

Comprehensive Annual Financial Report

Whatcom County Washington

Fiscal Year Ending December 31, 2019



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

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**WHATCOM COUNTY
EXECUTIVE'S OFFICE**

County Courthouse

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



Satpal Singh Sidhu
County Executive

March 1, 2021

Citizens of Whatcom County:

We are pleased to submit the Comprehensive Annual Financial Report of Whatcom County for the year ended December 31, 2019, 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 2019 is estimated at 225,685.

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 10 percent since 2012. The County's greatest employment sector is "government." Employment of Whatcom County's workforce of approximately 115,413 includes the following sectors:

| | |
|--|--------|
| Agriculture, Forestry, Fishing and Hunting | 3.80% |
| Mining | * |
| Utilities | * |
| Construction | 7.87% |
| Manufacturing..... | 11.41% |

| | |
|---|--------|
| Transportation and Warehousing..... | 2.53% |
| Wholesale/Retail Trade..... | 14.67% |
| Professional/Technical Services | 3.62% |
| Finance/Insurance/Real Estate | 3.90% |
| Management of Companies and Enterprises..... | 0.45% |
| Administrative/Waste Services..... | 4.77% |
| Educational Services | 1.05% |
| Healthcare and Social Assistance | 13.05% |
| Arts, Entertainment and Recreation | 1.55% |
| Accommodation and Food Services | 9.83% |
| Government | 16.40% |
| Information..... | 1.35% |
| Other Services, except Public Administration..... | 3.46% |
| 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 2019 enrollment was 16,153. As one of the county’s largest employers, WWU employs 2,647 full-time faculty and staff.

Retail Trade

Between 2010 and 2019, annual taxable retail sales in Whatcom County grew by \$1.9 billion or a 66 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 108 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,



Satpal Singh Sidhu, County Executive

Elected Officials as of December 31, 2019

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, 2023 | Eric Richey |
| Sheriff | Term Ends January, 2020 | Bill Elfo |
| Treasurer | Term Ends January, 2020 | Steve Oliver |

COUNTY COUNCIL

| | | |
|----------------------------|-------------------------|-----------------|
| District No. 1, Position A | Term Ends January, 2019 | Barry Buchanan |
| District No. 1, Position B | Term Ends January, 2020 | Todd Donovan |
| District No. 2, Position A | Term Ends January, 2019 | Ken Mann |
| District No. 2, Position B | Term Ends January, 2020 | Satpal Sidhu |
| District No. 3, Position A | Term Ends January, 2019 | Carl Weimer |
| District No. 3, Position B | Term Ends January, 2020 | Barbara Brenner |
| Councilperson At Large | Term Ends January, 2019 | Rud Browne |

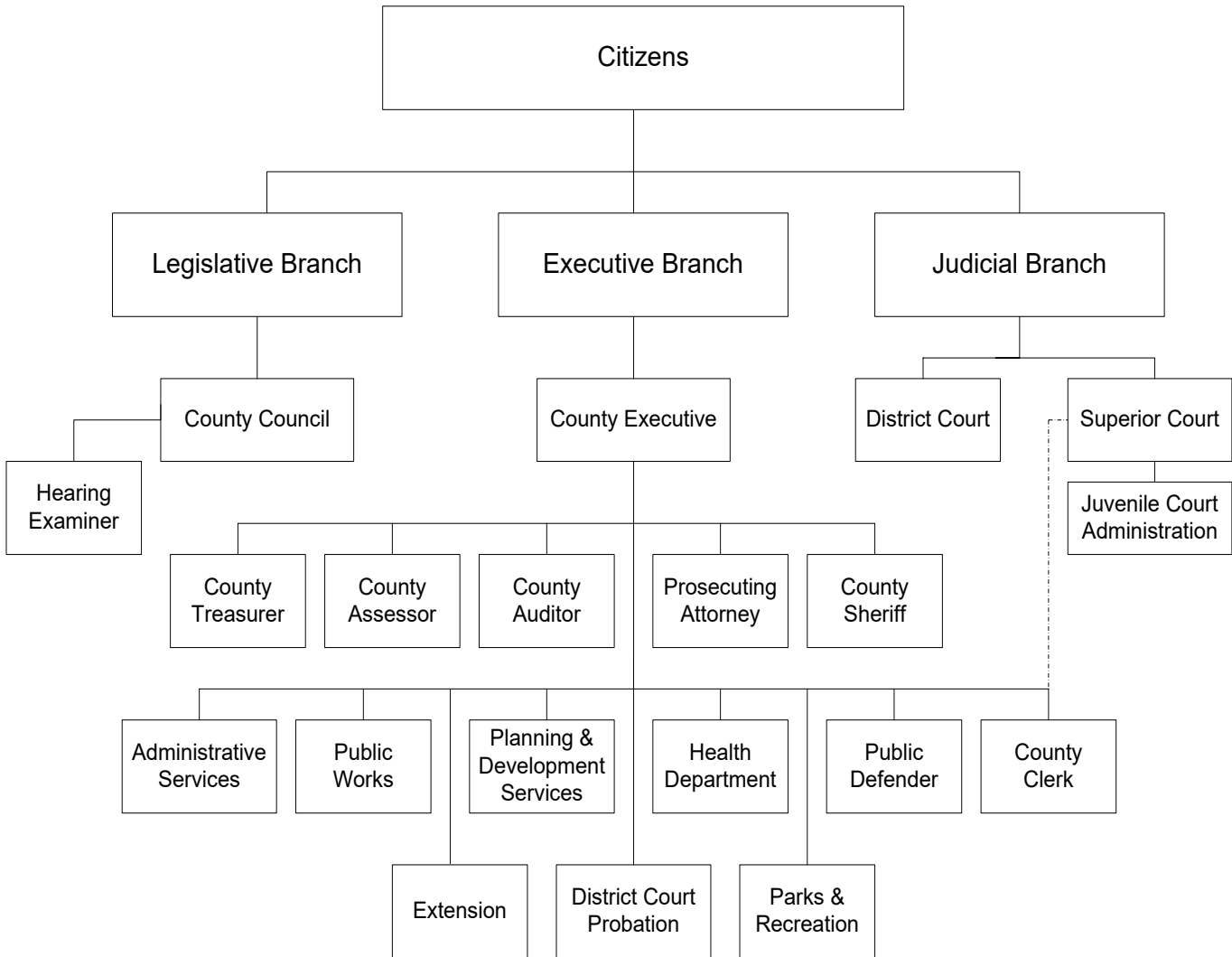
SUPERIOR COURT JUDGES

| | | |
|------------------|-------------------------|----------------------|
| 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, 2019

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, 2019.

Financial Highlights

- The County is in good financial condition and our financial growth was strong in 2019.
- Overall revenues are up \$21.6 million.
- Assessed valuation of property increased 12.0 percent from 2018 to 2019.
- Total retail sales increased 6.6 percent from 2018 to 2019.
- At the end of 2019, the unassigned fund balance for the General Fund is \$20,306,122, or approximately 24.7 percent of total General Fund expenditures. Total fund balance for the General Fund increased 19.9 percent for the year.
- As of December 31, 2019, the County's governmental funds reported combined ending fund balances of \$171.2 million.
- The County's outstanding general obligation debt (including capital leases) totals \$2.2 million at the end of 2019.

Government-wide Financial Statement Highlights

- Whatcom County's revenue for governmental activities increased \$21.7 million or 12.8 percent between 2018 and 2019.
- The County's long-term debt totaled \$38.7 million. This includes general obligation bonds totaling \$1.8 million, pension obligations totaling \$19.0 million, OPEB obligations totaling \$6.6 million, compensated absences totaling \$7.4 million, and projected self-insurance claims of \$3.4 million. Long-term debt decreased \$8.1 million, or 17.3 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 \$418,807,832 as compared to \$389,645,123 in 2018 (\$29.2 million increase). For 2019, unrestricted net position increased \$12.5 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 90-207 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 | |
|----------------------------------|-------------------------|---------------|--------------------------|-------------|--------------------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current and other assets | \$221,040,416 | \$203,090,032 | \$3,511,916 | \$3,416,712 | \$224,552,332 | \$206,506,744 |
| Capital assets | 261,343,995 | 254,123,533 | 375 | 1,017 | 261,344,370 | 254,124,550 |
| Total assets | 482,384,411 | 457,213,565 | 3,512,291 | 3,417,729 | 485,896,702 | 460,631,294 |
| Deferred outflows of resources | 5,775,956 | 5,186,087 | 96,709 | 86,265 | 5,872,665 | 5,272,352 |
| Long-term debt | 38,277,487 | 46,246,849 | 467,354 | 590,964 | 38,744,841 | 46,837,813 |
| Other liabilities | 17,101,187 | 11,698,901 | 120,016 | 271,065 | 17,221,203 | 11,969,966 |
| Total liabilities | 55,378,674 | 57,945,750 | 587,370 | 862,029 | 55,966,044 | 58,807,779 |
| Deferred inflows of resources | 16,781,583 | 17,259,816 | 213,908 | 190,928 | 16,995,491 | 17,450,744 |
| Net position: | | | | | | |
| Net investment in capital assets | 259,181,361 | 251,688,585 | 375 | 1,017 | 259,181,736 | 251,689,602 |
| Restricted | 144,718,350 | 135,572,881 | - | - | 144,718,350 | 135,572,881 |
| Unrestricted | 12,100,399 | (67,380) | 2,807,347 | 2,450,020 | 14,907,746 | 2,382,640 |
| Total net position | \$416,000,110 | \$387,194,086 | \$2,807,722 | \$2,451,037 | \$418,807,832 | \$389,645,123 |

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 \$418,807,832 at the close of 2019; this is an increase of \$29.2 million from 2018 net position. Governmental activities increased Whatcom County's net position by \$28.8 million, thereby accounting for 98.8 percent of the increase in the net position of Whatcom County. Business-type activities increased net position \$356,685.

The largest portion of Whatcom County's net position (61.9 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 \$7.5 million. Whatcom County invested \$5.4 million in infrastructure, \$4.1 million in equipment, \$1.0 million in land, \$6.7 million in construction in progress and \$2.1 million in improvements. 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 \$144,718,350 or 34.6 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 \$9.1 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 \$14.9 million.

