2017		Variance	2016
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(981)	\$(981)	\$(1,724)
Total revenues	-	(981)	(981)	(1,724)
Expenditures				
Current:				
Capital outlay	691,836	23,314	668,522	161,776
Total expenditures	691,836	23,314	668,522	161,776
Excess (deficiency) of revenues over expenditures	(691,836)	(24,295)	667,541	(163,500)
Fund balances-beginning	-	687,584	687,584	851,084
Fund balances-ending	\$(691,836)	\$663,289	\$1,355,125	\$687,584

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Hannegan Road/Nooksack River Bridge No. 252
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$94,471	\$17,497	\$(76,974)	\$7,270
Miscellaneous	-	1,519	1,519	(1,192)
Total revenues	94,471	19,016	(75,455)	6,078
Expenditures				
Current:				
Transportation	95,168	-	95,168	-
Capital outlay	-	1,871	(1,871)	7,270
Total expenditures	95,168	1,871	93,297	7,270
Excess (deficiency) of revenues over expenditures	(697)	17,145	17,842	(1,192)
Other financing sources (uses)				
Transfers out	-	(16,323)	(16,323)	-
Total other financing sources (uses)	-	(16,323)	(16,323)	-
Net changes in fund balances	(697)	822	1,519	(1,192)
Fund balances-beginning	-	(822)	(822)	370
Fund balances-ending	\$(697)	\$-	\$697	\$(822)

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2015 County Roadway Safety Program
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance	2016
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$67,218	\$100,653	\$33,435	\$612,782
Miscellaneous	-	2,796	2,796	(825)
Total revenues	67,218	103,449	36,231	611,957
Expenditures				
Current:				
Transportation	114,019	-	114,019	-
Capital outlay	-	92,787	(92,787)	617,541
Total expenditures	114,019	92,787	21,232	617,541
Excess (deficiency) of revenues over expenditures	(46,801)	10,662	57,463	(5,584)
Fund balances-beginning	-	43,994	43,994	49,578
Fund balances-ending	\$(46,801)	\$54,656	\$101,457	\$43,994

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Courthouse Improvement
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(6,000)	\$(6,000)	\$(220)
Total revenues	-	(6,000)	(6,000)	(220)
Expenditures				
Current:				
General government	32,446	94,590	(62,144)	-
Capital outlay	921,092	-	921,092	111,448
Total expenditures	953,538	94,590	858,948	111,448
Excess (deficiency) of revenues over expenditures	(953,538)	(100,590)	852,948	(111,668)
Other financing sources (uses)				
Transfers in	811,907	811,907	-	-
Total other financing sources (uses)	811,907	811,907	-	-
Net changes in fund balances	(141,631)	711,317	852,948	(111,668)
Fund balances-beginning	-	140,785	140,785	252,453
Fund balances-ending	\$(141,631)	\$852,102	\$993,733	\$140,785

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 2015 Girard Street Building Improvement
 Year Ended December 31, 2017
 (With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(745)	\$(745)	\$(1,543)
Total revenues	-	(745)	(745)	(1,543)
Expenditures				
Current:				
Capital outlay	441,541	-	441,541	25,271
Total expenditures	441,541	-	441,541	25,271
Excess (deficiency) of revenues over expenditures	(441,541)	(745)	440,796	(26,814)
Fund balances-beginning	-	438,840	438,840	465,654
Fund balances-ending	\$(441,541)	\$438,095	\$879,636	\$438,840

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Courthouse Building Envelope Project
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(18,895)	\$(18,895)	\$(791)
Total revenues	-	(18,895)	(18,895)	(791)
Expenditures				
Current:				
General government	2,658,233	113,780	2,544,453	-
Capital outlay	-	-	-	19,576
Total expenditures	2,658,233	113,780	2,544,453	19,576
Excess (deficiency) of revenues over expenditures	(2,658,233)	(132,675)	2,525,558	(20,367)
Other financing sources (uses)				
Transfers in	2,427,809	2,427,809	-	-
Total other financing sources (uses)	2,427,809	2,427,809	-	-
Net changes in fund balances	(230,424)	2,295,134	2,525,558	(20,367)
Fund balances-beginning	-	229,015	229,015	249,382
Fund balances-ending	\$(230,424)	\$2,524,149	\$2,754,573	\$229,015

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 2015 Central Plaza Improvement
 Year Ended December 31, 2017
 (With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$110	\$110	\$195
Total revenues	-	110	110	195
Expenditures				
Current:				
General government	14,470	6,210	8,260	-
Capital outlay	-	-	-	108,756
Total expenditures	14,470	6,210	8,260	108,756
Excess (deficiency) of revenues over expenditures	(14,470)	(6,100)	8,370	(108,561)
Other financing sources (uses)				
Transfers out	-	(8,260)	(8,260)	-
Total other financing sources (uses)	-	(8,260)	(8,260)	-
Net changes in fund balances	(14,470)	(14,360)	110	(108,561)
Fund balances-beginning	-	14,360	14,360	122,921
Fund balances-ending	\$(14,470)	\$-	\$14,470	\$14,360

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2015 Silver Lake Park Improvement
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(1,078)	\$(1,078)	\$(2,803)
Total revenues	-	(1,078)	(1,078)	(2,803)
Expenditures				
Current:				
Capital outlay	799,876	36,627	763,249	43,322
Total expenditures	799,876	36,627	763,249	43,322
Excess (deficiency) of revenues over expenditures	(799,876)	(37,705)	762,171	(46,125)
Fund balances-beginning	-	794,988	794,988	841,113
Fund balances-ending	\$(799,876)	\$757,283	\$1,557,159	\$794,988

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 2015 Lighthouse Marine Park Improvement
 Year Ended December 31, 2017
 (With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$94	\$94	\$(617)
Total revenues	-	94	94	(617)
Expenditures				
Current:				
Capital outlay	209,238	88,585	120,653	3,721
Total expenditures	209,238	88,585	120,653	3,721
Excess (deficiency) of revenues over expenditures	(209,238)	(88,491)	120,747	(4,338)
Fund balances-beginning	-	208,002	208,002	212,340
Fund balances-ending	\$(209,238)	\$119,511	\$328,749	\$208,002

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2015 South Fork Park Improvement
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$209,000	\$-	\$(209,000)	\$-
Miscellaneous	-	597	597	48
Total revenues	209,000	597	(208,403)	48
Expenditures				
Current:				
Capital outlay	406,298	132,913	273,385	281,702
Total expenditures	406,298	132,913	273,385	281,702
Excess (deficiency) of revenues over expenditures	(197,298)	(132,316)	64,982	(281,654)
Fund balances-beginning	-	196,162	196,162	477,816
Fund balances-ending	\$(197,298)	\$63,846	\$261,144	\$196,162

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Academy Road Stormwater Improvements
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$-	\$22,490	\$22,490	\$75,000
Miscellaneous	-	978	978	(191,071)
Total revenues	-	23,468	23,468	(116,071)
Expenditures				
Current:				
Capital outlay	96,611	33,446	63,165	105,029
Total expenditures	96,611	33,446	63,165	105,029
Excess (deficiency) of revenues over expenditures	(96,611)	(9,978)	86,633	(221,100)
Other financing sources (uses)				
Transfers in	115,082	29,427	(85,655)	95,000
Total other financing sources (uses)	115,082	29,427	(85,655)	95,000
Net changes in fund balances	18,471	19,449	978	(126,100)
Fund balances-beginning	-	(19,448)	(19,448)	106,652
Fund balances-ending	\$18,471	\$1	\$(18,470)	\$(19,448)

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Agate Heights Estate/Bay Lane Stormwater Improvements
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$29	\$29	\$(2,831)
Total revenues	-	29	29	(2,831)
Expenditures				
Current:				
Capital outlay	696,564	167,836	528,728	33,931
Total expenditures	696,564	167,836	528,728	33,931
Excess (deficiency) of revenues over expenditures	(696,564)	(167,807)	528,757	(36,762)
Other financing sources (uses)				
Transfers in	-	-	-	170,000
Total other financing sources (uses)	-	-	-	170,000
Net changes in fund balances	(696,564)	(167,807)	528,757	133,238
Fund balances-beginning	-	692,277	692,277	559,039
Fund balances-ending	\$(696,564)	\$524,470	\$1,221,034	\$692,277

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Cedar Hills/Euclid Stormwater Improvements
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$161,909	\$161,910	\$1	\$568,745
Miscellaneous	-	(4,180)	(4,180)	(78,117)
Total revenues	161,909	157,730	(4,179)	490,628
Expenditures				
Current:				
Natural and economic environment	-	-	-	299,130
Capital outlay	202,914	200,041	2,873	1,097,920
Total expenditures	202,914	200,041	2,873	1,397,050
Excess (deficiency) of revenues over expenditures	(41,005)	(42,311)	(1,306)	(906,422)
Other financing sources (uses)				
Transfers in	-	-	-	335,000
Total other financing sources (uses)	-	-	-	335,000
Net changes in fund balances	(41,005)	(42,311)	(1,306)	(571,422)
Fund balances-beginning	-	39,997	39,997	611,419
Fund balances-ending	\$(41,005)	\$(2,314)	\$38,691	\$39,997

