

Comprehensive Annual Financial Report

Whatcom County Washington

Fiscal Year Ending December 31, 2018



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

December 2019

CONTACT INFORMATION

Brad Bennett, Finance Manager

Kristin Fuchs, Finance Associate Manager

Phone (360) 778-5320

Fax (360) 778-5321

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

Online <http://www.whatcomcounty.us>

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 Net Position, Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Fund Net Position, Proprietary Funds	26
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	41
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	48
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	Defined Benefit Other Postemployment Benefit (OPEB) Plans . . . . .	.71
Note 15	Postclosure Care Cost. . . . .	.73
Note 16	Tax Abatement. . . . .	.73

Required Supplemental Information75

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	75
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - County Road Fund	76
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - Whatcom County Jail Fund.	77
Notes to Budgetary Comparison Schedule	78
Schedule of Proportionate Share of the Net Pension Liability - PERS 1	79
Schedule of Proportionate Share of the Net Pension Liability - PERS 2/3	80
Schedule of Proportionate Share of the Net Pension Liability - PSERS 2	81
Schedule of Proportionate Share of the Net Pension Liability - LEOFF 1	82
Schedule of Proportionate Share of the Net Pension Liability - LEOFF 2.	83
Schedule of Employer Contributions - PERS 1	84
Schedule of Employer Contributions - PERS 2/3.	85
Schedule of Employer Contributions - PSERS 2	86
Schedule of Employer Contributions - LEOFF 1	87
Schedule of Employer Contributions - LEOFF 2	88
Schedule of Changes in Total OPEB Liability and Related Ratios.	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	103
Election Reserve	107
Veterans' Relief	108
Treasurer's O & M.	109

Low-Income Housing	110
Homeless Housing.....	111
Stormwater.....	112
Behavioral Health Program	113
Parks Special Revenue.....	114
Swift Creek Sediment Management	115
Countywide Emergency Medical Services.....	116
Whatcom County Trial Court Improvement.....	117
Solid Waste	118
Convention Center	119
Victim/Witness Assistance	120
Whatcom County Drug.....	121
Auditor's O & M	122
Emergency Management	123
Flood Control Zone District.....	124
Point Roberts Transportation Benefit District.....	125
Conservation Futures	126
Road Improvement Districts.....	127
Debt Service Funds	128
Combining Balance Sheet - Non-Major Funds	128
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Funds	129
2010 Ltd. Tax General Obligation Bond	130
Capital Project Funds	131
Combining Balance Sheet - Non-Major Funds	131
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Funds	136
Real Estate Excise Tax II	141
Real Estate Excise Tax I.....	142
Civic Center Building Improvement.....	143
East Whatcom Regional Resource Center Construction	144
2010 Jail Improvement	145
Lummi Nation Lease	146
Birch Bay Dr. & Pedestrian Facility Project.....	147
Potter Rd. - South Fork Bridge Replacement Project	148
Sheriff's Record Management System Project	149
New Jail Project.....	150
Nesset Farm Restoration.....	151
State St. Building Acquisition & Improvement.....	152
Telecommunications System Replacement	153
2015 County Roadway Safety Program	154
Courthouse Improvement.....	155
2015 Girard Street Building Improvement.....	156
Courthouse Building Envelope Project.....	157
2015 Silver Lake Park Improvement.....	158
2015 Lighthouse Marine Park Improvement	159

2015 South Fork Park Improvement	160
Academy Road Stormwater Improvements	161
Agate Heights Estate/Bay Lane Stormwater Improvements	162
Cedar Hills/Euclid Stormwater Improvements	163
Criminal Justice Integrated Case Mgmt System Projects	164
Integrated Land Records & Permit Mgmt System Projects	165
Sudden Valley Stormwater Improvements	166
Hovander Park Building Improvements	167
Lake Whatcom Park Trail Development	168
Financial System Software	169
Law Library/Elections Remodel	170
Northshore Drive/Edgewater Lane Storm Water Improvements	171
East Smith/Hannegan Road Intersection Improvements	172
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Major Funds	173
Public Utilities Improvement	173
Triage Center Expansion	174
Internal Service Funds	175
Combining Statement of Net Position - Internal Service Funds	175
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds.	176
Combining Statement of Cash Flows - Internal Service Funds	177
Enterprise Funds.	178
Combining Statement of Net Position - Non-Major Enterprise Funds	178
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Non-Major Enterprise Funds.	179
Combining Statement of Cash Flows - Non-Major Enterprise Funds	180
Investment Trust Funds	181
Combining Statement of Net Position - Investment Trust Funds	181
Combining Statement of Changes in Net Position - Investment Trust Funds.	182
Agency Funds	183
Combining Balance Sheet.	183
Combining Statement of Changes in Assets and Liabilities.	186
Cemetery Districts	186
Drainage, Diking and Flood Control Districts	187
Park and Recreation Districts	188
Rural Library	189
Northwest Regional Council	190
Council of Governments	191
Hospital Districts	192
Port	193
P.U.D. District	194
Whatcom Transit	195
School Districts	196

Watershed Districts	197
Fire Districts.....	198
Water Districts.....	199
Treasurer’s Suspense.....	200
Inmate Trust Fund.....	201
Claims Fund.....	202
Total Agency Funds.....	203

General Fund Schedule of Expenditures - Budget and Actual	204
---	-----

Statistical Section

Schedule 1	Net Position by Component	207
Schedule 2	Changes in Net Position	209
Schedule 3	Fund Balances, Governmental Funds	213
Schedule 4	Changes in Fund Balances, Governmental Funds	215
Schedule 5	Assessed Value of Taxable Property	217
Schedule 6	Direct and Overlapping Property Tax Rates	219
Schedule 7	Principal Property Tax Payers	221
Schedule 8	Property Tax Levies and Collections.	222
Schedule 9	Ratio of Outstanding Debt by Type	223
Schedule 10	Ratio of General Bonded Debt Outstanding	224
Schedule 11	Direct and Overlapping Governmental Activities Debt	225
Schedule 12	Legal Debt Margin Information	227
Schedule 13	Pledged Revenue Coverage.	229
Schedule 14	Demographic and Economic Statistics	230
Schedule 15	Principal Employers	231
Schedule 16	Full-Time Equivalent County Government Employees by Function/Program.	232
Schedule 17	Operating Indicators by Function/Program	233
Schedule 18	Capital Asset Statistics by Function/Program.	234

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



August 20, 2019

Citizens of Whatcom County:

We are pleased to submit the Comprehensive Annual Financial Report of Whatcom County for the year ended December 31, 2018, 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 2,107 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 2018 is estimated at 220,350.

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 9 percent since 2011. The County's greatest employment sector is "government." Employment of Whatcom County's workforce of approximately 111,478 includes the following sectors:

Agriculture, Forestry, Fishing and Hunting	3.93%
Mining	*
Utilities	*
Construction	8.20%
Manufacturing.....	11.25%

Transportation and Warehousing.....	2.54%
Wholesale/Retail Trade.....	14.97%
Professional/Technical Services	3.63%
Finance/Insurance/Real Estate	3.82%
Management of Companies and Enterprises.....	0.44%
Administrative/Waste Services.....	4.54%
Educational Services	1.06%
Healthcare and Social Assistance	12.86%
Arts, Entertainment and Recreation	1.59%
Accommodation and Food Services	9.83%
Government	16.29%
Information.....	1.33%
Other Services, except Public Administration.....	3.43%
Not Elsewhere Classified.....	0.29%

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

Source: WA State Employment Security Department

International Transportation

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

The Port of Bellingham significantly contributes to the growing trade between Asia and North America, as well as the area’s local economy. The Port has more than 1,600 acres of waterfront commercial and industrial property and it administers 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 2018 enrollment was 16,121. As one of the county’s largest employers, WWU employs 1,769 full-time faculty and staff.

Retail Trade

Between 2009 and 2018, annual taxable retail sales in Whatcom County grew by \$1.7 billion or a 59 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 127

stores including five anchor stores.

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 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, 2018

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

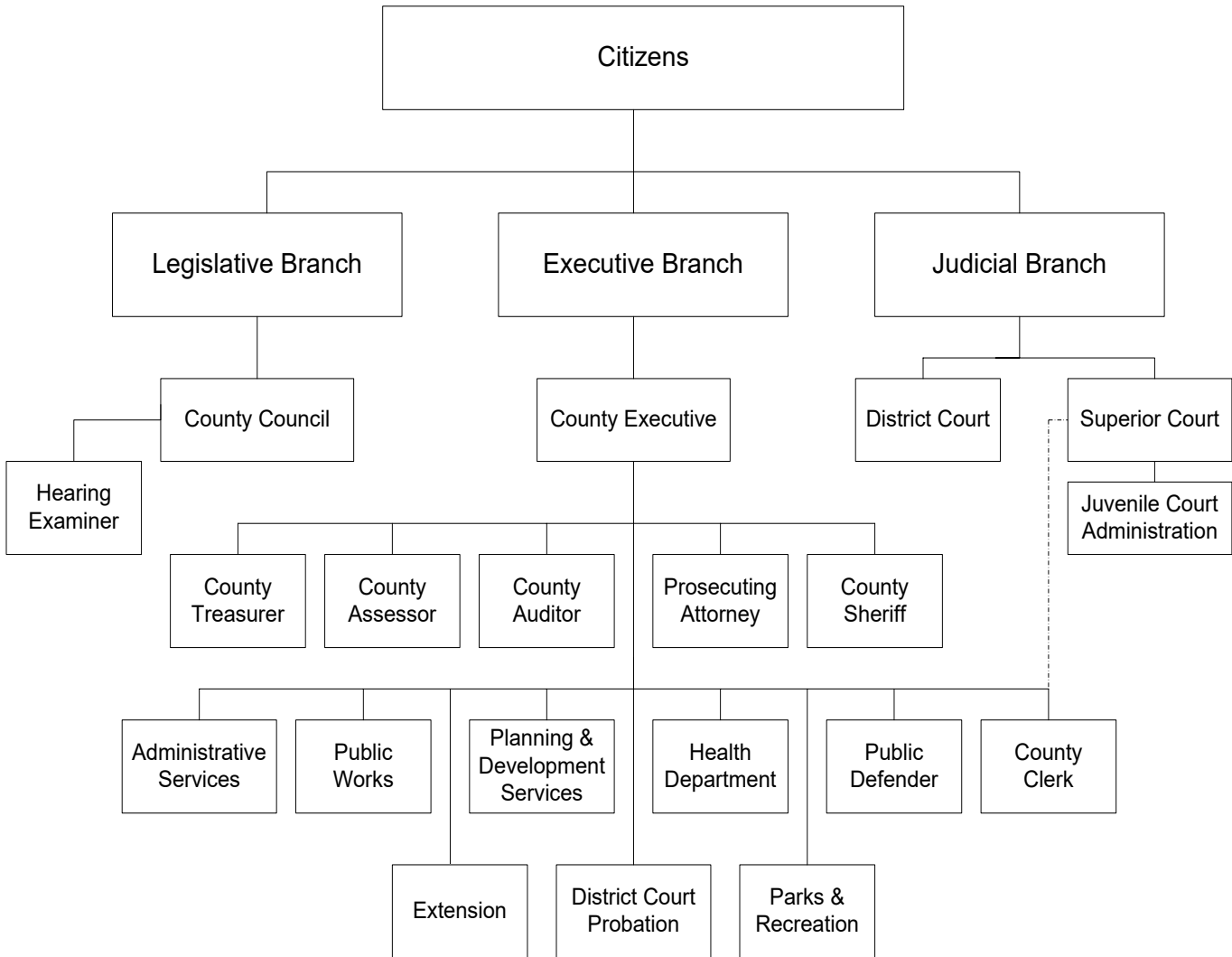
SUPERIOR COURT JUDGES

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, 2018

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, 2018.

Financial Highlights

- The County is in good financial condition and our financial growth is back to prerecession levels.
- Overall revenues are up \$12.8 million.
- Assessed valuation of property increased 7.8 percent from 2017 to 2018.
- Building activity is down slightly from 2018.
- Total retail sales increased 9.3 percent from 2017 to 2018.
- At the end of 2018, the unassigned fund balance for the General Fund is \$15,710,143, or approximately 20.5 percent of total General Fund expenditures. Total fund balance for the General Fund decreased 19.5 percent for the year.
- As of December 31, 2018, the County's governmental funds reported combined ending fund balances of \$157.1 million.
- The County's outstanding general obligation debt (including capital leases) totals \$2.4 million at the end of 2018.

Government-wide Financial Statement Highlights

- Whatcom County's revenue for governmental activities increased \$12.8 million or 8.1 percent between 2017 and 2018.
- The County's long-term debt totaled \$46.8 million. This includes general obligation bonds totaling \$2.0 million, pension obligations totaling \$25.0 million, OPEB obligations totaling \$7.4 million, compensated absences totaling \$7.3 million, and projected self-insurance claims of \$4.5 million. Long-term debt decreased \$7.3 million, or 13.5 percent. This 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 \$389,645,123 as compared to \$373,976,307 in 2017 (\$15.7 million increase). For 2018, unrestricted net position decreased \$1.4 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 pages 75-89 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 90-204 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	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$203,090,032	\$190,406,620	\$3,416,712	\$3,100,205	\$206,506,744	\$193,506,825
Capital assets	254,123,533	252,529,976	1,017	1,659	254,124,550	252,531,635
Total assets	457,213,565	442,936,596	3,417,729	3,101,864	460,631,294	446,038,460
Deferred outflows of resources	5,186,087	5,777,615	86,265	102,177	5,272,352	5,879,792
Long-term debt	46,246,849	53,322,366	590,964	813,663	46,837,813	54,136,029
Other liabilities	11,698,901	12,055,658	271,065	140,427	11,969,966	12,196,085
Total liabilities	57,945,750	65,378,024	862,029	954,090	58,807,779	66,332,114
Deferred inflows of resources	17,259,816	11,493,502	190,928	116,329	17,450,744	11,609,831
Net position:						
Net investment in capital assets	251,688,585	249,804,468	1,017	1,659	251,689,602	249,806,127
Restricted	135,572,881	120,343,165	-	-	135,572,881	120,343,165
Unrestricted	(67,380)	1,695,052	2,450,020	2,131,963	2,382,640	3,827,015
Total net position	\$387,194,086	\$371,842,685	\$2,451,037	\$2,133,622	\$389,645,123	\$373,976,307

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 \$389,645,123 at the close of 2018; this is an increase of \$18.5 million from 2017 net position. Governmental activities increased Whatcom County's net position by \$18.2 million, thereby accounting for 98.3 percent of the increase in the net position of Whatcom County. Business-type activities increased net position \$317,415.

The largest portion of Whatcom County's net position (64.6 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 \$1.9 million. Whatcom County invested \$2.7 million in infrastructure, \$5.4 million in equipment, \$2.1 million in land, \$2.1 million in construction in progress, \$2.7 million in improvements, and \$213,000 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 \$135,572,881 or 34.8 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 \$15.2 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 \$2.4 million.

Table MDA2 - Net Position Comparison

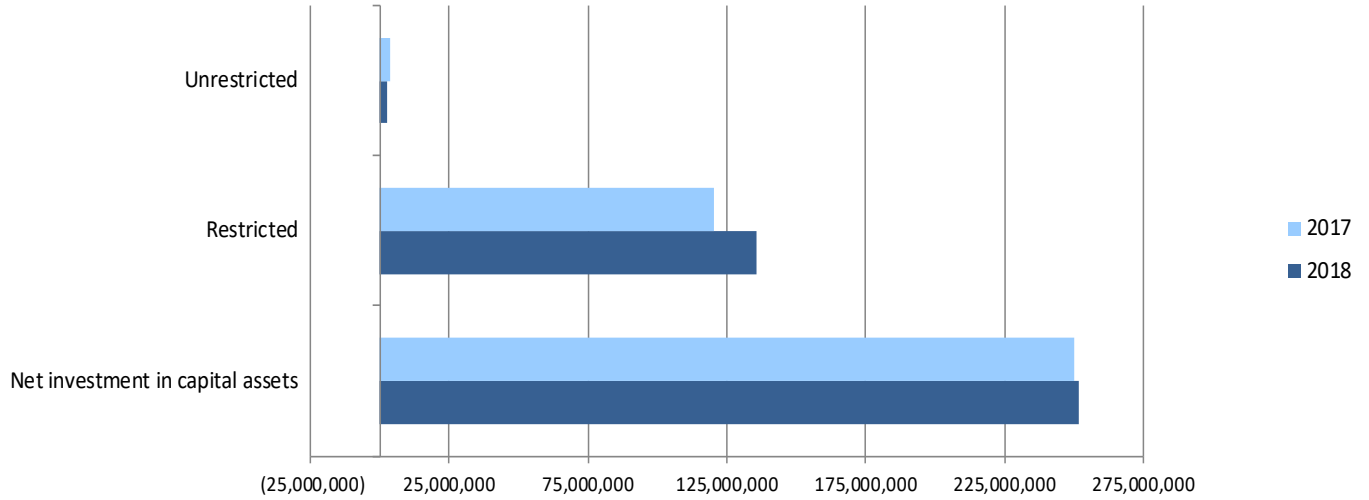


Table MDA3 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenue:						
Charges for services	\$26,386,191	\$25,700,325	\$1,899,846	\$1,882,244	\$28,286,037	\$27,582,569
Operating grants & contributions	21,681,242	20,533,655	337,738	316,769	22,018,980	20,850,424
Capital grants & contributions	7,847,406	5,671,252	-	-	7,847,406	5,671,252
General revenue:						
Property taxes	64,009,643	61,426,749	-	-	64,009,643	61,426,749
Retail taxes	34,531,198	31,608,063	-	-	34,531,198	31,608,063
Business and occupation taxes	29,186	31,576	-	-	29,186	31,576
Excise taxes	7,500,022	6,073,543	-	-	7,500,022	6,073,543
Other	6,889,563	5,036,404	(5,855)	4,990	6,883,708	5,041,394
Total revenues	168,874,451	156,081,567	2,231,729	2,204,003	171,106,180	158,285,570
Expenses						
General government	32,768,726	31,165,548	-	-	32,768,726	31,165,548
Public safety	52,277,517	49,404,289	-	-	52,277,517	49,404,289
Transportation	26,399,049	24,159,637	-	-	26,399,049	24,159,637
Natural and economic environment	11,566,179	10,927,586	-	-	11,566,179	10,927,586
Social services	21,860,399	19,819,560	-	-	21,860,399	19,819,560
Culture and recreation	4,492,538	4,258,868	-	-	4,492,538	4,258,868
Interest on long-term debt	102,007	128,083	-	-	102,007	128,083
Whatcom Co. Investment Pool	-	-	258,830	307,898	258,830	307,898
Ferry System	-	-	2,865,580	2,686,841	2,865,580	2,686,841
Total expenses	149,466,415	139,863,571	3,124,410	2,994,739	152,590,825	142,858,310
Change in net position before transfers	19,408,036	16,217,996	(892,681)	(790,736)	18,515,355	15,427,260
Transfers	(1,210,096)	(1,115,849)	1,210,096	1,115,849	-	-
Change in net position	18,197,940	15,102,147	317,415	325,113	18,515,355	15,427,260
Net position-beginning	371,842,685	350,889,995	2,133,622	1,808,509	373,976,307	352,698,504
Prior period adjustment	(2,846,539)	5,850,543	-	-	(2,846,539)	5,850,543
Net position-beginning (restated)	368,996,146	356,740,538	2,133,622	1,808,509	371,129,768	358,549,047
Net position-ending	\$387,194,086	\$371,842,685	\$2,451,037	\$2,133,622	\$389,645,123	\$373,976,307

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

Overall revenues are up \$12.8 million.

Property tax revenue is up \$2.6 million or 4.2 percent over last year.

Sales tax revenue is up \$2.9 million or 9.3 percent from 2017.

Charges for services are greater than 2017 by \$703,000.

Operating grants and contributions increased \$1.2 million from last year.

Capital grants and contributions are \$2.2 million greater than 2017. These revenues fluctuate based on the capital projects that are underway during the year.

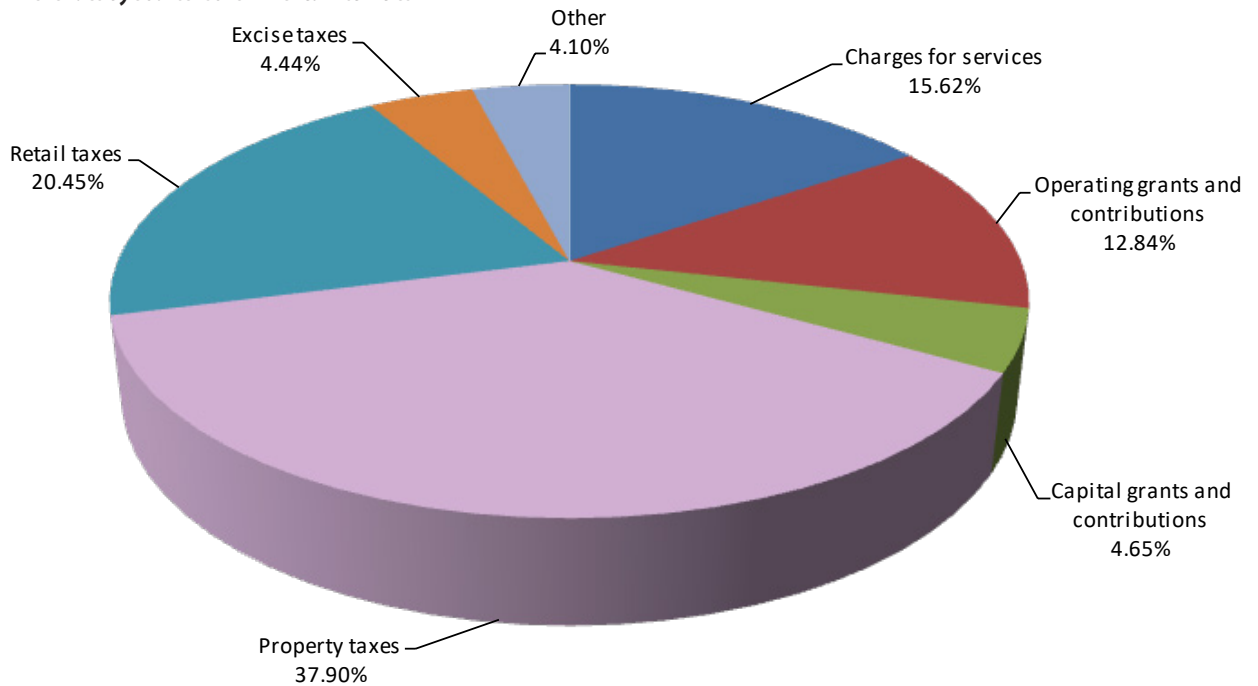
Excise tax increased \$1.4 million or 23.5 percent from 2017.

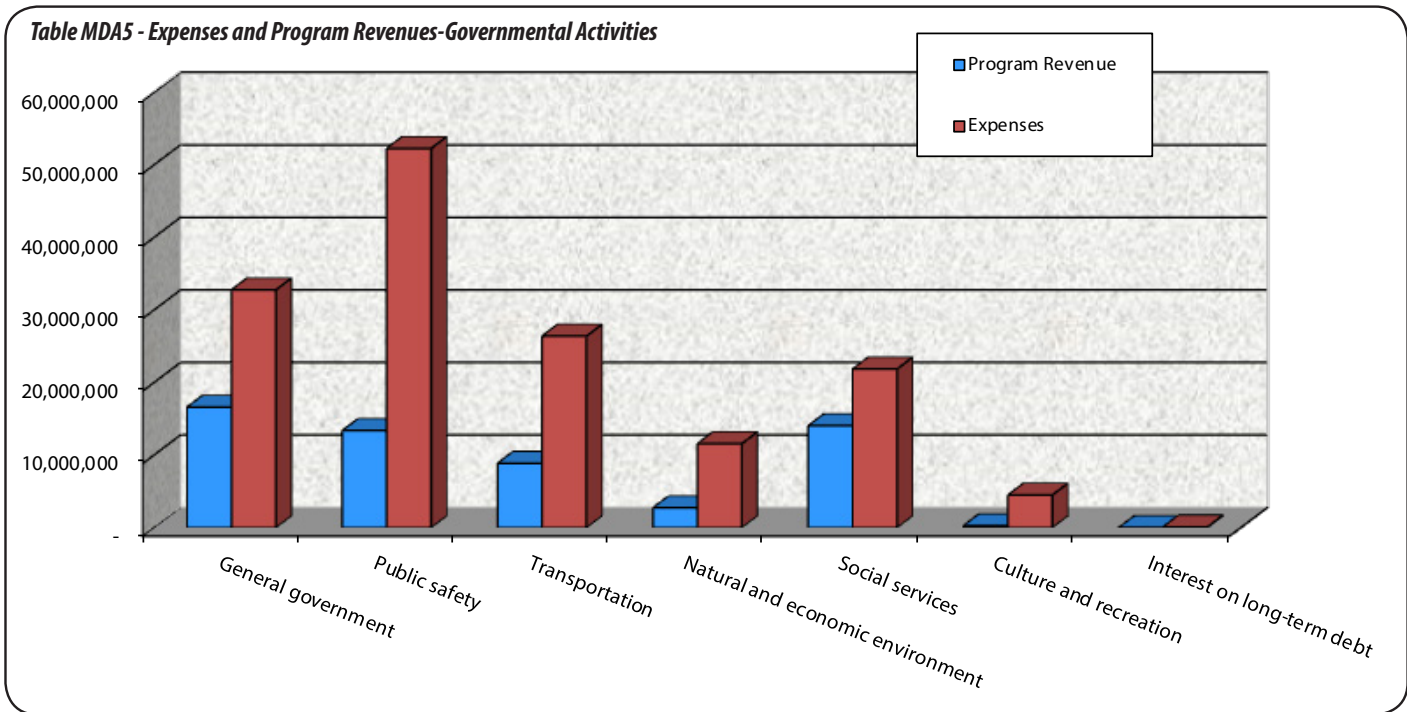
Other revenues are \$1.8 million greater than last year.

Expenses ended up at \$152.6 million and are \$9.7 million or 6.8 percent higher than 2017.

Net position increased \$18.5 million from 2017.

Table MDA4 - Revenues by Source-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, 2018, the County's governmental funds reported combined fund balances of \$157.1 million; this is an increase of \$12.4 million over 2017 or 8.6 percent. Overall, the funds collected 97.9 percent of their budgeted revenues and expended 68.8 percent of their budgeted expenditures.

Unassigned fund balance is \$15.7 million or approximately 10.0 percent of total fund balance. Unassigned fund balance is available for spending for any purpose. Assigned fund balance is \$2.0 million or approximately 1.3 percent of total fund balance. Assigned fund balance represents resources Whatcom County intends to use for specific purposes. Committed fund balance totals \$14.3 million or approximately 9.1 percent of total fund balance. 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 \$125.1 million or approximately 79.6 percent of total fund balance. 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 2018, unassigned fund balance of the General Fund was \$15.7 million, while total fund balance decreased to \$17.3 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 20.5 percent of total General Fund expenditures, while total fund balance represents approximately 22.6 percent of that same amount.

During 2018, the fund balance of the General Fund decreased by \$4.2 million. The fund balance was projected to decrease \$12.0 million. \$6.5 million of expenditure authority is unspent at year end.

Under GASB Statement No. 54, certain Special Revenue Funds are required to be reported in the General Fund. For 2018, the LEOFF I Healthcare Fund is combined into the General Fund.

The County Road Fund had a fund balance of \$26.3 million in 2018, which is \$3.8 million greater than 2017. Fund balance was projected to be \$9.3 million less at year end; however, expenditures are significantly below budget.