Table MDA2 - Net Position Comparison

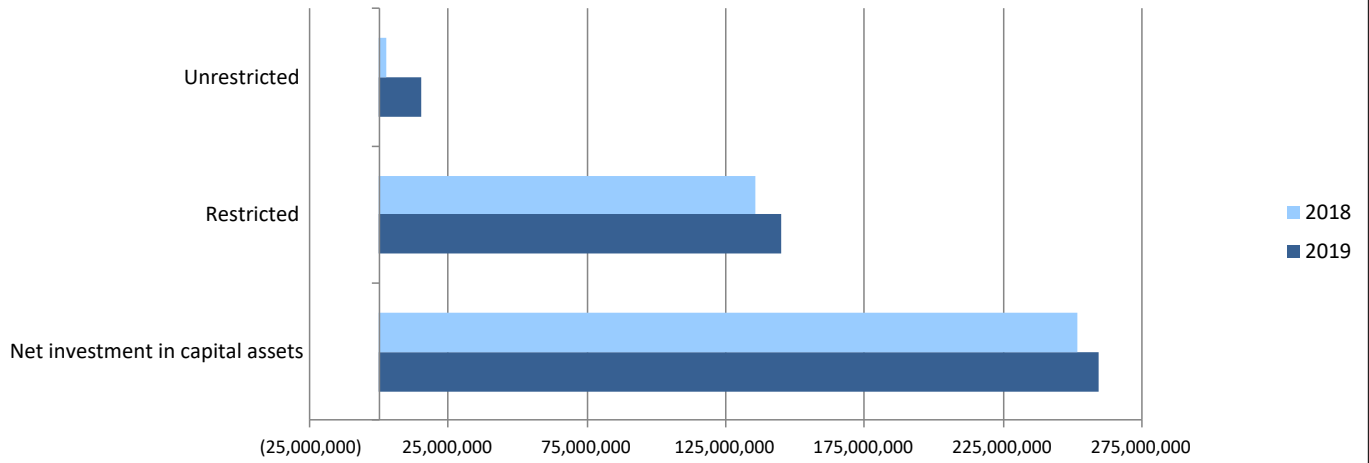


Table MDA3 - Changes in Net Position

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|-------------------------|--------------------|--------------------------|------------------|--------------------------|--------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues | | | | | | |
| Program revenue: | | | | | | |
| Charges for services | \$30,014,504 | \$26,386,191 | \$1,852,309 | \$1,899,846 | \$31,866,813 | \$28,286,037 |
| Operating grants & contributions | 26,163,078 | 21,681,242 | 288,631 | 337,738 | 26,451,709 | 22,018,980 |
| Capital grants & contributions | 13,053,007 | 7,847,406 | - | - | 13,053,007 | 7,847,406 |
| General revenue: | | | | | | |
| Property taxes | 64,561,027 | 64,009,643 | - | - | 64,561,027 | 64,009,643 |
| Retail taxes | 36,802,587 | 34,531,198 | - | - | 36,802,587 | 34,531,198 |
| Business and occupation taxes | 32,903 | 29,186 | - | - | 32,903 | 29,186 |
| Excise taxes | 7,375,357 | 7,500,022 | - | - | 7,375,357 | 7,500,022 |
| Other | 12,530,742 | 6,889,563 | 19,484 | (5,855) | 12,550,226 | 6,883,708 |
| Total revenues | 190,533,205 | 168,874,451 | 2,160,424 | 2,231,729 | 192,693,629 | 171,106,180 |
| Expenses | | | | | | |
| General government | 41,102,725 | 32,768,726 | - | - | 41,102,725 | 32,768,726 |
| Public safety | 54,286,671 | 52,277,517 | - | - | 54,286,671 | 52,277,517 |
| Transportation | 25,907,424 | 26,399,049 | - | - | 25,907,424 | 26,399,049 |
| Natural and economic environment | 11,094,004 | 11,566,179 | - | - | 11,094,004 | 11,566,179 |
| Social services | 23,695,157 | 21,860,399 | - | - | 23,695,157 | 21,860,399 |
| Culture and recreation | 4,465,052 | 4,492,538 | - | - | 4,465,052 | 4,492,538 |
| Interest on long-term debt | 111,288 | 102,007 | - | - | 111,288 | 102,007 |
| Whatcom Co. Investment Pool | - | - | 249,219 | 258,830 | 249,219 | 258,830 |
| Ferry System | - | - | 2,694,383 | 2,865,580 | 2,694,383 | 2,865,580 |
| Total expenses | 160,662,321 | 149,466,415 | 2,943,602 | 3,124,410 | 163,605,923 | 152,590,825 |
| Change in net position before transfers | 29,870,884 | 19,408,036 | (783,178) | (892,681) | 29,087,706 | 18,515,355 |
| Transfers | (1,139,863) | (1,210,096) | 1,139,863 | 1,210,096 | - | - |
| Change in net position | 28,731,021 | 18,197,940 | 356,685 | 317,415 | 29,087,706 | 18,515,355 |
| Net position-beginning | 387,194,086 | 371,842,685 | 2,451,037 | 2,133,622 | 389,645,123 | 373,976,307 |
| Prior period adjustment | 75,003 | (2,846,539) | - | - | 75,003 | (2,846,539) |
| Net position-beginning (restated) | 387,269,089 | 368,996,146 | 2,451,037 | 2,133,622 | 389,720,126 | 371,129,768 |
| Net position-ending | \$416,000,110 | \$387,194,086 | \$2,807,722 | \$2,451,037 | \$418,807,832 | \$389,645,123 |

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

Overall revenues are up \$21.6 million.

Property tax revenue is up \$551,000 over last year.

Sales tax revenue is up \$2.3 million or 6.6 percent from 2018.

Charges for services are greater than 2018 by \$3.6 million.

Operating grants and contributions increased \$4.4 million from last year.

Capital grants and contributions are \$5.2 million greater than 2018. These revenues fluctuate based on the capital

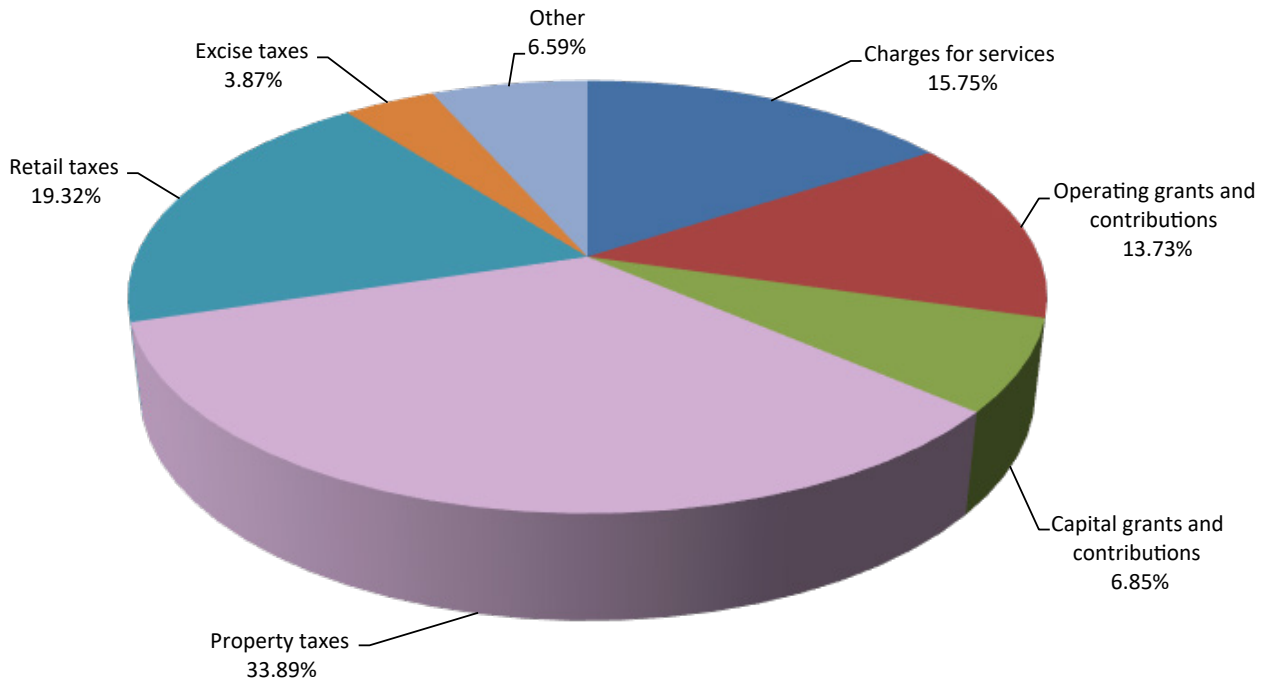
projects that are underway during the year.

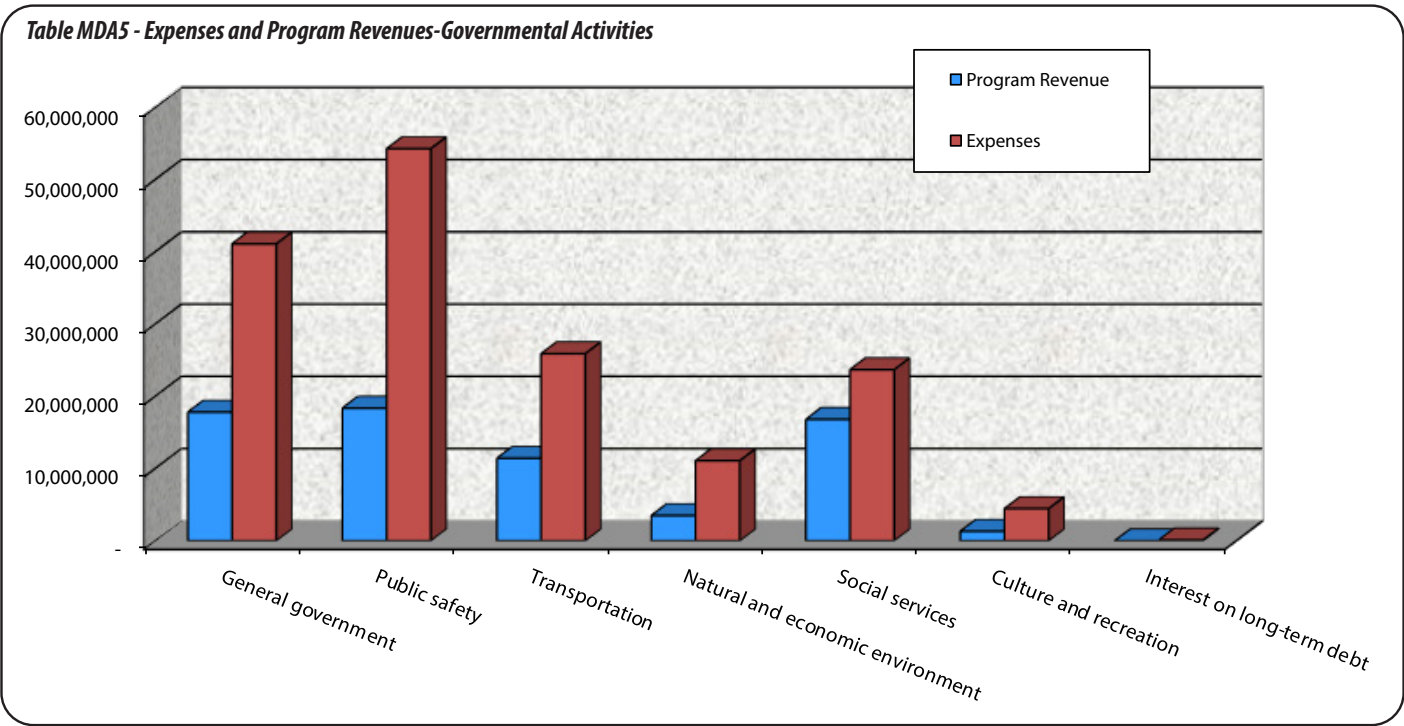
Other revenues are \$5.7 million greater than last year.