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Criminal Justice Integrated Case Mgmt System Projects
 Year Ended December 31, 2017
 (With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(699)	\$(699)	\$(2,155)
Total revenues	-	(699)	(699)	(2,155)
Expenditures				
Current:				
General government	-	39,022	(39,022)	-
Capital outlay	594,898	-	594,898	5,102
Total expenditures	594,898	39,022	555,876	5,102
Excess (deficiency) of revenues over expenditures	(594,898)	(39,721)	555,177	(7,257)
Fund balances-beginning	-	591,259	591,259	598,516
Fund balances-ending	\$(594,898)	\$551,538	\$1,146,436	\$591,259

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Integrated Land Records & Permit Mgmt System Projects
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(8,115)	\$(8,115)	\$(3,577)
Total revenues	-	(8,115)	(8,115)	(3,577)
Expenditures				
Current:				
General government	1,009,880	90,800	919,080	-
Capital outlay	1,490,247	122,667	1,367,580	114,326
Total expenditures	2,500,127	213,467	2,286,660	114,326
Excess (deficiency) of revenues over expenditures	(2,500,127)	(221,582)	2,278,545	(117,903)
Other financing sources (uses)				
Transfers in	1,448,327	1,448,327	-	-
Total other financing sources (uses)	1,448,327	1,448,327	-	-
Net changes in fund balances	(1,051,800)	1,226,745	2,278,545	(117,903)
Fund balances-beginning	-	1,045,339	1,045,339	1,163,242
Fund balances-ending	\$(1,051,800)	\$2,272,084	\$3,323,884	\$1,045,339

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
South Pass Road/Saar Creek Bridge No. 212
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

Whatcom County

W A S H I N G T O N

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$3,617	\$3,617	\$(3,390)
Total revenues	-	3,617	3,617	(3,390)
Expenditures				
Current:				
Capital outlay	450,507	7,193	443,314	859,494
Total expenditures	450,507	7,193	443,314	859,494
Excess (deficiency) of revenues over expenditures	(450,507)	(3,576)	446,931	(862,884)
Other financing sources (uses)				
Transfers in	-	-	-	1,310,000
Transfers out	-	(443,540)	(443,540)	-
Total other financing sources (uses)	-	(443,540)	(443,540)	1,310,000
Net changes in fund balances	(450,507)	(447,116)	3,391	447,116
Fund balances-beginning	-	447,116	447,116	-
Fund balances-ending	\$(450,507)	\$-	\$450,507	\$447,116

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Sudden Valley Storm Water Improvements
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(6,087)	\$(6,087)	\$-
Total revenues	-	(6,087)	(6,087)	-
Expenditures				
Current:				
Capital outlay	780,000	-	780,000	-
Total expenditures	780,000	-	780,000	-
Excess (deficiency) of revenues over expenditures	(780,000)	(6,087)	773,913	-
Other financing sources (uses)				
Transfers in	780,000	780,000	-	-
Total other financing sources (uses)	780,000	780,000	-	-
Net changes in fund balances	-	773,913	773,913	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$-	\$773,913	\$773,913	\$-

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Hovander Park Building Improvements
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(1,443)	\$(1,443)	\$-
Total revenues	-	(1,443)	(1,443)	-
Expenditures				
Current:				
Capital outlay	275,000	24,535	250,465	-
Total expenditures	275,000	24,535	250,465	-
Excess (deficiency) of revenues over expenditures	(275,000)	(25,978)	249,022	-
Other financing sources (uses)				
Transfers in	275,000	275,000	-	-
Total other financing sources (uses)	275,000	275,000	-	-
Net changes in fund balances	-	249,022	249,022	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$-	\$249,022	\$249,022	\$-

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Lake Whatcom Park Trail Development
Year Ended December 31, 2017
(With comparative totals for December 31, 2016)

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

	2017		Variance Favorable (Unfavorable)	2016
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(2,904)	\$(2,904)	\$-
Total revenues	-	(2,904)	(2,904)	-
Expenditures				
Current:				
Capital outlay	443,000	72,845	370,155	-
Total expenditures	443,000	72,845	370,155	-
Excess (deficiency) of revenues over expenditures	(443,000)	(75,749)	367,251	-
Other financing sources (uses)				
Transfers in	443,000	443,000	-	-
Total other financing sources (uses)	443,000	443,000	-	-
Net changes in fund balances	-	367,251	367,251	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$-	\$367,251	\$367,251	\$-

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual
Public Utilities Improvement
Year Ended December 31, 2017

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$3,746,179	\$3,746,179	\$4,001,887	\$255,708
Miscellaneous	100,719	100,719	97,561	(3,158)
Total revenues	3,846,898	3,846,898	4,099,448	252,550
Expenditures				
Current:				
General government	31,211	31,211	6,915	24,296
Natural and economic environment	2,435,500	3,535,500	118,313	3,417,187
Capital outlay	40,000	80,000	-	80,000
Total expenditures	2,506,711	3,646,711	125,228	3,521,483
Excess (deficiency) of revenues over expenditures	1,340,187	200,187	3,974,220	3,774,033
Other financing sources (uses)				
Transfer out	(1,004,313)	(1,504,313)	(1,504,312)	1
Total other financing sources (uses)	(1,004,313)	(1,504,313)	(1,504,312)	1
Net changes in fund balances	335,874	(1,304,126)	2,469,908	3,774,034
Fund balance as of January 1	-	-	21,581,886	21,581,886
Prior period adjustments	-	-	675,700	675,700
Fund balance as of January 1 (restated)	-	-	22,257,586	22,257,586
Fund balance as of December 31	\$335,874	\$(1,304,126)	\$24,727,494	\$25,355,920

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual
Triage Center Expansion
Year Ended December 31, 2017



	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$-	\$2,500,000	\$-	\$(2,500,000)
Miscellaneous	-	-	(19,512)	(19,512)
Total revenues	-	2,500,000	(19,512)	(2,519,512)
Expenditures				
Current:				
Social services	-	300,000	-	300,000
Total expenditures	-	300,000	-	300,000
Excess (deficiency) of revenues over expenditures	-	2,200,000	(19,512)	(2,219,512)
Fund balance as of January 1	-	-	-	-
Fund balance as of December 31	\$-	\$2,200,000	\$(19,512)	\$(2,219,512)

	Equipment Rental	Administrative Services	Total
Assets			
Current assets			
Cash, cash equivalents and pooled investments	\$8,668,607	\$15,163,471	\$23,832,078
Deposits with fiscal agent	-	6,000	6,000
Receivables, net	7,352	1,886	9,238
Interfund receivable	51,303	303,616	354,919
Due from other governments	-	13,881	13,881
Interfund loan receivable	790,139	-	790,139
Employee advances	110	133	243
Inventories	1,181,141	54,762	1,235,903
Prepayments	14	310	324
Total current assets	10,698,666	15,544,059	26,242,725
Noncurrent assets			
Interfund loan-long-term	167,293	-	167,293
Capital assets:			
Land	320,864	119,000	439,864
Building and structures, net	997,961	44,507	1,042,468
Capital leases, net	-	34,120	34,120
Other improvements, net	372,708	1,141	373,849
Machinery and equipment, net	9,354,112	297,746	9,651,858
Intangible assets, net	50,400	-	50,400
Total capital assets, net	11,096,045	496,514	11,592,559
Total noncurrent assets	11,263,338	496,514	11,759,852
Total assets	21,962,004	16,040,573	38,002,577
Deferred outflows of resources			
Pension	108,246	488,625	596,871
Total deferred outflows of resources	108,246	488,625	596,871
Liabilities			
Current liabilities			
Accounts payable	783,695	592,241	1,375,936
Claims cost payable	-	4,287,242	4,287,242
Interfund payable	12,428	-	12,428
Compensated absences	146,699	471,020	617,719
Other accrued liabilities	45,278	207,610	252,888
Total current liabilities	988,100	5,558,113	6,546,213
Noncurrent liabilities			
Other noncurrent liabilities	-	93,943	93,943
Pension liability, net	747,928	3,376,162	4,124,090
Total noncurrent liabilities	747,928	3,470,105	4,218,033
Total liabilities	1,736,028	9,028,218	10,764,246
Deferred inflows of resources			
Pension	123,240	556,307	679,547
Total deferred inflows of resources	123,240	556,307	679,547
Net position			
Net investment in capital assets	11,096,045	496,514	11,592,559
Unrestricted	9,114,937	6,448,159	15,563,096
Total net position	\$20,210,982	\$6,944,673	\$27,155,655