The fund balance of the Whatcom County Jail Fund ended at \$1.8 million which is about the same as last year. Revenues are 113.0 percent of budgeted revenues and expenditures are 98.9 percent of budgeted expenditures.

The fund balance for the Public Utilities Improvement Fund increased \$2.8 million. This is higher than expected. \$1.6 million of expenditure authority was continued into 2019 for a project that was not complete at year end.

The Triage Center Expansion Fund had a \$3.0 million increase in fund balance. The Behavioral Health Program Fund transferred \$3.0 million to the Triage Center Expansion Fund to provided funding for the new triage center.

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, 2018.

	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$45,244,980	\$46,274,980	\$48,143,005
Intergovernmental	14,510,133	17,881,983	16,493,966
Other	17,374,050	17,608,163	19,110,071
Total revenues	77,129,163	81,765,126	83,747,042
Expenditures:			
Expenditures	76,558,216	82,487,334	76,476,933
Other financing sources (uses)	(5,592,556)	(11,310,106)	(11,464,643)
Total expenditures	82,150,772	93,797,440	87,941,576
Change to fund balance	\$(5,021,609)	\$(12,032,314)	\$(4,194,534)

General Fund actual revenues are greater than budgeted revenues by \$2.0 million. Tax revenues are greater than

budgeted amounts by \$1.9 million. Intergovernmental revenues received are \$1.4 less than budgeted revenue. Miscellaneous revenues exceed budgeted amounts by \$1.5 million.

Overall expenditures for the General Fund are 92.7 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, 2018, amounts to \$254.1 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 2017 is \$1.6 million.

Major capital asset events during 2018 included the following:

- New equipment purchases totaled \$5.4 million, which included vehicles and road maintenance equipment.
- \$1.2 million was spent on improvements to County parks and trails.
- The County purchased conservation easements totaling \$1.1 million.
- New permit system (2018 costs totaled \$533,000).
- Construction costs started for the new Triage Center Expansion building (\$342,000).
- Various projects related to roads, bridges, road-related improvements, and drainage systems totaled \$2.7 million.

Table MDA7 - Capital Assets

	Governmental Activities	
	2018	2017
Land	\$105,156,429	\$103,073,493
Construction in progress	3,989,338	3,624,864
Intangible assets	50,400	50,400
Buildings	41,635,194	43,333,608
Improvements	7,902,972	5,803,924
Equipment	16,015,458	13,154,389
Infrastructure	79,373,742	83,489,298
Totals	<u>\$254,123,533</u>	<u>\$252,529,976</u>

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

Long-term debt. At year-end, the County’s governmental activities had \$46,246,849 in outstanding debt compared to \$53,322,366 last year. That is a decrease of \$7.1 million, which is primarily the result of a decrease in pension liability. The County’s outstanding general obligation debt totaled \$2.4 million. See Note 9 to the financial statements.

Table MDA8 - Outstanding Debt

	Governmental Activities	
	2018	2017
General obligation bonds	\$1,991,377	\$2,375,574
Capital leases	449,948	427,766
Estimated self-insurance claims	4,451,467	4,347,064
Pension payable	24,465,833	34,514,197
Other postemployment benefits payable	7,387,898	4,291,565
Compensated absences	7,250,326	7,116,200
Other long-term liabilities	250,000	250,000
	\$46,246,849	\$53,322,366

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 \$791 million with a vote and \$469 without a vote, both of which are significantly in excess of the County's outstanding general obligation debt of \$2.4 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 9.3 percent over 2017. The unemployment rate has dropped to 4.6 percent for 2018. The population of Whatcom County has grown 15.4 percent over ten years ago. Per capita income of Whatcom County has been growing in recent years at approximately 4.1 percent. For 2018, the assessed valuations of property increased 7.8 percent over 2017.

Contacting the County's Financial Management

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$156,240,319	\$2,472,485	\$158,712,804
Cash with fiscal agent	13,016	10,000	23,016
Investments	9,674,069	-	9,674,069
Receivables, net	3,430,013	516,381	3,946,394
Receivables-court, net	2,100,406	-	2,100,406
Due from other governments	24,990,138	-	24,990,138
Internal balances	(417,846)	417,846	-
Inventories	1,440,672	-	1,440,672
Capital assets:			
Non-depreciable	109,196,167	-	109,196,167
Depreciable, net	144,927,366	1,017	144,928,383
Pension asset, net	5,619,245	-	5,619,245
Total assets	457,213,565	3,417,729	460,631,294
Deferred outflows of resources			
Pensions	5,003,427	86,265	5,089,692
OPEB	182,660	-	182,660
Total deferred outflows of resources	5,186,087	86,265	5,272,352
Liabilities			
Accounts payable and accrued expenses	11,169,298	271,065	11,440,363
Due to other governments	254,225	-	254,225
Unearned revenue	275,378	-	275,378
Noncurrent liabilities (Note 9):			
Due within one year	11,958,580	79,252	12,037,832
Due in more than one year	2,434,538	-	2,434,538
Pension liability, net	24,465,833	511,712	24,977,545
OPEB liability, net	7,387,898	-	7,387,898
Total liabilities	57,945,750	862,029	58,807,779
Deferred inflows of resources			
Pensions	11,295,548	190,928	11,486,476
Court receivables	2,100,406	-	2,100,406
Grants received in advance	3,863,862	-	3,863,862
Total deferred inflows of resources	17,259,816	190,928	17,450,744
Net position			
Net investment in capital assets	251,688,585	1,017	251,689,602
Restricted for:			
General government	1,377,163	-	1,377,163
Public safety	8,352,654	-	8,352,654
Transportation	27,360,914	-	27,360,914
Natural and economic environment	19,183,247	-	19,183,247
Social services	9,925,052	-	9,925,052
Culture and recreation	1,639,418	-	1,639,418
Debt service	1,404	-	1,404
Capital projects	67,733,029	-	67,733,029
Unrestricted (deficit)	(67,380)	2,450,020	2,382,640
Total net position	\$387,194,086	\$2,451,037	\$389,645,123

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	\$32,768,726	\$8,192,133	\$8,364,597	\$51,685	\$(16,160,311)	\$-	\$(16,160,311)
Public safety	52,277,517	10,923,340	2,395,974	56,355	(38,901,848)	-	(38,901,848)
Transportation	26,399,049	2,311,350	-	6,567,229	(17,520,470)	-	(17,520,470)
Natural and economic environment	11,566,179	481,256	1,415,676	830,000	(8,839,247)	-	(8,839,247)
Social services	21,860,399	4,217,792	9,489,083	342,137	(7,811,387)	-	(7,811,387)
Culture and recreation	4,492,538	260,320	15,912	-	(4,216,306)	-	(4,216,306)
Interest on long-term debt	102,007	-	-	-	(102,007)	-	(102,007)
Total governmental activities	149,466,415	26,386,191	21,681,242	7,847,406	(93,551,576)	-	(93,551,576)
Business-type activities:							
Whatcom Co Investment Pool	258,830	315,600	-	-	-	56,770	56,770
Ferry System	2,865,580	1,584,246	337,738	-	-	(943,596)	(943,596)
Total business-type activities	3,124,410	1,899,846	337,738	-	-	(886,826)	(886,826)
Total primary government	\$152,590,825	\$28,286,037	\$22,018,980	\$7,847,406	(93,551,576)	(886,826)	(94,438,402)
General Revenues:							
Taxes:							
Property taxes					64,009,643	-	64,009,643
Retail taxes					34,531,198	-	34,531,198
Business and occupation taxes					29,186	-	29,186
Excise taxes					7,500,022	-	7,500,022
Unrestricted investment earnings and unrealized gains/ (losses)					2,648,077	(5,855)	2,642,222
Gain/loss on sale of capital assets					1,050,206	-	1,050,206
Miscellaneous					3,191,280	-	3,191,280
Transfers					(1,210,096)	1,210,096	-
Total general revenues and transfers					111,749,516	1,204,241	112,953,757
Change in net position					18,197,940	317,415	18,515,355
Net position-beginning					371,842,685	2,133,622	373,976,307
Prior period adjustments					(2,846,539)	-	(2,846,539)
Net position-beginning (restated)					368,996,146	2,133,622	371,129,768
Net position-ending					\$387,194,086	\$2,451,037	\$389,645,123

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

	General	County Road	Whatcom County Jail	Public Utilities Improvement	Triage Center Expansion	Other Governmental Funds	Total Governmental Funds
Assets							
Cash, cash equivalents and pooled investments	\$17,448,594	\$25,138,176	\$915,438	\$15,117,195	\$5,223,173	\$71,002,457	\$134,845,033
Deposits with fiscal agent	7,016	-	-	-	-	-	7,016
Investments	-	-	-	-	-	9,674,069	9,674,069
Taxes receivable, net	567,988	453,516	-	-	-	243,279	1,264,783
Accounts receivable, net	594,351	83,527	7,251	1,113,104	-	408,137	2,206,370
Accounts receivable-court, net	1,962,077	-	-	-	-	138,329	2,100,406
Special assessments, net	-	-	-	-	-	51,277	51,277
Notes receivable, net	-	-	-	-	-	125,751	125,751
Interfund receivable	631,751	858,985	515,236	-	-	1,181,919	3,187,891
Interfund loan receivable	-	132,314	-	-	-	-	132,314
Due from other governments	5,854,911	1,619,596	1,360,640	11,431,779	-	4,718,805	24,985,731
Employee advances	8,069	290	125	-	-	47	8,531
Prepayments	15,187	203	42	-	-	51,425	66,857
Advances to other funds	-	268,610	-	-	-	-	268,610
Total assets	\$27,089,944	\$28,555,217	\$2,798,732	\$27,662,078	\$5,223,173	\$87,595,495	\$178,924,639
Liabilities, deferred inflows of resources and fund balances							
Liabilities							
Accounts payable	\$1,830,385	\$604,969	\$641,135	\$111,088	\$98,818	\$2,942,272	\$6,228,667
Interfund payable	1,231,481	675,121	7	-	-	1,744,304	3,650,913
Interfund loans payable	1,114,931	-	-	-	-	-	1,114,931
Revenue collected in advance	55,009	790	-	-	-	-	55,799
Due to other governments	251,641	-	-	-	-	2,584	254,225
Other accrued liabilities	2,083,689	535,795	347,411	-	-	67,210	3,034,105
Other current liabilities	10,875	16,650	-	-	-	-	27,525
Unearned revenue	782	-	-	-	-	274,596	275,378
Total liabilities	6,578,793	1,833,325	988,553	111,088	98,818	5,030,966	14,641,543
Deferred inflows of resources							
Deferred property tax	517,596	416,178	-	-	-	221,044	1,154,818
Court receivables	1,962,077	-	-	-	-	138,329	2,100,406
Special assessments	-	-	-	-	-	51,277	51,277
Grants received in advance	763,761	-	-	-	2,157,863	942,238	3,863,862
Total deferred inflows of resources	3,243,434	416,178	-	-	2,157,863	1,352,888	7,170,363
Fund balances:							
Restricted	1,557,574	26,305,714	-	27,550,990	2,966,492	66,708,706	125,089,476
Committed	-	-	-	-	-	14,278,943	14,278,943
Assigned	-	-	1,810,179	-	-	230,304	2,040,483
Unassigned	15,710,143	-	-	-	-	(6,312)	15,703,831
Total fund balances	17,267,717	26,305,714	1,810,179	27,550,990	2,966,492	81,211,641	157,112,733
Total liabilities, deferred inflows of resources and fund balances	\$27,089,944	\$28,555,217	\$2,798,732	\$27,662,078	\$5,223,173	\$87,595,495	\$178,924,639

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, 2018

Fund balance - total governmental funds	\$157,112,733
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	239,930,155
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.	27,074,584
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	11,518,247
Liabilities, including \$2,670,146 of bonds/ loans payable, \$6,639,253 of compensated absences and \$39,132,234 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>(48,441,633)</u>
Net position of governmental activities	<u>\$387,194,086</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, 2018

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

	General	County Road	Whatcom County Jail	Public Utilities Improvement	Triage Center Expansion	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$48,143,005	\$19,523,339	\$4,756,697	\$4,311,579	\$-	\$29,320,963	\$106,055,583
Licenses and permits	3,616,839	114,796	-	-	-	-	3,731,635
Intergovernmental	16,493,966	6,567,230	87,137	-	342,137	5,384,398	28,874,868
Charges for service	8,548,044	1,183,211	3,592,732	-	-	5,903,487	19,227,474
Fines and penalties	2,201,676	-	-	-	-	199,663	2,401,339
Miscellaneous	4,743,512	141,998	238,183	122,084	(13,996)	1,838,636	7,070,417
Total revenues	83,747,042	27,530,574	8,674,749	4,433,663	328,141	42,647,147	167,361,316
Expenditures							
Current:							
General government	29,506,135	862,144	-	8,474	-	2,995,616	33,372,369
Public safety	26,266,570	-	15,705,451	-	-	11,313,484	53,285,505
Transportation	-	19,872,038	-	-	-	46,195	19,918,233
Natural and economic environment	1,646,198	-	-	1,544,699	-	8,129,052	11,319,949
Social services	14,884,482	-	-	-	-	7,570,920	22,455,402
Culture and recreation	3,972,793	-	-	-	-	277,675	4,250,468
Capital outlay	184,926	3,409,113	36,403	56,994	342,137	5,061,951	9,091,524
Debt service:							
Principal	-	-	-	-	-	355,000	355,000
Interest	15,829	-	-	-	-	111,425	127,254
Total expenditures	76,476,933	24,143,295	15,741,854	1,610,167	342,137	35,861,318	154,175,704
Excess (deficiency) of revenues over expenditures	7,270,109	3,387,279	(7,067,105)	2,823,496	(13,996)	6,785,829	13,185,612
Other financing sources (uses)							
Sales of capital assets	379,202	493,494	-	-	-	177,510	1,050,206
Transfers in	3,791,774	1,921,523	7,551,637	-	3,000,000	10,449,589	26,714,523
Transfers out	(15,781,958)	(2,022,214)	(455,496)	-	-	(10,469,777)	(28,729,445)
Insurance recoveries	-	33,040	-	-	-	-	33,040
Capital lease proceeds	146,339	17,379	14,071	-	-	-	177,789
Total other financing sources (uses)	(11,464,643)	443,222	7,110,212	-	3,000,000	157,322	(753,887)
Net change in fund balances	(4,194,534)	3,830,501	43,107	2,823,496	2,986,004	6,943,151	12,431,725
Fund balances-beginning	21,089,592	22,475,213	1,767,072	24,727,494	(19,512)	74,268,490	144,308,349
Prior period adjustments	372,659	-	-	-	-	-	372,659
Fund balance as of January 1 (restated)	21,462,251	22,475,213	1,767,072	24,727,494	(19,512)	74,268,490	144,681,008
Fund balances-ending	\$17,267,717	\$26,305,714	\$1,810,179	\$27,550,990	\$2,966,492	\$81,211,641	\$157,112,733

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, 2018



Net change in fund balances-total governmental funds	\$12,431,725
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 depreciation expense (\$9,431,173) exceeded capital outlays (\$8,423,911) in the current period.	(1,007,262)
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.	357,645
Revenues in the funds that are related to prior periods are not revenues in the statement of activities.	(163,323)
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.	6,224,155
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>355,000</u>
Change in net position of governmental activities	<u><u>\$18,197,940</u></u>

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

	Enterprise Funds	Internal Service Funds
Assets		
Current assets		
Cash, cash equivalents and pooled investments	\$2,472,485	\$21,395,286
Deposits with fiscal agent	10,000	6,000
Receivables, net	1,200	7,430
Interfund receivable	515,142	264,745
Due from other governments	-	4,407
Interfund loan receivable	-	280,359
Employee advances	25	258
Inventories	-	1,440,672
Prepayments	14	49,810
Total current assets	2,998,866	23,448,967
Noncurrent assets		
Interfund loan-long-term	-	433,648
Capital assets:		
Land	-	439,864
Building and structures, net	-	1,000,990
Capital leases, net	-	24,886
Other improvements, net	-	364,714
Machinery and equipment, net	1,017	12,312,524
Intangible assets, net	-	50,400
Total capital assets, net	1,017	14,193,378
Total noncurrent assets	1,017	14,627,026
Total assets	2,999,883	38,075,993
Deferred outflows of resources		
Pension	86,265	493,180
Total deferred outflows of resources	86,265	493,180
Liabilities		
Current liabilities		
Accounts payable	18,933	1,528,778
Claims cost payable	-	4,421,283
Interfund payable	162,000	154,865
Compensated absences	79,252	611,073
Other accrued liabilities	90,132	290,718
Total current liabilities	350,317	7,006,717
Noncurrent liabilities		
Other noncurrent liabilities	-	55,069
Pension liability, net	511,712	2,925,496
Total noncurrent liabilities	511,712	2,980,565
Total liabilities	862,029	9,987,282

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

	Enterprise Funds	Internal Service Funds
Deferred inflows of resources		
Pension	190,928	1,091,549
Total deferred inflows of resources	<u>190,928</u>	<u>1,091,549</u>
Net position		
Net investment in capital assets	1,017	14,193,378
Unrestricted	<u>2,032,174</u>	<u>13,296,964</u>
Total net position	<u>2,033,191</u>	<u>\$27,490,342</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.	<u>417,846</u>	
Net position of business-type activities	<u>\$2,451,037</u>	

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

Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2018

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

	Enterprise Funds	Internal Service Funds
Operating revenues		
Intergovernmental	\$337,738	\$-
Charges for service	1,551,294	24,810,534
Rents and parking	-	4,906,193
Fines and forfeits	-	1,410
Miscellaneous	348,552	17,136
Total operating revenues	<u>2,237,584</u>	<u>29,735,273</u>
Operating expenses		
General operations	2,743,676	29,710,545
General administration	357,134	436,111
Depreciation	642	1,930,988
Total operating expenses	<u>3,101,452</u>	<u>32,077,644</u>
Operating income (loss)	<u>(863,868)</u>	<u>(2,342,371)</u>
Non-operating revenues (expenses)		
Gain (loss) on sale of capital assets	-	78,684
Interest revenue	-	10,510
Interest expense	-	(243)
Unrealized gain (loss) on investments	(5,855)	50,143
Insurance recoveries	-	1,733,138
Total non-operating revenues (expenses)	<u>(5,855)</u>	<u>1,872,232</u>
Income (loss) before transfers	<u>(869,723)</u>	<u>(470,139)</u>
Transfers in	1,414,730	1,335,439
Transfers out	(204,634)	(530,613)
Changes in net position	<u>340,373</u>	<u>334,687</u>
Total net position-beginning		<u>27,155,655</u>
Total net position-ending		<u>\$27,490,342</u>
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.	(22,958)	
Change in net position of business-type activities	<u>\$317,415</u>	

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

	Enterprise Funds	Internal Service Funds
Cash flows from operating activities:		
Receipts from customers	\$3,130,252	\$30,134,233
Payments for goods and services	(1,679,860)	(23,475,458)
Payments to employees	(1,438,409)	(7,240,816)
Net cash provided (used) by operating activities	11,983	(582,041)
Cash flows from non-capital financing activities:		
Transfers in	1,414,729	1,303,368
Transfers out	(204,634)	(530,613)
Interest revenue	-	10,510
Insurance recoveries	-	1,733,138
Net cash provided (used) by non-capital financing activities	1,210,095	2,516,403
Cash flows from capital financing activities:		
Interest paid on capital debt	-	(243)
Transfers in	-	32,071
Proceeds from sale of assets	-	183,834
Purchases of capital assets	-	(4,636,959)
Net cash provided (used) by capital financing activities	-	(4,421,297)
Cash flows from investing activities:		
Unrealized gain (loss) on investments	(5,855)	50,143
Net cash provided (used) by investing activities	(5,855)	50,143
Net increase (decrease) in cash and cash equivalents	1,216,223	(2,436,792)
Balances - beginning of the year	1,256,262	23,832,078
Balances - end of the year	\$2,472,485	\$21,395,286
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$(863,868)	\$(2,342,371)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	642	1,930,988
Change in assets and liabilities:		
Receivables, net	892,668	398,960
Inventories	-	(204,769)
Accounts and other payables	91,875	259,330
Accrued expenses	(109,334)	(624,179)
Net cash provided by operating activities	\$11,983	\$(582,041)

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2018



	Investment Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$-	\$28,753,343
Deposits with fiscal agent	-	280,726
Investments	225,375,109	-
Accounts receivable, net	-	178
Due from other governments	-	-
Employee advances	-	(850)
Total assets	225,375,109	29,033,397
Liabilities		
Warrants payable	-	13,063,113
Accounts payable	-	844,362
Due to other governments	-	383,932
Other accrued liabilities	-	21,816
Revenue collected in advance	-	194,134
Custodial accounts	-	14,526,040
Total liabilities	-	29,033,397
Net position		
Held in trust for pool participants	<u>\$225,375,109</u>	<u>\$-</u>

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, 2018

	Investment Trust Fund
Additions	
Contributions	\$260,641,043
Investment earnings:	
Interest	3,467,587
Net increase (decrease) in fair value of investments	550,701
Total additions	<u>264,659,331</u>
Deductions	
Distributions	<u>279,926,637</u>
Total deductions	<u>279,926,637</u>
Change in net position	(15,267,306)
Net position-beginning	<u>240,642,415</u>
Net position-ending	<u><u>\$225,375,109</u></u>

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 . . . . .	.41
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 . . . . .	.48
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	Defined Benefit Other Postemployment Benefit (OPEB) Plans . . . . .	.71
Note 15	Postclosure Care Cost. . . . .	.73
Note 16	Tax Abatement. . . . .	.73
Table FN1	Capital Assets and Depreciation . . . . .	.38
Table FN2	Fund Balance Details . . . . .	.40
Table FN3	Investment Maturities . . . . .	.43
Table FN4	Credit Quality Distribution for Securities. . . . .	.44
Table FN5	Investments Measured at Fair Value. . . . .	.45
Table FN6	Deposits and Investment Reconciliations . . . . .	.46
Table FN7	Condensed Statement of Net Position . . . . .	.46
Table FN8	Condensed Statement of Changes in Net Position . . . . .	.47
Table FN9	Tax Collection Record. . . . .	.47
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 . . . . .	.51
Table FN14	PERS Plan 2/3 Actual Contribution Rates. . . . .	.53
Table FN15	PSERS Plan 2 Actual Contribution Rates . . . . .	.54
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 . . . . .	.58
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 . . . . .	.59
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	Aggregate OPEB Amounts - All Plans. . . . .	.71
Table FN36	Employees Covered by Benefit Terms. . . . .	.71
Table FN37	OPEB Liability Calculated Using Current Healthcare Cost Trend Rate . . . . .	.72
Table FN38	OPEB Liability Calculated Using Current Discount Rate . . . . .	.72
Table FN39	Changes in the Total OPEB Liability . . . . .	.72
Table FN40	Deferred Outflows of Resources and Deferred Inflows of Resources . . . . .	.73

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 June 2015, Government Accounting Standards Board (GASB) issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). The County has implemented this statement for the year ended December 31, 2018.

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.
- **Whatcom County Jail Fund:** This fund is used for the deposit of, among other money, revenue received from the imposition of a sales and use tax authorized by RCW 82.14.350, and as the source of funds disbursed for costs associated with financing, designing, acquiring, constructing, equipping, operating, maintaining, remodeling, repairing, reequipping, and improving jail facilities.
- **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, 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, 2018. 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	Whatcom County Jail	Public Utilities Imprvmnt	Triage Center Expansion	Other Govt'l Funds	Total
Fund balances:							
Restricted for:							
Boating safety	41,777						41,777
Historical document preservation	339,037						339,037
Developmental disability milage	1,176,760						1,176,760
County roads		26,305,714					26,305,714
Public facilities projects				27,550,990			27,550,990
Debt service						1,404	1,404
Capital projects					2,966,492	26,709,611	29,676,103
Parks and recreation						98,063	98,063
Chemical dependency/ mental health						5,863,906	5,863,906
Emergency medical/ criminal justice						7,793,270	7,793,270
Flood control/ stormwater						13,014,818	13,014,818
Land purchases						4,315,331	4,315,331
Social services						1,001,824	1,001,824
Solid waste						3,211,147	3,211,147
Tourism promotion						1,667,607	1,667,607
Other purposes						3,031,725	3,031,725
Committed to:							
Elections						544,583	544,583
Parks and recreation						1,489,579	1,489,579
Capital projects						12,244,781	12,244,781
Assigned to:							
Corrections			1,810,179				1,810,179
Parks and recreation						51,776	51,776
Emergency management						178,528	178,528
Unassigned:	15,710,143					(6,312)	15,703,831
Total fund balances	<u>\$17,267,717</u>	<u>\$26,305,714</u>	<u>\$1,810,179</u>	<u>\$27,550,990</u>	<u>\$2,966,492</u>	<u>\$81,211,641</u>	<u>\$157,112,733</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 2018, the following funds were added: Swift Creek Sediment Management, Financial System Software, Law Library/ Elections Remodel, Northshore Drive/ Edgewater Lane Storm Water Improvements Project and East Smith/ Hannegan Road Intersection Improvements. In 2018, the following funds were closed: County Parks Improvement, Potter Road/ South Fork Bridge No. 148 Replacement Project, Telecommunications System Replacement, 2015 County Roadway Safety Program and Cedar Hills/ Euclid Storm Water Improvements.

In 2018, the County implemented Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. For the implementation of GASB statement 75, an adjustment to net position needs to be recorded at the beginning of the year. The County recorded a prior period adjustment of \$3.2 million to adjust net position for the difference between GASB 75 OPEB (other postemployment benefits) liability less deferred outflows of resources and GASB 45 OPEB liability. The beginning net position in the government-wide statements was restated.

Whatcom County recorded another prior period adjustment for 2018 in the amount of \$372,659 to adjust timber excise tax and leasehold excise tax that was not reported in prior years. The beginning net position in the government-wide statements and beginning fund balance in governmental fund statements, were restated.

For 2018, Whatcom County changed how the sub-zones are reported on the financial statements. The County determined that the sub-zones should be reported as part of the Flood Control Zone District (per RCW 86.15.025). On the Schedule of Revenues, Expenditures and Changes in Fund Balance, the 2017 actual amounts for the Flood Control Zone District were restated to include the sub-zones.

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, 2018, the Swift Creek Sediment Management Fund reported a deficit in fund balance. The negative fund balance of \$6,312 is a result of an unrealized loss on investments allocated to the fund 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.

A. DEPOSITS

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the County would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. 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. The County's deposits and certificates of deposit are mostly 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 (PDPC). Washington State restricts deposits of funds in financial institutions physically located in the state of Washington unless expressly permitted by statute and authorized by the PDPC. No deposit amounts were exposed to custodial credit risk as uninsured or uncollateralized.

B. INVESTMENTS

Custodial Credit Risk: Custodial credit risk for 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.

Interest Rate Risk: Interest rate risk is the risk the County may face should interest rate variances affect the fair value of investments. 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, 2018.

As of December 31, 2018, the County had the following investments and maturities:

Table FN3 - Investment Maturities (in years)

Investment Type	Investments and Maturities (In Years)		
	Fair Value	Less Than 1	1 to 5
Debt Securities			
US Agency Notes	\$225,096,373	\$86,230,684	\$138,865,689
US Treasury Notes	\$9,843,400	\$-	\$9,843,400
Municipal Bonds	\$64,788,764	\$34,831,976	\$29,956,788
Supranational	\$41,477,672	\$24,683,950	\$16,793,722
Total Debt Securities		<u>\$145,746,610</u>	<u>\$195,459,599</u>
Other Securities			
Local Government Investment Pool	\$18,540,793		
Money Market Savings Account	\$15,695,713		
Certificates of Deposit	\$38,485,235		
Plus 12/31/18 WCIP accrued interest			
less Dec POOL interest earnings	\$827,386		
Total Investments	<u>\$414,755,336</u>		

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County limits its credit exposure via its investment policy and 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, supranationals, 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, 2018 the County held no investments in banker’s acceptances, repurchase agreements, corporate notes or commercial paper.