Expenses ended up at \$163.6 million and are \$11.0 million or 7.2 percent higher than 2018.

Net position increased \$29.2 million from 2018.

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, 2019, the County’s governmental funds reported combined fund balances of \$171.2 million; this is an increase of \$14.0 million over 2018 or 8.9 percent. Overall, the funds collected 97.6 percent of their budgeted revenues and expended 69.3 percent of their budgeted expenditures.

Unassigned fund balance is \$20.3 million or approximately 11.9 percent of total fund balance. Unassigned fund balance is available for spending for any purpose. Assigned fund balance is \$3.4 million or approximately 2.0 percent of total fund balance. Assigned fund balance represents resources Whatcom County intends to use for specific purposes. Committed fund balance totals \$14.7 million or approximately 8.5 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 \$132.9 million or approximately 77.6 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 2019, unassigned fund balance of the General Fund was \$20.3 million, while total fund balance increased to \$20.7 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 24.7 percent of total General Fund expenditures, while total fund balance represents approximately 25.2 percent of that same amount.

During 2019, the fund balance of the General Fund increased by \$3.4 million. The fund balance was projected to decrease \$5.3 million. \$3.1 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 2019, the LEOFF I Healthcare Fund is combined into the General Fund.

The County Road Fund had a fund balance of \$21.4 million in 2019, which is \$4.9 million less than 2018. Fund balance was projected to be \$7.4 million less at year end; however, expenditures are significantly below budget.

The fund balance of the Countywide Emergency Medical Services Fund ended at \$14.5 million which is \$6.7 million greater than last year. Revenues are 119.1 percent of budgeted revenues and expenditures are 97.5 percent of budgeted expenditures.

The fund balance for the Public Utilities Improvement Fund increased \$476,413. This is higher than expected. \$2.5 million of expenditure authority was continued into 2020 for projects that were not complete at year end.

The Triage Center Expansion Fund had a \$1.0 million increase in fund balance. Actually revenues and expenditures are less than budgeted.

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, 2019.

Table MDA6 - Condensed General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance

| | Original Budget | Amended Budget | Actual |
|--------------------------------|----------------------|----------------------|--------------------|
| Revenues: | | | |
| Taxes | \$47,864,051 | \$47,864,051 | \$49,411,584 |
| Intergovernmental | 15,581,941 | 18,331,858 | 16,545,255 |
| Other | 18,716,328 | 18,852,964 | 21,188,095 |
| Total revenues | 82,162,320 | 85,048,873 | 87,144,934 |
| Expenditures: | | | |
| Expenditures | 82,054,349 | 85,271,549 | 82,160,140 |
| Other financing sources (uses) | (4,624,385) | (5,063,989) | (1,552,195) |
| Total expenditures | 86,678,734 | 90,335,538 | 83,712,335 |
| Change to fund balance | \$(4,516,414) | \$(5,286,665) | \$3,432,599 |

General Fund actual revenues are greater than budgeted revenues by \$2.1 million. Tax revenues are greater than budgeted amounts by \$1.5 million. Intergovernmental revenues received are \$1.8 less than budgeted revenue. Miscellaneous revenues exceed budgeted amounts by \$2.3 million.

Overall expenditures for the General Fund are 96.4 percent of the approved budget at year-end. All departments had expenditures within their budgeted authority except non-departmental. Beginning in 2019 the state changed reporting requirements. Revenues previously distributed directly to junior taxing districts are now required to be recognized as revenue by Whatcom County. The distributions to junior taxing districts are recorded as expenditures. The 2019 budget did not anticipate this change, therefore recording these expenditures caused the non-departmental budget to be exceeded.

Capital Assets and Debt Administration

Capital assets. The County’s investment in capital assets for its governmental activities as of December 31, 2019, amounts to \$261.3 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 2018 is \$7.2 million.

Major capital asset events during 2019 included the following:

- New equipment purchases totaled \$4.1 million, which included vehicles and road maintenance equipment.
- \$1.9 million was spent on improvements to County parks and trails.
- Storm water improvements totaled \$2.4 million.
- The County spent \$1.1 million on East Whatcom Regional Resource Center expansion project.
- \$2.1 million was spent on the new Triage Center Expansion building.
- Various projects related to roads, bridges and road-related improvements totaled \$5.4 million.

Table MDA7 - Capital Assets

| | Governmental Activities | |
|--------------------------|-------------------------|----------------------|
| | 2019 | 2018 |
| Land | \$106,169,561 | \$105,156,429 |
| Construction in progress | 10,624,220 | 3,989,338 |
| Intangible assets | 50,400 | 50,400 |
| Buildings | 40,114,220 | 41,635,194 |
| Improvements | 9,228,807 | 7,902,972 |
| Equipment | 16,995,266 | 16,015,458 |
| Infrastructure | 78,161,521 | 79,373,742 |
| Totals | \$261,343,995 | \$254,123,533 |

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

Long-term debt. At year-end, the County’s governmental activities had \$38,277,487 in outstanding debt compared to \$46,246,849 last year. That is a decrease of \$8.0 million, which is primarily the result of a decrease in pension liability.

The County’s outstanding general obligation debt totaled \$2.2 million. See Note 9 to the financial statements.

| | Governmental Activities | |
|---------------------------------------|-------------------------|---------------------|
| | 2019 | 2018 |
| General obligation bonds | \$1,845,598 | \$1,991,377 |
| Capital leases | 317,634 | 449,948 |
| Estimated self-insurance claims | 3,376,624 | 4,451,467 |
| Pension payable | 18,606,979 | 24,465,833 |
| Other postemployment benefits payable | 6,559,026 | 7,387,898 |
| Compensated absences | 7,321,626 | 7,250,326 |
| Other long-term liabilities | 250,000 | 250,000 |
| | <u>\$38,277,487</u> | <u>\$46,246,849</u> |

State statutes limit the amount of general obligation debt the County may issue to 2.5 percent of assessed value with a vote, and 1.5 percent of assessed value with no vote required. The current debt limitation for Whatcom County is \$872 million with a vote and \$516 without a vote, both of which are significantly in excess of the County’s outstanding general obligation debt of \$2.2 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 has grown steadily through 2019. Retail sales are up 6.6 percent over 2018. The unemployment rate for 2019 is 5.0 percent. The population of Whatcom County has grown 16.8 percent over ten years ago. Per capita income of Whatcom County has been growing in recent years at approximately 4.7 percent. For 2019, the assessed valuations of property increased 12.0 percent over 2018.

Other Significant Matters

The governor of the state of Washington declared a state of emergency in response to the spread of the coronavirus (COVID-19) in February 2020. Whatcom County has taken immediate actions to insure the continuity of government and adjust county operations to address the financial impact of the pandemic.

Contacting the County’s Financial Management

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

| | Primary Government | | Total |
|---|-------------------------|--------------------------|----------------------|
| | Governmental Activities | Business-type Activities | |
| Assets | | | |
| Cash, cash equivalents and pooled investments | \$168,692,461 | \$2,641,622 | \$171,334,083 |
| Cash with fiscal agent | 13,016 | 10,000 | 23,016 |
| Investments | 9,870,915 | - | 9,870,915 |
| Receivables, net | 4,539,060 | 405,149 | 4,944,209 |
| Receivables-court, net | 2,023,766 | - | 2,023,766 |
| Due from other governments | 28,245,943 | - | 28,245,943 |
| Internal balances | (455,145) | 455,145 | - |
| Inventories | 1,598,650 | - | 1,598,650 |
| Capital assets: | | | |
| Non-depreciable | 116,844,181 | - | 116,844,181 |
| Depreciable, net | 144,499,814 | 375 | 144,500,189 |
| Pension asset, net | 6,511,750 | - | 6,511,750 |
| Total assets | 482,384,411 | 3,512,291 | 485,896,702 |
| Deferred outflows of resources | | | |
| Pensions | 5,609,229 | 96,709 | 5,705,938 |
| OPEB | 166,727 | - | 166,727 |
| Total deferred outflows of resources | 5,775,956 | 96,709 | 5,872,665 |
| Liabilities | | | |
| Accounts payable and accrued expenses | 15,820,070 | 120,016 | 15,940,086 |
| Due to other governments | 1,029,584 | - | 1,029,584 |
| Unearned revenue | 251,533 | - | 251,533 |
| Noncurrent liabilities (Note 9): | | | |
| Due within one year | 10,978,712 | 72,108 | 11,050,820 |
| Due in more than one year | 2,132,770 | - | 2,132,770 |
| Pension liability, net | 18,606,979 | 395,246 | 19,002,225 |
| Total OPEB liability | 6,559,026 | - | 6,559,026 |
| Total liabilities | 55,378,674 | 587,370 | 55,966,044 |
| Deferred inflows of resources | | | |
| Pensions | 12,489,777 | 213,908 | 12,703,685 |
| Court receivables | 2,023,766 | - | 2,023,766 |
| Grants received in advance | 2,268,040 | - | 2,268,040 |
| Total deferred inflows of resources | 16,781,583 | 213,908 | 16,995,491 |
| Net position | | | |
| Net investment in capital assets | 259,181,361 | 375 | 259,181,736 |
| Restricted for: | | | |
| General government | 1,365,262 | - | 1,365,262 |
| Public safety | 15,943,383 | - | 15,943,383 |
| Transportation | 22,549,487 | - | 22,549,487 |
| Natural and economic environment | 20,203,903 | - | 20,203,903 |
| Social services | 10,412,316 | - | 10,412,316 |
| Culture and recreation | 2,692,865 | - | 2,692,865 |
| Debt service | 2,017 | - | 2,017 |
| Capital projects | 71,549,117 | - | 71,549,117 |
| Unrestricted (deficit) | 12,100,399 | 2,807,347 | 14,907,746 |
| Total net position | \$416,000,110 | \$2,807,722 | \$418,807,832 |