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2017

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

	Equipment Rental	Administrative Services	Total
Operating Revenue			
Charges for service	\$5,573,029	\$20,220,058	\$25,793,087
Rents and parking	5,436,042	3,024	5,439,066
Fines and forfeits	-	910	910
Miscellaneous	24,697	37,653	62,350
Total operating revenues	11,033,768	20,261,645	31,295,413
Operating expenses			
General operations	8,495,126	19,792,959	28,288,085
General administration	493,758	-	493,758
Depreciation	1,478,898	110,283	1,589,181
Total operating expenses	10,467,782	19,903,242	30,371,024
Operating income (loss)	565,986	358,403	924,389
Non-operating revenues (expenses)			
Gain (loss) on sale of capital assets	18,165	-	18,165
Interest revenue	11,360	-	11,360
Interest expense	-	(225)	(225)
Unrealized gain (loss) on investments	(14,081)	(25,401)	(39,482)
Insurance recoveries	28,634	82,684	111,318
Total non-operating revenues (expenses)	44,078	57,058	101,136
Income (loss) before transfers	610,064	415,461	1,025,525
Capital contributions	71,948	-	71,948
Transfers in	286,905	648,449	935,354
Transfers out	(290,818)	(265,801)	(556,619)
Changes in net position	678,099	798,109	1,476,208
Total net position-beginning	19,532,883	6,146,564	25,679,447
Total net position-ending	\$20,210,982	\$6,944,673	\$27,155,655

	Equipment Rental	Administrative Services	Total
Cash flows from operating activities:			
Receipts from customers	\$11,289,084	\$20,260,224	\$31,549,308
Payments for goods and services	(7,290,753)	(14,680,962)	(21,971,715)
Payments to employees	(1,323,293)	(5,901,772)	(7,225,065)
Net cash provided (used) by operating activities	2,675,038	(322,510)	2,352,528
Cash flows from non-capital financing activities:			
Transfers in	-	648,449	648,449
Transfers out	(290,818)	(265,801)	(556,619)
Interest revenue	11,360	-	11,360
Insurance recoveries	28,634	82,684	111,318
Net cash provided (used) by non-capital financing activities	(250,824)	465,332	214,508
Cash flows from capital financing activities:			
Interest paid on capital debt	-	(225)	(225)
Transfers in	286,905	-	286,905
Proceeds from sale of assets	94,993	-	94,993
Purchases of capital assets	(2,914,334)	(192,530)	(3,106,864)
Net cash provided (used) by capital financing activities	(2,532,436)	(192,755)	(2,725,191)
Cash flows from investing activities:			
Unrealized gain (loss) on investments	(14,081)	(25,401)	(39,482)
Net cash provided (used) by investing activities	(14,081)	(25,401)	(39,482)
Net Increase (decrease) in cash and cash equivalents	(122,303)	(75,334)	(197,637)
Balances - beginning of the year	8,790,910	15,238,805	24,029,715
Balances - end of the year	\$8,668,607	\$15,163,471	\$23,832,078
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$565,986	\$358,403	\$924,389
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	1,478,898	110,283	1,589,181
Change in assets and liabilities:			
Receivables, net	255,318	(1,421)	253,897
Inventories	183,248	(14,269)	168,979
Accounts and other payables	191,440	(785,833)	(594,393)
Accrued expenses	148	10,327	10,475
Net cash provided by operating activities	\$2,675,038	\$(322,510)	\$2,352,528
Noncash capital financing activities:			

Equipment Rental received \$78,376 of capital assets from other funds.
Administrative Services had capital leases totaling \$22,039 for 2017.

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Assets			
Current assets			
Cash, cash equivalents and pooled investments	\$117,532	\$1,138,730	\$1,256,262
Interfund receivable	-	1,403,076	1,403,076
Employee advances	-	50	50
Prepayments	13	-	13
Total current assets	117,545	2,541,856	2,659,401
Noncurrent assets			
Capital assets:			
Machinery and equipment, net	-	1,659	1,659
Total noncurrent assets	-	1,659	1,659
Total assets	117,545	2,543,515	2,661,060
Deferred outflows of resources			
Pension	9,611	92,566	102,177
Total deferred outflows of resources	9,611	92,566	102,177
Liabilities			
Current liabilities			
Accounts payable	8,198	51,452	59,650
Interfund payable	-	29,409	29,409
Compensated absences	30,493	80,297	110,790
Other accrued liabilities	4,344	43,909	48,253
Total current liabilities	43,035	205,067	248,102
Noncurrent liabilities			
Pension liability, net	66,405	639,583	705,988
Total noncurrent liabilities	66,405	639,583	705,988
Total liabilities	109,440	844,650	954,090
Deferred inflows of resources			
Pension	10,942	105,387	116,329
Total deferred inflows of resources	10,942	105,387	116,329
Net position			
Net investment in capital assets	-	1,659	1,659
Unrestricted	6,774	1,684,385	1,691,159
Total net position	\$6,774	\$1,686,044	\$1,692,818

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Non-Major Enterprise Funds
Year Ended December 31, 2017

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

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Operating revenues			
Intergovernmental	\$-	\$316,769	\$316,769
Charges for service	-	1,521,089	1,521,089
Miscellaneous	341,556	19,599	361,155
Total operating revenues	341,556	1,857,457	2,199,013
Operating expenses			
General operations	307,898	2,523,379	2,831,277
General administration	-	217,092	217,092
Depreciation	-	642	642
Total operating expenses	307,898	2,741,113	3,049,011
Operating income (loss)	33,658	(883,656)	(849,998)
Non-operating revenues (expenses)			
Unrealized gain (loss) on investments	-	4,990	4,990
Total non-operating revenues (expenses)	-	4,990	4,990
Income (loss) before transfers	33,658	(878,666)	(845,008)
Transfers in	-	1,382,155	1,382,155
Transfers out	-	(266,306)	(266,306)
Changes in net position	33,658	237,183	270,841
Total net position-beginning	(26,884)	1,448,861	1,421,977
Total net position-ending	\$6,774	\$1,686,044	\$1,692,818

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Cash flows from operating activities:			
Receipts from customers	\$346,205	\$540,387	\$886,592
Payments for goods and services	(92,167)	(1,556,756)	(1,648,923)
Payments to employees	(228,221)	(1,231,373)	(1,459,594)
Net cash provided (used) by operating activities	25,817	(2,247,742)	(2,221,925)
Cash flows from non-capital financing activities:			
Transfers in	-	1,382,155	1,382,155
Transfers out	-	(266,306)	(266,306)
Net cash provided (used) by non-capital financing activities	-	1,115,849	1,115,849
Cash flows from investing activities:			
Unrealized gain (loss) on investments	-	4,990	4,990
Net cash provided (used) by investing activities	-	4,990	4,990
Net increase (decrease) in cash and cash equivalents	25,817	(1,126,903)	(1,101,086)
Balances - beginning of the year	91,715	2,265,633	2,357,348
Balances - end of the year	\$117,532	\$1,138,730	\$1,256,262
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$33,658	\$(883,656)	\$(849,998)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	-	642	642
Change in assets and liabilities:			
Receivables, net	4,649	(1,317,070)	(1,312,421)
Accounts and other payables	(2,133)	(48,605)	(50,738)
Accrued expenses	(10,357)	947	(9,410)
Net cash provided by operating activities	\$25,817	\$(2,247,742)	\$(2,221,925)

	Investment Trust Fund
Assets	
Certificates of deposit and saving accounts	\$26,482,741
Taxable municipal notes	37,968,999
US treasury notes	2,873,165
US agency notes	127,780,581
Supranational agency notes	31,773,278
LGIP	13,763,651
Total assets	240,642,415
Net position	
Held in trust for pool participants	240,642,415
Total net position	\$240,642,415

Combining Statement of Changes in Net Position
Investment Trust Funds
Year Ended December 31, 2017

	Investment Trust Fund
Additions	
Contributions	\$248,045,053
Investment earnings:	
Interest	2,798,487
Net Increase (decrease) in fair value of investments	(443,770)
Total additions	250,399,770
Deductions	
Distributions	290,683,864
Total deductions	290,683,864
Change in net position	(40,284,094)
Net position-beginning	280,926,509
Net position-ending	\$240,642,415

	Cemetery Districts	Drainage, Diking & Flood Cntr Districts	Park & Recreation Districts	Watershed Mngmt Project Joint Board	Rural Library	Northwest Regional Council	Council of Government
Assets							
Cash and cash equivalents	\$1,338,826	\$307,330	\$672,179	\$-	\$286,897	\$1,176,382	\$106,035
Deposits with fiscal agent	-	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-
Total assets	\$1,338,826	\$307,330	\$672,179	\$-	\$286,897	\$1,176,382	\$106,035
Liabilities							
Warrants payable	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Accounts payable	6,853	-	400	-	107,268	2,189	-
Other accrued liabilities	-	-	-	-	-	(1,430)	-
Revenue collected in advance	-	-	-	-	-	-	-
Custodial accounts	1,331,973	307,330	671,779	-	179,629	1,175,623	106,035
Total liabilities	\$1,338,826	\$307,330	\$672,179	\$-	\$286,897	\$1,176,382	\$106,035

	Hospital Districts	Port	P.U.D. District	Whatcom Transit	School Districts	Watershed Districts	Fire Districts
Assets							
Cash and cash equivalents	\$87,463	\$75,353	\$157,812	\$-	\$8,621,143	\$240,957	\$1,420,213
Deposits with fiscal agent	-	-	-	-	251,535	-	-
Accounts receivable, net	-	-	-	-	-	-	-
Total assets	\$87,463	\$75,353	\$157,812	\$-	\$8,872,678	\$240,957	\$1,420,213
Liabilities							
Warrants payable	\$-	\$-	\$-	\$-	\$7,822,545	\$-	\$-
Accounts payable	122	-	-	-	-	38,099	99,220
Other accrued liabilities	-	-	-	-	23,271	-	-
Revenue collected in advance	-	-	-	-	-	-	-
Custodial accounts	87,341	75,353	157,812	-	1,026,862	202,858	1,320,993
Total liabilities	\$87,463	\$75,353	\$157,812	\$-	\$8,872,678	\$240,957	\$1,420,213