The credit quality distribution for securities with credit exposure for the County’s investments at December 31, 2018 are shown on the following page.

Table FN4 - Credit Quality Distribution for Securities

Investment Type	Fair Value	Amortized Cost	AAA/Aaa	AA/Aa	A	Not Rated
US Agency Notes	\$225,096,373		\$190,403,472	\$34,692,900		
US Treasury Notes	\$9,843,400		\$9,843,400			
Municipal Bonds	\$64,788,764		\$23,602,752	\$35,725,444	\$5,460,569	
Supranational	\$41,477,672		\$41,477,672			
LGIP		\$18,540,793				\$18,540,793
Money Market Savings Account		\$15,695,713				\$15,695,713
Certificates of Deposit		\$38,485,235				\$38,485,235
Total	\$341,206,209	\$72,721,741	\$265,327,296	\$70,418,344	\$5,460,569	\$72,721,741

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the magnitude of an investment in a single issuer. 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.

Investments in Local Government Investment Pool (LGIP)

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. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. 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. In 1995, the State Treasurer established the LGIP Advisory Committee to provide advice on the pool's operation. The advisory committee includes 14 members selected from active pool participants. Eight members are appointed by participant associations, and six are appointed by the State Treasurer.

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 investment 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>.

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, significant other observable inputs; and Level 3, significant unobservable inputs. At December 31, 2018, the County had the following recurring fair value measurements:

Table FN5 - Investments Measured at Fair Value

Investments by Fair Value Level	Total	Level 1	Level 2	Level 3
Investment measured at Fair Value				
US Agency Notes	\$225,096,373	\$-	\$225,096,373	\$-
US Treasury Notes	\$9,843,400	\$9,843,400	\$-	\$-
Municipal Bonds	\$64,788,764	\$-	\$64,788,764	\$-
Supranational	\$41,477,672	\$-	\$41,477,672	\$-
Total Investments Measured at Fair Value	\$341,206,209	\$9,843,400	\$331,362,809	\$-
Investments Measured at Amortized Cost				
State Local Government Investment Pool (LGIP)	\$18,540,793			
Certificate of Deposits	\$38,485,235			
Money Market Accounts	\$15,695,713			
Total Investments Measured at Amortized Cost	\$72,721,741			
Plus 12/31/18 WCIP accrued interest				
less Dec POOL interest earnings	\$827,386			
Total Investments	\$414,755,336			

External Investment Pool

The Whatcom County Investment Pool (WCIP) is not registered with the SEC. The 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. The investment policy has been certified by the Washington Public Treasurer's Association and is in compliance with state law.

Earnings distributions, net of administrative fees, are distributed monthly, and 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, 2018, the WCIP had one discretionary pool participant accounting for 7 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, 2018, the fair value of investments in the WCIP was \$2,835,627 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 2018.

C. SUMMARY OF DEPOSIT AND INVESTMENT BALANCES

Reconciliation of the County's deposits and investment balances as of December 31, 2018, is as follows:

Table FN6 - Deposits and Investment Reconciliations

Composition of cash and investments:

CD's and Savings accounts	\$54,180,948
Municipal Notes	\$64,788,764
US Treasury Notes	\$9,843,400
US Agency Notes	\$225,096,373
Supranational Agency Notes	\$41,477,672
LGIP	\$18,540,793
Pool interest accruals	\$827,386
Total Investments (fair value)	<u>\$414,755,336</u>
Deposits with financial institutions	\$7,564,679
Petty cash	\$195,310
Total Cash and Investments (Internal and External)	<u>\$422,515,325</u>
Cash and pooled investments reported on statements:	
County funds	\$168,386,873
Investment Trust fund	225,375,109
Agency funds	28,753,343
Total Cash and Investments (Internal and External)	<u>\$422,515,325</u>

The Whatcom County Investment Pool's Condensed Statement of Net Position and Changes in Net Position as of December 31, 2018 are shown on the tables below, and on the following page.

Table FN7 - Condensed Statement of Net Position

Assets	\$414,755,336
Less: Liabilities	-
Net assets held in trust for pool participants	<u>\$414,755,336</u>
Equity of internal pool participants	\$189,380,227
Equity of external pool participants	225,375,109
Total equity	<u>\$414,755,336</u>

Table FN8 - Condensed Statement of Changes in Net Position

Net position-beginning	\$415,509,468
Net change in investments by pool participants	<u>(754,132)</u>
Net position-ending	<u>\$414,755,336</u>

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 below:

Table FN9 - Tax Collection Record

Collection Year	Regular Assessed Valuation (1)	Ad Valorem Tax Levy (2)	Year of Levy Tax Collection
2018	\$28,763,666,830	\$29,955,494	98.8%
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%

(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 2018 was \$1.0414351761 per \$1,000 on an assessed valuation of \$28.8 billion for a regular levy of \$29,955,494. This levy was used for general governmental purposes.

The Road Fund levied \$1.4635799631 per \$1,000 on an assessed value of \$13.6 billion in 2018. This resulted in a total levy of \$19,895,885 to be used for county road maintenance and construction.

The Flood Control Zone District Fund levied \$0.1659277900 per \$1,000 on an assessed value of \$28.8 billion in 2018. This resulted in a total levy of \$4,772,692 to be used to address flooding and associated storm water issues and to achieve flood damage reduction.

The Conservation Futures Fund levied \$0.0385315581 per \$1,000 on an assessed value of \$28.8 billion in 2018. This resulted in a total levy of \$1,108,309 to be used to acquire rights and interest in open space land, farm and agricultural land and timber land.

For 2018, the Emergency Medical Services levy for the County was \$0.2784998129 per \$1,000 on an assessed valuation of \$28.8 billion for a total levy of \$8,376,044.

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2018 is shown on the following page.

Table FN10 - Capital Assets Activity

Governmental activities	Beginning Balance 01/01/2018	Increases	Decreases	Ending Balance 12/31/2018
Capital assets, not being depreciated				
Land	\$103,073,493	\$2,082,936	\$-	\$105,156,429
Construction in progress	3,624,864	2,112,281	(1,747,807)	3,989,338
Intangible assets	50,400	-	-	50,400
Total capital assets, not being depreciated	106,748,757	4,195,217	(1,747,807)	109,196,167
Capital assets, being depreciated				
Buildings	78,251,970	213,295	(525,731)	77,939,534
Improvements	12,620,685	2,668,500	-	15,289,185
Equipment	41,507,036	5,428,063	(2,334,724)	44,600,375
Infrastructure	201,185,256	2,682,361	-	203,867,617
Total capital assets being depreciated	333,564,947	10,992,219	(2,860,455)	341,696,711
Less accumulated depreciation for:				
Buildings	(34,918,362)	(1,532,950)	146,972	(36,304,340)
Improvements	(6,816,761)	(569,452)	-	(7,386,213)
Equipment	(28,352,647)	(2,461,842)	2,229,572	(28,584,917)
Infrastructure	(117,695,958)	(6,797,917)	-	(124,493,875)
Total accumulated depreciation	(187,783,728)	(11,362,161)	2,376,544	(196,769,345)
Total capital assets, being depreciated, net	145,781,219	(369,942)	(483,911)	144,927,366
Governmental activities capital assets, net	<u>\$252,529,976</u>	<u>\$3,825,275</u>	<u>\$(2,231,718)</u>	<u>\$254,123,533</u>
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	(22,646)	(642)	-	(23,288)
Total accumulated depreciation	(22,646)	(642)	-	(23,288)
Total capital assets, being depreciated, net	1,659	(642)	-	1,017
Business-type activities capital assets, net	<u>\$1,659</u>	<u>\$(642)</u>	<u>\$-</u>	<u>\$1,017</u>

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	\$1,399,981
Public safety	633,180
Transportation	8,505,038
Natural and Economic environment	296,146
Social services	73,714
Culture & recreation	454,102
Total depreciation expense	<u>\$11,362,161</u>
Business-type activities:	
Transportation	\$642
Total depreciation expense	<u>\$642</u>

NOTE 7 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2018:

Table FN12 - Aggregate Pension Amounts - All Plans

Pension liabilities	\$(24,977,545)
Pension assets	\$5,619,245
Deferred outflows of resources	\$5,089,692
Deferred inflows of resources	\$(11,486,476)
Pension expense/expenditures	\$552,363

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 2018 are shown below:

PERS Plan 1 Actual Contribution Rates:	Employer	Employee*
January - August 2018		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	12.70%	6.00%
September - December 2018		
PERS Plan 1	7.52%	6.00%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Total	12.83%	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 2018 are shown on the following page.

Table FN14 - PERS Plan 2/3 Actual Contribution Rates

PERS Plan 2/3 Actual Contribution Rates:	Employer	Employee*
January - August 2018		
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%
September - December 2018		
PERS Plan 2		7.41%
PERS Plan 3		varies
PERS Plan 2/3	7.52%	
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Total	12.83%	7.41%

*For employees participating in JBM, the contribution rate was 18.45% to 18.53%.

The County’s actual PERS plan contributions were \$2,688,439 to PERS Plan 1 and \$3,448,739 to PERS Plan 2/3 for the year ended December 31, 2018.

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 and Cannabis 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.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2018 were as follows:

PSERS Plan 2 Actual Contribution Rates:	Employer	Employee
January - August 2018		
PSERS Plan 2	6.74%	6.74%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	11.95%	6.74%
Septemper - December 2018		
PSERS Plan 2	7.07%	7.07%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Total	12.38%	7.07%

The County's actual plan contributions were \$358,885 to PSERS Plan 2 for the year ended December 31, 2018.

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 1 had no required employer or employee contributions for fiscal year 2018. 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.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

Table FN16 - LEOFF Plan 2 Actual Contribution Rates

LEOFF Plan 2 Actual Contribution Rates:	Employer	Employee
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 \$441,702 for the year ended December 31, 2018.

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, 2018, the state contributed \$68,152,127 to LEOFF Plan 2. The amount recognized by the County as its proportionate share of this amount is \$4,957,386.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2018 with a valuation date of June 30, 2017. 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 *2017 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2017 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2018. Plan liabilities were rolled forward from June 30, 2017, to June 30, 2018, reflecting each plan's normal cost (using the entry-age cost method), assumed interest, and actual benefit payments.

- **Inflation:** 2.75 percent total economic inflation; 3.50 percent salary inflation
- **Salary increases:** In addition to the base 3.50 percent salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.40 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.

- Lowered the valuation interest rate from 7.70 percent to 7.50 percent for all systems except LEOFF 2. For LEOFF 2 the valuation interest rate was lowered from 7.50 percent to 7.40 percent.
- Lowered the assumed general salary growth from 3.75 percent to 3.50 percent for all systems.
- Lowered assumed inflation from 3.00 percent to 2.75 percent for all systems.
- Modified how the valuation software calculates benefits paid to remarried duty-related death survivors of LEOFF 2 members.
- Updated the trend that the valuation software uses to project medical inflation for LEOFF 2 survivors of a duty-related death, and for certain LEOFF 2 medical-related duty disability benefits.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.40 percent.

To determine that rate, an asset sufficiency test included an assumed 7.50 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.50 percent except LEOFF 2, which has assumed 7.40 percent). Consistent with the long-term expected rate of return, a 7.40 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 7.40 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 7.40 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, 2018, 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	7%	4.90%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	100%	

Sensitivity of the Net Pension Liability/ (Asset)

The table below presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.40 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 (6.40 percent) or 1-percentage point higher (8.40 percent) than the current rate.

Table FN18 - Net Pension Liability by Discount Rate

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$21,559,232	\$17,542,983	\$14,064,102
PERS 2/3	\$33,932,765	\$7,418,581	\$(14,320,090)
PSERS 2	\$1,660,256	\$15,981	\$(1,274,236)
LEOFF 1	\$(526,522)	\$(661,859)	\$(778,377)
LEOFF 2	\$(659,240)	\$(4,957,386)	\$(8,463,025)

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 June 30, 2018, the County reported its proportionate share of the net pension liabilities/ (assets) as shown on the following page.

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

	Liability (or Asset)
PERS 1	\$17,542,983
PERS 2/3	\$7,418,581
PSERS 2	\$15,981
LEOFF 1	\$(661,859)
LEOFF 2	\$(4,957,386)

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	\$(661,859)	\$(4,957,386)
State's proportionate share of the net pension liability/(asset) associated with the employer	\$(4,476,801)	\$(3,209,814)
Total	\$(5,138,660)	\$(8,167,200)

At June 30, the County's proportionate share of the collective net pension liabilities was as follows:

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

	Proportionate Share 6/30/17	Proportionate Share 6/30/18	Change in Proportion
PERS 1	0.407%	0.393%	-0.014%
PERS 2/3	0.450%	0.434%	-0.016%
PSERS 2	1.379%	1.290%	-0.089%
LEOFF 1	0.034%	0.036%	0.002%
LEOFF 2	0.240%	0.244%	0.004%

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 2018. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2018, 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 2018, the state of Washington contributed 39.30 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.70 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2018, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2017, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2018, the County recognized pension expense as follows:

Table FN22 - Pension Expense	
	Pension Expense
PERS 1	\$932,513
PERS 2/3	\$(378,777)
PSERS 2	\$282,770
LEOFF 1	\$(137,907)
LEOFF 2	\$(146,236)
Total	<u>\$552,363</u>

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources as shown on the following page.

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	\$-	\$-	\$909,323	\$(1,298,857)
Net difference between projected and actual investment earnings on pension plan investments	\$-	\$(697,148)	\$-	\$(4,552,385)
Change of assumptions	\$-	\$-	\$86,785	\$(2,111,268)
Changes in proportion and differences between contributions and proportionate share of contributions	\$-	\$-	\$110,170	\$(653,903)
Contributions subsequent to the measurement date	\$1,363,199	\$-	\$1,738,540	\$-
Total	\$1,363,199	\$(697,148)	\$2,844,818	\$(8,616,413)
	Plan 2			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Difference between expected and actual experience	\$118,525	\$(16,396)		
Net difference between projected and actual investment earnings on pension plan investments	\$-	\$(215,483)		
Change of assumptions	\$1,710	\$(98,895)		
Changes in proportion and differences between contributions and proportionate share of contributions	\$1,922	\$(26,868)		
Contributions subsequent to the measurement date	\$184,708	\$-		
Total	\$306,865	\$(357,642)		
	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	\$-	\$-	\$265,558	\$(115,111)
Net difference between projected and actual investment earnings on pension plan investments	\$-	\$(53,733)	\$-	\$(867,609)
Change of assumptions	\$-	\$-	\$2,806	\$(711,475)
Changes in proportion and differences between contributions and proportionate share of contributions	\$-	\$-	\$81,844	\$(67,345)
Contributions subsequent to the measurement date	\$-	\$-	\$224,602	\$-
Total	\$-	\$(53,733)	\$574,810	\$(1,761,540)

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, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as shown on the following page.

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
2019	\$30,500	\$(898,784)	\$(5,984)	\$51	\$(95,770)
2020	\$(152,401)	\$(1,574,721)	\$(29,033)	\$(12,122)	\$(227,131)
2021	\$(457,311)	\$(2,842,894)	\$(74,836)	\$(33,015)	\$(517,916)
2022	\$(117,937)	\$(1,088,269)	\$(39,114)	\$(8,648)	\$(192,942)
2023	\$-	\$(438,340)	\$(12,096)	\$-	\$(69,940)
Thereafter	\$-	\$(667,125)	\$(74,421)	\$-	\$(307,629)

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, 2018, the amount of these liabilities was \$4,451,467. Changes in the balances of claims liabilities during 2017 and 2018 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
2017	\$4,588,227	\$(8,295,852)	\$8,054,689	\$4,347,064
2018	\$4,347,064	\$(8,684,344)	\$8,788,747	\$4,451,467

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. The monthly pension benefit is \$2,470 and as of December 31, 2018, the balance of the pension is \$59,822.73.

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, 2018, 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 2018, 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 2017-18, 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 2017-18, 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 2017-18, the WCRP's assets increased slightly to \$51.5 million while its liabilities increased slightly to \$31.5 million. The Pool's net position increased slightly from \$18.1 million to \$19.8 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, 2018 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, 2018,

outstanding bonds totaled \$1,985,000.

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
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	\$1,985,000	\$699,813

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, 2018, 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, 2018, 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	\$2,340,000	\$-	\$355,000	\$1,985,000	\$140,000
Discounts/ premiums	35,574	-	29,197	6,377	-
Total bonds payable	2,375,574	-	384,197	1,991,377	140,000
Capital leases	427,766	148,157	125,975	449,948	146,972
Claims	4,347,064	8,788,747	8,684,344	4,451,467	4,421,284
Pension obligations	34,514,197	-	10,048,364	24,465,833	-
OPEB obligations	4,291,565	3,096,333	-	7,387,898	-
Compensated absences	7,116,200	7,785,359	7,651,233	7,250,326	7,250,324
Landfill post-closure costs	250,000	-	-	250,000	-
Total Governmental Activities	<u>\$53,322,366</u>	<u>\$19,818,596</u>	<u>\$26,894,113</u>	<u>\$46,246,849</u>	<u>\$11,958,580</u>
Business-Type Activities					
Pension obligations	\$705,988	\$-	\$194,276	\$511,712	\$-
Compensated absences	110,790	109,036	140,574	79,252	79,252
Total Business-Type Activities	<u>\$816,778</u>	<u>\$109,036</u>	<u>\$334,850</u>	<u>\$590,964</u>	<u>\$79,252</u>

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

COMPENSATED ABSENCES

For governmental activities, the compensated absences liability will be paid from the General Fund, County Road, Election Reserve, Whatcom County Jail, Homeless Housing, Behavioral Health Program, Countywide Emergency Medical Services, Solid Waste, Victim/ Witness Assistance 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 \$72,146 for the year ended December 31, 2018. The future minimum lease payments for this lease are shown on the following page.

Table FN28 - Operating Leases

Year Ending December 31	Amount
2019	* \$74,310
2020	* 76,539
2021	* 78,835
2022	* 81,201
2023	* 83,637
Total	\$394,522

*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	\$740,018
Less: Accumulated depreciation	(287,107)
Total	\$452,911

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018, are shown as follows:

Table FN30 - Future Minimum Lease Obligations

	Governmental Activities
2019	\$150,626
2020	135,282
2021	105,941
2022	62,887
2023	6,060
Total Minimum Lease Payments	460,796
Less: Interest	10,848
Present Value of Minimum Lease Payments	\$449,948

DEBT LIMITATIONS

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

Table FN31 - Long-Term Debt Capacity

Purpose of Indebtedness	Remaining Capacity
General Government (No vote required)	\$468,678,868
General Government (With 3/5 majority vote)	\$790,714,141

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, 2018. The major projects include Triage Center Expansion, storm water improvements, park improvements, and county road projects.

At year-end the County has one significant construction commitments with a contractor. (The County has determined that for materiality purposes, only construction commitments greater than five hundred thousand dollars will be disclosed.)

Project:	Roberts Road/ Anderson Creek Bridge No. 249 Replacement
Spent to Date:	\$15,000
Remaining Commitment:	\$1,551,000
Financing:	Local road and federal funds

OTHER COMMITMENTS

In 2017, Whatcom County entered into a new contract with the City of Bellingham and Whatcom County Fire Protection District No. 7 to provide countywide emergency medical advanced life support services. Payments for services in 2018 totaled \$8,254,302. 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.

In 2018, the County entered into an agreement with the Public Utilities District to provide \$1.6 million in funding for a water supply pipeline project. The funding will be financed from the Public Utilities Improvement fund.

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, 2018, interfund receivable and interfund payable balances are as follows:

Table FN32 - Interfund Receivable/Payable

Due To	Due From					Total
	General Fund	County Road	Whatcom County Jail	Internal Service	All Others	
General Fund	\$-	\$-	\$-	\$-	\$631,751	\$631,751
County Road	5,003	-	-	133,290	720,692	858,985
Whatcom County Jail	445,236	-	-	-	70,000	515,236
Internal Service	110,994	109,892	7	11,500	32,352	264,745
All Others	670,248	565,229	-	10,075	451,509	1,697,061
Total	\$1,231,481	\$675,121	\$7	\$154,865	\$1,906,304	\$3,967,778

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, 2018 were as follows:

Table FN33 - Interfund Loans Receivable/Payable

Interfund Loan Receivable	Interfund Loan Payable	
	General Fund	Total
County Road	\$400,924	\$400,924
Internal Service	714,007	714,007
Total	\$1,114,931	\$1,114,931

The Road Fund loaned \$400,924 to the General Fund to finance the cost of replacing the Sheriff/ Jail records management system.

The Equipment Rental and Revolving Fund loaned the General Fund \$714,007 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, 2018, are shown below:

Table FN34 - Interfund Transfers

Transfer To	Transfers From					Total
	General Fund	County Road	Whatcom County Jail	Internal Service	All Others	
General Fund	\$-	\$380,626	\$216,671	\$397,716	\$2,796,761	\$3,791,774
County Road	50,000	-	-	121,397	1,750,126	1,921,523
Whatcom County Jail	7,264,633	-	-	-	287,004	7,551,637
Triage Center Expansion	-	-	-	-	3,000,000	3,000,000
Internal Service	514,273	143,958	-	11,500	665,708	1,335,439
All Others	7,953,052	1,497,630	238,825	-	2,174,812	11,864,319
Total	\$15,781,958	\$2,022,214	\$455,496	\$530,613	\$10,674,411	\$29,464,692

Below are significant interfund transfers the County made for 2018:

- The General Fund transferred funds to support jail improvements.
- The General Fund provided funding for the replacement of the County's financial system software.
- Non-major fund transfers out include a transfer from Behavioral Health Program Fund to fund the new facility triage 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 \$1,063,022 as its share of operations in 2018. Whatcom County did not have an equity interest in What-Comm in 2018. Financial statements for What-Comm Communications Center can be obtained from the City of Bellingham, 210 Lottie Street, Bellingham, Washington 98225.

NOTE 14 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB Statement 75 for the year 2018:

Table FN35 - Aggregate OPEB Amounts - All Plans

OPEB liabilities	\$7,387,898
Deferred outflows of resources	\$182,660
OPEB expense/expenditures	\$45,785

OPEB 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 single-employer defined benefit OPEB 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 17 inactive LEOFF I members currently receiving benefits.

Table FN36 - Employees Covered by Benefit Terms

Inactive employees or beneficiaries currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefits	-
Active employees	-
Total	<u>17</u>

The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

ASSUMPTIONS AND OTHER INPUTS

Whatcom County uses the alternative measurement method instead of an actuarial valuation to measure the total OPEB liability. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Discount rate 3.87 percent
- Healthcare trend rates
 - Medical costs 7 percent, trends down to about 5 percent in 2080
 - Long-term care 4.50 percent
- Medicare part B premiums Approximately 5 percent, varies by year
- Medicare participation rate 100 percent

Mortality rates were based on the RP-2000 Mortality Table and it was assumed the LEOFF I population was 100 percent

male. Any active members were assumed to retire immediately following the measurement date. This approach inherently assumes that all liabilities are fully earned and the service cost equals zero. The LEOFF I population was divided into four age ranges. And lastly, the medical and long-term costs were projected from June 30, 2016 to the measurement date of June 30, 2018 using the healthcare trend rates detailed in the 2016 LEOFF I Medical Benefits Actuarial Valuation Report.

The following presents the total OPEB liability of Whatcom County calculated using the current healthcare cost trend rate of 7.0 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1.0 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate.

Table FN37 - OPEB Liability Calculated Using Current Healthcare Cost Trend Rate

	1% Decrease (6.0%)	Current Healthcare Cost Trend Rate (7.0%)	1% Increase (8.0%)
Total OPEB Liability	\$6,704,072	\$7,387,898	\$8,174,653

The following presents the total OPEB liability of the County calculated using the discount rate of 3.87 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87 percent) or 1 percentage point higher (4.87 percent) than the current rate.

Table FN38 - OPEB Liability Calculated Using Current Discount Rate

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	\$8,226,851	\$7,387,898	\$6,675,289

CHANGES IN THE TOTAL OPEB LIABILITY

Table FN39 - Changes in the Total OPEB Liability

Total OPEB Liability at 1/1/2018*	\$7,679,413
Service cost	-
Interest cost	268,938
Changes in experience data and assumptions	(223,153)
Changes of benefit terms	-
Estimated benefit payments	(337,300)
Other	-
Total OPEB Liability at 12/31/2018	<u>\$7,387,898</u>

*This is the beginning balance after implementing GASB 75. (The previous beginning balance under GASB 45 was \$4,291,565.)

The total OPEB liability was based on a June 30, 2018 measurement date. Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent at the beginning of the measurement year to 3.87 percent at

the end of the measurement year.

At December 31, 2018, Whatcom County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Table FN40 - Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Payments subsequent to the measurement date	\$182,660	\$-
Total	\$182,660	\$-

Deferred outflows of resources of \$182,660 resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2019. The County has no other deferred outflows or deferred inflows of resources related to OPEB.

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

There are two tax abatement programs authorized by the State of Washington that impact Whatcom County, 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. The assess valuation of the Historic Property is reduced by cost of maintenance, improvement and preservation for a period of ten years.

County property taxes abated are as follows:

New and Rehabilitated Multiple-Unit Dwelling in Urban Centers Program

- City of Bellingham \$85,512

Historic Property Program

- City of Bellingham \$12,092
- City of Lynden \$5,727

Required Supplemental Information
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
General Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$45,244,980	\$46,274,980	\$48,143,005	\$1,868,025
Licenses and permits	3,459,894	3,711,894	3,616,839	(95,055)
Intergovernmental	14,510,133	17,881,983	16,493,966	(1,388,017)
Charges for service	8,208,045	8,164,158	8,548,044	383,886
Fines and penalties	2,239,750	2,214,750	2,201,676	(13,074)
Miscellaneous	3,466,361	3,517,361	4,743,512	1,226,151
Total revenues	77,129,163	81,765,126	83,747,042	1,981,916
Expenditures				
Current:				
General government	32,062,672	31,400,072	29,506,135	1,893,937
Public safety	24,719,835	27,990,409	26,266,570	1,723,839
Natural and economic environment	1,654,862	2,467,764	1,646,198	821,566
Social services	13,892,735	15,687,500	14,884,482	803,018
Culture and recreation	4,191,517	4,372,372	3,972,793	399,579
Capital outlay	17,500	550,122	184,926	365,196
Debt service:				
Interest	19,095	19,095	15,829	3,266
Total expenditures	76,558,216	82,487,334	76,476,933	6,010,401
Excess (deficiency) of revenues over expenditures	570,947	(722,208)	7,270,109	7,992,317
Other financing sources (uses)				
Sales of capital assets	374,000	374,000	379,202	5,202
Transfers in	4,125,213	4,280,186	3,791,774	(488,412)
Transfers out	(10,091,769)	(15,964,292)	(15,781,958)	182,334
Capital lease proceeds	-	-	146,339	146,339
Total other financing sources (uses)	(5,592,556)	(11,310,106)	(11,464,643)	(154,537)
Net change in fund balances	(5,021,609)	(12,032,314)	(4,194,534)	7,837,780
Fund balances-beginning	21,089,592	21,089,592	21,089,592	-
Prior period adjustments	-	-	372,659	372,659
Fund balance as of January 1 (restated)	21,089,592	21,089,592	21,462,251	372,659
Fund balances-ending	\$16,067,983	\$9,057,278	\$17,267,717	\$8,210,439

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, 2018

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	\$18,490,515	\$18,490,515	\$19,523,339	\$1,032,824
Licenses and permits	134,000	134,000	114,796	(19,204)
Intergovernmental	5,281,661	7,707,661	6,567,230	(1,140,431)
Charges for service	484,720	484,720	1,183,211	698,491
Miscellaneous	104,941	104,941	141,998	37,057
Total revenues	24,495,837	26,921,837	27,530,574	608,737
Expenditures				
Current:				
General government	441,905	441,905	862,144	(420,239)
Transportation	23,357,178	23,400,279	19,872,038	3,528,241
Capital outlay	40,000	8,055,790	3,409,113	4,646,677
Total expenditures	23,839,083	31,897,974	24,143,295	7,754,679
Excess (deficiency) of revenues over expenditures	656,754	(4,976,137)	3,387,279	8,363,416
Other financing sources (uses)				
Sales of capital assets	450,000	450,000	493,494	43,494
Transfers in	992,320	992,320	1,921,523	929,203
Transfers out	(1,807,334)	(1,897,334)	(2,022,214)	(124,880)
Insurance recoveries	-	-	33,040	33,040
Capital lease proceeds	-	-	17,379	17,379
Total other financing sources (uses)	(365,014)	(455,014)	443,222	898,236
Net change in fund balances	291,740	(5,431,151)	3,830,501	9,261,652
Fund balances-beginning	22,475,213	22,475,213	22,475,213	-
Fund balances-ending	\$22,766,953	\$17,044,062	\$26,305,714	\$9,261,652

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
Whatcom County Jail Fund
Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$4,251,630	\$4,251,630	\$4,756,697	\$505,067
Intergovernmental	49,223	49,223	87,137	37,914
Charges for service	3,442,595	3,142,595	3,592,732	450,137
Miscellaneous	235,000	235,000	238,183	3,183
Total revenues	7,978,448	7,678,448	8,674,749	996,301
Expenditures				
Current:				
Public safety	14,857,014	15,439,070	15,705,451	(266,381)
Capital outlay	-	475,548	36,403	439,145
Total expenditures	14,857,014	15,914,618	15,741,854	172,764
Excess (deficiency) of revenues over expenditures	(6,878,566)	(8,236,170)	(7,067,105)	1,169,065
Other financing sources (uses)				
Transfers in	6,334,348	7,634,503	7,551,637	(82,866)
Transfers out	(455,496)	(455,496)	(455,496)	-
Capital lease proceeds	-	-	14,071	14,071
Total other financing sources (uses)	5,878,852	7,179,007	7,110,212	(68,795)
Net change in fund balances	(999,714)	(1,057,163)	43,107	1,100,270
Fund balances-beginning	1,767,072	1,767,072	1,767,072	-
Fund balances-ending	\$767,358	\$709,909	\$1,810,179	\$1,100,270

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 2018.