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 | \$41,102,725 | \$9,149,050 | \$8,060,484 | \$607,860 | \$(23,285,331) | \$- | \$(23,285,331) |
| Public safety | 54,286,671 | 12,609,198 | 5,758,389 | - | (35,919,084) | - | (35,919,084) |
| Transportation | 25,907,424 | 2,153,279 | - | 9,263,826 | (14,490,319) | - | (14,490,319) |
| Natural and economic environment | 11,094,004 | 432,624 | 2,824,121 | 240,577 | (7,596,682) | - | (7,596,682) |
| Social services | 23,695,157 | 5,413,862 | 9,467,797 | 1,940,744 | (6,872,754) | - | (6,872,754) |
| Culture and recreation | 4,465,052 | 256,491 | 52,287 | 1,000,000 | (3,156,274) | - | (3,156,274) |
| Interest on long-term debt | 111,288 | - | - | - | (111,288) | - | (111,288) |
| Total government activities | 160,662,321 | 30,014,504 | 26,163,078 | 13,053,007 | (91,431,732) | - | (91,431,732) |
| Business-type activities: | | | | | | | |
| Whatcom Co Investment Pool | 249,219 | 278,216 | - | - | - | 28,997 | 28,997 |
| Ferry System | 2,694,383 | 1,574,093 | 288,631 | - | - | (831,659) | (831,659) |
| Total business-type activities | 2,943,602 | 1,852,309 | 288,631 | - | - | (802,662) | (802,662) |
| Total primary government | \$163,605,923 | \$31,866,813 | \$26,451,709 | \$13,053,007 | (91,431,732) | (802,662) | (92,234,394) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 64,561,027 | - | 64,561,027 |
| Retail taxes | | | | | 36,802,587 | - | 36,802,587 |
| Business and occupation taxes | | | | | 32,903 | - | 32,903 |
| Excise taxes | | | | | 7,375,357 | - | 7,375,357 |
| Unrestricted investment earnings and unrealized gains/ (losses) | | | | | 5,179,956 | 19,484 | 5,199,440 |
| Gain/loss on sale of capital assets | | | | | 4,064,711 | - | 4,064,711 |
| Miscellaneous | | | | | 3,286,075 | - | 3,286,075 |
| Transfers | | | | | (1,139,863) | 1,139,863 | - |
| Total general revenues and transfers | | | | | 120,162,753 | 1,159,347 | 121,322,100 |
| Change in net position | | | | | 28,731,021 | 356,685 | 29,087,706 |
| Net position-beginning | | | | | 387,194,086 | 2,451,037 | 389,645,123 |
| Prior period adjustments | | | | | 75,003 | - | 75,003 |
| Net position-beginning (restated) | | | | | 387,269,089 | 2,451,037 | 389,720,126 |
| Net position-ending | | | | | \$416,000,110 | \$2,807,722 | \$418,807,832 |

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

| | General | County Road | Countywide Emergency Medical Services | Public Utilities Improvement | Triage Center Expansion | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|---------------------|--|---------------------------------|----------------------------|--------------------------------|--------------------------------|
| Assets | | | | | | | |
| Cash, cash equivalents and pooled investments | \$20,647,241 | \$24,065,103 | \$14,779,930 | \$13,905,553 | \$4,979,777 | \$70,070,628 | \$148,448,232 |
| Deposits with fiscal agent | 7,016 | - | - | - | - | - | 7,016 |
| Investments | - | - | - | - | - | 9,870,915 | 9,870,915 |
| Taxes receivable, net | 566,321 | 473,921 | 150,644 | - | - | 137,805 | 1,328,691 |
| Accounts receivable, net | 490,814 | 94,763 | - | 1,332,991 | - | 406,224 | 2,324,792 |
| Accounts receivable-court, net | 1,803,623 | - | - | - | - | 220,143 | 2,023,766 |
| Special assessments, net | - | - | - | - | - | 35,959 | 35,959 |
| Notes receivable, net | - | - | - | - | - | 125,751 | 125,751 |
| Interfund receivable | 756,714 | 261,853 | 225,420 | - | - | 3,821,823 | 5,065,810 |
| Interfund loan receivable | - | 133,637 | - | - | - | 250,000 | 383,637 |
| Due from other governments | 5,882,317 | 1,686,323 | 872,119 | 12,853,018 | 1,940,744 | 4,945,186 | 28,179,707 |
| Employee advances | 5,210 | 82 | - | - | - | - | 5,292 |
| Prepayments | 35,488 | 8,362 | 111 | - | - | 1,029,835 | 1,073,796 |
| Advances to other funds | - | 134,973 | - | - | - | - | 134,973 |
| Total assets | \$30,194,744 | \$26,859,017 | \$16,028,224 | \$28,091,562 | \$6,920,521 | \$90,914,269 | \$199,008,337 |
| Liabilities, deferred inflows of resources and fund balances | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | \$2,151,789 | \$838,208 | \$1,376,409 | \$64,159 | \$815,204 | \$5,398,798 | \$10,644,567 |
| Interfund payable | 958,885 | 3,505,124 | - | - | 263 | 1,333,559 | 5,797,831 |
| Interfund loans payable | 702,258 | - | - | - | - | 250,000 | 952,258 |
| Revenue collected in advance | 33,863 | 1,580 | - | - | - | - | 35,443 |
| Due to other governments | 1,027,180 | - | - | - | - | 2,404 | 1,029,584 |
| Other accrued liabilities | 2,288,073 | 597,228 | 10,381 | - | - | 625,863 | 3,521,545 |
| Other current liabilities | 11,500 | 3,363 | - | - | - | - | 14,863 |
| Unearned revenue | 25,782 | - | - | - | - | 225,751 | 251,533 |
| Total liabilities | 7,199,330 | 4,945,503 | 1,386,790 | 64,159 | 815,467 | 7,836,375 | 22,247,624 |
| Deferred inflows of resources | | | | | | | |
| Deferred property tax | 491,475 | 503,427 | 130,418 | - | - | 118,442 | 1,243,762 |
| Court receivables | 1,803,623 | - | - | - | - | 220,143 | 2,023,766 |
| Special assessments | - | - | - | - | - | 35,958 | 35,958 |
| Grants received in advance | - | - | - | - | 2,158,939 | 109,101 | 2,268,040 |
| Total deferred inflows of resources | 2,295,098 | 503,427 | 130,418 | - | 2,158,939 | 483,644 | 5,571,526 |
| Fund balances: | | | | | | | |
| Restricted | 394,194 | 21,410,087 | 14,511,016 | 28,027,403 | 3,946,115 | 64,569,328 | 132,858,143 |
| Committed | - | - | - | - | - | 14,663,345 | 14,663,345 |
| Assigned | - | - | - | - | - | 3,361,577 | 3,361,577 |
| Unassigned | 20,306,122 | - | - | - | - | - | 20,306,122 |
| Total fund balances | 20,700,316 | 21,410,087 | 14,511,016 | 28,027,403 | 3,946,115 | 82,594,250 | 171,189,187 |
| Total liabilities, deferred inflows of resources and fund balances | \$30,194,744 | \$26,859,017 | \$16,028,224 | \$28,091,562 | \$6,920,521 | \$90,914,269 | \$199,008,337 |

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, 2019



| | |
|---|----------------------|
| Fund balance - total governmental funds | \$171,189,187 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 246,099,109 |
| 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. | 28,978,426 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | 13,026,231 |
| Liabilities, including \$2,401,030 of bonds/ loans payable, \$6,644,955 of compensated absences and \$34,246,858 of pension and other postemployment benefit obligations are not due and payable in the current period and therefore are not reported in the funds. | (43,292,843) |
| | <hr/> |
| Net position of governmental activities | <u>\$416,000,110</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, 2019

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

| | General | County Road | Countywide Emergency Medical Services | Public Utilities Improvement | Triage Center Expansion | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|---------------------|--|---------------------------------|----------------------------|--------------------------------|--------------------------------|
| Revenues | | | | | | | |
| Taxes | \$49,411,584 | \$19,081,176 | \$10,952,929 | \$4,573,987 | \$- | \$24,678,573 | \$108,698,249 |
| Licenses and permits | 3,700,356 | 144,911 | - | - | - | - | 3,845,267 |
| Intergovernmental | 16,545,255 | 8,841,328 | 4,102,035 | - | 1,940,744 | 6,939,077 | 38,368,439 |
| Charges for service | 9,169,834 | 974,862 | 3,419,779 | - | 101,245 | 7,899,554 | 21,565,274 |
| Fines and penalties | 2,091,385 | - | - | - | - | 1,241,350 | 3,332,735 |
| Miscellaneous | 6,226,520 | 319,162 | 326,111 | 245,014 | 41,961 | 2,671,030 | 9,829,798 |
| Total revenues | 87,144,934 | 29,361,439 | 18,800,854 | 4,819,001 | 2,083,950 | 43,429,584 | 185,639,762 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | 33,585,744 | 766,636 | - | 25,242 | - | 7,210,810 | 41,588,432 |
| Public safety | 27,491,541 | - | 11,339,387 | - | - | 17,481,390 | 56,312,318 |
| Transportation | - | 19,785,684 | - | - | - | 44,383 | 19,830,067 |
| Natural and economic environment | 2,109,849 | - | - | 1,355,713 | - | 8,248,364 | 11,713,926 |
| Social services | 14,701,947 | - | - | - | - | 9,601,423 | 24,303,370 |
| Culture and recreation | 4,091,324 | - | - | - | - | 160,670 | 4,251,994 |
| Capital outlay | 165,086 | 6,004,008 | 120,041 | - | 2,104,327 | 7,415,597 | 15,809,059 |
| Debt service: | | | | | | | |
| Principal | - | - | - | - | - | 140,000 | 140,000 |
| Interest | 14,649 | - | - | - | - | 98,725 | 113,374 |
| Total expenditures | 82,160,140 | 26,556,328 | 11,459,428 | 1,380,955 | 2,104,327 | 50,401,362 | 174,062,540 |
| Excess (deficiency) of revenues over expenditures | 4,984,794 | 2,805,111 | 7,341,426 | 3,438,046 | (20,377) | (6,971,778) | 11,577,222 |
| Other financing sources (uses) | | | | | | | |
| Sales of capital assets | 3,225,627 | 607,760 | 120,494 | - | - | 110,830 | 4,064,711 |
| Transfers in | 5,153,876 | 1,022,386 | 105,826 | - | 1,000,000 | 26,285,295 | 33,567,383 |
| Transfers out | (9,948,974) | (9,350,884) | (850,000) | (2,961,633) | - | (12,133,650) | (35,245,141) |
| Insurance recoveries | - | 20,000 | - | - | - | - | 20,000 |
| Capital lease proceeds | 17,276 | - | - | - | - | - | 17,276 |
| Total other financing sources (uses) | (1,552,195) | (7,700,738) | (623,680) | (2,961,633) | 1,000,000 | 14,262,475 | 2,424,229 |
| Net change in fund balances | 3,432,599 | (4,895,627) | 6,717,746 | 476,413 | 979,623 | 7,290,697 | 14,001,451 |
| Fund balances-beginning | 17,267,717 | 26,305,714 | 7,793,270 | 27,550,990 | 2,966,492 | 75,228,550 | 157,112,733 |
| Prior period adjustments | - | - | - | - | - | 75,003 | 75,003 |
| Fund balance as of January 1 (restated) | 17,267,717 | 26,305,714 | 7,793,270 | 27,550,990 | 2,966,492 | 75,303,553 | 157,187,736 |
| Fund balances-ending | \$20,700,316 | \$21,410,087 | \$14,511,016 | \$28,027,403 | \$3,946,115 | \$82,594,250 | \$171,189,187 |