Water Districts	Treasurer's Suspense	Inmate Trust Fund	Claims Fund	Total
\$1,179,581	\$4,032,728	\$36,456	\$2,810,647	\$22,550,002
-	-	-	-	251,535
-	(3,071)	-	-	(3,071)
<u>\$1,179,581</u>	<u>\$4,029,657</u>	<u>\$36,456</u>	<u>\$2,810,647</u>	<u>\$22,798,466</u>
\$-	\$-	\$-	\$2,810,647	\$10,633,192
64,002	-	-	-	318,153
-	-	-	-	21,841
-	136,957	-	-	136,957
<u>1,115,579</u>	<u>3,892,700</u>	<u>36,456</u>	<u>-</u>	<u>11,688,323</u>
<u>\$1,179,581</u>	<u>\$4,029,657</u>	<u>\$36,456</u>	<u>\$2,810,647</u>	<u>\$22,798,466</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Cemetery Districts
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$1,235,377	\$2,311,026	\$2,207,577	\$1,338,826
Total assets	\$1,235,377	\$2,311,026	\$2,207,577	\$1,338,826
Liabilities				
Accounts payable	\$4,100	\$464,792	\$462,039	\$6,853
Other accrued liabilities	-	403,434	403,434	-
Custodial accounts	1,231,277	100,696	-	1,331,973
Total liabilities	\$1,235,377	\$968,922	\$865,473	\$1,338,826

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Drainage, Diking and Flood Control Districts
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$347,195	\$458,501	\$498,366	\$307,330
Total assets	\$347,195	\$458,501	\$498,366	\$307,330
Liabilities				
Accounts payable	\$3,260	\$170,740	\$174,000	\$-
Custodial accounts	343,935	-	36,605	307,330
Total liabilities	\$347,195	\$170,740	\$210,605	\$307,330

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Park and Recreation Districts
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$560,568	\$3,010,928	\$2,899,317	\$672,179
Total assets	\$560,568	\$3,010,928	\$2,899,317	\$672,179
Liabilities				
Accounts payable	\$12,036	\$587,869	\$599,505	\$400
Other accrued liabilities	-	134,659	134,659	-
Custodial accounts	548,532	123,247	-	671,779
Total liabilities	\$560,568	\$845,775	\$734,164	\$672,179

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Watershed Management Project Joint Board
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$7,331	\$667,213	\$674,544	\$-
Due from other governments	63,395	23,040	86,435	-
Total assets	\$70,726	\$690,253	\$760,979	\$-
Liabilities				
Accounts payable	\$77,281	\$11,980	\$89,261	\$-
Due to other governments	286	-	286	-
Other accrued liabilities	-	23,040	23,040	-
Custodial accounts	(6,841)	6,841	-	-
Total liabilities	\$70,726	\$41,861	\$112,587	\$-

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Rural Library
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$148,075	\$23,452,651	\$23,313,829	\$286,897
Total assets	\$148,075	\$23,452,651	\$23,313,829	\$286,897
Liabilities				
Accounts payable	\$209,189	\$4,122,046	\$4,223,967	\$107,268
Custodial accounts	(61,114)	240,743	-	179,629
Total liabilities	\$148,075	\$4,362,789	\$4,223,967	\$286,897

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Northwest Regional Council
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$1,243,400	\$28,856,343	\$28,923,361	\$1,176,382
Total assets	\$1,243,400	\$28,856,343	\$28,923,361	\$1,176,382
Liabilities				
Warrants payable				
Accounts payable	\$77,503	\$6,880,011	\$6,955,325	\$2,189
Other accrued liabilities	-	-	1,430	(1,430)
Custodial accounts	1,165,897	11,156	1,430	1,175,623
Total liabilities	\$1,243,400	\$6,891,167	\$6,958,185	\$1,176,382

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Council of Governments
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$6,950	\$4,288,499	\$4,189,414	\$106,035
Total assets	\$6,950	\$4,288,499	\$4,189,414	\$106,035
Liabilities				
Accounts payable	\$-	\$50	\$50	\$-
Custodial accounts	6,950	99,085	-	106,035
Total liabilities	\$6,950	\$99,135	\$50	\$106,035

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Hospital Districts
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$62,147	\$765,688	\$740,372	\$87,463
Total assets	\$62,147	\$765,688	\$740,372	\$87,463
Liabilities				
Accounts payable	\$188	\$227,536	\$227,602	\$122
Other accrued liabilities	-	38,753	38,753	-
Custodial accounts	61,959	41,254	15,872	87,341
Total liabilities	\$62,147	\$307,543	\$282,227	\$87,463

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Port
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$83,795	\$7,178,718	\$7,187,160	\$75,353
Total assets	\$83,795	\$7,178,718	\$7,187,160	\$75,353
Liabilities				
Custodial accounts	\$83,795	\$-	\$8,442	\$75,353
Total liabilities	\$83,795	\$-	\$8,442	\$75,353

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$6,898	\$51,348,999	\$51,198,085	\$157,812
Total assets	\$6,898	\$51,348,999	\$51,198,085	\$157,812
Liabilities				
Accounts payable	\$-	\$4,239,999	\$4,239,999	\$-
Custodial accounts	6,898	150,914	-	157,812
Total liabilities	\$6,898	\$4,390,913	\$4,239,999	\$157,812

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Whatcom Transit
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$-	\$52,184,156	\$52,184,156	\$-
Total assets	\$-	\$52,184,156	\$52,184,156	\$-
Liabilities				
Custodial accounts	\$-	\$-	\$-	\$-
Total liabilities	\$-	\$-	\$-	\$-

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 School Districts
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$7,067,203	\$707,491,844	\$705,937,904	\$8,621,143
Deposits with fiscal agent	222,917	28,650,751	28,622,133	251,535
Total assets	\$7,290,120	\$736,142,595	\$734,560,037	\$8,872,678
Liabilities				
Warrants payable	\$6,857,564	\$272,209,071	\$271,244,090	\$7,822,545
Matured long-term debt	-	16,279,651	16,279,651	-
Matured interest payable	-	12,342,482	12,342,482	-
Other accrued liabilities	23,271	-	-	23,271
Custodial accounts	409,285	617,577	-	1,026,862
Total liabilities	\$7,290,120	\$301,448,781	\$299,866,223	\$8,872,678

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Watershed Districts
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$239,706	\$1,142,716	\$1,141,465	\$240,957
Total assets	\$239,706	\$1,142,716	\$1,141,465	\$240,957
Liabilities				
Accounts payable	\$-	\$474,722	\$436,623	\$38,099
Custodial accounts	239,706	-	36,848	202,858
Total liabilities	\$239,706	\$474,722	\$473,471	\$240,957

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Fire Districts
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$1,196,304	\$86,792,036	\$86,568,127	\$1,420,213
Accounts receivable, net	-	15	15	-
Total assets	\$1,196,304	\$86,792,051	\$86,568,142	\$1,420,213
Liabilities				
Accounts payable	\$109,336	\$12,204,866	\$12,214,982	\$99,220
Other accrued liabilities	513	9,662,002	9,662,515	-
Custodial accounts	1,086,455	234,538	-	1,320,993
Total liabilities	\$1,196,304	\$22,101,406	\$21,877,497	\$1,420,213

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Water Districts
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$918,683	\$17,573,368	\$17,312,470	\$1,179,581
Total assets	\$918,683	\$17,573,368	\$17,312,470	\$1,179,581
Liabilities				
Accounts payable	\$89,380	\$3,441,011	\$3,466,389	\$64,002
Other accrued liabilities	-	1,076,604	1,076,604	-
Custodial accounts	829,303	286,276	-	1,115,579
Total liabilities	\$918,683	\$4,803,891	\$4,542,993	\$1,179,581

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Treasurer's Suspense
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$3,298,300	\$152,158,502	\$151,424,074	\$4,032,728
Accounts receivable, net	8,702	12,866,773	12,878,546	(3,071)
Total assets	\$3,307,002	\$165,025,275	\$164,302,620	\$4,029,657
Liabilities				
Revenue collected in advance	\$294,649	\$474,892	\$632,584	\$136,957
Custodial accounts	3,012,353	6,872,806	5,992,459	3,892,700
Total liabilities	\$3,307,002	\$7,347,698	\$6,625,043	\$4,029,657

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Inmate Trust Fund
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$28,811	\$1,055,738	\$1,048,093	\$36,456
Total assets	\$28,811	\$1,055,738	\$1,048,093	\$36,456
Liabilities				
Custodial accounts	\$28,811	\$1,055,738	\$1,048,093	\$36,456
Total liabilities	\$28,811	\$1,055,738	\$1,048,093	\$36,456