Required Supplemental Information
 Schedule of Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS) Plan 1
 As of June 30, 2018
 Last 10 Fiscal Years*

	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.393%	0.407%	0.411%	0.414%
Employer's proportionate share of the net pension liability	\$17,542,983	\$19,314,982	\$22,079,993	\$21,643,182
Employer's covered employee payroll	\$52,982,174	\$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	33.11%	38.62%	46.55%	47.71%
Plan fiduciary net position as a percentage of the total pension liability	63.22%	61.24%	57.03%	59.10%

*Information is only available for fiscal years 2015-2018.

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, 2018 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, 2018
 Last 10 Fiscal Years*



	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.434%	0.450%	0.446%	0.447%
Employer's proportionate share of the net pension liability	\$7,418,581	\$15,634,932	\$22,477,398	\$15,961,703
Employer's covered employee payroll	\$46,801,294	\$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	15.85%	35.44%	54.08%	40.27%
Plan fiduciary net position as a percentage of the total pension liability	95.77%	90.97%	85.82%	89.20%

*Information is only available for fiscal years 2015-2018.

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, 2018 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, 2018
 Last 10 Fiscal Years*



	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	1.290%	1.379%	1.426%	1.392%
Employer's proportionate share of the net pension liability	\$15,981	\$270,271	\$605,863	\$253,983
Employer's covered employee payroll	\$5,266,644	\$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	0.30%	5.53%	13.12%	6.23%
Plan fiduciary net position as a percentage of the total pension liability	99.79%	96.26%	90.41%	95.08%

*Information is only available for fiscal years 2015-2018.

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, 2018 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, 2018
 Last 10 Fiscal Years*



	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.036%	0.034%	0.035%	0.035%
Employer's proportionate share of the net pension liability	\$(661,859)	\$(518,389)	\$(362,589)	\$(422,249)
State's proportionate share of the net pension liability (asset) associated with the employer	\$(4,476,801)	\$(3,506,370)	\$(2,452,540)	\$(2,856,082)
TOTAL	\$(5,138,660)	\$(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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	144.42%	135.96%	123.74%	127.36%

*Information is only available for fiscal years 2015-2018.

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, 2018
 Last 10 Fiscal Years*



	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.244%	0.240%	0.247%	0.240%
Employer's proportionate share of the net pension liability	\$(4,957,386)	\$(3,331,519)	\$(1,435,184)	\$(2,467,409)
State's proportionate share of the net pension liability (asset) associated with the employer	\$(3,209,814)	\$(2,161,094)	\$(935,635)	\$(1,631,453)
TOTAL	\$(8,167,200)	\$(5,492,613)	\$(2,370,819)	\$(4,098,862)
Employer's covered employee payroll	\$8,305,668	\$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	-98.33%	-73.14%	-31.72%	-58.83%
Plan fiduciary net position as a percentage of the total pension liability	118.50%	113.36%	106.04%	111.67%

*Information is only available for fiscal years 2015-2018.

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, 2018 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, 2018
 Last 10 Fiscal Years*

	2018	2017	2016	2015
Statutorily or contractually required contributions	\$2,688,439	\$2,548,237	\$2,490,469	\$2,097,126
Contributions in relation to the statutorily or contractually required contributions	\$(2,688,439)	\$(2,548,237)	\$(2,490,469)	\$(2,097,126)
Contribution deficiency (excess)	\$-	\$-	\$-	\$-
Covered employer payroll	\$51,977,462	\$50,620,497	\$50,783,623	\$46,030,402
Contributions as a percentage of covered employee payroll	5.17%	5.03%	4.90%	4.56%

*Information is only available for fiscal years 2015-2018.

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.

Required Supplemental Information
 Schedule of Employer Contributions
 Public Employees' Retirement System (PERS) Plan 2/3
 As of December 31, 2018
 Last 10 Fiscal Years*

	2018	2017	2016	2015
Statutorily or contractually required contributions	\$3,448,739	\$3,060,192	\$2,791,242	\$2,248,551
Contributions in relation to the statutorily or contractually required contributions	\$(3,448,739)	\$(3,060,192)	\$(2,791,242)	\$(2,248,551)
Contribution deficiency (excess)	\$-	\$-	\$-	\$-
Covered employer payroll	\$45,988,268	\$44,611,164	\$44,790,477	\$40,129,411
Contributions as a percentage of covered employee payroll	7.50%	6.86%	6.23%	5.60%

*Information is only available for fiscal years 2015-2018.

Note: Covered employer payroll fluctuates based on number of employees, hours worked and wage rates.

Required Supplemental Information
 Schedule of Employer Contributions
 Public Safety Employees' Retirement System (PSERS) Plan 2
 As of December 31, 2018
 Last 10 Fiscal Years*

	2018	2017	2016	2015
Statutorily or contractually required contributions	\$358,885	\$334,459	\$324,140	\$281,587
Contributions in relation to the statutorily or contractually required contributions	\$(358,885)	\$(334,459)	\$(324,140)	\$(281,587)
Contribution deficiency (excess)	\$-	\$-	\$-	\$-
Covered employer payroll	\$5,234,518	\$5,019,549	\$4,918,683	\$4,350,221
Contributions as a percentage of covered employee payroll	6.86%	6.66%	6.59%	6.47%

*Information is only available for fiscal years 2015-2018.

Note: Covered employer payroll fluctuates based on number of employees, hours worked and wage rates.

Required Supplemental Information
 Schedule of Employer Contributions
 Law Enforcement Officers' and Fire Fighters' Retirement System
 (LEOFF) Plan 1
 As of December 31, 2018
 Last 10 Fiscal Years*

	2018	2017	2016	2015
Statorily or contractually required contributions	\$-	\$-	\$-	\$-
Contributions in relation to the statorily or contractually required contributions	\$-	\$-	\$-	\$-
Contribution deficiency (excess)	\$-	\$-	\$-	\$-
Covered employer payroll	\$-	\$-	\$-	\$-
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%

*Information is only available for fiscal years 2015-2018.

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, 2018
 Last 10 Fiscal Years*



	2018	2017	2016	2015
Statutorily or contractually required contributions	\$441,702	\$394,184	\$393,726	\$366,458
Contributions in relation to the statutorily or contractually required contributions	\$(441,702)	\$(394,184)	\$(393,726)	\$(366,458)
Contribution deficiency (excess)	\$-	\$-	\$-	\$-
Covered employer payroll	\$8,330,412	\$7,601,695	\$7,796,545	\$7,256,591
Contributions as a percentage of covered employee payroll	5.30%	5.19%	5.05%	5.05%

*Information is only available for fiscal years 2015-2018.

Note: Covered employer payroll fluctuates based on number of employees, hours worked and wage rates.

Required Supplemental Information
 Schedule of Changes in Total OPEB Liability and Related Ratios
 Whatcom County Other Postemployment Benefits
 As of June 30, 2018
 Last 10 Fiscal Years*

	<u>2018</u>
Total OPEB liability - beginning**	\$7,679,413
Service cost	-
Interest	268,938
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(223,153)
Benefit payments	(337,300)
Other changes	-
Total OPEB liability - ending	<u>\$7,387,898</u>
Covered-employee payroll	0
Total OPEB liability as a percent of covered payroll	N/A

*Information is only available for fiscal years 2015-2018.

**This is the beginning balance after implementing GASB 75. (The previous beginning balance would have been \$4,291,565 under GASB 45.)

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The OPEB liability may vary from year to year based on healthcare trend rates, change in assumptions, and change in population.

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.

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.

Swift Creek Sediment Management - A fund to account for costs of improvements and maintenance activities on Swift Creek.

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 (This includes all sub-zones.).

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.

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.

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.

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

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 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.

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.

Financial System Software - A fund established to account for the revenues and expenditures related to replacing Whatcom County's existing JD Edwards World financial system software.

Law Library/ Elections Remodel - The fund will be used to account for the revenues and expenditures related to the remodel of the Law Library and Elections Center space.

Northshore Drive/ Edgewater Lane Storm Water Improvements - The fund will be used to account for revenues and expenditures related to building the Northshore Drive/ Edgewater Lane storm water improvements.

East Smith/ Hannegan Road Intersections Improvements - The fund will be used to account for the revenues and expenditures related to improving the East Smith/ Hannegan Road intersection for safety and functionality.

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	\$31,847,486	\$1,404	\$39,153,567	\$71,002,457
Investments	9,649,726	-	24,343	9,674,069
Taxes receivable, net	243,279	-	-	243,279
Accounts receivable, net	408,137	-	-	408,137
Accounts receivable-court, net	138,329	-	-	138,329
Special assessments, net	51,277	-	-	51,277
Notes receivable, net	125,751	-	-	125,751
Interfund receivable	1,163,940	-	17,979	1,181,919
Due from other governments	4,691,966	-	26,839	4,718,805
Employee advances	47	-	-	47
Prepayments	51,425	-	-	51,425
Total assets	\$48,371,363	\$1,404	\$39,222,728	\$87,595,495
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	\$2,674,706	\$-	\$267,566	\$2,942,272
Interfund payable	1,743,712	-	592	1,744,304
Due to other governments	2,584	-	-	2,584
Other accrued liabilities	67,032	-	178	67,210
Unearned revenue	274,596	-	-	274,596
Total liabilities	4,762,630	-	268,336	5,030,966
Deferred inflows of resources				
Deferred property tax	221,044	-	-	221,044
Court receivables	138,329	-	-	138,329
Special assessments	51,277	-	-	51,277
Grants received in advance	942,238	-	-	942,238
Total deferred inflows of resources	1,352,888	-	-	1,352,888
Fund balances:				
Restricted	39,997,691	1,404	26,709,611	66,708,706
Committed	2,034,162	-	12,244,781	14,278,943
Assigned	230,304	-	-	230,304
Unassigned	(6,312)	-	-	(6,312)
Total fund balances	42,255,845	1,404	38,954,392	81,211,641
Total liabilities, deferred inflows of resources and fund balances	\$48,371,363	\$1,404	\$39,222,728	\$87,595,495

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Governmental Funds
Year Ended December 31, 2018

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	\$24,610,780	\$-	\$4,710,183	\$29,320,963
Intergovernmental	5,349,317	-	35,081	5,384,398
Charges for service	5,903,487	-	-	5,903,487
Fines and penalties	199,663	-	-	199,663
Miscellaneous	1,816,157	-	22,479	1,838,636
Total revenues	37,879,404	-	4,767,743	42,647,147
Expenditures				
Current:				
General government	1,476,335	-	1,519,281	2,995,616
Public safety	10,939,636	-	373,848	11,313,484
Transportation	46,195	-	-	46,195
Natural and economic environment	8,129,052	-	-	8,129,052
Social services	7,570,920	-	-	7,570,920
Culture and recreation	3,742	-	273,933	277,675
Capital outlay	1,785,343	-	3,276,608	5,061,951
Debt service:				
Principal	-	355,000	-	355,000
Interest	-	111,425	-	111,425
Total expenditures	29,951,223	466,425	5,443,670	35,861,318
Excess (deficiency) of revenues over expenditures	7,928,181	(466,425)	(675,927)	6,785,829
Other financing sources (uses)				
Sales of capital assets	177,510	-	-	177,510
Transfers in	1,709,446	466,825	8,273,318	10,449,589
Transfers out	(7,251,442)	-	(3,218,335)	(10,469,777)
Total other financing sources (uses)	(5,364,486)	466,825	5,054,983	157,322
Net change in fund balances	2,563,695	400	4,379,056	6,943,151
Fund balances-beginning	39,692,150	1,004	34,575,336	74,268,490
Fund balances-ending	\$42,255,845	\$1,404	\$38,954,392	\$81,211,641

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	REET Electronic Tech.
Assets					
Cash, cash equivalents and pooled investments	\$341,655	\$713,169	\$243	\$623,198	\$-
Investments	-	-	-	-	-
Taxes receivable, net	6,826	5,916	-	-	-
Accounts receivable, net	-	-	-	-	-
Accounts receivable-court, net	-	-	-	-	-
Special assessments, net	-	-	-	-	-
Notes receivable, net	-	-	-	-	-
Interfund receivable	-	10,427	-	-	-
Due from other governments	237,869	-	-	-	-
Employee advances	13	-	-	-	-
Prepayments	29,609	-	-	-	-
Total assets	\$615,972	\$729,512	\$243	\$623,198	\$-
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$34,645	\$29,292	\$-	\$187	\$-
Interfund payable	-	13,740	-	-	-
Due to other governments	-	-	-	-	-
Other accrued liabilities	15,228	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	49,873	43,032	-	187	-
Deferred inflows of resources					
Deferred property tax	6,221	5,385	-	-	-
Court receivables	-	-	-	-	-
Special assessments	-	-	-	-	-
Grants received in advance	15,295	-	-	-	-
Total deferred inflows of resources	21,516	5,385	-	-	-
Fund balances:					
Restricted	-	681,095	243	623,011	-
Committed	544,583	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	544,583	681,095	243	623,011	-
Total liabilities, deferred inflows of resources and fund balances	\$615,972	\$729,512	\$243	\$623,198	\$-

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2018

Low-Income Housing	Homeless Housing	Stormwater	Behavioral Health Program	Parks Special Revenue	Swift Creek Sediment Management	Countywide Emergency Medical Services	WC Trial Court Impr	Solid Waste
\$182,680	\$420,509	\$374,820	\$5,824,953	\$1,649,206	\$983,885	\$6,902,623	\$210,170	\$2,884,467
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	128,938	-	-
-	-	-	-	-	-	-	-	364,687
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	13,897	328,578	483,023	-	153,648	128,647	3,557	1,466
-	327,713	146,558	865,555	-	-	768,232	-	150,927
-	-	-	-	-	-	13	-	21
-	-	-	10	-	-	1,222	-	18
<u>\$182,680</u>	<u>\$762,119</u>	<u>\$849,956</u>	<u>\$7,173,541</u>	<u>\$1,649,206</u>	<u>\$1,137,533</u>	<u>\$7,929,675</u>	<u>\$213,727</u>	<u>\$3,401,586</u>
\$30,855	\$567,133	\$75,809	\$722,065	\$-	\$56,154	\$9,412	\$-	\$112,624
-	23,363	116,240	525,724	7,499	160,748	-	-	74,038
-	-	-	-	2,289	-	-	-	295
-	2,719	805	13,001	-	-	9,720	-	3,482
-	-	-	48,845	-	-	-	-	-
<u>30,855</u>	<u>593,215</u>	<u>192,854</u>	<u>1,309,635</u>	<u>9,788</u>	<u>216,902</u>	<u>19,132</u>	<u>-</u>	<u>190,439</u>
-	-	-	-	-	-	117,273	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	926,943	-	-	-
-	-	-	-	-	<u>926,943</u>	<u>117,273</u>	<u>-</u>	<u>-</u>
151,825	168,904	657,102	5,863,906	98,063	-	7,793,270	213,727	3,211,147
-	-	-	-	1,489,579	-	-	-	-
-	-	-	-	51,776	-	-	-	-
-	-	-	-	-	(6,312)	-	-	-
<u>151,825</u>	<u>168,904</u>	<u>657,102</u>	<u>5,863,906</u>	<u>1,639,418</u>	<u>(6,312)</u>	<u>7,793,270</u>	<u>213,727</u>	<u>3,211,147</u>
<u>\$182,680</u>	<u>\$762,119</u>	<u>\$849,956</u>	<u>\$7,173,541</u>	<u>\$1,649,206</u>	<u>\$1,137,533</u>	<u>\$7,929,675</u>	<u>\$213,727</u>	<u>\$3,401,586</u>

	Convention Center	Victim/ Witness Assist.	Community Development	Emergency Communica- tions	Whatcom County Drug
Assets					
Cash, cash equivalents and pooled investments	\$1,691,293	\$102,758	\$39,978	\$-	\$575,364
Investments	-	-	-	-	-
Taxes receivable, net	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Accounts receivable-court, net	-	85,049	-	-	53,280
Special assessments, net	-	-	-	-	-
Notes receivable, net	-	-	125,751	-	-
Interfund receivable	-	-	-	-	7,229
Due from other governments	142,902	-	-	-	-
Employee advances	-	-	-	-	-
Prepayments	-	1,207	-	-	-
Total assets	\$1,834,195	\$189,014	\$165,729	\$-	\$635,873
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$166,588	\$1,356	\$-	\$-	\$14,163
Interfund payable	-	-	-	-	9,046
Due to other governments	-	-	-	-	-
Other accrued liabilities	-	3,393	-	-	-
Unearned revenue	-	-	125,751	-	-
Total liabilities	166,588	4,749	125,751	-	23,209
Deferred inflows of resources					
Deferred property tax	-	-	-	-	-
Court receivables	-	85,049	-	-	53,280
Special assessments	-	-	-	-	-
Grants received in advance	-	-	-	-	-
Total deferred inflows of resources	-	85,049	-	-	53,280
Fund balances:					
Restricted	1,667,607	99,216	39,978	-	559,384
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	1,667,607	99,216	39,978	-	559,384
Total liabilities, deferred inflows of resources and fund balances	\$1,834,195	\$189,014	\$165,729	\$-	\$635,873

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2018

Auditor's O & M	Emergency Management	Flood Control Zone District	Point Roberts Transportation Benefit District	Conser- vation Futures	Road Improve- ment Districts	Total Non Major Special Revenue Funds
\$442,397	\$132,695	\$2,957,326	\$1,043,494	\$3,725,698	\$24,905	\$31,847,486
-	-	9,649,726	-	-	-	9,649,726
-	-	80,822	-	20,777	-	243,279
-	3,450	-	-	40,000	-	408,137
-	-	-	-	-	-	138,329
-	-	48,455	-	-	2,822	51,277
-	-	-	-	-	-	125,751
-	5,061	28,407	-	-	-	1,163,940
-	59,417	1,212,793	-	780,000	-	4,691,966
-	-	-	-	-	-	47
19,295	64	-	-	-	-	51,425
<u>\$461,692</u>	<u>\$200,687</u>	<u>\$13,977,529</u>	<u>\$1,043,494</u>	<u>\$4,566,475</u>	<u>\$27,727</u>	<u>\$48,371,363</u>
\$-	\$7,067	\$763,954	\$5,317	\$75,269	\$2,816	\$2,674,706
19,295	-	732,008	980	56,945	4,086	1,743,712
-	-	-	-	-	-	2,584
1,431	15,092	2,161	-	-	-	67,032
-	-	-	-	100,000	-	274,596
<u>20,726</u>	<u>22,159</u>	<u>1,498,123</u>	<u>6,297</u>	<u>232,214</u>	<u>6,902</u>	<u>4,762,630</u>
-	-	73,235	-	18,930	-	221,044
-	-	-	-	-	-	138,329
-	-	48,455	-	-	2,822	51,277
-	-	-	-	-	-	942,238
-	-	121,690	-	18,930	2,822	1,352,888
440,966	-	12,357,716	1,037,197	4,315,331	18,003	39,997,691
-	-	-	-	-	-	2,034,162
-	178,528	-	-	-	-	230,304
-	-	-	-	-	-	(6,312)
<u>440,966</u>	<u>178,528</u>	<u>12,357,716</u>	<u>1,037,197</u>	<u>4,315,331</u>	<u>18,003</u>	<u>42,255,845</u>
<u>\$461,692</u>	<u>\$200,687</u>	<u>\$13,977,529</u>	<u>\$1,043,494</u>	<u>\$4,566,475</u>	<u>\$27,727</u>	<u>\$48,371,363</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 December 31, 2018

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O&M	REET Electronic Technology
Revenues					
Taxes	\$367,237	\$329,558	\$-	\$-	\$-
Intergovernmental	43,013	11	-	-	-
Charges for service	478,636	-	-	179,928	-
Fines and penalties	-	-	-	-	-
Miscellaneous	862	11,312	-	597	-
Total revenues	889,748	340,881	-	180,525	-
Expenditures					
Current:					
General government	1,264,338	-	-	54,321	-
Public safety	-	-	-	-	-
Transportation	-	-	-	-	-
Natural and economic environment	-	-	-	-	-
Social services	-	253,237	-	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	358,472	-	-	-	-
Total expenditures	1,622,810	253,237	-	54,321	-
Excess (deficiency) of revenues over expenditures	(733,062)	87,644	-	126,204	-
Other financing sources (uses)					
Sales of capital assets	4,413	3,946	-	-	-
Transfers in	377,525	-	-	-	-
Transfers out	(10,211)	(43,606)	-	(87,301)	-
Total other financing sources (uses)	371,727	(39,660)	-	(87,301)	-
Net change in fund balances	(361,335)	47,984	-	38,903	-
Fund balances-beginning	905,918	633,111	243	584,108	-
Fund balances-ending	\$544,583	\$681,095	\$243	\$623,011	\$-

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2018

Low-Income Housing	Homeless Housing	Stormwater	Behavioral Health Program	Parks Special Revenue	Swift Creek Sediment Management	Countywide Emergency Medical Services	Whatcom Co Trial Court Improvement	Solid Waste
\$-	\$-	\$-	\$4,755,570	\$-	\$-	\$10,763,318	\$-	\$1,476,578
-	1,930,196	96,047	197,875	-	73,057	693,483	46,403	191,290
227,370	1,363,585	50,511	29,979	2,100	-	3,108,885	-	-
-	-	-	-	-	-	-	-	-
111	878	798	186,504	97,079	(6,312)	107,003	3,796	41,903
227,481	3,294,659	147,356	5,169,928	99,179	66,745	14,672,689	50,199	1,709,771
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	10,118,373	-	-
-	-	-	-	-	-	-	-	-
215,338	-	810,488	-	-	226,705	-	-	-
-	3,183,683	-	3,303,179	-	-	-	-	830,821
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	16,604	-
215,338	3,183,683	810,488	3,303,179	-	226,705	10,118,373	16,604	830,821
12,143	110,976	(663,132)	1,866,749	99,179	(159,960)	4,554,316	33,595	878,950
-	-	-	-	-	-	98,196	-	-
-	-	829,468	-	1,278	153,648	-	-	-
-	(83,031)	(165,537)	(4,082,931)	(91,533)	-	(832,071)	(23,787)	(211,442)
-	(83,031)	663,931	(4,082,931)	(90,255)	153,648	(733,875)	(23,787)	(211,442)
12,143	27,945	799	(2,216,182)	8,924	(6,312)	3,820,441	9,808	667,508
139,682	140,959	656,303	8,080,088	1,630,494	-	3,972,829	203,919	2,543,639
\$151,825	\$168,904	\$657,102	\$5,863,906	\$1,639,418	\$(6,312)	\$7,793,270	\$213,727	\$3,211,147

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2018

	Convention Center	Victim/ Witness Assistance	Community Development	Emergency Communi- cations	Whatcom County Drug
Revenues					
Taxes	\$859,582	\$-	\$-	\$-	\$-
Intergovernmental	-	-	-	-	-
Charges for service	-	65,948	-	-	-
Fines and penalties	-	39,878	-	-	153,981
Miscellaneous	847	(460)	23,094	-	24,276
Total revenues	860,429	105,366	23,094	-	178,257
Expenditures					
Current:					
General government	-	17,667	-	-	-
Public safety	-	-	-	-	128,876
Transportation	-	-	-	-	-
Natural and economic environment	689,481	-	-	-	-
Social services	-	-	-	-	-
Culture and recreation	3,742	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	693,223	17,667	-	-	128,876
Excess (deficiency) of revenues over expenditures	167,206	87,699	23,094	-	49,381
Other financing sources (uses)					
Sales of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(1,841)	-	-	-
Total other financing sources (uses)	-	(1,841)	-	-	-
Net change in fund balances	167,206	85,858	23,094	-	49,381
Fund balances-beginning	1,500,401	13,358	16,884	-	510,003
Fund balances-ending	\$1,667,607	\$99,216	\$39,978	\$-	\$559,384

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 December 31, 2018

Auditor's O&M	Emergency Management	Flood Control Zone District	Point Roberts Transportation Benefit District	Conservation Futures	Road Improvement Districts	Total Non Major Special Revenue Funds
\$-	\$-	\$4,846,465	\$82,575	\$1,129,897	\$-	\$24,610,780
90,061	208,627	949,116	-	830,138	-	5,349,317
87,153	169,922	139,470	-	-	-	5,903,487
-	-	4,006	1,782	-	16	199,663
3,529	111,047	1,117,576	869	45,012	45,836	1,816,157
180,743	489,596	7,056,633	85,226	2,005,047	45,852	37,879,404
140,009	-	-	-	-	-	1,476,335
-	692,387	-	-	-	-	10,939,636
-	-	-	9,343	-	36,852	46,195
-	-	6,018,012	-	169,028	-	8,129,052
-	-	-	-	-	-	7,570,920
-	-	-	-	-	-	3,742
-	101,755	292,326	-	1,016,186	-	1,785,343
140,009	794,142	6,310,338	9,343	1,185,214	36,852	29,951,223
40,734	(304,546)	746,295	75,883	819,833	9,000	7,928,181
-	-	57,388	-	13,567	-	177,510
-	319,120	28,407	-	-	-	1,709,446
-	(15,904)	(1,441,761)	-	(156,400)	(4,086)	(7,251,442)
-	303,216	(1,355,966)	-	(142,833)	(4,086)	(5,364,486)
40,734	(1,330)	(609,671)	75,883	677,000	4,914	2,563,695
400,232	179,858	12,967,387	961,314	3,638,331	13,089	39,692,150
\$440,966	\$178,528	\$12,357,716	\$1,037,197	\$4,315,331	\$18,003	\$42,255,845