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, 2019



| | |
|--|---------------------|
| Net change in fund balances-total governmental funds | \$14,001,451 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$15,610,579) exceeded depreciation expense (\$9,441,625) in the current period. | 6,168,954 |
| 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. | 1,903,842 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 56,349 |
| 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. | 6,460,425 |
| Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | 140,000 |
| Change in net position of governmental activities | <u>\$28,731,021</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 | \$2,641,622 | \$20,244,229 |
| Deposits with fiscal agent | 10,000 | 6,000 |
| Receivables, net | - | 38,809 |
| Interfund receivable | 404,816 | 477,928 |
| Due from other governments | - | 66,236 |
| Interfund loan receivable | - | 115,327 |
| Employee advances | - | 126 |
| Inventories | - | 1,598,650 |
| Prepayments | 333 | 5,941 |
| Total current assets | 3,056,771 | 22,553,246 |
| Noncurrent assets | | |
| Interfund loan-long-term | - | 318,321 |
| Capital assets: | | |
| Land | - | 439,864 |
| Building and structures, net | - | 959,512 |
| Capital leases, net | - | 15,653 |
| Other improvements, net | - | 401,558 |
| Machinery and equipment, net | 375 | 13,377,899 |
| Intangible assets, net | - | 50,400 |
| Total capital assets, net | 375 | 15,244,886 |
| Total noncurrent assets | 375 | 15,563,207 |
| Total assets | 3,057,146 | 38,116,453 |
| Deferred outflows of resources | | |
| Pension | 96,709 | 541,195 |
| Total deferred outflows of resources | 96,709 | 541,195 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable | 21,249 | 1,278,584 |
| Claims cost payable | - | 3,376,624 |
| Interfund payable | 2,631 | 148,092 |
| Compensated absences | 72,108 | 676,670 |
| Other accrued liabilities | 96,136 | 321,618 |
| Total current liabilities | 192,124 | 5,801,588 |
| Noncurrent liabilities | | |
| Other noncurrent liabilities | - | 15,652 |
| Pension liability, net | 395,246 | 2,211,859 |
| Total noncurrent liabilities | 395,246 | 2,227,511 |
| Total liabilities | 587,370 | 8,029,099 |

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

| | Enterprise Funds | Internal Service Funds |
|--|------------------|------------------------|
| Deferred inflows of resources | | |
| Pension | 213,908 | 1,197,066 |
| Total deferred inflows of resources | 213,908 | 1,197,066 |
| Net position | | |
| Net investment in capital assets | 375 | 15,244,886 |
| Unrestricted | 2,352,202 | 14,186,597 |
| Total net position | 2,352,577 | \$29,431,483 |
| 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. | 455,145 | |
| Net position of business-type activities | \$2,807,722 | |

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, 2019

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

| | Enterprise Funds | Internal Service Funds |
|---|------------------|---------------------------|
| Operating revenues | | |
| Intergovernmental | \$288,631 | \$- |
| Charges for service | 1,802,664 | 22,776,244 |
| Rents and parking | - | 5,819,574 |
| Fines and forfeits | - | 1,520 |
| Miscellaneous | 49,645 | 42,095 |
| Total operating revenues | 2,140,940 | 28,639,433 |
| Operating expenses | | |
| General operations | 2,783,321 | 25,874,594 |
| General administration | 196,938 | 499,613 |
| Depreciation | 642 | 2,366,870 |
| Total operating expenses | 2,980,901 | 28,741,077 |
| Operating income (loss) | (839,961) | (101,644) |
| Non-operating revenues (expenses) | | |
| Gain (loss) on sale of capital assets | - | 155,798 |
| Interest revenue | - | 10,641 |
| Interest expense | - | (243) |
| Unrealized gain (loss) on investments | 19,484 | 175,573 |
| Insurance recoveries | - | 1,120,306 |
| Total non-operating revenues (expenses) | 19,484 | 1,462,075 |
| Income (loss) before transfers | (820,477) | 1,360,431 |
| Capital contributions | - | 42,815 |
| Transfers in | 1,379,043 | 1,128,143 |
| Transfers out | (239,180) | (590,248) |
| Changes in net position | 319,386 | 1,941,141 |
| Total net position-beginning | | 27,490,342 |
| Total net position-ending | | \$29,431,483 |
| 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. | 37,299 | |
| Change in net position of business-type activities | \$356,685 | |

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 | \$2,241,731 | \$28,609,387 |
| Payments for goods and services | (1,710,129) | (20,791,004) |
| Payments to employees | (1,521,812) | (7,593,848) |
| Net cash provided (used) by operating activities | (990,210) | 224,535 |
| Cash flows from non-capital financing activities: | | |
| Transfers in | 1,379,043 | 618,335 |
| Transfers out | (239,180) | (590,248) |
| Interest revenue | - | 10,641 |
| Insurance recoveries | - | 1,120,305 |
| Net cash provided (used) by non-capital financing activities | 1,139,863 | 1,159,033 |
| Cash flows from capital financing activities: | | |
| Interest paid on capital debt | - | (243) |
| Transfers in | - | 509,808 |
| Proceeds from sale of assets | - | 271,236 |
| Purchases of capital assets | - | (3,490,999) |
| Net cash provided (used) by capital financing activities | - | (2,710,198) |
| Cash flows from investing activities: | | |
| Unrealized gain (loss) on investments | 19,484 | 175,573 |
| Net cash provided (used) by investing activities | 19,484 | 175,573 |
| Net increase (decrease) in cash and cash equivalents | 169,137 | (1,151,057) |
| Balances - beginning of the year | 2,472,485 | 21,395,286 |
| Balances - end of the year | \$2,641,622 | \$20,244,229 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$(839,961) | \$(101,644) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation expense | 642 | 2,366,870 |
| Change in assets and liabilities: | | |
| Receivables, net | 100,791 | (30,046) |
| Inventories | - | (157,979) |
| Accounts and other payables | (157,054) | (1,401,189) |
| Accrued expenses | (94,628) | (451,477) |
| Net cash provided by operating activities | \$(990,210) | \$224,535 |
| Noncash capital financing activities: | | |

Internal Service Funds received \$42,715 of capital assets from other funds for 2019.

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2019

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

| | Investment Trust Fund | Agency Funds |
|-------------------------------------|--------------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$- | \$22,395,450 |
| Deposits with fiscal agent | - | 308,626 |
| Investments | 335,063,246 | - |
| Accounts receivable, net | - | 6,283 |
| Employee advances | - | (850) |
| Total assets | 335,063,246 | 22,709,509 |
| Liabilities | | |
| Warrants payable | - | 7,750,396 |
| Accounts payable | - | 372,978 |
| Other accrued liabilities | - | 21,421 |
| Revenue collected in advance | - | 189,199 |
| Custodial accounts | - | 14,375,515 |
| Total liabilities | - | 22,709,509 |
| Net position | | |
| Held in trust for pool participants | \$335,063,246 | \$- |

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, 2019

| | Investment Trust Fund |
|--|--------------------------|
| Additions | |
| Contributions | \$343,593,036 |
| Investment earnings: | |
| Interest | 5,336,389 |
| Net increase (decrease) in fair value of investments | 2,093,903 |
| Total additions | <u>351,023,328</u> |
| Deductions | |
| Distributions | 241,335,191 |
| Total deductions | <u>241,335,191</u> |
| Change in net position | 109,688,137 |
| Net position-beginning | 225,375,109 |
| Net position-ending | <u>\$335,063,246</u> |

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



NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

As required by the generally accepted accounting principles the financial statements present Whatcom County- the primary government and 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

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.
- **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.
- **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, Affordable and Supportive Housing and Emergency Communications; and debt service funds: CRID No. 9 General Debt and 2003 Ltd. Tax General Obligation Bond, 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, Swift Creek Sediment Management Fund, Countywide Emergency Medical Services Fund, Flood Control Zone District Fund, and 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, 2019. 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 | Countywide Emergency Medical Services | Public Utilities Imprvmt | Triage Center Expansion | Other Govt'l Funds | Total |
|--|---------------------|---------------------|--|--------------------------------|----------------------------|-----------------------|----------------------|
| Fund balances: | | | | | | | |
| Restricted for: | | | | | | | |
| Boating safety | \$27,011 | \$- | \$- | \$- | \$- | \$- | \$27,011 |
| Historical document preservation | 367,183 | - | - | - | - | - | 367,183 |
| County roads | - | 21,410,087 | - | - | - | - | 21,410,087 |
| Public facilities projects | - | - | - | 28,027,403 | - | - | 28,027,403 |
| Debt service | - | - | - | - | - | 2,017 | 2,017 |
| Capital projects | - | - | - | - | 3,946,115 | 29,878,296 | 33,824,411 |
| Parks and recreation | - | - | - | - | - | 135,767 | 135,767 |
| Chemical dependency/ mental health | - | - | - | - | - | 5,812,337 | 5,812,337 |
| Emergency medical/ criminal justice | - | - | 14,511,016 | - | - | - | 14,511,016 |
| Flood control/ stormwater | - | - | - | - | - | 12,929,179 | 12,929,179 |
| Land purchases | - | - | - | - | - | 5,061,657 | 5,061,657 |
| Social services | - | - | - | - | - | 1,365,575 | 1,365,575 |
| Solid waste | - | - | - | - | - | 3,510,979 | 3,510,979 |
| Tourism promotion | - | - | - | - | - | 1,898,485 | 1,898,485 |
| Other purposes | - | - | - | - | - | 3,975,036 | 3,975,036 |
| Committed to: | | | | | | | |
| Elections | - | - | - | - | - | 729,102 | 729,102 |
| Parks and recreation | - | - | - | - | - | 2,489,579 | 2,489,579 |
| Capital projects | - | - | - | - | - | 11,444,664 | 11,444,664 |
| Assigned to: | | | | | | | |
| Corrections | - | - | - | - | - | 3,040,412 | 3,040,412 |
| Parks and recreation | - | - | - | - | - | 67,519 | 67,519 |
| Emergency management | - | - | - | - | - | 253,646 | 253,646 |
| Unassigned: | 20,306,122 | - | - | - | - | - | 20,306,122 |
| Total fund balances | <u>\$20,700,316</u> | <u>\$21,410,087</u> | <u>\$14,511,016</u> | <u>\$28,027,403</u> | <u>\$3,946,115</u> | <u>\$82,594,250</u> | <u>\$171,189,187</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 2019, the following funds were added: Mental Health and Developmental Disabilities, Affordable and

Supportive Housing, Public Safety Radio System, North Lake Samish Road Bridge No. 107 Replacement, Vactor Truck Storage Building, Marine Drive, Locust Ave to Alderwood Ave Reconstruction and Prox Lock Control Panel Replacement.

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. Expenditures exceeded legal appropriations in Non-Departmental (A department within the General Fund) by \$1.5 million. Beginning in 2019 revenues previously distributed directly to junior taxing districts are now required to be recognized as revenue by Whatcom County. The distributions to junior taxing districts are recorded as expenditures by Whatcom County. This increased revenues and expenditures equally and there was no effect on fund balance.