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Claims Fund
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$2,110,942	\$649,351,827	\$648,652,122	\$2,810,647
Total assets	\$2,110,942	\$649,351,827	\$648,652,122	\$2,810,647
Liabilities				
Warrants payable	\$2,110,942	\$104,839,943	\$104,140,238	\$2,810,647
Total liabilities	\$2,110,942	\$104,839,943	\$104,140,238	\$2,810,647

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Total Agency Funds
 For the Year Ended December 31, 2017



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$18,561,685	\$1,790,088,753	\$1,786,100,436	\$22,550,002
Deposits with fiscal agent	222,917	28,650,751	28,622,133	251,535
Accounts receivable, net	8,702	12,866,788	12,878,561	(3,071)
Due from other governments	63,395	23,040	86,435	-
Total assets	\$18,856,699	\$1,831,629,332	\$1,827,687,565	\$22,798,466
Liabilities				
Warrants payable	\$8,968,506	\$377,049,014	\$375,384,328	\$10,633,192
Accounts payable	582,273	32,825,622	33,089,742	318,153
Due to other governments	286	-	286	-
Matured long-term debt	-	16,279,651	16,279,651	-
Matured interest payable	-	12,342,482	12,342,482	-
Other accrued liabilities	23,784	11,315,452	11,317,395	21,841
Revenue collected in advance	294,649	474,892	632,584	136,957
Custodial accounts	8,987,201	9,840,871	7,139,749	11,688,323
Total liabilities	\$18,856,699	\$460,127,984	\$456,186,217	\$22,798,466

Schedule of Expenditures - Budget and Actual
 General Fund by Department
 Year Ended December 31, 2017



	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Expenditures*				
Assessor	\$3,121,698	\$3,332,595	\$2,911,148	\$421,447
Auditor	1,339,656	1,365,265	1,361,766	3,499
County Council	1,400,209	1,593,548	1,391,304	202,244
County Executive	724,212	739,336	706,964	32,372
Planning & Development Services	5,300,873	5,432,657	5,394,452	38,205
Treasurer	1,485,708	1,506,005	1,476,649	29,356
Sheriff	14,858,845	15,774,341	15,022,273	752,067
District Court	2,353,334	2,388,540	2,333,871	54,669
District Court Probation	1,692,590	1,751,662	1,678,451	73,211
Hearing Examiner	195,571	197,910	196,109	1,801
Juvenile	4,818,926	4,915,157	4,607,726	307,431
Prosecuting Attorney	6,439,290	6,511,465	6,231,502	279,963
Public Defender	3,981,747	4,073,853	3,938,638	135,215
Superior Court	5,080,416	5,167,047	5,030,729	136,318
Extension	480,603	486,782	468,670	18,112
Non-Departmental	15,278,897	15,356,990	12,320,556	3,036,434
Park	4,103,848	4,223,140	3,906,675	316,465
Health	12,583,373	13,534,358	12,481,756	1,052,602
Total Expenditures	\$85,239,796	\$88,350,650	\$81,459,240	\$6,891,410

* Includes transfers out.

Statistical Section

Contents

Financial Trends: These schedules contain trend information to help the reader understand how the County's financial performance has changed over time.

Schedule 1	Net Position by Component	217
Schedule 2	Changes in Net Position	219
Schedule 3	Fund Balances, Governmental Funds	223
Schedule 4	Changes in Fund Balances, Governmental Funds	225

Revenue Capacity: These schedules contain information intended to assist users in understanding and assessing the factors affecting the County's ability to generate its own-source revenues.

Schedule 5	Assessed Value of Taxable Property	227
Schedule 6	Direct and Overlapping Property Tax Rates	229
Schedule 7	Principal Property Tax Payers	231
Schedule 8	Property Tax Levies and Collections.	232

Debt Capacity: These schedules present information intended to assist users in understanding and assessing the County's debt burden and its ability to issue additional debt.

Schedule 9	Ratio of Outstanding Debt by Type	233
Schedule 10	Ratio of General Bonded Debt Outstanding	234
Schedule 11	Direct and Overlapping Governmental Activities Debt	235
Schedule 12	Legal Debt Margin Information	237
Schedule 13	Pledged Revenue Coverage.	239

Demographic and Economic Information: These schedules offer demographic and economic indicators to assist users in understanding the socioeconomic environment within which the County operates.

Schedule 14	Demographic and Economic Statistics	240
Schedule 15	Principal Employers	241

Operating Information: These schedules contain service and infrastructure data to assist readers in using financial statement information to understand and assess the County's economic condition.

Schedule 16	Full-Time Equivalent County Government Employees by Function/Program	242
Schedule 17	Operating Indicators by Function/Program	243
Schedule 18	Capital Asset Statistics by Function/Program	244

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				
	2008	2009	2010	2011	2012
Governmental activities					
Invested in capital assets, net of related debt	\$154,711,058	\$161,673,277	\$170,627,638	\$177,863,686	\$174,525,706
Restricted	48,763,237	52,108,715	55,818,803	82,559,994	93,042,965
Unrestricted	40,277,750	41,820,506	48,310,008	30,353,275	33,346,775
Total governmental activities net position	\$243,752,045	\$255,602,498	\$274,756,449	\$290,776,955	\$300,915,446
Business-type activities					
Invested in capital assets, net of related debt	\$-	\$-	\$13,604	\$9,385	\$5,166
Unrestricted	1,281,325	1,065,524	717,027	1,074,308	1,720,740
Total business-type activities net position	\$1,281,325	\$1,065,524	\$730,631	\$1,083,693	\$1,725,906
Primary government					
Invested in capital assets, net of related debt	\$154,711,058	\$161,673,277	\$170,641,242	\$177,877,290	\$174,530,872
Restricted	48,763,237	52,108,715	55,818,803	82,559,994	93,042,965
Unrestricted	41,559,075	42,886,030	49,027,035	31,070,302	35,067,515
Total primary government net position	\$245,033,370	\$256,668,022	\$275,487,080	\$291,507,586	\$302,641,352

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

Fiscal Year				
2013	2014	2015	2016	2017
\$181,963,507	\$237,208,328	\$246,574,891	\$247,592,484	\$249,804,468
98,335,999	104,602,157	104,504,838	108,006,250	120,343,165
31,177,254	29,737,510	(3,306,441)	(4,708,739)	1,695,052
<u>\$311,476,760</u>	<u>\$371,547,995</u>	<u>\$347,773,288</u>	<u>\$350,889,995</u>	<u>\$371,842,685</u>
\$4,226	\$3,584	\$2,942	\$2,300	\$1,659
1,938,503	2,301,462	1,716,510	1,806,209	2,131,963
<u>\$1,942,729</u>	<u>\$2,305,046</u>	<u>\$1,719,452</u>	<u>\$1,808,509</u>	<u>\$2,133,622</u>
\$181,967,733	\$237,211,912	\$246,577,833	\$247,594,784	\$249,806,127
98,335,999	104,602,157	104,504,838	108,006,250	120,343,165
33,115,757	32,038,972	(1,589,931)	(2,902,530)	3,827,015
<u>\$313,419,489</u>	<u>\$373,853,041</u>	<u>\$349,492,740</u>	<u>\$352,698,504</u>	<u>\$373,976,307</u>

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Expenses					
Governmental activities:					
General government	\$27,997,779	\$28,168,081	\$28,311,133	\$28,299,947	\$28,215,657
Public safety	38,232,242	40,222,432	39,655,473	39,647,081	39,547,247
Utilities	-	-	-	-	-
Physical environment	6,186,344	5,837,464	5,879,096	4,906,672	4,858,695
Transportation	22,798,444	21,018,834	20,425,894	21,759,103	21,548,292
Natural and economic environment	2,850,280	3,238,483	3,202,356	3,461,965	3,864,716
Social services	12,120,599	12,533,782	12,554,614	12,908,382	13,889,613
Culture and recreation	4,629,266	4,471,334	4,341,404	4,081,926	4,494,034
Interest on long-term debt	386,777	349,055	338,326	303,440	232,859
Total governmental activities expenses	115,201,731	115,839,465	114,708,296	115,368,516	116,651,113
Business-type activities:					
Whatcom County Investment Pool	210,241	231,888	237,051	240,334	246,714
Whatcom County Ferry System	2,122,726	2,610,124	2,703,673	2,489,181	2,370,448
Total business-type activities expense	2,332,967	2,842,012	2,940,724	2,729,515	2,617,162
Total primary government expenses	\$117,534,698	\$118,681,477	\$117,649,020	\$118,098,031	\$119,268,275
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$5,053,605	\$4,943,476	4,864,383	\$5,104,591	\$5,071,916
Public safety	4,792,536	4,304,219	4,255,009	3,623,893	4,045,779
Utilities	-	-	-	-	-
Physical environment	814,710	765,824	780,925	769,494	776,426
Transportation	1,783,013	2,898,710	2,821,648	2,687,479	2,671,800
Natural and economic environment	760,265	1,046,421	1,166,884	1,049,701	1,254,669
Social services	2,113,196	2,603,941	2,604,947	2,331,138	2,675,550
Culture and recreation	447,164	382,305	334,926	361,225	365,545
Operating grants and contributions	20,863,909	22,394,421	25,612,409	26,001,375	22,426,812
Capital grants and contributions	5,945,726	11,302,265	10,320,164	8,089,478	6,111,570
Total governmental activities program revenues	42,574,124	50,641,582	52,761,295	50,018,374	45,400,067
Business-type activities:					
Charges for services	1,551,139	1,488,534	1,432,710	1,887,527	1,780,726
Total business-type activities program revenues	1,551,139	1,488,534	1,432,710	1,887,527	1,780,726
Total primary government program revenues	\$44,125,263	\$52,130,116	\$54,194,005	\$51,905,901	\$47,180,793
Net (Expense)/Revenue					
Governmental activities	\$(72,627,607)	\$(65,197,883)	\$(61,947,001)	\$(65,350,142)	\$(71,251,046)
Business-type activities	(781,828)	(1,353,478)	(1,508,014)	(841,988)	(836,436)
Total primary government net expense	\$(73,409,435)	\$(66,551,361)	\$(63,455,015)	\$(66,192,130)	\$(72,087,482)