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Election Reserve
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Taxes	\$364,800	\$367,237	\$2,437	\$363,951
Intergovernmental	43,000	43,013	13	53
Charges for service	486,500	478,636	(7,864)	855,042
Miscellaneous	-	862	862	404
Total revenues	894,300	889,748	(4,552)	1,219,450
Expenditures				
Current:				
General government	1,369,214	1,264,338	104,876	1,131,061
Capital outlay	390,425	358,472	31,953	17,479
Total expenditures	1,759,639	1,622,810	136,829	1,148,540
Excess (deficiency) of revenues over expenditures	(865,339)	(733,062)	132,277	70,910
Other financing sources (uses)				
Sales of capital assets	6,000	4,413	(1,587)	2,055
Transfers in	377,525	377,525	-	150,000
Transfers out	(10,211)	(10,211)	-	(9,914)
Capital lease proceeds	-	-	-	17,479
Total other financing sources (uses)	373,314	371,727	(1,587)	159,620
Net changes in fund balances	(492,025)	(361,335)	130,690	230,530
Fund balances-beginning	-	905,918	905,918	675,388
Fund balances-ending	\$(492,025)	\$544,583	\$1,036,608	\$905,918

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Veterans' Relief
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Taxes	\$288,200	\$329,558	\$41,358	\$303,119
Intergovernmental	30	11	(19)	44
Miscellaneous	-	11,312	11,312	5,360
Total revenues	288,230	340,881	52,651	308,523
Expenditures				
Current:				
Social services	276,161	253,237	22,924	227,608
Total expenditures	276,161	253,237	22,924	227,608
Excess (deficiency) of revenues over expenditures	12,069	87,644	75,575	80,915
Other financing sources (uses)				
Sales of capital assets	4,000	3,946	(54)	1,686
Transfers out	(24,597)	(43,606)	(19,009)	(37,702)
Total other financing sources (uses)	(20,597)	(39,660)	(19,063)	(36,016)
Net changes in fund balances	(8,528)	47,984	56,512	44,899
Fund balances-beginning	-	633,111	633,111	588,212
Fund balances-ending	\$(8,528)	\$681,095	\$689,623	\$633,111

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Treasurer's O & M
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Charges for service	\$290,515	\$179,928	\$(110,587)	\$239,428
Miscellaneous	-	597	597	(1,469)
Total revenues	290,515	180,525	(109,990)	237,959
Expenditures				
Current:				
General government	138,142	54,321	83,821	51,418
Capital outlay	4,939	-	4,939	-
Total expenditures	143,081	54,321	88,760	51,418
Excess (deficiency) of revenues over expenditures	147,434	126,204	(21,230)	186,541
Other financing sources (uses)				
Transfers out	(85,000)	(87,301)	(2,301)	(110,145)
Total other financing sources (uses)	(85,000)	(87,301)	(2,301)	(110,145)
Net changes in fund balances	62,434	38,903	(23,531)	76,396
Fund balances-beginning	-	584,108	584,108	507,712
Fund balances-ending	\$62,434	\$623,011	\$560,577	\$584,108

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Low-Income Housing
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Charges for service	\$247,447	\$227,370	\$(20,077)	\$207,982
Miscellaneous	-	111	111	(297)
Total revenues	<u>247,447</u>	<u>227,481</u>	<u>(19,966)</u>	<u>207,685</u>
Expenditures				
Current:				
Natural and economic environment	247,447	215,338	32,109	178,300
Total expenditures	<u>247,447</u>	<u>215,338</u>	<u>32,109</u>	<u>178,300</u>
Excess (deficiency) of revenues over expenditures	-	12,143	12,143	29,385
Fund balances-beginning	-	139,682	139,682	110,297
Fund balances-ending	<u>\$-</u>	<u>\$151,825</u>	<u>\$151,825</u>	<u>\$139,682</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Homeless Housing
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$1,953,176	\$1,930,196	\$(22,980)	\$1,553,132
Charges for service	1,496,067	1,363,585	(132,482)	1,116,066
Miscellaneous	-	878	878	264
Total revenues	3,449,243	3,294,659	(154,584)	2,669,462
Expenditures				
Current:				
Social services	3,472,872	3,183,683	289,189	2,771,428
Total expenditures	3,472,872	3,183,683	289,189	2,771,428
Excess (deficiency) of revenues over expenditures	(23,629)	110,976	134,605	(101,966)
Other financing sources (uses)				
Transfers out	(89,717)	(83,031)	6,686	(66,974)
Total other financing sources (uses)	(89,717)	(83,031)	6,686	(66,974)
Net changes in fund balances	(113,346)	27,945	141,291	(168,940)
Fund balances-beginning	-	140,959	140,959	309,899
Fund balances-ending	\$(113,346)	\$168,904	\$282,250	\$140,959

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Stormwater
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$171,201	\$96,047	\$(75,154)	\$-
Charges for service	103,733	50,511	(53,222)	9,532
Miscellaneous	38,500	798	(37,702)	1,168
Total revenues	313,434	147,356	(166,078)	10,700
Expenditures				
Current:				
Natural and economic environment	1,593,632	810,488	783,144	813,150
Total expenditures	1,593,632	810,488	783,144	813,150
Excess (deficiency) of revenues over expenditures	(1,280,198)	(663,132)	617,066	(802,450)
Other financing sources (uses)				
Transfers in	1,088,866	829,468	(259,398)	967,009
Transfers out	(215,661)	(165,537)	50,124	(173,769)
Total other financing sources (uses)	873,205	663,931	(209,274)	793,240
Net changes in fund balances	(406,993)	799	407,792	(9,210)
Fund balances-beginning	-	656,303	656,303	665,513
Fund balances-ending	\$(406,993)	\$657,102	\$1,064,095	\$656,303

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Behavioral Health Program
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Taxes	\$4,095,000	\$4,755,570	\$660,570	\$4,405,258
Intergovernmental	101,375	197,875	96,500	101,375
Charges for service	319,927	29,979	(289,948)	28,564
Miscellaneous	40,000	186,504	146,504	85,550
Total revenues	4,556,302	5,169,928	613,626	4,620,747
Expenditures				
Current:				
Social services	3,980,525	3,303,179	677,346	2,734,310
Total expenditures	3,980,525	3,303,179	677,346	2,734,310
Excess (deficiency) of revenues over expenditures	575,777	1,866,749	1,290,972	1,886,437
Other financing sources (uses)				
Transfers out	(4,212,824)	(4,082,931)	129,893	(1,037,956)
Total other financing sources (uses)	(4,212,824)	(4,082,931)	129,893	(1,037,956)
Net changes in fund balances	(3,637,047)	(2,216,182)	1,420,865	848,481
Fund balances-beginning	-	8,080,088	8,080,088	6,486,569
Prior period adjustments	-	-	-	745,038
Fund balances-beginning (restated)	-	8,080,088	8,080,088	7,231,607
Fund balances-ending	\$(3,637,047)	\$5,863,906	\$9,500,953	\$8,080,088

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Parks Special Revenue
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Charges for service	\$2,100	\$2,100	\$-	\$1,400
Miscellaneous	86,263	97,079	10,816	54,823
Total revenues	88,363	99,179	10,816	56,223
Other financing sources (uses)				
Transfers in	-	1,278	1,278	-
Transfers out	(100,000)	(91,533)	8,467	(28,847)
Total other financing sources (uses)	(100,000)	(90,255)	9,745	(28,847)
Net changes in fund balances	(11,637)	8,924	20,561	27,376
Fund balances-beginning	-	1,630,494	1,630,494	1,603,118
Fund balances-ending	\$(11,637)	\$1,639,418	\$1,651,055	\$1,630,494

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Swift Creek Sediment Management
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$1,000,000	\$73,057	\$(926,943)	\$-
Miscellaneous	-	(6,312)	(6,312)	-
Total revenues	1,000,000	66,745	(933,255)	-
Expenditures				
Current:				
Natural and economic environment	850,000	226,705	623,295	-
Capital outlay	150,000	-	150,000	-
Total expenditures	1,000,000	226,705	773,295	-
Excess (deficiency) of revenues over expenditures	-	(159,960)	(159,960)	-
Other financing sources (uses)				
Transfers in	-	153,648	153,648	-
Total other financing sources (uses)	-	153,648	153,648	-
Net changes in fund balances	-	(6,312)	(6,312)	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$-	\$(6,312)	\$(6,312)	\$-

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Countywide Emergency Medical Services
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

Whatcom County

WASHINGTON

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Taxes	\$11,394,778	\$10,763,318	\$(631,460)	\$10,293,153
Intergovernmental	-	693,483	693,483	7,957
Charges for service	2,000,000	3,108,885	1,108,885	3,039,607
Miscellaneous	9,797	107,003	97,206	(5,742)
Total revenues	13,404,575	14,672,689	1,268,114	13,334,975
Expenditures				
Current:				
Public safety	10,344,788	10,118,373	226,415	9,267,927
Capital outlay	205,000	-	205,000	-
Total expenditures	10,549,788	10,118,373	431,415	9,267,927
Excess (deficiency) of revenues over expenditures	2,854,787	4,554,316	1,699,529	4,067,048
Other financing sources (uses)				
Sales of capital assets	25,000	98,196	73,196	30,820
Transfers out	(880,000)	(832,071)	47,929	(800,000)
Total other financing sources (uses)	(855,000)	(733,875)	121,125	(769,180)
Net changes in fund balances	1,999,787	3,820,441	1,820,654	3,297,868
Fund balances-beginning	-	3,972,829	3,972,829	259,658
Prior period adjustments	-	-	-	415,303
Fund balances-beginning (restated)	-	3,972,829	3,972,829	674,961
Fund balances-ending	\$1,999,787	\$7,793,270	\$5,793,483	\$3,972,829

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Trial Court Improvement
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$45,000	\$46,403	\$1,403	\$46,899
Miscellaneous	-	3,796	3,796	1,751
Total revenues	45,000	50,199	5,199	48,650
Expenditures				
Current:				
Capital outlay	16,604	16,604	(0)	9,946
Total expenditures	16,604	16,604	(0)	9,946
Excess (deficiency) of revenues over expenditures	28,396	33,595	5,199	38,704
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(228,787)	(23,787)	205,000	(23,730)
Total other financing sources (uses)	(228,787)	(23,787)	205,000	(23,730)
Net changes in fund balances	(200,391)	9,808	210,199	14,974
Fund balances-beginning	-	203,919	203,919	188,945
Fund balances-ending	\$(200,391)	\$213,727	\$414,118	\$203,919

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Solid Waste
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Taxes	\$1,268,550	\$1,476,578	\$208,028	\$882,146
Intergovernmental	295,684	191,290	(104,394)	15,330
Miscellaneous	12,000	41,903	29,903	5,438
Total revenues	1,576,234	1,709,771	133,537	902,914
Expenditures				
Current:				
Social services	1,177,094	830,821	346,273	665,209
Total expenditures	1,177,094	830,821	346,273	665,209
Excess (deficiency) of revenues over expenditures	399,140	878,950	479,810	237,705
Other financing sources (uses)				
Transfers out	(294,600)	(211,442)	83,158	(289,893)
Total other financing sources (uses)	(294,600)	(211,442)	83,158	(289,893)
Net changes in fund balances	104,540	667,508	562,968	(52,188)
Fund balances-beginning	-	2,543,639	2,543,639	2,595,827
Fund balances-ending	\$104,540	\$3,211,147	\$3,106,607	\$2,543,639

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Convention Center
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Taxes	\$625,000	\$859,582	\$234,582	\$745,479
Miscellaneous	-	847	847	(3,130)
Total revenues	625,000	860,429	235,429	742,349
Expenditures				
Current:				
Natural and economic environment	778,400	689,481	88,919	613,955
Culture and recreation	9,000	3,742	5,258	3,590
Total expenditures	787,400	693,223	94,177	617,545
Excess (deficiency) of revenues over expenditures	(162,400)	167,206	329,606	124,804
Fund balances-beginning	-	1,500,401	1,500,401	1,249,293
Prior period adjustments	-	-	-	126,304
Fund balances-beginning (restated)	-	1,500,401	1,500,401	1,375,597
Fund balances-ending	\$(162,400)	\$1,667,607	\$1,830,007	\$1,500,401

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Victim/Witness Assistance
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Charges for service	\$66,250	\$65,948	\$(302)	\$68,688
Fines and penalties	25,000	39,878	14,878	22,432
Miscellaneous	-	(460)	(460)	(104)
Total revenues	91,250	105,366	14,116	91,016
Expenditures				
Current:				
General government	85,503	17,667	67,836	76,285
Total expenditures	85,503	17,667	67,836	76,285
Excess (deficiency) of revenues over expenditures	5,747	87,699	81,952	14,731
Other financing sources (uses)				
Transfers out	(13,841)	(1,841)	12,000	(13,787)
Total other financing sources (uses)	(13,841)	(1,841)	12,000	(13,787)
Net changes in fund balances	(8,094)	85,858	93,952	944
Fund balances-beginning	-	13,358	13,358	12,414
Fund balances-ending	\$(8,094)	\$99,216	\$107,310	\$13,358

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Drug
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Fines and penalties	\$170,000	\$153,981	\$(16,019)	\$445,674
Miscellaneous	3,500	24,276	20,776	22,539
Total revenues	173,500	178,257	4,757	468,213
Expenditures				
Current:				
Public safety	153,500	128,876	24,624	174,189
Capital outlay	-	-	-	216,313
Total expenditures	153,500	128,876	24,624	390,502
Excess (deficiency) of revenues over expenditures	20,000	49,381	29,381	77,711
Net changes in fund balances	20,000	49,381	29,381	77,711
Fund balances-beginning	-	510,003	510,003	432,292
Fund balances-ending	\$20,000	\$559,384	\$539,384	\$510,003

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Auditor's O & M
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$80,000	\$90,061	\$10,061	\$94,383
Charges for service	70,050	87,153	17,103	93,908
Miscellaneous	-	3,529	3,529	(802)
Total revenues	150,050	180,743	30,693	187,489
Expenditures				
Current:				
General government	168,771	140,009	28,762	156,558
Total expenditures	168,771	140,009	28,762	156,558
Excess (deficiency) of revenues over expenditures	(18,721)	40,734	59,455	30,931
Fund balances-beginning	-	400,232	400,232	369,301
Fund balances-ending	\$(18,721)	\$440,966	\$459,687	\$400,232

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Emergency Management
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$171,308	\$208,627	\$37,319	\$226,430
Charges for service	161,527	169,922	8,395	166,496
Miscellaneous	157,894	111,047	(46,847)	105,464
Total revenues	490,729	489,596	(1,133)	498,390
Expenditures				
Current:				
Public safety	821,456	692,387	129,069	631,131
Capital outlay	55,000	101,755	(46,755)	208,117
Total expenditures	876,456	794,142	82,314	839,248
Excess (deficiency) of revenues over expenditures	(385,727)	(304,546)	81,181	(340,858)
Other financing sources (uses)				
Transfers in	327,551	319,120	(8,431)	317,660
Transfers out	(15,904)	(15,904)	-	(15,441)
Total other financing sources (uses)	311,647	303,216	(8,431)	302,219
Net changes in fund balances	(74,080)	(1,330)	72,750	(38,639)
Fund balances-beginning	-	179,858	179,858	258,497
Prior period adjustments	-	-	-	(40,000)
Fund balances-beginning (restated)	-	179,858	179,858	218,497
Fund balances-ending	\$(74,080)	\$178,528	\$252,608	\$179,858

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Flood Control Zone District
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017*
	Budget	Actual		Actual
Revenues				
Taxes	\$3,551,272	\$4,846,465	\$1,295,193	\$3,538,330
Intergovernmental	1,315,537	949,116	(366,421)	2,373,694
Charges for service	167,500	139,470	(28,030)	194,171
Fines and penalties	2,500	4,006	1,506	3,351
Miscellaneous	1,039,838	1,117,576	77,738	1,161,510
Total revenues	6,076,647	7,056,633	979,986	7,271,056
Expenditures				
Current:				
Natural and economic environment	9,615,856	6,018,012	3,597,844	6,864,454
Capital outlay	1,543,000	292,326	1,250,674	138,670
Total expenditures	11,158,856	6,310,338	4,848,518	7,003,124
Excess (deficiency) of revenues over expenditures	(5,082,209)	746,295	5,828,504	267,932
Other financing sources (uses)				
Sales of capital assets	30,000	57,388	27,388	19,811
Transfers in	-	28,407	28,407	409,387
Transfers out	(1,788,125)	(1,441,761)	346,364	(1,659,999)
Total other financing sources (uses)	(1,758,125)	(1,355,966)	402,159	(1,230,801)
Net changes in fund balances	(6,840,334)	(609,671)	6,230,663	(962,869)
Fund balances-beginning	-	12,967,387	12,967,387	13,930,256
Fund balances-ending	\$(6,840,334)	\$12,357,716	\$19,198,050	\$12,967,387

Note: *Amounts were restated to include sub-zones.

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Point Roberts Transportation Benefit District
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Taxes	\$20,000	\$82,575	\$62,575	\$65,313
Fines and penalties	-	1,782	1,782	458
Miscellaneous	-	869	869	(2,026)
Total revenues	20,000	85,226	65,226	63,745
Expenditures				
Current:				
Transportation	20,000	9,343	10,657	2,002
Total expenditures	20,000	9,343	10,657	2,002
Excess (deficiency) of revenues over expenditures	-	75,883	75,883	61,743
Net changes in fund balances	-	75,883	75,883	61,743
Fund balances-beginning	-	961,314	961,314	899,571
Fund balances-ending	\$-	\$1,037,197	\$1,037,197	\$961,314

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Conservation Futures
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

Whatcom County

W A S H I N G T O N

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Taxes	\$1,114,722	\$1,129,897	\$15,175	\$1,098,017
Intergovernmental	937,500	830,138	(107,362)	25,043
Miscellaneous	40,200	45,012	4,812	72,091
Total revenues	2,092,422	2,005,047	(87,375)	1,195,151
Expenditures				
Current:				
Natural and economic environment	198,522	169,028	29,494	96,287
Capital outlay	1,284,759	1,016,186	268,573	166,581
Total expenditures	1,483,281	1,185,214	298,067	262,868
Excess (deficiency) of revenues over expenditures	609,141	819,833	210,692	932,283
Other financing sources (uses)				
Sales of capital assets	10,000	13,567	3,567	6,149
Transfers out	(157,200)	(156,400)	800	(159,886)
Total other financing sources (uses)	(147,200)	(142,833)	4,367	(153,737)
Net changes in fund balances	461,941	677,000	215,059	778,546
Fund balances-beginning	-	3,638,331	3,638,331	2,859,785
Fund balances-ending	\$461,941	\$4,315,331	\$3,853,390	\$3,638,331

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Road Improvement Districts
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Fines and penalties	\$-	\$16	\$16	\$18
Miscellaneous	47,615	45,836	(1,779)	30,504
Total revenues	47,615	45,852	(1,763)	30,522
Expenditures				
Current:				
Transportation	37,416	36,852	564	34,265
Total expenditures	37,416	36,852	564	34,265
Excess (deficiency) of revenues over expenditures	10,199	9,000	(1,199)	(3,743)
Other financing sources (uses)				
Transfers out	(4,088)	(4,086)	2	-
Total other financing sources (uses)	(4,088)	(4,086)	2	-
Net changes in fund balances	6,111	4,914	(1,197)	(3,743)
Fund balances-beginning	-	13,089	13,089	16,832
Fund balances-ending	\$6,111	\$18,003	\$11,892	\$13,089

	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	\$-	\$-	\$1,404	\$1,404
Total assets	\$-	\$-	\$1,404	\$1,404
Fund balances:				
Restricted	\$-	\$-	\$1,404	\$1,404
Total fund balances	-	-	1,404	1,404
Total liabilities and fund balances	\$-	\$-	\$1,404	\$1,404

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2018

	CRID No. 9 General Debt	2003 Ltd. Tax GO Bond	2010 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
Expenditures				
Current:				
Principal	\$-	\$-	\$355,000	\$355,000
Interest	-	-	111,425	111,425
Total expenditures	-	-	466,425	466,425
Excess (deficiency) of revenues over expenditures	-	-	(466,425)	(466,425)
Other financing sources (uses)				
Transfers in	-	-	466,825	466,825
Total other financing sources (uses)	-	-	466,825	466,825
Net changes in fund balances	-	-	400	400
Fund balances-beginning	-	-	1,004	1,004
Fund balances-ending	\$-	\$-	\$1,404	\$1,404

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2010 Ltd Tax GO Bond
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$-	\$-	\$(4)
Total revenues	-	-	-	(4)
Expenditures				
Debt service:				
Principal	355,000	355,000	-	355,000
Interest	111,825	111,425	400	121,013
Total expenditures	466,825	466,425	400	476,013
Excess (deficiency) of revenues over expenditures	(466,825)	(466,425)	400	(476,017)
Other financing sources (uses)				
Transfers in	466,825	466,825	-	476,413
Total other financing sources (uses)	466,825	466,825	-	476,413
Net changes in fund balances	-	400	400	396
Fund balances-beginning	-	1,004	-	608
Fund balances-ending	\$-	\$1,404	\$400	\$1,004

	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	\$4,699,470	\$5,102,388	\$-	\$2,420,305	\$424,018	\$5,019,093
Investments	-	-	-	-	-	24,343
Interfund receivable	-	17,794	-	-	-	-
Due from other governments	-	-	-	-	26,839	-
Total assets	\$4,699,470	\$5,120,182	\$-	\$2,420,305	\$450,857	\$5,043,436
Liabilities and fund balances						
Liabilities						
Accounts payable	\$21,482	\$51,762	\$-	\$5,786	\$26,839	\$-
Interfund payable	-	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-
Total liabilities	21,482	51,762	-	5,786	26,839	-
Fund balances:						
Restricted	4,677,988	5,068,420	-	2,414,519	424,018	5,043,436
Committed	-	-	-	-	-	-
Total fund balances	4,677,988	5,068,420	-	2,414,519	424,018	5,043,436
Total liabilities and fund balances	\$4,699,470	\$5,120,182	\$-	\$2,420,305	\$450,857	\$5,043,436

Lummi Nation Lease	Birch Bay Dr and Pedestrian Facility Project	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	Telecommunications System Replacement	2015 County Roadway Safety Program
\$2,320,354	\$4,574,463	\$-	\$166,549	\$2,671,158	\$-	\$2,422,391	\$-	\$-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$2,320,354</u>	<u>\$4,574,463</u>	<u>\$-</u>	<u>\$166,549</u>	<u>\$2,671,158</u>	<u>\$-</u>	<u>\$2,422,391</u>	<u>\$-</u>	<u>\$-</u>
\$-	\$21,543	\$-	\$-	\$-	\$-	\$6,026	\$-	\$-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	21,543	-	-	-	-	6,026	-	-
2,320,354	4,552,920	-	-	-	-	-	-	-
-	-	-	166,549	2,671,158	-	2,416,365	-	-
<u>2,320,354</u>	<u>4,552,920</u>	<u>-</u>	<u>166,549</u>	<u>2,671,158</u>	<u>-</u>	<u>2,416,365</u>	<u>-</u>	<u>-</u>
<u>\$2,320,354</u>	<u>\$4,574,463</u>	<u>\$-</u>	<u>\$166,549</u>	<u>\$2,671,158</u>	<u>\$-</u>	<u>\$2,422,391</u>	<u>\$-</u>	<u>\$-</u>

	Courthouse Improvement	2015 Girard Street Building Improvement	Courthouse Building Envelope Project	2015 Silver Lake Park Improvement	2015 Lighthouse Marine Park Improvement	2015 South Fork Park Improvement
Assets						
Cash, cash equivalents and pooled investments	\$634,396	\$428,921	\$2,313,475	\$35,755	\$70,733	\$38,107
Investments	-	-	-	-	-	-
Interfund receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	\$634,396	\$428,921	\$2,313,475	\$35,755	\$70,733	\$38,107
Liabilities and fund balances						
Liabilities						
Accounts payable	\$4,253	\$10,982	\$15,433	\$32,431	\$35,753	\$8
Interfund payable	-	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-
Total liabilities	4,253	10,982	15,433	32,431	35,753	8
Fund balances:						
Restricted	-	-	-	-	-	-
Committed	630,143	417,939	2,298,042	3,324	34,980	38,099
Total fund balances	630,143	417,939	2,298,042	3,324	34,980	38,099
Total liabilities and fund balances	\$634,396	\$428,921	\$2,313,475	\$35,755	\$70,733	\$38,107

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	Integrated Land Records and Permit Management System Projects	Sudden Valley Storm Water Imprvmnts	Hovander Park Building Imprvmnts	Lake Whatcom Park Trail Development	Financial System Software
\$1	\$424,173	\$-	\$549,124	\$1,293,840	\$775,028	\$241,536	\$242,119	\$1,738,845
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$1	\$424,173	\$-	\$549,124	\$1,293,840	\$775,028	\$241,536	\$242,119	\$1,738,845
\$-	\$21,084	\$-	\$425	\$13,202	\$-	\$-	\$557	\$-
-	592	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(7)	-
-	21,676	-	425	13,202	-	-	550	-
1	402,497	-	-	-	775,028	241,536	241,569	-
-	-	-	548,699	1,280,638	-	-	-	1,738,845
1	402,497	-	548,699	1,280,638	775,028	241,536	241,569	1,738,845
\$1	\$424,173	\$-	\$549,124	\$1,293,840	\$775,028	\$241,536	\$242,119	\$1,738,845

	Law Library/ Elections Remodel	Northshore Drive/ Edgewater Lane Storm Water Imp	E Smith/ Hannegan Rd Intersection Imprvmnts	Total Non Major Capital Project Funds
Assets				
Cash, cash equivalents and pooled investments	\$328,727	\$218,598	\$-	\$39,153,567
Investments	-	-	-	24,343
Interfund receivable	-	-	185	17,979
Due from other governments	-	-	-	26,839
Total assets	\$328,727	\$218,598	\$185	\$39,222,728
Liabilities and fund balances				
Liabilities				
Accounts payable	\$-	\$-	\$-	\$267,566
Interfund payable	-	-	-	592
Other accrued liabilities	-	-	185	178
Total liabilities	-	-	185	268,336
Fund balances:				
Restricted	328,727	218,598	-	26,709,611
Committed	-	-	-	12,244,781
Total fund balances	328,727	218,598	-	38,954,392
Total liabilities and fund balances	\$328,727	\$218,598	\$185	\$39,222,728

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2018

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

Page 1 of 5

	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	\$2,355,092	\$2,355,091	\$-	\$-	\$-	\$-
Intergovernmental	-	-	-	-	35,081	-
Miscellaneous	(7,302)	(1,017)	22	3,788	(248)	(29,535)
Total revenues	2,347,790	2,354,074	22	3,788	34,833	(29,535)
Expenditures						
Current:						
General government	-	414,466	-	-	-	-
Public safety	-	-	-	-	-	356,656
Culture and recreation	273,933	-	-	-	-	-
Capital outlay	156,011	257,935	-	44,498	39,643	-
Total expenditures	429,944	672,401	-	44,498	39,643	356,656
Excess (deficiency) of revenues over expenditures	1,917,846	1,681,673	22	(40,710)	(4,810)	(386,191)
Other financing sources (uses)						
Transfers in	414	-	-	-	115,000	5,250,000
Transfers out	(826,719)	(570,000)	(1,278)	-	-	-
Total other financing sources (uses)	(826,305)	(570,000)	(1,278)	-	115,000	5,250,000
Net changes in fund balances	1,091,541	1,111,673	(1,256)	(40,710)	110,190	4,863,809
Fund balances-beginning	3,586,447	3,956,747	1,256	2,455,229	313,828	179,627
Fund balances-ending	\$4,677,988	\$5,068,420	\$-	\$2,414,519	\$424,018	\$5,043,436