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, 2019.

The investments and maturities the County had as of December 31, 2019, are shown on the following page.

Table FN3 - Investment Maturities (in years)

| Investments and Maturities (In Years) | | | |
|--|----------------------|----------------------|----------------------|
| Investment Type | Fair Value | Less Than 1 | 1 to 5 |
| Debt Securities | | | |
| US Agency Notes | \$232,645,775 | \$85,125,000 | \$147,520,775 |
| US Treasury Notes | \$9,993,800 | \$9,993,800 | \$- |
| Municipal Bonds | \$72,397,062 | \$23,624,617 | \$48,772,445 |
| Supranational | \$40,707,134 | \$14,169,294 | \$26,537,840 |
| Total Debt Securities | | <u>\$132,912,711</u> | <u>\$222,831,060</u> |
| Other Securities | | | |
| Local Government Investment Pool | \$97,131,697 | | |
| Money Market Savings Account | \$30,844,213 | | |
| Certificates of Deposit | \$45,961,843 | | |
| Plus 12/31/19 WCIP accrued interest less Dec POOL interest earnings | <u>\$1,388,372</u> | | |
| Total Investments | <u>\$531,069,896</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, 2019 the County held no investments in banker's acceptances, repurchase agreements, corporate notes or commercial paper.

At December 31, 2019 the County's investments had the following credit quality distribution for securities with credit exposure:

Table FN4 - Credit Quality Distribution for Securities

| Investment Type | Fair Value | Amortized Cost | AAA/Aaa | AA/Aa | A | Not Rated |
|------------------------------|----------------------|-----------------------|----------------------|---------------------|--------------------|----------------------|
| US Agency Notes | \$232,645,775 | | \$232,645,775 | | | |
| US Treasury Notes | \$9,993,800 | | \$9,993,800 | | | |
| Municipal Bonds | \$72,397,062 | | \$18,119,149 | \$49,304,563 | \$4,973,350 | |
| Supranational | \$40,707,134 | | \$40,707,134 | | | |
| LGIP | | \$97,131,697 | | | | \$97,131,697 |
| Money Market Savings Account | | \$30,844,213 | | | | \$30,844,213 |
| Certificates of Deposit | | \$45,961,843 | | | | \$45,961,843 |
| Total | <u>\$355,743,771</u> | <u>\$173,937,753</u> | <u>\$301,465,858</u> | <u>\$49,304,563</u> | <u>\$4,973,350</u> | <u>\$173,937,753</u> |

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. The County's recurring fair value measurements at December 31, 2019, are shown on the following page.

Table FNS - 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 | \$232,645,775 | \$- | \$232,645,775 | \$- |
| US Treasury Notes | \$9,993,800 | \$9,993,800 | \$- | \$- |
| Municipal Bonds | \$72,397,062 | \$- | \$72,397,062 | \$- |
| Supranational | \$40,707,134 | \$- | \$40,707,134 | \$- |
| Total Investments Measured at Fair Value | \$355,743,771 | \$9,993,800 | \$345,749,971 | \$- |
| Investments Measured at Amortized Cost | | | | |
| State Local Government Investment Pool (LGIP) | \$97,131,697 | | | |
| Certificate of Deposits | \$45,961,843 | | | |
| Money Market Accounts | \$30,844,213 | | | |
| Total Investments Measured at Amortized Cost | \$173,937,753 | | | |
| Plus 12/31/19 WCIP accrued interest | | | | |
| less Dec POOL interest earnings | \$1,388,372 | | | |
| Total Investments | \$531,069,896 | | | |

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, 2019, the WCIP had one discretionary pool participant accounting for 6 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, 2019, the fair value of investments in the WCIP was \$910,920 more 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 were no investments purchased by districts not invested in the WCIP for 2019.

C. SUMMARY OF DEPOSIT AND INVESTMENT BALANCES

Reconciliation of the County's deposits and investment balances as of December 31, 2019, is as follows:

Table FN6 - Deposits and Investment Reconciliations

Composition of cash and investments:

| | |
|--|----------------------|
| CD's and Savings accounts | \$76,806,056 |
| Municipal Notes | \$72,397,062 |
| US Treasury Notes | \$9,993,800 |
| US Agency Notes | \$232,645,775 |
| Supranational Agency Notes | \$40,707,134 |
| LGIP | \$97,131,697 |
| Pool interest accruals | \$1,388,372 |
| Total Investments (fair value) | \$531,069,896 |
| Deposits with financial institutions | \$7,396,748 |
| Petty cash | \$197,050 |
| Total Cash and Investments (Internal and External) | \$538,663,694 |
| Cash and pooled investments reported on statements: | |
| County funds | \$181,204,998 |
| Investment Trust fund | 335,063,246 |
| Agency funds | 22,395,450 |
| Total Cash and Investments (Internal and External) | \$538,663,694 |

The Whatcom County Investment Pool's Condensed Statement of Net Position and Changes in Net Position as of December 31, 2019 are shown on the tables below:

Table FN7 - Condensed Statement of Net Position

| | |
|--|---------------|
| Assets | \$531,069,896 |
| Less: Liabilities | - |
| Net assets held in trust for pool participants | \$531,069,896 |
| Equity of internal pool participants | \$196,006,650 |
| Equity of external pool participants | 335,063,246 |
| Total equity | \$531,069,896 |

Table FN8 - Condensed Statement of Changes in Net Position

| | |
|--|---------------|
| Net position-beginning | \$414,755,336 |
| Net change in investments by pool participants | 116,314,560 |
| Net position-ending | \$531,069,896 |

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. Property tax revenues are recognized if collected within 60 days of year end. 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 |
|-----------------|--------------------------------|-------------------------|-----------------------------|
| 2019 | \$32,203,527,231 | \$30,475,439 | 98.7% |
| 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% |

(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 2019 was \$0.9463385459 per \$1,000 on an assessed valuation of \$32.2 billion for a regular levy of \$30,475,439. This levy was used for general governmental purposes.

The Road Fund levied \$1.3326957062 per \$1,000 on an assessed value of \$15.1 billion in 2019. This resulted in a total levy of \$20,089,856 to be used for county road maintenance and construction.

The Flood Control Zone District Fund levied \$0.1508291867 per \$1,000 on an assessed value of \$32.2 billion in 2019. This resulted in a total levy of \$4,857,232 to be used to address flooding and associated storm water issues and to achieve flood damage reduction.

The Conservation Futures Fund levied \$0.0350131246 per \$1,000 on an assessed value of \$32.2 billion in 2019. This resulted in a total levy of \$1,127,546 to be used to acquire rights and interest in open space land, farm and agricultural land and timber land.

For 2019, the Emergency Medical Services levy for the County was \$0.2536116504 per \$1,000 on an assessed valuation of \$32.2 billion for a total levy of \$8,167,190.

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2019 is shown on the following page.

Table FN10 - Capital Assets Activity

| Governmental activities | Beginning Balance 01/01/2019 | Increases | Decreases | Ending Balance 12/31/2019 |
|--|---------------------------------|--------------|-------------|------------------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$105,156,429 | \$1,013,132 | \$- | \$106,169,561 |
| Construction in progress | 3,989,338 | 6,747,653 | (112,771) | 10,624,220 |
| Intangible assets | 50,400 | - | - | 50,400 |
| Total capital assets, not being depreciated | 109,196,167 | 7,760,785 | (112,771) | 116,844,181 |
| Capital assets, being depreciated | | | | |
| Buildings | 77,939,534 | - | - | 77,939,534 |
| Improvements | 15,289,185 | 2,066,033 | - | 17,355,218 |
| Equipment | 44,600,375 | 4,050,594 | (2,624,061) | 46,026,908 |
| Infrastructure | 203,867,617 | 5,406,122 | - | 209,273,739 |
| Total capital assets being depreciated | 341,696,711 | 11,522,749 | (2,624,061) | 350,595,399 |
| Less accumulated depreciation for: | | | | |
| Buildings | (36,304,340) | (1,520,974) | - | (37,825,314) |
| Improvements | (7,386,213) | (740,198) | - | (8,126,411) |
| Equipment | (28,584,917) | (2,928,978) | 2,482,253 | (29,031,642) |
| Infrastructure | (124,493,875) | (6,618,343) | - | (131,112,218) |
| Total accumulated depreciation | (196,769,345) | (11,808,493) | 2,482,253 | (206,095,585) |
| Total capital assets, being depreciated, net | 144,927,366 | (285,744) | (141,808) | 144,499,814 |
| Governmental activities capital assets, net | \$254,123,533 | \$7,475,041 | \$(254,579) | \$261,343,995 |
| 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 | (23,288) | (642) | - | (23,930) |
| Total accumulated depreciation | (23,288) | (642) | - | (23,930) |
| Total capital assets, being depreciated, net | 1,017 | (642) | - | 375 |
| Business-type activities capital assets, net | \$1,017 | \$(642) | \$- | \$375 |

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 | \$3,848,757 |
| Public safety | 641,666 |
| Transportation | 6,505,783 |
| Natural and Economic environment | 294,463 |
| Social services | 73,268 |
| Culture & recreation | 444,556 |
| Total depreciation expense | <u>\$11,808,493</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 2019:

Table FN12 - Aggregate Pension Amounts - All Plans

| | |
|--------------------------------|----------------|
| Pension liabilities | \$(19,002,225) |
| Pension assets | \$6,511,750 |
| Deferred outflows of resources | \$5,705,938 |
| Deferred inflows of resources | \$(12,703,685) |
| Pension expense/expenditures | \$1,327,605 |

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:

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 2019 were as follows:

| PERS Plan 1 Actual Contribution Rates: | Employer | Employee* |
|---|-----------------|------------------|
| January - June 2019 | | |
| PERS Plan 1 | 7.52% | 6.00% |
| PERS Plan 1 UAAL | 5.13% | |
| Administrative Fee | 0.18% | |
| Total | 12.83% | 6.00% |
| July - December 2019 | | |
| PERS Plan 1 | 7.92% | 6.00% |
| PERS Plan 1 UAAL | 4.76% | |
| Administrative Fee | 0.18% | |
| Total | 12.86% | 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 1 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 2019 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 - June 2019 | | |
| 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% |
| July - December 2019 | | |
| PERS Plan 2 | | 7.90% |
| PERS Plan 3 | | varies |
| PERS Plan 2/3 | 7.92% | |
| PERS Plan 1 UAAL | 4.76% | |
| Administrative Fee | 0.18% | |
| Total | 12.86% | 7.90% |

*For employees participating in JBM, the contribution rate was 18.53% to 19.75%.

The County’s actual PERS plan contributions were \$2,717,897 to PERS Plan 1 and \$3,737,584 to PERS Plan 2/3 for the year ended December 31, 2019.