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

Fiscal Year				
2013	2014	2015	2016	2017
\$27,733,347	\$27,929,915	\$30,779,824	\$33,346,649	\$31,165,548
41,025,695	44,827,618	45,083,840	47,902,859	49,404,289
728,915	1,065,930	813,977	719,438	
-	-	-	-	-
22,423,554	22,594,861	23,252,369	26,254,000	24,159,637
8,756,169	7,978,742	8,060,712	8,013,891	10,927,586
19,148,787	19,161,487	17,996,969	18,673,421	19,819,560
4,001,986	4,317,013	4,558,516	4,948,161	4,258,868
175,929	152,606	128,260	109,862	128,083
123,994,382	128,028,172	130,674,467	139,968,281	139,863,571
255,269	265,862	273,137	295,038	307,898
2,531,174	2,397,874	2,460,184	2,604,367	2,686,841
2,786,443	2,663,736	2,733,321	2,899,405	2,994,739
\$126,780,825	\$130,691,908	\$133,407,788	\$142,867,686	\$142,858,310
\$8,016,016	\$7,604,267	\$7,974,131	\$8,477,357	\$8,332,666
8,161,295	10,706,721	12,133,288	10,844,756	10,914,642
758,431	-	10,000	14,416	
-	-	-	-	-
2,434,042	2,315,887	2,269,749	1,508,958	1,801,653
1,182,061	923,215	1,214,652	1,163,755	415,297
2,649,232	2,399,275	2,684,025	3,225,455	3,973,395
364,486	294,734	257,273	273,432	262,672
21,304,942	21,399,828	19,898,633	19,115,601	20,533,655
7,609,133	12,285,684	11,944,482	8,904,416	5,671,252
52,479,638	57,929,611	58,386,233	53,528,146	51,905,232
1,875,383	1,917,273	1,908,861	1,809,806	1,882,244
1,875,383	1,917,273	1,908,861	1,809,806	1,882,244
\$54,355,021	\$59,846,884	\$60,295,094	\$55,337,952	\$53,787,476
\$(71,514,744)	\$(70,098,561)	\$(72,288,234)	\$(86,440,135)	\$(87,958,339)
(911,060)	(746,463)	(824,460)	(957,573)	(795,726)
\$(72,425,804)	\$(70,845,024)	\$(73,112,694)	\$(87,397,708)	\$(88,754,065)

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

	Fiscal Year				
	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes:					
Property taxes	\$44,559,288	\$46,380,334	\$47,208,461	\$47,891,011	\$48,366,671
Timber taxes	329,173	184,659	183,636	354,707	550,876
Retail taxes	21,174,687	22,018,138	22,368,270	22,887,516	24,049,680
Business and occupation taxes	-	-	-	-	-
Excise taxes	3,744,369	2,773,961	2,466,037	2,612,122	3,202,538
Penalties and interest	1,582,257	1,519,426	2,362,264	2,498,709	2,088,649
Unrestricted investment earnings	4,397,348	2,610,935	1,358,391	1,096,735	717,360
Gain/loss on sale of capital assets	2,041,760	902,804	698,530	1,013,444	1,453,925
Miscellaneous	1,748,534	1,806,786	2,869,262	1,677,984	2,438,487
Special item-gain on acquired capital asset	-	-	-	-	-
Transfers	(945,138)	(1,148,707)	(1,162,091)	(1,195,050)	(1,025,137)
Total governmental activities	78,632,278	77,048,336	78,352,760	78,837,178	81,843,049
Business-type activities:					
Unrestricted investment earnings	-	-	-	-	-
Transfers	945,138	1,148,707	1,162,091	1,195,050	1,025,137
Total business-type activities	945,138	1,148,707	1,162,091	1,195,050	1,025,137
Total primary government	\$79,577,416	\$78,197,043	\$79,514,851	\$80,032,228	\$82,868,186
Change in Net Assets					
Governmental activities	\$6,004,671	\$11,850,453	\$16,405,759	\$13,487,036	\$10,592,003
Business-type activities	163,310	(204,771)	(345,923)	353,062	188,701
Total primary government	\$6,167,981	\$11,645,682	\$16,059,836	\$13,840,098	\$10,780,704

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

Fiscal Year				
2013	2014	2015	2016	2017
\$49,162,835	\$50,107,903	\$51,002,880	\$51,789,000	\$61,426,749
-	-	-	-	-
25,757,926	26,485,109	27,398,286	28,656,766	31,608,063
31,439	31,211	29,325	27,402	31,576
2,888,689	4,126,810	4,985,002	5,411,302	6,073,543
-	-	-	-	-
(6,966)	911,649	741,899	669,860	1,258,506
708,201	530,863	1,018,373	423,976	450,255
4,570,601	4,860,753	4,107,700	3,636,702	3,327,643
-	44,220,000	-	-	-
(1,134,728)	(1,104,502)	(1,116,512)	(1,058,166)	(1,115,849)
81,977,997	130,169,796	88,166,953	89,556,842	103,060,486
(7,746)	4,278	169	(11,536)	4,990
1,134,728	1,104,502	1,116,512	1,058,166	1,115,849
1,126,982	1,108,780	1,116,681	1,046,630	1,120,839
\$83,104,979	\$131,278,576	\$89,283,634	\$90,603,472	\$104,181,325
\$10,463,253	\$60,071,235	\$15,878,719	\$3,116,707	\$15,102,147
215,922	362,317	292,221	89,057	325,113
\$10,679,175	\$60,433,552	\$16,170,940	\$3,205,764	\$15,427,260

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

	Fiscal Year				
	2008	2009	2010	2011	2012
General Fund					
Reserved	\$496,119	\$1,905,595	\$349,228	\$-	\$-
Unreserved	10,449,164	5,780,610	8,839,368	-	-
Restricted	-	-	-	158,781	536,962
Unassigned	-	-	-	10,370,694	10,869,965
Total general fund	\$10,945,283	\$7,686,205	\$9,188,596	\$10,529,475	\$11,406,927
All Other Governmental Funds					
Reserved	\$7,462,881	\$10,233,116	\$10,092,405	\$-	\$-
Restricted	-	-	-	85,559,994	94,313,965
Committed	-	-	-	418,449	361,694
Assigned	-	-	-	4,107,225	4,464,983
Unassigned	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	38,144,944	45,552,152	51,695,565	-	-
Capital projects funds	19,377,053	17,469,599	21,780,998	-	-
Total all other governmental funds	\$64,984,878	\$73,254,867	\$83,568,968	\$90,085,668	\$99,140,642

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

Fiscal Year				
2013	2014	2015	2016	2017
\$-	\$-	\$-	\$-	\$-
-	-	-	-	-
693,229	334,317	788,981	1,193,986	1,370,146
11,658,731	12,703,184	14,732,224	15,694,885	19,719,446
<u>\$12,351,960</u>	<u>\$13,037,501</u>	<u>\$15,521,205</u>	<u>\$16,888,871</u>	<u>\$21,089,592</u>
\$-	\$-	\$-	\$-	\$-
94,441,322	97,862,280	96,777,284	96,949,348	105,188,376
5,381,198	7,873,940	10,638,840	12,049,671	16,059,213
2,516,944	2,838,698	3,226,073	2,071,796	1,990,680
-	-	-	-	(19,512)
-	-	-	-	-
-	-	-	-	-
<u>\$102,339,464</u>	<u>\$108,574,918</u>	<u>\$110,642,197</u>	<u>\$111,070,815</u>	<u>\$123,218,757</u>