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2018

	Lummi Nation Lease	Birch Bay Dr and Pedestrian Facility Project	Potter Rd-S Fork Bridge Rplcmnt Prjt	Sheriff's Record Management System Prjt	New Jail Project	Nesset Farm Restoration
Revenues						
Taxes	\$-	\$-	\$-	\$-	\$-	\$-
Intergovernmental	-	-	-	-	-	-
Miscellaneous	5,028	10,206	9,032	374	3,887	66
Total revenues	5,028	10,206	9,032	374	3,887	66
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	17,192	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	445,229	-	-	-	-
Total expenditures	-	445,229	-	17,192	-	-
Excess (deficiency) of revenues over expenditures	5,028	(435,023)	9,032	(16,818)	3,887	66
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(1,157,316)	-	-	-
Total other financing sources (uses)	-	-	(1,157,316)	-	-	-
Net changes in fund balances	5,028	(435,023)	(1,148,284)	(16,818)	3,887	66
Fund balances-beginning	2,315,326	4,987,943	1,148,284	183,367	2,667,271	(66)
Fund balances-ending	\$2,320,354	\$4,552,920	\$-	\$166,549	\$2,671,158	\$-

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2018

State St Building Acquisition and Improvement	Telecomm- unications System Replacement	2015 County Roadway Safety Program	Courthouse Improvement	2015 Girard Street Building Improvement	Courthouse Building Envelope Project	2015 Silver Lake Park Improvement	2015 Lighthouse Marine Park Improvement	2015 South Fork Park Improvement
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
-	-	-	-	-	-	-	-	-
4,733	5,233	161	2,776	694	5,462	5,735	688	370
4,733	5,233	161	2,776	694	5,462	5,735	688	370
159,549	-	-	224,735	20,850	231,569	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	60,731	-	-	-	-	759,694	163,719	26,117
159,549	60,731	-	224,735	20,850	231,569	759,694	163,719	26,117
(154,816)	(55,498)	161	(221,959)	(20,156)	(226,107)	(753,959)	(163,031)	(25,747)
-	-	-	-	-	-	-	78,500	-
-	(607,791)	(54,817)	-	-	-	-	-	-
-	(607,791)	(54,817)	-	-	-	-	78,500	-
(154,816)	(663,289)	(54,656)	(221,959)	(20,156)	(226,107)	(753,959)	(84,531)	(25,747)
2,571,181	663,289	54,656	852,102	438,095	2,524,149	757,283	119,511	63,846
\$2,416,365	\$-	\$-	\$630,143	\$417,939	\$2,298,042	\$3,324	\$34,980	\$38,099

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2018

Whatcom County

W A S H I N G T O N

Page 4 of 5

	Academy Rd Storm Water Imprvmts	Agate Heights Estate/ Bay Lane Storm Water Imprvmts	Cedar Hills/ Euclid Storm Water Imprvmts	Criminal Justice Integrated Case Mgmt System Projects	Integrated Land Records and Permit Management System Projects	Sudden Valley Storm Water Imprvmts
Revenues						
Taxes	\$-	\$-	\$-	\$-	\$-	\$-
Intergovernmental	-	-	-	-	-	-
Miscellaneous	-	1,537	5,488	816	6,275	1,115
Total revenues	-	1,537	5,488	816	6,275	1,115
Expenditures						
Current:						
General government	-	-	-	3,655	464,293	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	651,729	2,760	-	533,428	-
Total expenditures	-	651,729	2,760	3,655	997,721	-
Excess (deficiency) of revenues over expenditures	-	(650,192)	2,728	(2,839)	(991,446)	1,115
Other financing sources (uses)						
Transfers in	-	528,219	-	-	-	-
Transfers out	-	-	(414)	-	-	-
Total other financing sources (uses)	-	528,219	(414)	-	-	-
Net changes in fund balances	-	(121,973)	2,314	(2,839)	(991,446)	1,115
Fund balances-beginning	1	524,470	(2,314)	551,538	2,272,084	773,913
Fund balances-ending	\$1	\$402,497	\$-	\$548,699	\$1,280,638	\$775,028

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2018

Hovander Park Building Imprvmts	Lake Whatcom Park Trail Development	Financial System Software	Law Library/ Elections Remodel	Northshore Drive/ Edgewater Lane Storm Water Imp	E Smith/ Hannegan Rd Intersection Imprvmts	Total Non Major Capital Project Funds
\$-	\$-	\$-	\$-	\$-	\$-	\$4,710,183
-	-	-	-	-	-	35,081
410	1,351	(11,155)	(2,109)	(1,402)	-	22,479
410	1,351	(11,155)	(2,109)	(1,402)	-	4,767,743
-	-	-	164	-	-	1,519,281
-	-	-	-	-	-	373,848
-	-	-	-	-	-	273,933
7,896	127,033	-	-	-	185	3,276,608
7,896	127,033	-	164	-	185	5,443,670
(7,486)	(125,682)	(11,155)	(2,273)	(1,402)	(185)	(675,927)
-	-	1,750,000	331,000	220,000	185	8,273,318
-	-	-	-	-	-	(3,218,335)
-	-	1,750,000	331,000	220,000	185	5,054,983
(7,486)	(125,682)	1,738,845	328,727	218,598	-	4,379,056
249,022	367,251	-	-	-	-	34,575,336
\$241,536	\$241,569	\$1,738,845	\$328,727	\$218,598	\$-	\$38,954,392

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Real Estate Excise Tax II
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

Whatcom County

W A S H I N G T O N

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Taxes	\$2,173,034	\$2,355,092	\$182,058	\$2,253,928
Miscellaneous	-	(7,302)	(7,302)	(7,465)
Total revenues	<u>2,173,034</u>	<u>2,347,790</u>	<u>174,756</u>	<u>2,246,463</u>
Expenditures				
Current:				
Culture and recreation	112,310	273,933	(161,623)	189,091
Capital outlay	274,022	156,011	118,011	682
Total expenditures	<u>386,332</u>	<u>429,944</u>	<u>(43,612)</u>	<u>189,773</u>
Excess (deficiency) of revenues over expenditures	<u>1,786,702</u>	<u>1,917,846</u>	<u>131,144</u>	<u>2,056,690</u>
Other financing sources (uses)				
Transfers in	-	414	414	-
Transfers out	(920,915)	(826,719)	94,196	(1,527,426)
Total other financing sources (uses)	<u>(920,915)</u>	<u>(826,305)</u>	<u>94,610</u>	<u>(1,527,426)</u>
Net changes in fund balances	<u>865,787</u>	<u>1,091,541</u>	<u>225,754</u>	<u>529,264</u>
Fund balances-beginning	-	3,586,447	3,586,447	3,057,183
Fund balances-ending	<u>\$865,787</u>	<u>\$4,677,988</u>	<u>\$3,812,201</u>	<u>\$3,586,447</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Real Estate Excise Tax I
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Taxes	\$2,173,034	\$2,355,091	\$182,057	\$2,253,927
Miscellaneous	-	(1,017)	(1,017)	(5,763)
Total revenues	2,467,434	2,354,074	(113,360)	2,248,164
Expenditures				
Current:				
General government	162,163	414,466	(252,303)	143,946
Culture and recreation	-	-	-	6,700
Capital outlay	1,749,385	257,935	1,491,450	-
Total expenditures	1,911,548	672,401	1,239,147	150,646
Excess (deficiency) of revenues over expenditures	555,886	1,681,673	1,125,787	2,097,518
Other financing sources (uses)				
Transfers in	100,000	-	(100,000)	8,260
Transfers out	(570,000)	(570,000)	-	(2,359,403)
Total other financing sources (uses)	(470,000)	(570,000)	(100,000)	(2,351,143)
Net changes in fund balances	85,886	1,111,673	1,025,787	(253,625)
Fund balances-beginning	-	3,956,747	3,956,747	4,210,372
Fund balances-ending	\$85,886	\$5,068,420	\$4,982,534	\$3,956,747

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Civic Center Building Improvement
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$3,788	\$3,788	\$(4,177)
Total revenues	-	3,788	3,788	(4,177)
Expenditures				
Current:				
Capital outlay	2,441,593	44,498	2,397,095	-
Total expenditures	2,441,593	44,498	2,397,095	-
Excess (deficiency) of revenues over expenditures	(2,441,593)	(40,710)	2,400,883	(4,177)
Fund balances-beginning	-	2,455,229	2,455,229	2,459,406
Fund balances-ending	\$(2,441,593)	\$2,414,519	\$4,856,112	\$2,455,229

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
East Whatcom Regional Resource Ctr Construction
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$597,128	\$35,081	\$(562,047)	\$23,242
Miscellaneous	-	(248)	(248)	(448)
Total revenues	<u>597,128</u>	<u>34,833</u>	<u>(562,295)</u>	<u>22,794</u>
Expenditures				
Current:				
Capital outlay	913,438	39,643	873,795	37,852
Total expenditures	<u>913,438</u>	<u>39,643</u>	<u>873,795</u>	<u>37,852</u>
Excess (deficiency) of revenues over expenditures	<u>(316,310)</u>	<u>(4,810)</u>	<u>311,500</u>	<u>(15,058)</u>
Other financing sources (uses)				
Transfers in	-	115,000	115,000	-
Total other financing sources (uses)	<u>-</u>	<u>115,000</u>	<u>115,000</u>	<u>-</u>
Net changes in fund balances	<u>(316,310)</u>	<u>110,190</u>	<u>426,500</u>	<u>(15,058)</u>
Fund balances-beginning	-	313,828	313,828	328,886
Fund balances-ending	<u>\$(316,310)</u>	<u>\$424,018</u>	<u>\$740,328</u>	<u>\$313,828</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2010 Jail Improvement
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$(29,535)	\$(29,535)	\$5,184
Total revenues	-	(29,535)	(29,535)	5,184
Expenditures				
Current:				
Public safety	1,213,114	356,656	856,458	321,605
Capital outlay	4,173,023	-	4,173,023	-
Total expenditures	5,386,137	356,656	5,029,481	321,605
Excess (deficiency) of revenues over expenditures	(5,386,137)	(386,191)	4,999,946	(316,421)
Other financing sources (uses)				
Transfers in	5,250,000	5,250,000	-	-
Total other financing sources (uses)	5,250,000	5,250,000	-	-
Net changes in fund balances	(136,137)	4,863,809	4,999,946	(316,421)
Fund balances-beginning	-	179,627	179,627	496,048
Fund balances-ending	\$(136,137)	\$5,043,436	\$5,179,573	\$179,627

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Lummi Nation Lease
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018			2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$5,028	\$5,028	\$(12,043)
Total revenues	-	5,028	5,028	(12,043)
Expenditures				
Current:				
Capital outlay	335,240	-	335,240	869,878
Total expenditures	335,240	-	335,240	869,878
Excess (deficiency) of revenues over expenditures	(335,240)	5,028	340,268	(881,921)
Other financing sources (uses)				
Transfers in	-	-	-	2,000,000
Total other financing sources (uses)	-	-	-	2,000,000
Net changes in fund balances	(335,240)	5,028	340,268	1,118,079
Fund balances-beginning	-	2,315,326	2,315,326	1,197,247
Fund balances-ending	\$(335,240)	\$2,320,354	\$2,655,594	\$2,315,326

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Birch Bay Drive & Pedestrian Facility Project
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$1,557,896	\$-	\$(1,557,896)	\$-
Miscellaneous	-	10,206	10,206	(37,597)
Total revenues	<u>1,557,896</u>	<u>10,206</u>	<u>(1,547,690)</u>	<u>(37,597)</u>
Expenditures				
Current:				
Capital outlay	8,235,392	445,229	7,790,163	1,122,257
Total expenditures	<u>8,235,392</u>	<u>445,229</u>	<u>7,790,163</u>	<u>1,122,257</u>
Excess (deficiency) of revenues over expenditures	<u>(6,677,496)</u>	<u>(435,023)</u>	<u>6,242,473</u>	<u>(1,159,854)</u>
Other financing sources (uses)				
Transfers in	1,650,000	-	(1,650,000)	5,990,000
Total other financing sources (uses)	<u>1,650,000</u>	<u>-</u>	<u>(1,650,000)</u>	<u>5,990,000</u>
Net changes in fund balances	<u>(5,027,496)</u>	<u>(435,023)</u>	<u>4,592,473</u>	<u>4,830,146</u>
Fund balances-beginning	-	4,987,943	4,987,943	157,797
Fund balances-ending	<u>\$(5,027,496)</u>	<u>\$4,552,920</u>	<u>\$9,580,416</u>	<u>\$4,987,943</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Potter Rd-S Fork Bridge Replacement Project
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

Whatcom County

WASHINGTON

	2018			2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$731,843	\$-	\$(731,843)	\$326,859
Miscellaneous	-	9,032	9,032	(4,270)
Total revenues	731,843	9,032	(722,811)	322,589
Expenditures				
Current:				
Capital outlay	739,158	-	739,158	289,230
Total expenditures	739,158	-	739,158	289,230
Excess (deficiency) of revenues over expenditures	(7,315)	9,032	16,347	33,359
Other financing sources (uses)				
Transfers out	-	(1,157,316)	(1,157,316)	-
Total other financing sources (uses)	-	(1,157,316)	(1,157,316)	-
Net changes in fund balances	(7,315)	(1,148,284)	(1,140,969)	33,359
Fund balances-beginning	-	1,148,284	1,148,284	1,114,925
Fund balances-ending	\$(7,315)	\$-	\$7,315	\$1,148,284

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Sheriff's Record Mgmt System Project
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$374	\$374	\$(260)
Total revenues	-	374	374	(260)
Expenditures				
Current:				
Public safety	-	17,192	(17,192)	8,693
Capital outlay	184,810	-	184,810	-
Total expenditures	184,810	17,192	167,618	8,693
Excess (deficiency) of revenues over expenditures	(184,810)	(16,818)	167,992	(8,953)
Fund balances-beginning	-	183,367	183,367	192,320
Fund balances-ending	\$(184,810)	\$166,549	\$351,359	\$183,367

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
New Jail Project
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

Whatcom County

W A S H I N G T O N

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$3,887	\$3,887	\$(4,344)
Total revenues	-	3,887	3,887	(4,344)
Expenditures				
Current:				
Capital outlay	134,082	-	134,082	38,120
Total expenditures	134,082	-	134,082	38,120
Net changes in fund balances	(134,082)	3,887	137,969	(42,464)
Fund balances-beginning	-	2,667,271	2,667,271	2,709,735
Fund balances-ending	\$(134,082)	\$2,671,158	\$2,805,240	\$2,667,271

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Nessel Farm Restoration
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$63,223	\$66	\$(63,157)	\$183,978
Total revenues	63,223	66	(63,157)	183,978
Expenditures				
Current:				
Capital outlay	63,223	-	63,223	183,467
Total expenditures	63,223	-	63,223	183,467
Excess (deficiency) of revenues over expenditures	-	66	66	511
Fund balances-beginning	-	(66)	(66)	(577)
Fund balances-ending	\$-	\$-	\$-	\$(66)

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 State St Building Acquisition & Improv.
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

Whatcom County

W A S H I N G T O N

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$4,733	\$4,733	\$(4,043)
Total revenues	-	4,733	4,733	(4,043)
Expenditures				
Current:				
General government	-	159,549	(159,549)	61,091
Capital outlay	2,591,454	-	2,591,454	-
Total expenditures	2,591,454	159,549	2,431,905	61,091
Excess (deficiency) of revenues over expenditures	(2,591,454)	(154,816)	2,436,638	(65,134)
Fund balances-beginning	-	2,571,181	2,571,181	2,636,315
Fund balances-ending	\$(2,591,454)	\$2,416,365	\$5,007,819	\$2,571,181

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Telecommunications System Replacement
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$5,233	\$5,233	\$(981)
Total revenues	-	5,233	5,233	(981)
Expenditures				
Current:				
Capital outlay	668,522	60,731	607,791	23,314
Total expenditures	668,522	60,731	607,791	23,314
Excess (deficiency) of revenues over expenditures	(668,522)	(55,498)	613,024	(24,295)
Other financing sources (uses)				
Transfers out	-	(607,791)	(607,791)	-
Total other financing sources (uses)	-	(607,791)	(607,791)	-
Net changes in fund balances	(668,522)	(663,289)	5,233	(24,295)
Fund balances-beginning	-	663,289	663,289	687,584
Fund balances-ending	\$(668,522)	\$-	\$668,522	\$663,289

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2015 County Roadway Safety Program
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

Whatcom County

WASHINGTON

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$-	\$-	\$-	\$100,653
Miscellaneous	-	161	161	2,796
Total revenues	-	161	161	103,449
Expenditures				
Current:				
Transportation	21,232	-	21,232	-
Capital outlay	-	-	-	92,787
Total expenditures	21,232	-	21,232	92,787
Excess (deficiency) of revenues over expenditures	(21,232)	161	21,393	10,662
Other financing sources (uses)				
Transfers out	-	(54,817)	(54,817)	-
Total other financing sources (uses)	-	(54,817)	(54,817)	-
Net changes in fund balances	(21,232)	(54,656)	(33,424)	10,662
Fund balances-beginning	-	54,656	54,656	43,994
Fund balances-ending	\$(21,232)	\$-	\$21,232	\$54,656

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Courthouse Improvement
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$2,776	\$2,776	\$(6,000)
Total revenues	-	2,776	2,776	(6,000)
Expenditures				
Current:				
General government	-	224,735	(224,735)	94,590
Capital outlay	855,524	-	855,524	-
Total expenditures	855,524	224,735	630,789	94,590
Excess (deficiency) of revenues over expenditures	(855,524)	(221,959)	633,565	(100,590)
Other financing sources (uses)				
Transfers in	-	-	-	811,907
Total other financing sources (uses)	-	-	-	811,907
Net changes in fund balances	(855,524)	(221,959)	633,565	711,317
Fund balances-beginning	-	852,102	852,102	140,785
Fund balances-ending	\$(855,524)	\$630,143	\$1,485,667	\$852,102

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 2015 Girard Street Building Improvement
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$694	\$694	\$(745)
Total revenues	-	694	694	(745)
Expenditures				
Current:				
General government	349,062	20,850	328,212	-
Capital outlay	92,479	-	92,479	-
Total expenditures	441,541	20,850	420,691	-
Excess (deficiency) of revenues over expenditures	(441,541)	(20,156)	421,385	(745)
Fund balances-beginning	-	438,095	438,095	438,840
Fund balances-ending	\$(441,541)	\$417,939	\$859,480	\$438,095

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Courthouse Building Envelope Project
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$5,462	\$5,462	\$(18,895)
Total revenues	-	5,462	5,462	(18,895)
Expenditures				
Current:				
General government	2,544,453	231,569	2,312,884	113,780
Total expenditures	2,544,453	231,569	2,312,884	113,780
Excess (deficiency) of revenues over expenditures	(2,544,453)	(226,107)	2,318,346	(132,675)
Other financing sources (uses)				
Transfers in	-	-	-	2,427,809
Total other financing sources (uses)	-	-	-	2,427,809
Net changes in fund balances	(2,544,453)	(226,107)	2,318,346	2,295,134
Fund balances-beginning	-	2,524,149	2,524,149	229,015
Fund balances-ending	\$(2,544,453)	\$2,298,042	\$4,842,495	\$2,524,149

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 2015 Silver Lake Park Improvement
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$5,735	\$5,735	\$(1,078)
Total revenues	-	5,735	5,735	(1,078)
Expenditures				
Current:				
Capital outlay	763,248	759,694	3,554	36,627
Total expenditures	763,248	759,694	3,554	36,627
Excess (deficiency) of revenues over expenditures	(763,248)	(753,959)	9,289	(37,705)
Fund balances-beginning	-	757,283	757,283	794,988
Fund balances-ending	\$(763,248)	\$3,324	\$766,572	\$757,283

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 2015 Lighthouse Marine Park Improvement
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$688	\$688	\$94
Total revenues	-	688	688	94
Expenditures				
Current:				
Capital outlay	199,153	163,719	35,434	88,585
Total expenditures	199,153	163,719	35,434	88,585
Excess (deficiency) of revenues over expenditures	(199,153)	(163,031)	36,122	(88,491)
Other financing sources (uses)				
Transfers in	78,500	78,500	-	-
Total other financing sources (uses)	78,500	78,500	-	-
Net changes in fund balances	(120,653)	(84,531)	36,122	(88,491)
Fund balances-beginning	-	119,511	119,511	208,002
Fund balances-ending	\$(120,653)	\$34,980	\$155,633	\$119,511

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 2015 South Fork Park Improvement
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$209,000	\$-	\$(209,000)	\$-
Miscellaneous	-	370	370	597
Total revenues	209,000	370	(208,630)	597
Expenditures				
Current:				
Capital outlay	273,385	26,117	247,268	132,913
Total expenditures	273,385	26,117	247,268	132,913
Excess (deficiency) of revenues over expenditures	(64,385)	(25,747)	38,638	(132,316)
Fund balances-beginning	-	63,846	63,846	196,162
Fund balances-ending	\$(64,385)	\$38,099	\$102,484	\$63,846

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Academy Road Stormwater Improvements
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

Whatcom County

W A S H I N G T O N

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$-	\$-	\$-	\$22,490
Miscellaneous	-	-	-	978
Total revenues	-	-	-	23,468
Expenditures				
Current:				
Capital outlay	63,165	-	63,165	33,446
Total expenditures	63,165	-	63,165	33,446
Excess (deficiency) of revenues over expenditures	(63,165)	-	63,165	(9,978)
Other financing sources (uses)				
Transfers in	63,164	-	(63,164)	29,427
Total other financing sources (uses)	63,164	-	(63,164)	29,427
Net changes in fund balances	(1)	-	1	19,449
Fund balances-beginning	-	1	1	(19,448)
Fund balances-ending	\$ (1)	\$ 1	\$ 2	\$ 1

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, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$1,537	\$1,537	\$29
Total revenues	-	1,537	1,537	29
Expenditures				
Current:				
Capital outlay	1,056,947	651,729	405,218	167,836
Total expenditures	1,056,947	651,729	405,218	167,836
Excess (deficiency) of revenues over expenditures	(1,056,947)	(650,192)	406,755	(167,807)
Other financing sources (uses)				
Transfers in	528,219	528,219	-	-
Total other financing sources (uses)	528,219	528,219	-	-
Net changes in fund balances	(528,728)	(121,973)	406,755	(167,807)
Fund balances-beginning	-	524,470	524,470	692,277
Fund balances-ending	\$(528,728)	\$402,497	\$931,225	\$524,470

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Cedar Hills/Euclid Stormwater Improvements
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Intergovernmental	\$-	\$-	\$-	\$161,910
Miscellaneous	-	5,488	5,488	(4,180)
Total revenues	-	5,488	5,488	157,730
Expenditures				
Current:				
Capital outlay	2,873	2,760	113	200,041
Total expenditures	2,873	2,760	113	200,041
Excess (deficiency) of revenues over expenditures	(2,873)	2,728	5,601	(42,311)
Other financing sources (uses)				
Transfers out	-	(414)	(414)	-
Total other financing sources (uses)	-	(414)	(414)	-
Net changes in fund balances	(2,873)	2,314	5,187	(42,311)
Fund balances-beginning	-	(2,314)	(2,314)	39,997
Fund balances-ending	\$(2,873)	\$-	\$2,873	\$(2,314)

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, 2018
 (With comparative totals for December 31, 2017)

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

	2018			2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$816	\$816	\$(699)
Total revenues	-	816	816	(699)
Expenditures				
Current:				
General government	-	3,655	(3,655)	39,022
Capital outlay	555,876	-	555,876	-
Total expenditures	555,876	3,655	552,221	39,022
Excess (deficiency) of revenues over expenditures	(555,876)	(2,839)	553,037	(39,721)
Fund balances-beginning	-	551,538	551,538	591,259
Fund balances-ending	\$(555,876)	\$548,699	\$1,104,575	\$551,538

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, 2018
(With comparative totals for December 31, 2017)

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

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$6,275	\$6,275	\$(8,115)
Total revenues	-	6,275	6,275	(8,115)
Expenditures				
Current:				
General government	924,191	464,293	459,898	90,800
Capital outlay	1,367,579	533,428	834,151	122,667
Total expenditures	2,291,770	997,721	1,294,049	213,467
Excess (deficiency) of revenues over expenditures	(2,291,770)	(991,446)	1,300,324	(221,582)
Other financing sources (uses)				
Transfers in	-	-	-	1,448,327
Total other financing sources (uses)	-	-	-	1,448,327
Net changes in fund balances	(2,291,770)	(991,446)	1,300,324	1,226,745
Fund balances-beginning	-	2,272,084	2,272,084	1,045,339
Fund balances-ending	\$(2,291,770)	\$1,280,638	\$3,572,408	\$2,272,084

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Sudden Valley Storm Water Improvements
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$1,115	\$1,115	\$(6,087)
Total revenues	-	1,115	1,115	(6,087)
Expenditures				
Current:				
Capital outlay	780,000	-	780,000	-
Total expenditures	780,000	-	780,000	-
Excess (deficiency) of revenues over expenditures	(780,000)	1,115	781,115	(6,087)
Other financing sources (uses)				
Transfers in	-	-	-	780,000
Total other financing sources (uses)	-	-	-	780,000
Net changes in fund balances	(780,000)	1,115	781,115	773,913
Fund balances-beginning	-	773,913	773,913	-
Fund balances-ending	\$(780,000)	\$775,028	\$1,555,028	\$773,913

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Hovander Park Building Improvements
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

Whatcom County

W A S H I N G T O N

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$410	\$410	\$(1,443)
Total revenues	-	410	410	(1,443)
Expenditures				
Current:				
Capital outlay	250,465	7,896	242,569	24,535
Total expenditures	250,465	7,896	242,569	24,535
Excess (deficiency) of revenues over expenditures	(250,465)	(7,486)	242,979	(25,978)
Other financing sources (uses)				
Transfers in	-	-	-	275,000
Total other financing sources (uses)	-	-	-	275,000
Net changes in fund balances	(250,465)	(7,486)	242,979	249,022
Fund balances-beginning	-	249,022	249,022	-
Fund balances-ending	\$(250,465)	\$241,536	\$492,001	\$249,022

Whatcom County

W A S H I N G T O N

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Lake Whatcom Park Trail Development
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Revenues				
Miscellaneous	\$-	\$1,351	\$1,351	\$(2,904)
Total revenues	-	1,351	1,351	(2,904)
Expenditures				
Current:				
Capital outlay	370,155	127,033	243,122	72,845
Total expenditures	370,155	127,033	243,122	72,845
Excess (deficiency) of revenues over expenditures	(370,155)	(125,682)	244,473	(75,749)
Other financing sources (uses)				
Transfers in	-	-	-	443,000
Total other financing sources (uses)	-	-	-	443,000
Net changes in fund balances	(370,155)	(125,682)	244,473	367,251
Fund balances-beginning	-	367,251	367,251	-
Fund balances-ending	\$(370,155)	\$241,569	\$611,724	\$367,251

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Financial System Software
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

	2018			2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(11,155)	\$(11,155)	\$-
Total revenues	-	(11,155)	(11,155)	-
Expenditures				
Current:				
Capital outlay	1,750,000	-	1,750,000	-
Total expenditures	1,750,000	-	1,750,000	-
Excess (deficiency) of revenues over expenditures	(1,750,000)	(11,155)	1,738,845	-
Other financing sources (uses)				
Transfers in	1,750,000	1,750,000	-	-
Total other financing sources (uses)	1,750,000	1,750,000	-	-
Net changes in fund balances	-	1,738,845	1,738,845	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$-	\$1,738,845	\$1,738,845	\$-