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 2019 were as follows:

| PSERS Plan 2 Actual Contribution Rates: | Employer | Employee |
|--|-----------------|-----------------|
| January - June 2019 | | |
| PSERS Plan 2 | 7.07% | 7.07% |
| PERS Plan 1 UAAL | 5.13% | |
| Administrative Fee | 0.18% | |
| Total | 12.38% | 7.07% |
| July - December 2019 | | |
| PSERS Plan 2 | 7.20% | 7.20% |
| PERS Plan 1 UAAL | 4.76% | |
| Administrative Fee | 0.18% | |
| Total | 12.14% | 7.20% |

The County's actual plan contributions were \$389,190 to PSERS Plan 2 for the year ended December 31, 2019.

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% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2019. 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 includes 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 state contribution rate (expressed as a percentage of covered payroll) was 3.44% as of July 1, 2019.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

Table FN16 - LEOFF Plan 2 Actual Contribution Rates

| LEOFF Plan 2 Actual Contribution Rates: | Employer | Employee |
|--|-----------------|-----------------|
| January - June 2019 | | |
| State and local governments | 5.25% | 8.75% |
| Administrative Fee | 0.18% | |
| Total | 5.43% | 8.75% |
| July - December 2019 | | |
| State and local governments | 5.15% | 8.59% |
| Administrative Fee | 0.18% | |
| Total | 5.33% | 8.59% |

The County's actual contributions to the plan were \$456,876 for the year ended December 31, 2019.

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, 2019, the state contributed \$72,959,897 to LEOFF Plan 2. The amount recognized by Whatcom County as its proportionate share of this amount is \$5,620,483.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2019 with a valuation date of June 30, 2018. 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 2018 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2019. Plan liabilities were rolled forward from June 30, 2018, to June 30, 2019, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation

- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

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.

- OSA updated modeling to reflect providing benefit payments to the date of the initial retirement eligibility for terminated vested members who delay application for retirement benefits.
- OSA updated COLA programming to reflect legislation signed during the 2018 legislative session that provides PERS and TRS Plan 1 annuitants who are not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time permanent 1.5% increase to their monthly retirement benefit, not to exceed a maximum of \$62.50 per month.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.5 percent except LEOFF 2, which has assumed 7.4 percent). Consistent with the long-term expected rate of return, a 7.4 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 7.4 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 7.4 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, 2019, 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% | 2.20% |
| Tangible Assets | 7% | 5.10% |
| 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 Whatcom County's proportionate share of the net pension liability calculated using the discount rate of 7.4 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 (6.4 percent) or 1-percentage point higher (8.4 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 | \$18,529,404 | \$14,796,080 | \$11,556,930 |
| PERS 2/3 | \$32,259,462 | \$4,206,145 | \$(18,813,455) |
| PSERS 2 | \$1,569,999 | \$(152,074) | \$(1,504,908) |
| LEOFF 1 | \$(604,699) | \$(739,193) | \$(855,316) |
| LEOFF 2 | \$(1,045,085) | \$(5,620,483) | \$(9,355,054) |

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, 2019, the County reported a total pension liability of \$12,490,475 for its proportionate share of the net pension liabilities, as shown on the following page.

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

| | Liability (or Asset) |
|----------|-----------------------------|
| PERS 1 | \$14,796,080 |
| PERS 2/3 | \$4,206,145 |
| PSERS 2 | \$(152,074) |
| LEOFF 1 | \$(739,193) |
| LEOFF 2 | \$(5,620,483) |

The amount of the asset reported above for LEOFF Plans 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 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 | \$(739,193) | \$(5,620,483) |
| State's proportionate share of the net pension liability/(asset) associated with the employer | \$(4,999,885) | \$(3,680,663) |
| Total | \$(5,739,078) | \$(9,301,146) |

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 6/30/18 | Proportionate Share 6/30/19 | Change in Proportion |
|----------|------------------------------------|------------------------------------|-----------------------------|
| PERS 1 | 0.393% | 0.385% | -0.008% |
| PERS 2/3 | 0.434% | 0.433% | -0.001% |
| PSERS 2 | 1.290% | 1.169% | -0.121% |
| LEOFF 1 | 0.036% | 0.037% | 0.001% |
| LEOFF 2 | 0.244% | 0.243% | -0.001% |

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 2019. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2019, 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 2019, the state of Washington contributed 39.57 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.43 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2019, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2018, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2019, the County recognized pension expense as follows:

| | Pension Expense |
|----------|------------------------|
| PERS 1 | \$309,234 |
| PERS 2/3 | \$715,992 |
| PSERS 2 | \$246,049 |
| LEOFF 1 | \$(54,436) |
| LEOFF 2 | \$110,766 |
| Total | <u>\$1,327,605</u> |

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, 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 |
| <u>Public Employees' Retirement System (PERS)</u> | | | | |
| Difference between expected and actual experience | \$- | \$- | \$1,205,071 | \$(904,298) |
| Net difference between projected and actual investment earnings on pension plan investments | \$- | \$(988,502) | \$- | \$(6,122,434) |
| Change of assumptions | \$- | \$- | \$107,706 | \$(1,764,758) |
| Changes in proportion and differences between contributions and proportionate share of contributions | \$- | \$- | \$89,383 | \$(504,077) |
| Contributions subsequent to the measurement date | \$1,316,313 | \$- | \$1,930,969 | \$- |
| Total | \$1,316,313 | \$(988,502) | \$3,333,128 | \$(9,295,567) |
| | | | | |
| | Plan 2 | | | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources | | |
| <u>Public Safety Employees' Retirement System (PSERS)</u> | | | | |
| Difference between expected and actual experience | \$128,423 | \$(13,450) | | |
| Net difference between projected and actual investment earnings on pension plan investments | \$- | \$(264,084) | | |
| Change of assumptions | \$1,224 | \$(81,730) | | |
| Changes in proportion and differences between contributions and proportionate share of contributions | \$1,416 | \$(43,702) | | |
| Contributions subsequent to the measurement date | \$196,211 | \$- | | |
| Total | \$327,274 | \$(402,966) | | |
| | | | | |
| | Plan 1 | | Plan 2 | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| <u>Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)</u> | | | | |
| Difference between expected and actual experience | \$- | \$- | \$404,444 | \$(101,071) |
| Net difference between projected and actual investment earnings on pension plan investments | \$- | \$(76,632) | \$- | \$(1,152,375) |
| Change of assumptions | \$- | \$- | \$9,259 | \$(632,484) |
| Changes in proportion and differences between contributions and proportionate share of contributions | \$- | \$- | \$81,172 | \$(54,088) |
| Contributions subsequent to the measurement date | \$- | \$- | \$234,348 | \$- |
| Total | \$- | \$(76,632) | \$729,223 | \$(1,940,018) |

Deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. 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 |
|----------------------------|-------------|---------------|------------|------------|-------------|
| 2020 | \$(218,217) | \$(1,953,525) | \$(47,681) | \$(17,799) | \$(293,352) |
| 2021 | \$(516,894) | \$(3,217,411) | \$(89,209) | \$(39,232) | \$(582,347) |
| 2022 | \$(184,458) | \$(1,468,714) | \$(56,814) | \$(14,236) | \$(259,427) |
| 2023 | \$(68,933) | \$(820,982) | \$(32,355) | \$(5,365) | \$(137,217) |
| 2024 | \$- | \$(435,840) | \$(7,952) | \$- | \$(44,881) |
| Thereafter | \$- | \$3,068 | \$(37,885) | \$- | \$(127,918) |

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, 2019, the amount of these liabilities was \$3,376,624. Changes in the balances of claims liabilities during 2018 and 2019 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 |
|------|---------------------------------------|--------------------------------|--|------------------------|
| 2018 | \$4,347,064 | \$(8,684,344) | \$8,788,747 | \$4,451,467 |
| 2019 | \$4,451,467 | \$(6,363,052) | \$5,288,209 | \$3,376,624 |

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, 2019, the balance of the pension is \$30,183.

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, 2019, 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 2019, Whatcom County selects a per-occurrence deductible of \$100,000.

Members make an annual contribution to fund the Pool. The Pool acquires excess and reinsurance for further protection from larger losses. For the first \$10,000,000 of coverage, the Pool acquires reinsurance. The reinsurance agreements are written with self-insured retentions ("SIRs") equal to the amount of the layer of coverage below. For 2018-19, the Pool's SIR was \$1,000,000 (for 2019-20, the Pool's SIR increased to \$2,000,000). More recent years' reinsurance programs have included "corridor deductibles" with aggregated stop losses which have the effect of increasing the Pool's SIR. For 2018-19, the "corridor" increased the SIR to \$2,000,000, with losses between \$1,000,000 and \$2,000,000 having an annual aggregated stop loss of \$2.5 million. The other reinsurance agreements respond up to the applicable policy limits and the agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$20 million (lowest reinsured layer), \$30 million, (second layer), and \$50 million (third layer). The Pool purchases excess coverage for the additional \$10,000,000 with an aggregate limit of \$100,000,000. Since the Pool is a cooperative program, there is a joint liability among the participating members. Sixteen of the Pool's 26 member counties group purchase an additional \$5,000,000 policy in excess of the pooled \$20,000,000.

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 2018-19, 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 2018-19, the WCRP's assets increased to \$60.6 million while its liabilities increased to \$40.6 million. The Pool's net position remained at \$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, 2019 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, 2019, outstanding bonds totaled \$1,845,000.

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 |
| 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 | \$1,845,000 | \$601,088 |

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, 2019, 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, 2019, 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 | \$1,985,000 | \$- | \$140,000 | \$1,845,000 | \$145,000 |
| Discounts/ premiums | 6,377 | - | 5,779 | 598 | - |
| Total bonds payable | 1,991,377 | - | 145,779 | 1,845,598 | 145,000 |
| Capital leases | 449,948 | 14,658 | 146,972 | 317,634 | 135,462 |
| Claims | 4,451,467 | 5,288,209 | 6,363,052 | 3,376,624 | 3,376,624 |
| Pension obligations | 24,465,833 | - | 5,858,854 | 18,606,979 | - |
| OPEB obligations | 7,387,898 | - | 828,872 | 6,559,026 | - |
| Compensated absences | 7,250,326 | 7,711,763 | 7,640,463 | 7,321,626 | 7,321,626 |
| Landfill post-closure costs | 250,000 | - | - | 250,000 | - |
| Total Governmental Activities | <u>\$46,246,849</u> | <u>\$13,014,630</u> | <u>\$20,983,992</u> | <u>\$38,277,487</u> | <u>\$10,978,712</u> |
| Business-Type Activities | | | | | |
| Pension obligations | \$511,712 | \$- | \$116,466 | \$395,246 | \$- |
| Compensated absences | 79,252 | 124,733 | 131,877 | 72,108 | 72,108 |
| Total Business-Type Activities | <u>\$590,964</u> | <u>\$124,733</u> | <u>\$248,343</u> | <u>\$467,354</u> | <u>\$72,108</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, Mental Health and Developmental Disabilities, Countywide Emergency Medical Services, Solid Waste, Victim/ Witness Assistance and Emergency Management special revenue funds, 2010 Jail Improvement capital projects fund 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 \$74,273 for the year ended December 31, 2019. The future minimum lease payments for this lease are shown on the following page.