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

	Fiscal Year			
	2008	2009	2010	2011
Revenues				
Taxes	\$71,604,169	\$73,092,573	\$75,212,285	\$77,746,503
Licenses and permits	2,129,723	2,318,034	2,314,115	2,091,213
Intergovernmental	26,676,379	33,569,286	35,734,318	33,678,960
Charges for services	11,014,729	11,719,977	11,240,618	10,738,984
Fines and forfeits	2,472,025	1,996,883	2,314,995	2,157,685
Miscellaneous	6,091,879	3,818,078	3,187,505	2,991,394
Total revenues	119,988,904	126,514,831	130,003,836	129,404,739
Expenditures				
General government	26,805,883	26,465,479	26,796,709	26,560,989
Public safety	36,746,100	39,325,404	39,352,531	38,991,462
Utilities	-	-	-	-
Physical environment	6,159,485	5,886,626	5,992,306	4,925,995
Transportation	16,678,152	15,278,092	14,881,399	15,744,702
Natural and economic environment	2,852,800	3,224,050	3,202,329	3,461,926
Social services	12,019,930	12,433,475	12,522,896	12,859,278
Culture and recreation	4,494,523	4,337,790	4,201,730	4,003,549
Capital outlay	8,241,819	13,503,595	13,908,191	13,058,768
Debt service:				
Principal	1,564,266	1,636,834	4,984,596	1,912,564
Interest	377,370	340,715	343,889	308,415
Total expenditures	115,940,328	122,432,060	126,186,576	121,827,648
Excess of revenues over (under) expenditures	4,048,576	4,082,771	3,817,260	7,577,091
Other Financing Sources (Uses)				
Proceeds of refunding long-term debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Sales of capital assets	2,041,760	902,804	698,530	1,013,444
Transfers in	13,070,745	19,572,672	20,336,343	18,045,344
Transfers out	(15,991,306)	(19,547,336)	(20,060,214)	(19,173,253)
Insurance recoveries	9,533	-	31,395	24,916
Capital lease proceeds	-	-	152,156	-
Proceeds of refunding long-term debt	-	-	6,299,585	-
Prior period adjustments	-	-	-	-
Total other financing sources (uses)	(869,268)	928,140	7,457,795	(89,549)
Net change in fund balance	\$3,179,308	\$5,010,911	\$11,275,055	\$7,487,542
Debt service as a percentage of noncapital expenditures	1.8%	1.8%	4.7%	2.0%

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

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$79,361,709	\$78,837,505	\$81,875,139	\$83,520,080	\$86,062,033	\$99,234,376
2,005,544	2,395,846	2,419,488	2,624,103	3,728,547	3,788,430
28,279,651	28,898,339	33,448,448	31,488,197	27,672,047	25,748,606
11,173,817	17,488,346	18,286,508	19,777,059	18,338,298	18,385,673
2,735,872	2,732,376	2,579,177	3,133,762	2,338,827	2,529,640
3,261,098	4,404,838	5,720,852	5,979,987	5,441,972	5,815,388
126,817,691	134,757,250	144,329,612	146,523,188	143,581,724	155,502,113
26,509,059	26,332,143	26,455,321	27,201,170	29,772,940	31,207,476
39,015,373	40,077,056	43,838,275	44,819,680	46,835,998	49,005,204
-	627,269	963,733	711,578	610,156	-
4,905,619	-	-	-	-	-
16,065,687	16,712,235	16,646,535	17,599,399	19,554,235	19,481,583
3,871,139	8,775,376	7,962,671	8,042,322	7,871,367	10,711,727
13,958,410	19,153,283	19,176,980	18,270,835	18,731,362	20,090,890
4,347,714	3,889,340	4,111,155	4,404,120	4,547,281	4,079,821
7,765,286	21,880,066	18,879,190	19,993,746	12,876,775	9,174,888
945,754	333,600	310,000	325,000	330,000	355,000
236,501	188,140	175,969	163,122	147,391	138,990
117,620,542	137,968,508	138,519,829	141,530,972	141,277,505	144,245,579
9,197,149	(3,211,258)	5,809,783	4,992,216	2,304,219	11,256,534
-	-	-	-	-	-
-	-	-	-	-	-
1,453,925	5,142,165	530,863	1,018,373	423,976	450,255
11,417,019	32,701,080	20,621,047	25,587,633	18,456,235	28,997,631
(12,394,872)	(30,988,691)	(20,049,538)	(27,154,480)	(19,502,641)	(30,492,215)
-	216,662	-	430	-	-
259,205	202,916	8,840	106,811	114,495	285,915
-	-	-	-	-	-
-	80,981	-	-	-	-
735,277	7,355,113	1,111,212	(441,233)	(507,935)	(758,414)
\$9,932,426	\$4,143,855	\$6,920,995	\$4,550,983	\$1,796,284	\$10,498,120
1.1%	0.4%	0.4%	0.4%	0.4%	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
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
2014	\$22,863,130,493	\$702,320,859	\$738,668,611	\$24,304,119,963	2.93
2015	\$23,750,717,549	\$739,041,515	\$809,569,941	\$25,299,329,005	2.91
2016	\$25,123,357,108	\$768,790,092	\$782,541,344	\$26,674,688,544	2.85
2017	\$27,193,890,456	\$757,293,474	\$812,482,900	\$28,763,666,830	2.73

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
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
2014	1.138	1.787	0.000	2.925	2.783	0.853	0.289	2.347	2.616
2015	1.128	1.780	0.000	2.908	2.772	1.264	0.288	2.331	2.484
2016	1.102	1.746	0.000	2.848	2.772	14.328	0.276	2.116	2.307
2017	1.058	1.673	0.000	2.731	2.772	14.328	0.265	2.116	2.234

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
0.350	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
0.500	0.595	0.084	0.000	0.072
0.500	0.589	0.084	0.000	0.072
0.496	0.597	0.084	0.000	0.072
0.487	0.603	0.084	0.000	0.067

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

Taxpayer	2017			2008		
	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)	\$881,096,419	1	3.30%	\$988,433,000	1	4.07%
Puget Sound Energy	463,098,682	2	1.74	150,983,709	3	0.62
Phillips 66 Company	416,145,418	3	1.56	597,245,315	2	2.46
Trans Mountain Pipeline	70,152,541	4	0.26	-		0.00
Alumet Corporation (Intalco)	62,989,039	5	0.24	88,434,150	4	0.36
Petro Gas West LLC	59,378,744	6	0.22	-		0.00
Northwest Pipeline Corporation	54,560,774	7	0.20	-		0.00
Bellis Fair Partners	52,142,324	8	0.20	32,856,940	6	0.14
Phillips 66 Company	47,955,650	9	0.18	-		0.00
SSC Bellingham Apartments LLC	44,097,772	10	0.17	-		0.00
PK II Sunset Square LLC	-		-	20,891,450	8	0.09
IKO Pacific INC	-		-	23,168,105	7	0.10
Tenaska Washington Partners	-		-	52,520,670	5	0.22
Semiahmoo Resort Company LLC	-		-	19,040,320	9	0.08
Nationsbanc Mortgage	-		-	18,981,650	10	0.08
Total	<u>\$2,151,617,363</u>		<u>8.07%</u>	<u>\$1,992,555,309</u>		<u>8.21%</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
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%
2014	\$49,129,805	\$48,287,204	98.28%	\$939,420	\$49,226,624	100.20%
2015	\$50,997,296	\$50,198,000	98.43%	\$889,288	\$51,087,288	100.18%
2016	\$51,837,827	\$51,478,304	99.31%	\$1,750,447	\$53,228,751	102.68%
2017	\$60,168,923	\$59,342,320	98.63%	\$717,927	\$60,060,247	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			
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	\$-	\$441,338	\$4,101,338	1.00%	\$20
2014	\$3,350,000	\$-	\$311,275	\$3,661,275	1.12%	\$18
2015	\$3,025,000	\$-	\$285,367	\$3,310,367	1.28%	\$16
2016	\$2,695,000	\$-	\$270,096	\$2,965,096	1.49%	\$14
2017	\$2,340,000	\$-	\$427,765	\$2,767,765	Not Available	\$13

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
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
2014	\$3,350,000	0.01%	\$16.14
2015	\$3,025,000	0.01%	\$14.42
2016	\$2,695,000	0.01%	\$12.68
2017	\$2,340,000	0.01%	\$10.82

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	\$2,340,000	100%	\$2,340,000
Total Direct Bonded Debt	\$2,340,000		\$2,340,000
Fire Districts	\$2,770,000	100%	\$2,770,000
Water Districts	\$552,668	100%	\$552,668
School Districts		100%	\$0
Park Districts	\$3,616,174	100%	\$3,616,174
Total Overlapping Bonded Debt	\$6,938,842		\$6,938,842
Total Direct & Overlapping Bonded Debt	\$9,278,842		\$9,278,842

Source: Whatcom County Treasurer.