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Law Library/Elections Remodel
Year Ended December 31, 2018
(With comparative totals for December 31, 2017)

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

	2018			2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(2,109)	\$(2,109)	\$-
Total revenues	-	(2,109)	(2,109)	-
Expenditures				
Current:				
General government	-	164	(164)	-
Capital outlay	331,000	-	331,000	-
Total expenditures	331,000	164	330,836	-
Excess (deficiency) of revenues over expenditures	(331,000)	(2,273)	328,727	-
Other financing sources (uses)				
Transfers in	331,000	331,000	-	-
Total other financing sources (uses)	331,000	331,000	-	-
Net changes in fund balances	-	328,727	328,727	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$-	\$328,727	\$328,727	\$-

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Northshore Drive/Edgewater Lane Storm Water Improvements
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

	2018			2017
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(1,402)	\$(1,402)	\$-
Total revenues	-	(1,402)	(1,402)	-
Expenditures				
Current:				
Capital outlay	220,000	-	220,000	-
Total expenditures	220,000	-	220,000	-
Excess (deficiency) of revenues over expenditures	(220,000)	(1,402)	218,598	-
Other financing sources (uses)				
Transfers in	220,000	220,000	-	-
Total other financing sources (uses)	220,000	220,000	-	-
Net changes in fund balances	-	218,598	218,598	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$-	\$218,598	\$218,598	\$-

Whatcom County

W A S H I N G T O N

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 East Smith/Hannegan Road Intersection Improvements
 Year Ended December 31, 2018
 (With comparative totals for December 31, 2017)

	2018		Variance Favorable (Unfavorable)	2017
	Budget	Actual		Actual
Expenditures				
Current:				
Capital outlay	\$860,000	\$185	\$859,815	\$-
Total expenditures	<u>860,000</u>	<u>185</u>	<u>859,815</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	860,000	185	(859,815)	-
Total other financing sources (uses)	<u>860,000</u>	<u>185</u>	<u>(859,815)</u>	<u>-</u>
Net changes in fund balances	-	-	-	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual
Public Utilities Improvement
Year Ended December 31, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$3,877,296	\$3,877,296	\$4,311,579	\$434,283
Miscellaneous	91,045	91,045	122,084	31,039
Total revenues	3,968,341	3,968,341	4,433,663	465,322
Expenditures				
Current:				
General government	31,398	31,398	8,474	22,924
Natural and economic environment	204,202	4,174,202	1,544,699	2,629,503
Capital outlay	-	54,997	56,994	(1,997)
Total expenditures	235,600	4,260,597	1,610,167	2,650,430
Excess (deficiency) of revenues over expenditures	3,732,741	(292,256)	2,823,496	3,115,752
Fund balance as of January 1	-	-	24,727,494	24,727,494
Fund balance as of December 31	\$3,732,741	\$(292,256)	\$27,550,990	\$27,843,246

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual
Triage Center Expansion
Year Ended December 31, 2018

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				
Intergovernmental	\$-	\$6,900,000	\$342,137	\$(6,557,863)
Miscellaneous	-	-	(13,996)	(13,996)
Total revenues	-	6,900,000	328,141	(6,571,859)
Expenditures				
Current:				
Capital outlay	-	12,400,000	342,137	12,057,863
Total expenditures	-	12,400,000	342,137	12,057,863
Excess (deficiency) of revenues over expenditures	-	(5,500,000)	(13,996)	5,486,004
Other financing sources (uses)				
Transfer in	-	3,000,000	3,000,000	-
Total other financing sources (uses)	-	3,000,000	3,000,000	-
Net changes in fund balances	-	(2,500,000)	2,986,004	5,486,004
Fund balance as of January 1	-	-	(19,512)	(19,512)
Fund balance as of December 31	\$-	\$(2,500,000)	\$2,966,492	\$5,466,492

	Equipment Rental	Administrative Services	Total
Assets			
Current assets			
Cash, cash equivalents and pooled investments	\$5,967,277	\$15,428,009	\$21,395,286
Deposits with fiscal agent	-	6,000	6,000
Receivables, net	5,584	1,846	7,430
Interfund receivable	90,087	174,658	264,745
Due from other governments	1,038	3,369	4,407
Interfund loan receivable	280,359	-	280,359
Employee advances	-	258	258
Inventories	1,418,471	22,201	1,440,672
Prepayments	4,407	45,403	49,810
Total current assets	7,767,223	15,681,744	23,448,967
Noncurrent assets			
Interfund loan-long-term	433,648	-	433,648
Capital assets:			
Land	320,864	119,000	439,864
Building and structures, net	958,523	42,467	1,000,990
Capital leases, net	-	24,886	24,886
Other improvements, net	363,573	1,141	364,714
Machinery and equipment, net	12,083,430	229,094	12,312,524
Intangible assets, net	50,400	-	50,400
Total capital assets, net	13,776,790	416,588	14,193,378
Total noncurrent assets	14,210,438	416,588	14,627,026
Total assets	21,977,661	16,098,332	38,075,993
Deferred outflows of resources			
Pension	87,527	405,653	493,180
Total deferred outflows of resources	87,527	405,653	493,180
Liabilities			
Current liabilities			
Accounts payable	965,740	563,038	1,528,778
Claims cost payable	-	4,421,283	4,421,283
Interfund payable	144,790	10,075	154,865
Compensated absences	130,469	480,604	611,073
Other accrued liabilities	49,760	240,958	290,718
Total current liabilities	1,290,759	5,715,958	7,006,717
Noncurrent liabilities			
Other noncurrent liabilities	-	55,069	55,069
Pension liability, net	519,201	2,406,295	2,925,496
Total noncurrent liabilities	519,201	2,461,364	2,980,565
Total liabilities	1,809,960	8,177,322	9,987,282
Deferred inflows of resources			
Pension	193,722	897,827	1,091,549
Total deferred inflows of resources	193,722	897,827	1,091,549
Net position			
Net investment in capital assets	13,776,790	416,588	14,193,378
Unrestricted	6,284,716	7,012,248	13,296,964
Total net position	\$20,061,506	\$7,428,836	\$27,490,342

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2018

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

	Equipment Rental	Administrative Services	Total
Operating Revenue			
Charges for service	\$6,294,315	\$18,516,219	\$24,810,534
Rents and parking	4,903,169	3,024	4,906,193
Fines and forfeits	-	1,410	1,410
Miscellaneous	8,899	8,237	17,136
Total operating revenues	11,206,383	18,528,890	29,735,273
Operating expenses			
General operations	9,005,028	20,705,517	29,710,545
General administration	436,111	-	436,111
Depreciation	1,816,862	114,126	1,930,988
Total operating expenses	11,258,001	20,819,643	32,077,644
Operating income (loss)	(51,618)	(2,290,753)	(2,342,371)
Non-operating revenues (expenses)			
Gain (loss) on sale of capital assets	78,684	-	78,684
Interest revenue	10,510	-	10,510
Interest expense	-	(243)	(243)
Unrealized gain (loss) on investments	29,908	20,235	50,143
Insurance recoveries	12,142	1,720,996	1,733,138
Total non-operating revenues (expenses)	131,244	1,740,988	1,872,232
Income (loss) before transfers	79,626	(549,765)	(470,139)
Transfers in	32,071	1,303,368	1,335,439
Transfers out	(261,173)	(269,440)	(530,613)
Changes in net position	(149,476)	484,163	334,687
Total net position-beginning	20,210,982	6,944,673	27,155,655
Total net position-ending	\$20,061,506	\$7,428,836	\$27,490,342

	Equipment Rental	Administrative Services	Total
Cash flows from operating activities:			
Receipts from customers	\$11,428,079	\$18,706,154	\$30,134,233
Payments for goods and services	(8,240,873)	(15,234,585)	(23,475,458)
Payments to employees	(1,293,069)	(5,947,747)	(7,240,816)
Net cash provided (used) by operating activities	1,894,137	(2,476,178)	(582,041)
Cash flows from non-capital financing activities:			
Transfers in	-	1,303,368	1,303,368
Transfers out	(261,173)	(269,440)	(530,613)
Interest revenue	10,510	-	10,510
Insurance recoveries	12,142	1,720,996	1,733,138
Net cash provided (used) by non-capital financing activities	(238,521)	2,754,924	2,516,403
Cash flows from capital financing activities:			
Interest paid on capital debt	-	(243)	(243)
Transfers in	32,071	-	32,071
Proceeds from sale of assets	183,834	-	183,834
Purchases of capital assets	(4,602,759)	(34,200)	(4,636,959)
Net cash provided (used) by capital financing activities	(4,386,854)	(34,443)	(4,421,297)
Cash flows from investing activities:			
Unrealized gain (loss) on investments	29,908	20,235	50,143
Net cash provided (used) by investing activities	29,908	20,235	50,143
Net Increase (decrease) in cash and cash equivalents	(2,701,330)	264,538	(2,436,792)
Balances - beginning of the year	8,668,607	15,163,471	23,832,078
Balances - end of the year	\$5,967,277	\$15,428,009	\$21,395,286
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$(51,618)	\$(2,290,753)	\$(2,342,371)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	1,816,862	114,126	1,930,988
Change in assets and liabilities:			
Receivables, net	221,696	177,264	398,960
Inventories	(237,330)	32,561	(204,769)
Accounts and other payables	144,417	114,913	259,330
Accrued expenses	110	(624,289)	(624,179)
Net cash provided by operating activities	\$1,894,137	\$(2,476,178)	\$(582,041)

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Assets			
Current assets			
Cash, cash equivalents and pooled investments	\$163,935	\$2,308,550	\$2,472,485
Deposits with fiscal agent	-	10,000	10,000
Receivables, net	-	1,200	1,200
Interfund receivable	-	515,142	515,142
Employee advances	-	25	25
Prepayments	14	-	14
Total current assets	163,949	2,834,917	2,998,866
Noncurrent assets			
Capital assets:			
Machinery and equipment, net	-	1,017	1,017
Total noncurrent assets	-	1,017	1,017
Total assets	163,949	2,835,934	2,999,883
Deferred outflows of resources			
Pension	9,258	77,007	86,265
Total deferred outflows of resources	9,258	77,007	86,265
Liabilities			
Current liabilities			
Accounts payable	8,199	10,734	18,933
Interfund payable	-	162,000	162,000
Compensated absences	20,076	59,176	79,252
Other accrued liabilities	5,656	84,476	90,132
Total current liabilities	33,931	316,386	350,317
Noncurrent liabilities			
Pension liability, net	54,915	456,797	511,712
Total noncurrent liabilities	54,915	456,797	511,712
Total liabilities	88,846	773,183	862,029
Deferred inflows of resources			
Pension	20,490	170,438	190,928
Total deferred inflows of resources	20,490	170,438	190,928
Net position			
Net investment in capital assets	-	1,017	1,017
Unrestricted	63,871	1,968,303	2,032,174
Total net position	\$63,871	\$1,969,320	\$2,033,191

Combining Statement of Revenues, Expenses and
 Changes in Fund Net Position
 Non-Major Enterprise Funds
 Year Ended December 31, 2018

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

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Operating revenues			
Intergovernmental	\$-	\$337,738	\$337,738
Charges for service	-	1,551,294	1,551,294
Miscellaneous	315,600	32,952	348,552
Total operating revenues	315,600	1,921,984	2,237,584
Operating expenses			
General operations	258,503	2,485,173	2,743,676
General administration	-	357,134	357,134
Depreciation	-	642	642
Total operating expenses	258,503	2,842,949	3,101,452
Operating income (loss)	57,097	(920,965)	(863,868)
Non-operating revenues (expenses)			
Unrealized gain (loss) on investments	-	(5,855)	(5,855)
Total non-operating revenues (expenses)	-	(5,855)	(5,855)
Income (loss) before transfers	57,097	(926,820)	(869,723)
Transfers in	-	1,414,730	1,414,730
Transfers out	-	(204,634)	(204,634)
Changes in net position	57,097	283,276	340,373
Total net position-beginning	6,774	1,686,044	1,692,818
Total net position-ending	\$63,871	\$1,969,320	\$2,033,191

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Cash flows from operating activities:			
Receipts from customers	\$315,952	\$2,814,300	\$3,130,252
Payments for goods and services	(77,433)	(1,602,427)	(1,679,860)
Payments to employees	(192,116)	(1,246,293)	(1,438,409)
Net cash provided (used) by operating activities	46,403	(34,420)	11,983
Cash flows from non-capital financing activities:			
Transfers in	-	1,414,729	1,414,729
Transfers out	-	(204,634)	(204,634)
Net cash provided (used) by non-capital financing activities	-	1,210,095	1,210,095
Cash flows from investing activities:			
Unrealized gain (loss) on investments	-	(5,855)	(5,855)
Net cash provided (used) by investing activities	-	(5,855)	(5,855)
Net increase (decrease) in cash and cash equivalents	46,403	1,169,820	1,216,223
Balances - beginning of the year	117,532	1,138,730	1,256,262
Balances - end of the year	\$163,935	\$2,308,550	\$2,472,485
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$57,097	\$(920,965)	\$(863,868)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	-	642	642
Change in assets and liabilities:			
Receivables, net	352	892,316	892,668
Accounts and other payables	1	91,874	91,875
Accrued expenses	(11,047)	(98,287)	(109,334)
Net cash provided by operating activities	\$46,403	\$(34,420)	\$11,983

	Investment Trust Fund
Assets	
Certificates of deposit and saving accounts	\$29,548,529
Taxable municipal notes	35,409,933
US treasury notes	5,318,637
US agency notes	122,324,121
Supranational agency notes	22,760,226
LGIP	10,013,663
Total assets	<u>225,375,109</u>
Net position	
Held in trust for pool participants	<u>225,375,109</u>
Total net position	<u>\$225,375,109</u>

Combining Statement of Changes in Net Position
Investment Trust Funds
Year Ended December 31, 2018

	Investment Trust Fund
Additions	
Contributions	\$260,641,043
Investment earnings:	
Interest	3,467,587
Net Increase (decrease) in fair value of investments	550,701
Total additions	<u>264,659,331</u>
Deductions	
Distributions	<u>279,926,637</u>
Total deductions	<u>279,926,637</u>
Change in net position	(15,267,306)
Net position-beginning	<u>240,642,415</u>
Net position-ending	<u>\$225,375,109</u>

	Cemetery Districts	Drainage, Diking & Flood Cntr Districts	Park & Recreation Districts	Rural Library	Northwest Regional Council	Council of Government
Assets						
Cash and cash equivalents	\$1,484,882	\$406,788	\$742,490	\$509,790	\$2,005,823	\$248,442
Deposits with fiscal agent	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-
Employee advances	-	-	-	-	-	-
Total assets	\$1,484,882	\$406,788	\$742,490	\$509,790	\$2,005,823	\$248,442
Liabilities						
Warrants payable	\$-	\$-	\$-	\$-	\$-	\$-
Accounts payable	5,707	12,312	10,616	139,878	488,003	-
Due to other governments	-	-	-	-	-	-
Other accrued liabilities	(1,455)	-	-	-	-	-
Revenue collected in advance	-	-	-	-	-	-
Custodial accounts	1,480,630	394,476	731,874	369,912	1,517,820	248,442
Total liabilities	\$1,484,882	\$406,788	\$742,490	\$509,790	\$2,005,823	\$248,442

	Hospital Districts	Port	P.U.D. District	Whatcom Transit	School Districts	Watershed Districts
Assets						
Cash and cash equivalents	\$93,385	\$101,789	\$5,057	\$-	\$12,823,134	\$273,266
Deposits with fiscal agent	-	-	-	-	280,726	-
Accounts receivable, net	-	-	-	-	-	-
Employee advances	-	-	-	-	-	-
Total assets	\$93,385	\$101,789	\$5,057	\$-	\$13,103,860	\$273,266
Liabilities						
Warrants payable	\$-	\$-	\$-	\$-	\$9,803,526	\$-
Accounts payable	143	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Other accrued liabilities	-	-	-	-	23,271	-
Revenue collected in advance	-	-	-	-	-	-
Custodial accounts	93,242	101,789	5,057	-	3,277,063	273,266
Total liabilities	\$93,385	\$101,789	\$5,057	\$-	\$13,103,860	\$273,266

Fire Districts	Water Districts	Treasurer's Suspense	Inmate Trust Fund	Claims Fund	Total
\$1,639,429	\$1,253,506	\$3,875,806	\$30,169	\$3,259,587	\$28,753,343
-	-	-	-	-	280,726
-	-	178	-	-	178
-	(850)	-	-	-	(850)
<u>\$1,639,429</u>	<u>\$1,252,656</u>	<u>\$3,875,984</u>	<u>\$30,169</u>	<u>\$3,259,587</u>	<u>\$29,033,397</u>
\$-	\$-	\$-	\$-	\$3,259,587	\$13,063,113
21,416	166,287	-	-	-	844,362
-	-	383,932	-	-	383,932
-	-	-	-	-	21,816
-	-	194,134	-	-	194,134
<u>1,618,013</u>	<u>1,086,369</u>	<u>3,297,918</u>	<u>30,169</u>	<u>-</u>	<u>14,526,040</u>
<u>\$1,639,429</u>	<u>\$1,252,656</u>	<u>\$3,875,984</u>	<u>\$30,169</u>	<u>\$3,259,587</u>	<u>\$29,033,397</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Cemetery Districts
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$1,338,826	\$1,917,132	\$1,771,076	\$1,484,882
Total assets	\$1,338,826	\$1,917,132	\$1,771,076	\$1,484,882
Liabilities				
Accounts payable	\$6,853	\$499,755	\$500,901	\$5,707
Other accrued liabilities	-	428,223	429,678	(1,455)
Custodial accounts	1,331,973	148,657	-	1,480,630
Total liabilities	\$1,338,826	\$1,076,635	\$930,579	\$1,484,882

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Drainage, Diking and Flood Control Districts
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$307,330	\$527,638	\$428,180	\$406,788
Total assets	\$307,330	\$527,638	\$428,180	\$406,788
Liabilities				
Accounts payable	\$-	\$200,547	\$188,235	\$12,312
Custodial accounts	307,330	87,146	-	394,476
Total liabilities	\$307,330	\$287,693	\$188,235	\$406,788

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Park and Recreation Districts
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$672,179	\$3,864,812	\$3,794,501	\$742,490
Total assets	\$672,179	\$3,864,812	\$3,794,501	\$742,490
Liabilities				
Accounts payable	\$400	\$984,912	\$974,696	\$10,616
Other accrued liabilities	-	179,261	179,261	-
Custodial accounts	671,779	60,095	-	731,874
Total liabilities	\$672,179	\$1,224,268	\$1,153,957	\$742,490

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Rural Library
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$286,897	\$19,555,607	\$19,332,714	\$509,790
Total assets	\$286,897	\$19,555,607	\$19,332,714	\$509,790
Liabilities				
Accounts payable	\$107,268	\$2,582,149	\$2,549,539	\$139,878
Custodial accounts	179,629	190,283	-	369,912
Total liabilities	\$286,897	\$2,772,432	\$2,549,539	\$509,790

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$1,176,382	\$26,609,911	\$25,780,470	\$2,005,823
Total assets	\$1,176,382	\$26,609,911	\$25,780,470	\$2,005,823
Liabilities				
Warrants payable				
Accounts payable	\$2,189	\$8,616,798	\$8,130,984	\$488,003
Other accrued liabilities	(1,430)	1,430	-	-
Custodial accounts	1,175,623	342,197	-	1,517,820
Total liabilities	\$1,176,382	\$8,960,425	\$8,130,984	\$2,005,823

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$106,035	\$2,792,257	\$2,649,850	\$248,442
Total assets	\$106,035	\$2,792,257	\$2,649,850	\$248,442
Liabilities				
Custodial accounts	\$106,035	\$142,407	\$-	\$248,442
Total liabilities	\$106,035	\$142,407	\$-	\$248,442

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Hospital Districts
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$87,463	\$556,963	\$551,041	\$93,385
Total assets	\$87,463	\$556,963	\$551,041	\$93,385
Liabilities				
Accounts payable	\$122	\$227,182	\$227,161	\$143
Other accrued liabilities	-	45,135	45,135	-
Custodial accounts	87,341	5,901	-	93,242
Total liabilities	\$87,463	\$278,218	\$272,296	\$93,385

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Port
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$75,353	\$7,419,029	\$7,392,593	\$101,789
Total assets	\$75,353	\$7,419,029	\$7,392,593	\$101,789
Liabilities				
Custodial accounts	\$75,353	\$26,436	\$-	\$101,789
Total liabilities	\$75,353	\$26,436	\$-	\$101,789

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 P.U.D. District
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$157,812	\$60,591,499	\$60,744,254	\$5,057
Total assets	\$157,812	\$60,591,499	\$60,744,254	\$5,057
Liabilities				
Accounts payable	\$-	\$4,653,847	\$4,653,847	\$-
Custodial accounts	157,812	-	152,755	5,057
Total liabilities	\$157,812	\$4,653,847	\$4,806,602	\$5,057

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Whatcom Transit
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$-	\$89,950,259	\$89,950,259	\$-
Total assets	\$-	\$89,950,259	\$89,950,259	\$-
Liabilities				
Custodial accounts	\$-	\$-	\$-	\$-
Total liabilities	\$-	\$-	\$-	\$-

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 School Districts
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$8,621,143	\$706,263,795	\$702,061,804	\$12,823,134
Deposits with fiscal agent	251,535	27,739,512	27,710,321	280,726
Total assets	\$8,872,678	\$734,003,307	\$729,772,125	\$13,103,860
Liabilities				
Warrants payable	\$7,822,545	\$259,991,310	\$258,010,329	\$9,803,526
Matured long-term debt	-	14,070,615	14,070,615	-
Matured interest payable	-	13,653,365	13,653,365	-
Other accrued liabilities	23,271	-	-	23,271
Custodial accounts	1,026,862	2,250,201	-	3,277,063
Total liabilities	\$8,872,678	\$289,965,491	\$285,734,309	\$13,103,860

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Watershed Districts
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$240,957	\$861,553	\$829,244	\$273,266
Total assets	\$240,957	\$861,553	\$829,244	\$273,266
Liabilities				
Accounts payable	\$38,099	\$348,026	\$386,125	\$-
Custodial accounts	202,858	70,408	-	273,266
Total liabilities	\$240,957	\$418,434	\$386,125	\$273,266

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Fire Districts
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$1,420,213	\$71,369,075	\$71,149,859	\$1,639,429
Accounts receivable, net	-	-	-	-
Total assets	\$1,420,213	\$71,369,075	\$71,149,859	\$1,639,429
Liabilities				
Accounts payable	\$99,220	\$7,467,124	\$7,544,928	\$21,416
Other accrued liabilities	-	470,580	470,580	-
Custodial accounts	1,320,993	297,020	-	1,618,013
Total liabilities	\$1,420,213	\$8,234,724	\$8,015,508	\$1,639,429

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Water Districts
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$1,179,581	\$11,418,456	\$11,344,531	\$1,253,506
Employee advances	-	-	850	(850)
Total assets	\$1,179,581	\$11,418,456	\$11,344,531	\$1,252,656
Liabilities				
Accounts payable	\$64,002	\$3,488,520	\$3,386,235	\$166,287
Other accrued liabilities	-	971,871	971,871	-
Custodial accounts	1,115,579	-	29,210	1,086,369
Total liabilities	\$1,179,581	\$4,460,391	\$4,387,316	\$1,252,656

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Treasurer's Suspense
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$4,032,728	\$179,510,471	\$179,667,393	\$3,875,806
Accounts receivable, net	(3,071)	3,376,650	3,373,401	178
Total assets	\$4,029,657	\$182,887,121	\$183,040,794	\$3,875,984
Liabilities				
Due to other governments	\$-	\$383,932	\$-	\$383,932
Revenue collected in advance	136,957	870,722	813,545	194,134
Custodial accounts	3,892,700	-	594,782	3,297,918
Total liabilities	\$4,029,657	\$1,254,654	\$1,408,327	\$3,875,984

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Inmate Trust Fund
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$36,456	\$1,086,527	\$1,092,814	\$30,169
Total assets	\$36,456	\$1,086,527	\$1,092,814	\$30,169
Liabilities				
Custodial accounts	\$36,456	\$1,086,527	\$1,092,814	\$30,169
Total liabilities	\$36,456	\$1,086,527	\$1,092,814	\$30,169

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Claims Fund
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$2,810,647	\$516,035,319	\$515,586,379	\$3,259,587
Total assets	\$2,810,647	\$516,035,319	\$515,586,379	\$3,259,587
Liabilities				
Warrants payable	\$2,810,647	\$111,030,897	\$110,581,957	\$3,259,587
Total liabilities	\$2,810,647	\$111,030,897	\$110,581,957	\$3,259,587

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Total Agency Funds
 For the Year Ended December 31, 2018



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$22,550,002	\$1,700,330,303	\$1,694,126,962	\$28,753,343
Deposits with fiscal agent	251,535	27,739,512	27,710,321	280,726
Accounts receivable, net	(3,071)	3,376,650	3,373,401	178
Employee advances	-	-	850	(850)
Total assets	\$22,798,466	\$1,731,446,465	\$1,725,211,534	\$29,033,397
Liabilities				
Warrants payable	\$10,633,192	\$371,022,207	\$368,592,286	\$13,063,113
Accounts payable	318,153	29,068,860	28,542,651	844,362
Due to other governments	-	383,932	-	383,932
Matured long-term debt	-	14,070,615	14,070,615	-
Matured interest payable	-	13,653,365	13,653,365	-
Other accrued liabilities	21,841	2,096,500	2,096,525	21,816
Revenue collected in advance	136,957	870,722	813,545	194,134
Custodial accounts	11,688,323	4,707,278	1,869,561	14,526,040
Total liabilities	\$22,798,466	\$435,873,479	\$429,638,548	\$29,033,397

Schedule of Expenditures - Budget and Actual
 General Fund by Department
 Year Ended December 31, 2018



	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Expenditures*				
Assessor	\$3,096,851	\$3,325,539	\$2,925,467	\$400,072
Auditor	1,367,654	1,451,905	1,399,474	52,431
County Council	1,288,444	1,600,813	1,248,592	352,221
County Executive	732,667	777,664	750,823	26,841
Planning & Development Services	5,470,416	5,953,012	5,260,899	692,113
Treasurer	1,500,968	1,539,202	1,463,092	76,110
Sheriff	14,967,526	17,127,348	16,207,274	920,074
District Court	2,394,946	2,461,914	2,405,452	56,462
District Court Probation	1,709,449	1,878,935	1,819,919	59,016
Hearing Examiner	196,593	201,147	200,126	1,021
Juvenile	4,902,110	5,054,370	4,596,950	457,420
Prosecuting Attorney	6,454,931	6,587,664	6,276,109	311,555
Public Defender	4,091,868	4,223,532	3,978,528	245,004
Superior Court	5,144,798	5,459,312	5,178,353	280,959
Extension	486,554	515,229	492,723	22,506
Non-Departmental	16,106,451	21,696,660	20,629,992	1,066,668
Park	4,089,396	4,255,828	3,948,719	307,110
Health	12,648,363	14,341,550	13,476,397	865,153
Total Expenditures	\$86,649,985	\$98,451,625	\$92,258,891	\$6,192,734

* 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	207
Schedule 2	Changes in Net Position	209
Schedule 3	Fund Balances, Governmental Funds	213
Schedule 4	Changes in Fund Balances, Governmental Funds	215

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	217
Schedule 6	Direct and Overlapping Property Tax Rates	219
Schedule 7	Principal Property Tax Payers	221
Schedule 8	Property Tax Levies and Collections	222

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	223
Schedule 10	Ratio of General Bonded Debt Outstanding	224
Schedule 11	Direct and Overlapping Governmental Activities Debt	225
Schedule 12	Legal Debt Margin Information	227
Schedule 13	Pledged Revenue Coverage.	229