Legal Debt Margin Information
 Last Ten Fiscal Years
 Schedule 12

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt limit	\$363,972,353	\$376,163,103	\$355,935,992	\$352,973,637	\$352,266,165
Total net debt applicable to limit	16,095,405	15,119,442	16,587,403	15,087,827	14,852,077
Legal debt margin	\$347,876,948	\$361,043,661	\$339,348,589	\$337,885,810	\$337,414,088
Total net debt applicable to the limit as a percentage of debt limit	4.42%	4.02%	4.66%	4.27%	4.22%

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				
2013	2014	2015	2016	2017
\$355,191,843	\$364,561,799	\$379,489,935	\$400,120,328	\$431,455,002
13,476,969	14,742,520	14,520,168	14,121,234	15,451,243
\$341,714,874	\$349,819,279	\$364,969,767	\$385,999,094	\$416,003,759
3.79%	4.04%	3.83%	3.53%	3.58%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	28,763,666,830
Debt limit (1.5% of assessed value without a vote)	431,455,002
Debt applicable to limit:	
Outstanding debt	15,452,247
Less: Amounts set aside for repayment of general obligation debt	(1,004)
Total net debt applicable to limit	15,451,243
Legal debt margin	\$416,003,759

Pledged Revenue Coverage
 Last Ten Fiscal Years
 Schedule 13

Fiscal Year	Special Assessment Bonds			Coverage
	Assessments Collected	Debt Service		
		Principal	Interest	
2008	\$7,123	\$-	\$-	-
2009	\$-	\$-	\$-	-
2010	\$-	\$-	\$-	-
2011	\$7,283	\$-	\$-	-
2012	\$-	\$-	\$-	-
2013	\$-	\$-	\$-	-
2014	\$-	\$-	\$-	-
2015	\$-	\$-	\$-	-
2016	\$-	\$-	\$-	-
2017	\$-	\$-	\$-	-

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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	\$8,476,121	\$41,076	37.22	27,369	6.2%
2014	207,600	\$8,509,074	\$40,840	37.54	26,039	6.4%
2015	209,790	\$9,024,371	\$42,511	36.50	26,177	5.9%
2016	212,540	\$9,598,328	\$44,273	36.80	26,508	6.2%
2017	216,300	Not Available	Not Available	N/A	26,786	4.9%

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 provided by the Washington State Department of Employment Security. Median age provided by Economic Development Intelligence System. School enrollment data provided by Public School Review.

Principal Employers
Current and Nine Years Ago
Schedule 15

Employer	2017			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
St. Joseph Hospital (FTE)	2,289	1	2.18%	2,217	1	2.19%
Lummi Nation (Total Employees)	1,781	2	1.70%	700	8	0.69%
Western Washington (FTE)	1,519	3	1.45%	1,664	2	1.64%
Bellingham School District (FTE)	1,010	4	0.96%	1,300	3	1.28%
Whatcom County (FTE)	907	5	0.86%	956	4	0.94%
BP (Cherry Point (Estimate)	856	6	0.81%	725	6	0.72%
City of Bellingham	853	7	0.81%	795	5	0.78%
Haggen, Inc (Total Employees)	750	8	0.71%	720	7	0.71%
Fred Meyer (FTE)	710	9	0.68%	-	-	-
Alcoa Intalco Works	690	10	-	-	-	-
Zodiac Interiors (Heath Tecna)	-	-	0.00%	-	-	-
Ferndale School District	-	-	-	681	9	0.67%
Sodexo Services	-	-	-	671	10	0.66%
Total	11,365		10.82%	10,429		10.29%

Source: WWU Center for Economic and Business Research.

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Administrative Svcs	81.05	78.45	66.85	61.85	61.15	60.55	60.55	63.80	63.80	64.50
Assessor	30.00	30.00	29.00	28.00	28.00	28.00	28.00	28.00	28.00	29.00
Auditor	22.00	21.00	19.00	19.00	19.00	19.00	18.00	17.00	17.00	17.00
County Council	10.50	10.50	9.50	9.50	9.50	9.50	9.50	10.50	10.50	10.50
County Executive	4.50	4.40	4.00	4.00	4.00	3.70	4.70	4.70	4.70	4.50
Executive Non Dept.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
District Court Prob.	19.50	18.50	15.70	15.70	15.70	14.00	14.00	14.00	14.00	14.00
District Court	21.00	20.00	18.50	18.50	18.50	18.50	18.50	18.50	19.50	19.50
Prosecuting Attorney	54.60	54.60	50.90	50.90	49.90	49.90	49.90	49.90	50.90	49.90
Public Defender	37.80	36.80	32.80	29.80	29.80	28.80	28.80	30.00	30.00	31.00
Superior Court	44.50	43.50	40.20	40.20	40.20	39.20	39.20	42.20	42.20	42.20
Treasurer	16.00	15.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Public Safety										
Jail	91.50	92.50	88.50	86.50	86.50	86.50	86.50	86.50	86.50	87.50
Juvenile Court Admin	46.80	46.80	38.40	38.40	37.40	37.60	37.60	38.70	38.70	39.00
Planning & Dev't Svcs	73.60	67.60	47.00	47.00	45.00	43.00	44.00	44.50	46.00	46.00
Sheriff	108.20	108.70	106.50	108.50	108.50	107.50	107.50	106.50	107.50	108.50
Transportation										
Public Works	176.20	169.70	153.70	155.70	155.70	154.70	154.70	161.00	162.00	164.00
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	90.70	86.70	75.20	73.15	73.15	71.35	71.35	75.35	78.40	82.90
Culture and Recreation										
Cooperative Extension	2.52	2.42	2.52	2.52	2.52	2.52	2.00	2.00	2.00	2.00
Parks & Recreation	34.75	33.75	25.75	23.00	23.00	23.00	23.00	23.00	23.00	24.00
Total	966.72	941.92	838.02	826.22	821.52	811.32	811.80	830.15	838.70	852.00

Source: Whatcom County Administrative Services.

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

Function/ Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
General Election (1)										
# of Registered Voters	115,314	114,292	116,581	117,162	125,485	127,002	127,300	129,345	138,962	139,713
# of Votes	101,399	61,288	86,993	69,147	104,727	69,709	76,123	61,136	114,920	63,626
% of Reg. Voters Voting	87.9%	53.6%	74.6%	59.0%	83.5%	54.9%	59.8%	47.3%	82.7%	45.5%
Assessor (2)										
Real Property Parcels	109,507	110,327	111,567	111,107	111,302	111,453	111,744	112,043	112,562	113,078
Building Permits Evaluated	4,083	5,460	3,186	4,622	2,716	3,099	2,405	1,387	2900	2895
New Single Family Residences	877	496	151	210	314	517	421	516	579	651
Judicial (3)										
District Court Infractions	21,253	17,478	19,142	18,206	18,790	16,802	15,226	17,384	16,027	15,003
Public Safety (4)										
# of Fire Inspections	337	325	253	180	168	164	159	120	121	113
# Sheriffs - Commissioned	84.00	84.00	85.00	88.00	88.00	85.50	85.50	84.50	85.5	86.5
# Sheriffs - Civilian	24.20	24.70	20.50	20.50	20.50	22.00	22.00	22.00	22.00	22.00
Calls for Service	29,499	27,642	27,230	26,632	25,713	26,313	26,218	27,373	28,340	29,697
Average Daily Jail and Work Center Population	277	283	275	261	278	258	371	345	320	312
Building Department										
Permits Applications	1,142	855	946	739	722	744	755	816	806	836
Mechanical/Plumbing	420	433	467	461	512	460	547	592	629	665
Physical Environment (5)										
Flood Permits Issued	17	22	55	91	118	137	127	99	133	171
Transportation (6)										
Roads Oiled	667.94	663.93	663.55	663.24	661.75	661.34	661.07	660.33	660.15	659.91
Roads Asphalt	237.83	233.39	233.94	234.09	235.66	234.45	234.10	234.89	222.73	222.73
Roads Gravel	30.46	30.40	30.40	29.55	29.35	29.37	29.27	29.06	29.06	29.17
Roads Misc	15.54	15.60	15.60	14.59	14.59	14.59	15.04	14.27	26.89	26.76
Ferry Passengers	216,838	207,160	197,980	185,801	182,484	171,317	176,798	186,170	186,097	199,873
Ferry Vehicle Trips	123,285	119,400	110,405	107,164	109,336	106,594	111,590	113,880	114,228	121,645
Culture and Recreation (7)										
Number of Parks	20	20	20	17	17	20	20	20	20	20

(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 Division.

(6) Source: Whatcom County Public Works Engineering.

(7) Source: Whatcom County Parks.

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

Function/ Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
Public Safety (1)										
Sheriff Patrol Units	93.5	93.5	93.5	93.5	93.5	93.0	93.0	93.0	94.0	94.0
Transportation (1)										
Miles of Road	951.77	943.32	943.49	941.47	941.35	939.75	939.48	938.55	938.83	938.57
Traffic Signals	3	3	3	3	3	3	4	4	4	4
Ferry Vessel	1	1	1	1	1	1	1	1	1	1
Fire Protection (2)										
No. of Districts	16	12	12	11	11	14	14	13	13	13
Culture and Recreation (3)										
Regional Parks - Number	20	20	20	17	17	20	20	20	20	20
Community Parks - Number	-	-	-	-	-	2	4	4	4	4
Neighbor Parks - Number	-	-	-	-	-	4	4	4	4	4
Parks - Acres	7,030.38	7,030.38	7,030.38	7,109.00	7,109.00	7,156.00	16,008.00	16,018.00	16,122.00	16,122.00
Senior Centers	8*	8*	8*	8*	8*	8*	8*	8*	8	8
Public Schools (4)										
Number of Schools										
Elementary	35	35	36	37	36	36	34	32	34	31
Middle	11	11	10	11	11	11	11	11	11	11
High	10	11	11	11	11	11	12	11	11	11
Alternative or Special	16	13	13	14	13	13	11	13	14	15
Education										
Community Colleges	1	1	1	1	1	1	1	1	1	1
Technical	1	1	1	1	1	1	1	1	1	1

*Two Senior Centers are County Owned.

(1) Source: Whatcom County Public Works Equipment Rental.

(2) Source: Whatcom County Administrative Services.

(3) Source: Whatcom County Parks.

(4) Source: Education Service District #189.