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	230
Schedule 15	Principal Employers	231

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	232
Schedule 17	Operating Indicators by Function/Program	233
Schedule 18	Capital Asset Statistics by Function/Program	234

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			
	2009	2010	2011	2012
Governmental activities				
Invested in capital assets, net of related debt	\$161,673,277	\$170,627,638	\$177,863,686	\$174,525,706
Restricted	52,108,715	55,818,803	82,559,994	93,042,965
Unrestricted	41,820,506	48,310,008	30,353,275	33,346,775
Total governmental activities net position	\$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	1,065,524	717,027	1,074,308	1,720,740
Total business-type activities net position	\$1,065,524	\$730,631	\$1,083,693	\$1,725,906
Primary government				
Invested in capital assets, net of related debt	\$161,673,277	\$170,641,242	\$177,877,290	\$174,530,872
Restricted	52,108,715	55,818,803	82,559,994	93,042,965
Unrestricted	42,886,030	49,027,035	31,070,302	35,067,515
Total primary government net position	\$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	2018
\$181,963,507	\$237,208,328	\$246,574,891	\$247,592,484	\$249,804,468	\$251,688,585
98,335,999	104,602,157	104,504,838	108,006,250	120,343,165	135,572,881
31,177,254	29,737,510	(3,306,441)	(4,708,739)	1,695,052	(321,595)
<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>	<u>\$386,939,871</u>
\$4,226	\$3,584	\$2,942	\$2,300	\$1,659	\$1,017
1,938,503	2,301,462	1,716,510	1,806,209	2,131,963	2,450,020
<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>	<u>\$2,451,037</u>
\$181,967,733	\$237,211,912	\$246,577,833	\$247,594,784	\$249,806,127	\$251,689,602
98,335,999	104,602,157	104,504,838	108,006,250	120,343,165	135,572,881
33,115,757	32,038,972	(1,589,931)	(2,902,530)	3,827,015	2,128,425
<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>	<u>\$389,390,908</u>

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

	Fiscal Year			
	2009	2010	2011	2012
Expenses				
Governmental activities:				
General government	\$28,168,081	\$28,311,133	\$28,299,947	\$28,215,657
Public safety	40,222,432	39,655,473	39,647,081	39,547,247
Utilities	-	-	-	-
Physical environment	5,837,464	5,879,096	4,906,672	4,858,695
Transportation	21,018,834	20,425,894	21,759,103	21,548,292
Natural and economic environment	3,238,483	3,202,356	3,461,965	3,864,716
Social services	12,533,782	12,554,614	12,908,382	13,889,613
Culture and recreation	4,471,334	4,341,404	4,081,926	4,494,034
Interest on long-term debt	349,055	338,326	303,440	232,859
Total governmental activities expenses	115,839,465	114,708,296	115,368,516	\$116,651,113
Business-type activities:				
Whatcom County Investment Pool	231,888	237,051	240,334	246,714
Whatcom County Ferry System	2,610,124	2,703,673	2,489,181	2,370,448
Total business-type activities expense	2,842,012	2,940,724	2,729,515	2,617,162
Total primary government expenses	\$118,681,477	\$117,649,020	\$118,098,031	\$119,268,275
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$4,943,476	4,864,383	\$5,104,591	\$5,071,916
Public safety	4,304,219	4,255,009	3,623,893	4,045,779
Utilities	-	-	-	-
Physical environment	765,824	780,925	769,494	776,426
Transportation	2,898,710	2,821,648	2,687,479	2,671,800
Natural and economic environment	1,046,421	1,166,884	1,049,701	1,254,669
Social services	2,603,941	2,604,947	2,331,138	2,675,550
Culture and recreation	382,305	334,926	361,225	365,545
Operating grants and contributions	22,394,421	25,612,409	26,001,375	22,426,812
Capital grants and contributions	11,302,265	10,320,164	8,089,478	6,111,570
Total governmental activities program revenues	50,641,582	52,761,295	50,018,374	45,400,067
Business-type activities:				
Charges for services	1,488,534	1,432,710	1,887,527	1,780,726
Total business-type activities program revenues	1,488,534	1,432,710	1,887,527	1,780,726
Total primary government program revenues	\$52,130,116	\$54,194,005	\$51,905,901	\$47,180,793
Net (Expense)/Revenue				
Governmental activities	\$(65,197,883)	\$(61,947,001)	\$(65,350,142)	\$(71,251,046)
Business-type activities	(1,353,478)	(1,508,014)	(841,988)	(836,436)
Total primary government net expense	\$(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	2018
\$27,733,347	\$27,929,915	\$30,779,824	\$33,346,649	\$31,165,548	\$32,267,846
41,025,695	44,827,618	45,083,840	47,902,859	49,404,289	52,277,517
728,915	1,065,930	813,977	719,438	-	-
-	-	-	-	-	-
22,423,554	22,594,861	23,252,369	26,254,000	24,159,637	26,399,671
8,756,169	7,978,742	8,060,712	8,013,891	10,927,586	11,566,179
19,148,787	19,161,487	17,996,969	18,673,421	19,819,560	21,860,399
4,001,986	4,317,013	4,558,516	4,948,161	4,258,868	4,492,538
175,929	152,606	128,260	109,862	128,083	102,007
123,994,382	128,028,172	130,674,467	139,968,281	139,863,571	148,966,157
255,269	265,862	273,137	295,038	307,898	258,830
2,531,174	2,397,874	2,460,184	2,604,367	2,686,841	2,865,580
2,786,443	2,663,736	2,733,321	2,899,405	2,994,739	3,124,410
\$126,780,825	\$130,691,908	\$133,407,788	\$142,867,686	\$142,858,310	\$152,090,567
\$8,016,016	\$7,604,267	\$7,974,131	\$8,477,357	\$8,332,666	\$8,192,133
8,161,295	10,706,721	12,133,288	10,844,756	10,914,642	10,923,340
758,431	-	10,000	14,416	-	-
-	-	-	-	-	-
2,434,042	2,315,887	2,269,749	1,508,958	1,801,653	2,311,350
1,182,061	923,215	1,214,652	1,163,755	415,297	481,256
2,649,232	2,399,275	2,684,025	3,225,455	3,973,395	4,217,792
364,486	294,734	257,273	273,432	262,672	260,320
21,304,942	21,399,828	19,898,633	19,115,601	20,533,655	21,681,242
7,609,133	12,285,684	11,944,482	8,904,416	5,671,252	7,847,406
52,479,638	57,929,611	58,386,233	53,528,146	51,905,232	55,914,839
1,875,383	1,917,273	1,908,861	1,809,806	1,882,244	1,899,846
1,875,383	1,917,273	1,908,861	1,809,806	1,882,244	1,899,846
\$54,355,021	\$59,846,884	\$60,295,094	\$55,337,952	\$53,787,476	\$57,814,685
\$(71,514,744)	\$(70,098,561)	\$(72,288,234)	\$(86,440,135)	\$(87,958,339)	\$(93,051,318)
(911,060)	(746,463)	(824,460)	(957,573)	(795,726)	(886,826)
\$(72,425,804)	\$(70,845,024)	\$(73,112,694)	\$(87,397,708)	\$(88,754,065)	\$(93,938,144)

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

	Fiscal Year			
	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes	\$46,380,334	\$47,208,461	\$47,891,011	\$48,366,671
Timber taxes	184,659	183,636	354,707	550,876
Retail taxes	22,018,138	22,368,270	22,887,516	24,049,680
Business and occupation taxes	-	-	-	-
Excise taxes	2,773,961	2,466,037	2,612,122	3,202,538
Penalties and interest	1,519,426	2,362,264	2,498,709	2,088,649
Unrestricted investment earnings	2,610,935	1,358,391	1,096,735	717,360
Gain/loss on sale of capital assets	902,804	698,530	1,013,444	1,453,925
Miscellaneous	1,806,786	2,869,262	1,677,984	2,438,487
Special item-gain on acquired capital asset	-	-	-	-
Transfers	(1,148,707)	(1,162,091)	(1,195,050)	(1,025,137)
Total governmental activities	77,048,336	78,352,760	78,837,178	81,843,049
Business-type activities:				
Unrestricted investment earnings	-	-	-	-
Transfers	1,148,707	1,162,091	1,195,050	1,025,137
Total business-type activities	1,148,707	1,162,091	1,195,050	1,025,137
Total primary government	\$78,197,043	\$79,514,851	\$80,032,228	\$82,868,186
Change in Net Assets				
Governmental activities	\$11,850,453	\$16,405,759	\$13,487,036	\$10,592,003
Business-type activities	(204,771)	(345,923)	353,062	188,701
Total primary government	\$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	2018
\$49,162,835	\$50,107,903	\$51,002,880	\$51,789,000	\$61,426,749	\$64,009,643
-	-	-	-	-	-
25,757,926	26,485,109	27,398,286	28,656,766	31,608,063	34,531,198
31,439	31,211	29,325	27,402	31,576	29,186
2,888,689	4,126,810	4,985,002	5,411,302	6,073,543	7,118,208
-	-	-	-	-	-
(6,966)	911,649	741,899	669,860	1,258,506	2,648,077
708,201	530,863	1,018,373	423,976	450,255	1,050,206
4,570,601	4,860,753	4,107,700	3,636,702	3,327,643	3,191,280
-	44,220,000	-	-	-	-
(1,134,728)	(1,104,502)	(1,116,512)	(1,058,166)	(1,115,849)	(1,210,096)
81,977,997	130,169,796	88,166,953	89,556,842	103,060,486	111,367,702
(7,746)	4,278	169	(11,536)	4,990	(5,855)
1,134,728	1,104,502	1,116,512	1,058,166	1,115,849	1,210,096
1,126,982	1,108,780	1,116,681	1,046,630	1,120,839	1,204,241
\$83,104,979	\$131,278,576	\$89,283,634	\$90,603,472	\$104,181,325	\$112,571,943
\$10,463,253	\$60,071,235	\$15,878,719	\$3,116,707	\$15,102,147	\$18,316,384
215,922	362,317	292,221	89,057	325,113	317,415
\$10,679,175	\$60,433,552	\$16,170,940	\$3,205,764	\$15,427,260	\$18,633,799

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

	Fiscal Year			
	2009	2010	2011	2012
General Fund				
Reserved	\$1,905,595	\$349,228	\$-	\$-
Unreserved	5,780,610	8,839,368	-	-
Restricted	-	-	158,781	536,962
Unassigned	-	-	10,370,694	10,869,965
Total general fund	<u>\$7,686,205</u>	<u>\$9,188,596</u>	<u>\$10,529,475</u>	<u>\$11,406,927</u>
All Other Governmental Funds				
Reserved	\$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:	45,552,152	51,695,565	-	-
Special revenue funds	17,469,599	21,780,998	-	-
Total all other governmental funds	<u>\$73,254,867</u>	<u>\$83,568,968</u>	<u>\$90,085,668</u>	<u>\$99,140,642</u>

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

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$-	\$-	\$-	\$-	\$-	\$-
-	-	-	-	-	-
693,229	334,317	788,981	1,193,986	1,370,146	1,557,574
11,658,731	12,703,184	14,732,224	15,694,885	19,719,446	15,455,928
<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>	<u>\$17,013,502</u>
\$-	\$-	\$-	\$-	\$-	\$-
94,441,322	97,862,280	96,777,284	96,949,348	105,188,376	123,531,902
5,381,198	7,873,940	10,638,840	12,049,671	16,059,213	14,278,943
2,516,944	2,838,698	3,226,073	2,071,796	1,990,680	2,040,483
-	-	-	-	(19,512)	(6,312)
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$139,845,016</u>

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

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Taxes	\$73,092,573	\$75,212,285	\$77,746,503	\$79,361,709
Licenses and permits	2,318,034	2,314,115	2,091,213	2,005,544
Intergovernmental	33,569,286	35,734,318	33,678,960	28,279,651
Charges for services	11,719,977	11,240,618	10,738,984	11,173,817
Fines and forfeits	1,996,883	2,314,995	2,157,685	2,735,872
Miscellaneous	3,818,078	3,187,505	2,991,394	3,261,098
Total Revenues	126,514,831	130,003,836	129,404,739	126,817,691
Expenditures				
General government	26,465,479	26,796,709	26,560,989	26,509,059
Public safety	39,325,404	39,352,531	38,991,462	39,015,373
Utilities	-	-	-	-
Physical environment	5,886,626	5,992,306	4,925,995	4,905,619
Transportation	15,278,092	14,881,399	15,744,702	16,065,687
Natural and economic environment	3,224,050	3,202,329	3,461,926	3,871,139
Social services	12,433,475	12,522,896	12,859,278	13,958,410
Culture and recreation	4,337,790	4,201,730	4,003,549	4,347,714
Capital outlay	13,503,595	13,908,191	13,058,768	7,765,286
Debt service:				
Principal	1,636,834	4,984,596	1,912,564	945,754
Interest	340,715	343,889	308,415	236,501
Total expenditures	122,432,060	126,186,576	121,827,648	117,620,542
Excess of revenues over (under) expenditures	4,082,771	3,817,260	7,577,091	9,197,149
Other Financing Sources (Uses)				
Proceeds of refunding long-term debt	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-
Sales of capital assets	902,804	698,530	1,013,444	1,453,925
Transfers in	19,572,672	20,336,343	18,045,344	11,417,019
Transfers out	(19,547,336)	(20,060,214)	(19,173,253)	(12,394,872)
Insurance recoveries	-	31,395	24,916	-
Capital Lease Proceeds	-	152,156	-	259,205
Proceeds of refunding long-term debt	-	6,299,585	-	-
Prior period adjustments	-	-	-	-
Total other financing sources (uses)	928,140	7,457,795	(89,549)	735,277
Net change in fund balance	\$5,010,911	\$11,275,055	\$7,487,542	\$9,932,426
Debt service as a percentage of noncapital expenditures	1.8%	4.7%	2.0%	1.1%

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

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$78,837,505	\$81,875,139	\$83,520,080	\$86,062,033	\$99,234,376	\$105,673,769
2,395,846	2,419,488	2,624,103	3,728,547	3,788,430	3,731,635
28,898,339	33,448,448	31,488,197	27,672,047	25,748,606	28,874,868
17,488,346	18,286,508	19,777,059	18,338,298	18,385,673	19,227,474
2,732,376	2,579,177	3,133,762	2,338,827	2,529,640	2,401,339
4,404,838	5,720,852	5,979,987	5,441,972	5,815,388	7,070,417
134,757,250	144,329,612	146,523,188	143,581,724	155,502,113	166,979,502
26,332,143	26,455,321	27,201,170	29,772,940	31,207,476	32,872,111
40,077,056	43,838,275	44,819,680	46,835,998	49,005,204	53,285,505
627,269	963,733	711,578	610,156	-	-
-	-	-	-	-	-
16,712,235	16,646,535	17,599,399	19,554,235	19,481,583	19,918,233
8,775,376	7,962,671	8,042,322	7,871,367	10,711,727	11,319,949
19,153,283	19,176,980	18,270,835	18,731,362	20,090,890	22,455,402
3,889,340	4,111,155	4,404,120	4,547,281	4,079,821	4,250,468
21,880,066	18,879,190	19,993,746	12,876,775	9,174,888	9,091,524
333,600	310,000	325,000	330,000	355,000	355,000
188,140	175,969	163,122	147,391	138,990	127,254
137,968,508	138,519,829	141,530,972	141,277,505	144,245,579	153,675,446
(3,211,258)	5,809,783	4,992,216	2,304,219	11,256,534	13,304,056
-	-	-	-	-	-
-	-	-	-	-	-
5,142,165	530,863	1,018,373	423,976	450,255	1,050,206
32,701,080	20,621,047	25,587,633	18,456,235	28,997,631	26,714,523
(30,988,691)	(20,049,538)	(27,154,480)	(19,502,641)	(30,492,215)	(28,729,445)
216,662	-	430	-	-	33,040
202,916	8,840	106,811	114,495	285,915	177,789
-	-	-	-	-	-
80,981	-	-	-	-	-
7,355,113	1,111,212	(441,233)	(507,935)	(758,414)	(753,887)
\$4,143,855	\$6,920,995	\$4,550,983	\$1,796,284	\$10,498,120	\$12,550,169
0.4%	0.4%	0.4%	0.4%	0.4%	0.3%

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
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
2018	\$30,600,572,123	\$763,951,505	\$839,003,603	\$32,203,527,231	2.71

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	2.316	1.264	0.288	2.331	2.484
2016	1.102	1.746	0.000	2.848	2.316	1.275	0.276	2.116	2.307
2017	1.058	1.673	0.000	2.731	0.000	0.000	0.265	0.000	2.234
2018	1.018	1.692	0.000	2.709	2.316	1.275	0.250	2.116	3.200

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 Districts	Park & Rec Districts	Water Districts	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
0.473	0.591	0.215	0.000	0.063

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

Taxpayer	2018			2009		
	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)	\$909,343,486	1	2.82%	\$1,056,749,244	1	4.36%
Puget Sound Energy	484,481,551	2	1.50	429,059,568	3	1.77
Phillips 66 Company	435,022,860	3	1.35	620,238,935	2	2.56
Petro Gas West LLC	95,535,733	4	0.30			0.00
Alumet Corporation (Intalco)	84,440,506	5	0.26	92,586,690	6	0.38
Trans Mountain Pipeline	63,672,051	6	0.30	63,635,400	8	0.26
Northwest Pipeline Corporation	53,994,108	7	0.17	107,881,482	4	0.44
Bellis Fair Partners	52,695,499	8	0.16			0.00
Phillips 66 Company	50,126,143	9	0.16			0.00
BNSF Railway Company	47,611,434	10	0.15	49,092,863	10	0.20
Cascade Natural Gas	-		-	102,122,894	5	0.42
Verizon Northwest Inc.	-		-	78,214,634	7	0.32
Tenaska Washington Partners	-		-	58,006,997	9	0.24
Nationsbanc Mortgage	-		-			0.00
Total	<u>\$2,276,923,371</u>		<u>7.07%</u>	<u>\$2,657,588,707</u>		<u>10.95%</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
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%
2018	\$63,743,089	\$62,945,983	98.75%	\$1,074,793	\$64,020,776	100.44%

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			
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	1.60%	\$13
2018	\$1,985,000	\$-	\$471,231	\$2,456,231	Not Available	\$11

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
2018	\$1,985,000	0.01%	\$9.01

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	\$1,985,000	100%	\$1,985,000
Total Direct Bonded Debt	\$1,985,000		\$1,985,000
Fire Districts		100%	\$0
Water Districts		100%	\$0
School Districts		100%	\$0
Park Districts		100%	\$0
Total Overlapping Bonded Debt	\$0		\$0
Total Direct & Overlapping Bonded Debt	\$1,985,000		\$1,985,000

Source: Whatcom County Treasurer.



	Fiscal Year			
	2009	2010	2011	2012
Debt limit	\$376,163,103	\$355,935,992	\$352,973,637	\$352,266,165
Total net debt applicable to limit	15,119,442	16,587,403	15,087,827	14,852,077
Legal debt margin	\$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	4.02%	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	2018
\$355,191,843	\$364,561,799	\$379,489,935	\$400,120,328	\$431,455,002	\$483,052,908
13,476,969	14,742,520	14,520,168	14,121,234	15,451,243	14,374,040
\$341,714,874	\$349,819,279	\$364,969,767	\$385,999,094	\$416,003,759	\$468,678,868
3.79%	4.04%	3.83%	3.53%	3.58%	2.98%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value	32,203,527,231
Debt limit (1.5% of assessed value without a vote)	483,052,908
Debt applicable to limit:	
Outstanding debt	14,375,444
Less: Amounts set aside for repayment of general obligation debt	(1,404)
Total net debt applicable to limit	14,374,040
Legal debt margin	\$468,678,868

Pledged Revenue Coverage
 Last Ten Fiscal Years
 Schedule 13

Fiscal Year	Special Assessment Bonds			Coverage
	Assessments Collected	Debt Service		
		Principal	Interest	
2009	\$-	\$-	\$-	-
2010	\$-	\$-	\$-	-
2011	\$7,283	\$-	\$-	-
2012	\$-	\$-	\$-	-
2013	\$-	\$-	\$-	-
2014	\$-	\$-	\$-	-
2015	\$-	\$-	\$-	-
2016	\$-	\$-	\$-	-
2017	\$-	\$-	\$-	-
2018	\$-	\$-	\$-	-

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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	\$10,190,741	\$46,028	36.90	26,786	4.9%
2018	220,350	Not Available	Not Available	Not Available	26,786	4.6%

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	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
St. Joseph Hospital (FTE)	3,028	1	2.63%	2,714	1	2.70%
Lummi Nation (Total Employees)	2,083	2	1.81%	-	-	-
Western Washington (FTE)	1,769	3	1.54%	1,664	2	1.66%
Bellingham School District (FTE)	1,028	4	0.89%	1,265	3	1.26%
Whatcom County (FTE)	912	5	0.79%	920	4	0.92%
City of Bellingham	885	6	0.77%	910	5	0.91%
BP (Cherry Point (Estimate))	850	7	0.74%	796	7	0.79%
Fred Meyer	770	8	0.67%	-	-	-
Alcoa Intalco Works	720	9	0.63%	-	-	-
Haggen, Inc (Total Employees)	709	10	0.62%	866	6	0.86%
Sterling Health	-	-	-	653	10	0.65%
Ferndale School District	-	-	-	680	9	0.68%
Sodexo Services	-	-	-	760	8	0.76%
Total	12,754		11.07%	11,228		11.17%

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Administrative Svcs	78.45	66.85	61.85	61.15	60.55	60.55	63.80	63.80	64.50	65.50
Assessor	30.00	29.00	28.00	28.00	28.00	28.00	28.00	28.00	29.00	29.00
Auditor	21.00	19.00	19.00	19.00	19.00	18.00	17.00	17.00	17.00	17.00
County Council	10.50	9.50	9.50	9.50	9.50	9.50	10.50	10.50	10.50	10.50
County Executive	4.40	4.00	4.00	4.00	3.70	4.70	4.70	4.70	4.50	4.50
Executive Non Dept.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00
District Court Prob.	18.50	15.70	15.70	15.70	14.00	14.00	14.00	14.00	14.00	14.00
District Court	20.00	18.50	18.50	18.50	18.50	18.50	18.50	19.50	19.50	19.50
Prosecuting Attorney	54.60	50.90	50.90	49.90	49.90	49.90	49.90	50.90	49.90	50.10
Public Defender	36.80	32.80	29.80	29.80	28.80	28.80	30.00	30.00	31.00	31.00
Superior Court	43.50	40.20	40.20	40.20	39.20	39.20	42.20	42.20	42.20	42.20
Treasurer	15.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Public Safety										
Jail	92.50	88.50	86.50	86.50	86.50	86.50	86.50	86.50	87.50	89.50
Juvenile Court Admin	46.80	38.40	38.40	37.40	37.60	37.60	38.70	38.70	39.00	39.00
Planning & Dev't Svcs	67.60	47.00	47.00	45.00	43.00	44.00	44.50	46.00	46.00	46.00
Sheriff	108.70	106.50	108.50	108.50	107.50	107.50	106.50	107.50	108.50	109.50
Transportation										
Public Works	169.70	153.70	155.70	155.70	154.70	154.70	161.00	162.00	164.00	167.00
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	86.70	75.20	73.15	73.15	71.35	71.35	75.35	78.40	82.90	81.50
Culture and Recreation										
Cooperative Extension	2.42	2.52	2.52	2.52	2.52	2.00	2.00	2.00	2.00	2.00
Parks & Recreation	33.75	25.75	23.00	23.00	23.00	23.00	23.00	23.00	24.00	24.00
Total	941.92	838.02	826.22	821.52	811.32	811.80	830.15	838.70	852.00	857.80

Source: Whatcom County Administrative Services.

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

Function/ Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
General Election (1)										
# of Registered Voters	114,292	116,581	117,162	125,485	127,002	127,300	129,345	138,962	139,713	143,265
# of Votes	61,288	86,993	69,147	104,727	69,709	76,123	61,136	114,920	63,626	110,504
% of Reg. Voters Voting	53.6%	74.6%	59.0%	83.5%	54.9%	59.8%	47.3%	82.7%	45.5%	77.1%
Assessor (2)										
Real Property Parcels	110,327	111,567	111,107	111,302	111,453	111,744	112,043	112,562	113,078	113,687
Building Permits Evaluated	5,460	3,186	4,622	2,716	3,099	2,405	1,387	2,900	2,895	4,904
New Single Family Residences	496	151	210	314	517	421	516	579	651	754
Judicial (3)										
District Court Infractions	17,478	19,142	18,206	18,790	16,802	15,226	17,384	16,027	15,003	16,434
Public Safety (4)										
# of Fire Inspections	325	253	180	168	164	159	120	121	113	117
# Sheriffs - Commissioned	84.00	85.00	88.00	88.00	85.50	85.50	84.50	85.5	86.5	87
# Sheriffs - Civilian	24.70	20.50	20.50	20.50	22.00	22.00	22.00	22.00	22.00	19
Calls for Service	27,642	27,230	26,632	25,713	26,313	26,218	27,373	28,340	29,697	31,128
Average Daily Jail and Work Center										
Population	283	275	261	278	258	371	345	320	312	314
Building Department										
Permits Applications	855	946	739	722	744	755	816	806	836	893
Mechanical/Plumbing	433	467	461	512	460	547	592	629	665	864
Physical Environment (5)										
Flood Permits Issued	22	55	91	118	137	127	99	133	171	120
Transportation (6)										
Roads Oiled	663.93	663.55	663.24	661.75	661.34	661.07	660.33	660.15	659.91	726.34
Roads Asphalt	233.39	233.94	234.09	235.66	234.45	234.10	234.89	222.73	222.73	156.51
Roads Gravel	30.40	30.40	29.55	29.35	29.37	29.27	29.06	29.06	29.17	28.86
Roads Misc	15.60	15.60	14.59	14.59	14.59	15.04	14.27	26.89	26.76	27.59
Ferry Passengers	207,160	197,980	185,801	182,484	171,317	176,798	186,170	186,097	199,873	204,060
Ferry Vehicle Trips	119,400	110,405	107,164	109,336	106,594	111,590	113,880	114,228	121,645	122,275
Culture and Recreation (7)										
Number of Parks	20	20	17	17	20	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.
(5) Source: Whatcom County Public Works, River and Flood Division.
(6) Source: Whatcom County Public Works, Engineering Division.
(7) Source: Whatcom County Parks.

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

Function/ Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
Public Safety (1)										
Sheriff Units	93.5	93.5	93.5	93.5	93	93	93	94	94	95.5
Transportation (1)										
Miles of Road	943.32	943.49	941.47	941.35	939.75	939.48	938.55	938.83	938.57	939.3
Traffic Signals	3	3	3	3	3	4	4	4	4	4
Ferry Vessel	1	1	1	1	1	1	1	1	1	1
Fire Protection (2)										
No. of Districts	12	12	11	11	14	14	13	13	13	13
Culture and Recreation (3)										
Regional Parks -										
Number	20	20	17	17	20	20	20	20	20	20
Community Parks -										
Number	-	-	-	-	2	4	4	4	4	4
Neighbor Parks -										
Number	-	-	-	-	4	4	4	4	4	4
Parks - Acres	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	16,122.00
Senior Centers	8*	8*	8*	8*	8*	8*	8*	8	8	8
Public Schools (4)										
Number of Schools										
Elementary	35	36	37	36	36	34	32	34	31	31
Middle	11	10	11	11	11	11	11	11	11	11
High	11	11	11	11	11	12	11	11	11	11
Alternative or Special	13	13	14	13	13	11	13	14	15	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 Services Division.

(2) Source: Whatcom County Administrative Services.

(3) Source: Whatcom County Parks.

(4) Source: Education Service District #189.