Table FN28 - Operating Leases

| Year Ending December 31 | | Amount |
|----------------------------|---|-----------|
| 2020 | * | \$76,501 |
| 2021 | * | 78,796 |
| 2022 | * | 81,160 |
| 2023 | * | 83,594 |
| Total | | \$320,051 |

*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

| | Governmental Activities |
|--------------------------------|----------------------------|
| Asset: | |
| Machinery and equipment | \$757,294 |
| Less: Accumulated depreciation | (436,697) |
| Total | \$320,597 |

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019, are shown as follows:

Table FN30 - Future Minimum Lease Obligations

| | Governmental Activities |
|---|----------------------------|
| 2020 | \$138,789 |
| 2021 | 109,448 |
| 2022 | 66,393 |
| 2023 | 9,567 |
| 2024 | 851 |
| Total Minimum Lease Payments | 325,048 |
| Less: Interest | 7,414 |
| Present Value of Minimum Lease Payments | \$317,634 |

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) | \$516,276,165 |
| General Government (With 3/5 majority vote) | \$871,880,228 |

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, 2019. The major projects include Triage Center expansion, East Whatcom Regional Resource Center expansion project, storm water improvements, park improvements, and county road projects.

At year-end the County does not have any 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.)

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 2019 totaled \$8,613,953. Each year 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. These services are funded by a combination of sales tax and user fees.

In 2019, the County entered into an agreement with the City of Blaine to provide \$883,333 in funding for the Gateway stormwater facility. In addition, the County contracted with Port of Bellingham to provide \$750,000 in funding for rural broadband and agreed to loan the City of Bellingham Housing Authority \$600,275 for the Samish Way development.

The funding for all of these commitments 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, 2019, interfund receivable and interfund payable balances are as follows:

Table FN32 - Interfund Receivable/Payable

| Due To | Due From | | | | | | Total |
|---------------------------------------|--------------|-------------|----------------------------|---------------------|-------------|-------------|-------|
| | General Fund | County Road | Triage Center Expansion | Internal Service | All Others | | |
| General Fund | \$62,771 | \$770 | \$- | \$79,383 | \$613,790 | \$756,714 | |
| County Road | 100,834 | - | - | 64,322 | 96,697 | 261,853 | |
| Countywide Emergency Medical Services | 225,420 | - | - | - | - | 225,420 | |
| Internal Service | 295,552 | 111,012 | 263 | - | 71,101 | 477,928 | |
| All Others | 274,308 | 3,393,342 | - | 4,387 | 554,602 | 4,226,639 | |
| Total | \$958,885 | \$3,505,124 | \$263 | \$148,092 | \$1,336,190 | \$5,948,554 | |

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, 2019 were as follows:

Table FN33 - Interfund Loans Receivable/Payable

| Interfund Loan Receivable | Interfund Loan Payable | | |
|---------------------------|------------------------|------------|-----------|
| | General Fund | All Others | Total |
| County Road | \$268,610 | \$- | \$268,610 |
| Internal Service | 433,648 | - | 433,648 |
| All Others | - | 250,000 | 250,000 |
| Total | \$702,258 | \$250,000 | \$952,258 |

The Road Fund loaned the General Fund funds to finance the cost of replacing the Sheriff/ Jail records management system. At year end, the outstanding amount on the loan is \$268,610.

The Equipment Rental and Revolving Fund loaned the General Fund funds to finance the Central Plaza building. As of 12/31/19, \$433,648 is outstanding on the loan.

In 2019, the Real Estate Excise Tax II fund loaned the Agate Heights Estate/ Bay Lane Storm Water Improvement fund

\$250,000 for cash flow purposes.

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, 2019, are shown below:

Table FN34 - Interfund Transfers

| Transfer To | Transfers From | | | | | | Total |
|--|--------------------|--------------------|--|---------------------------------|---------------------|---------------------|---------------------|
| | General Fund | County Road | Countywide Emergency Medical Services | Public Utilities Improvement | Internal Service | All Others | |
| General Fund | \$54,610 | \$464,790 | \$850,000 | \$- | \$460,498 | \$3,323,978 | \$5,153,876 |
| County Road | 275,268 | - | - | - | 129,750 | 617,368 | 1,022,386 |
| Countywide Emergency Medical Services | 105,826 | - | - | - | - | - | 105,826 |
| Triage Center Expansion | - | - | - | - | - | 1,000,000 | 1,000,000 |
| Internal Service | 820,989 | 179,736 | - | - | - | 127,418 | 1,128,143 |
| All Others | 8,692,281 | 8,706,358 | - | 2,961,633 | - | 7,304,066 | 27,664,338 |
| Total | \$9,948,974 | \$9,350,884 | \$850,000 | \$2,961,633 | \$590,248 | \$12,372,830 | \$36,074,569 |

Below are significant interfund transfers the County made for 2019:

- Public Utilities Improvement Fund and Real Estate Excise Tax I Fund provided funding for the courthouse building envelope project.
- The Road Fund transferred funding to the Birch Bay Drive and Pedestrian Facility project.
- Non-major fund transfers out include a transfer from Real Estate Excise Tax II to fund Silver Lake renovations.

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 \$907,732 as its share of operations in 2019. Whatcom County did not have an equity interest in What-Comm in 2019. 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 2019:

Table FN35 - Aggregate OPEB Amounts - All Plans

| | |
|--------------------------------|-------------|
| OPEB liabilities | \$6,559,026 |
| Deferred outflows of resources | \$166,727 |
| OPEB expense/expenditures | (\$458,112) |

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 16 inactive LEOFF I members currently receiving benefits.

Table FN36 - Employees Covered by Benefit Terms

| | |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefits | 16 |
| Inactive employees entitled to but not yet receiving benefits | - |
| Active employees | - |
| Total | <u>16</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 3.50 percent
- Healthcare trend rates
 - Medical costs 6 percent, trends down to about 5 percent in 2020s
 - 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, 2018 to the measurement date of June 30, 2019 using the healthcare trend rates detailed in the 2018 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 6.0 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 (5.0 percent) or 1 percentage point higher (7.0 percent) than the current rate.

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

| | 1% Decrease (5.0%) | Current Healthcare Cost Trend Rate (6.0%) | 1% Increase (7.0%) |
|----------------------|-----------------------|---|--------------------|
| Total OPEB Liability | \$5,960,035 | \$6,559,026 | \$7,247,240 |

The following presents the total OPEB liability of the County calculated using the discount rate of 3.50 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50 percent) or 1 percentage point higher (4.50 percent) than the current rate.

Table FN38 - OPEB Liability Calculated Using Current Discount Rate

| | 1% Decrease (2.50%) | Current Discount Rate (3.50%) | 1% Increase (4.50%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$7,294,045 | \$6,559,026 | \$5,933,981 |

CHANGES IN THE TOTAL OPEB LIABILITY

Table FN39 - Changes in the Total OPEB Liability

| | |
|--|--------------------|
| Total OPEB Liability at 1/1/2019 | \$7,387,898 |
| Service cost | - |
| Interest cost | 278,806 |
| Changes in experience data and assumptions | (736,918) |
| Changes of benefit terms | - |
| Estimated benefit payments | (370,760) |
| Other | - |
| Total OPEB Liability at 12/31/2019 | \$6,559,026 |

The total OPEB liability was based on a June 30, 2019 measurement date. Changes of assumptions and other inputs reflect a change in the discount rate from 3.87 percent at the beginning of the measurement year to 3.50 percent at the end of the measurement year.

At December 31, 2019, 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 | \$166,727 | \$- |
| Total | \$166,727 | \$- |

Deferred outflows of resources of \$166,727 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, 2020. 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 \$101,826

Historic Property Program

- City of Bellingham \$11,875
- City of Lynden \$5,284

NOTE 17 – PRIOR PERIOD ADJUSTMENT

In 2018, revenue was underbilled for a general election in the Election Reserve Fund. The underbilled amount was billed in 2019 and a prior period adjustment of \$75,000 was made to correct this error. The beginning net position in the government-wide statements and the beginning fund balances in the governmental fund statements were restated.

NOTE 18 – SUBSEQUENT EVENTS

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, cancelling public events, prohibiting public and private gatherings and requiring people to stay home unless they are leaving for an essential function.

Whatcom County has taken immediate actions to insure the continuity of government and adjust county operations to address the financial impact of the pandemic. The Whatcom County Executive has implemented a hiring freeze, a reduction in spending of discretionary funds, and has initiated discussions with union groups to reduce labor costs. Whatcom County has implemented processes to enable workers to work remotely and enable citizens to conduct business with the county remotely.

Required Supplemental Information
 Schedule of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual
 General Fund
 Year Ended December 31, 2019

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive/ (Negative) |
|---|---------------------|---------------------|--|--|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$47,864,051 | \$47,864,051 | \$49,411,584 | \$1,547,533 |
| Licenses and permits | 3,802,909 | 3,802,909 | 3,700,356 | (102,553) |
| Intergovernmental | 15,581,941 | 18,331,858 | 16,545,255 | (1,786,603) |
| Charges for service | 8,372,564 | 8,424,464 | 9,169,834 | 745,370 |
| Fines and penalties | 2,059,100 | 2,059,100 | 2,091,385 | 32,285 |
| Miscellaneous | 4,481,755 | 4,566,491 | 6,226,520 | 1,660,029 |
| Total revenues | 82,162,320 | 85,048,873 | 87,144,934 | 2,096,061 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 32,681,023 | 32,496,291 | 33,585,744 | (1,089,453) |
| Public safety | 28,078,555 | 29,370,808 | 27,491,541 | 1,879,267 |
| Natural and economic environment | 1,746,273 | 2,723,403 | 2,109,849 | 613,554 |
| Social services | 15,034,351 | 15,579,719 | 14,701,947 | 877,772 |
| Culture and recreation | 4,453,030 | 4,516,939 | 4,091,324 | 425,615 |
| Capital outlay | 44,500 | 567,772 | 165,086 | 402,686 |
| Debt service: | | | | |
| Interest | 16,617 | 16,617 | 14,649 | 1,968 |
| Total expenditures | 82,054,349 | 85,271,549 | 82,160,140 | 3,111,409 |
| Excess (deficiency) of revenues over expenditures | 107,971 | (222,676) | 4,984,794 | 5,207,470 |
| Other financing sources (uses) | | | | |
| Sales of capital assets | 370,000 | 370,000 | 3,225,627 | 2,855,627 |
| Transfers in | 5,003,885 | 4,966,154 | 5,153,876 | 187,722 |
| Transfers out | (9,998,270) | (10,400,143) | (9,948,974) | 451,169 |
| Capital lease proceeds | - | - | 17,276 | 17,276 |
| Total other financing sources (uses) | (4,624,385) | (5,063,989) | (1,552,195) | 3,511,794 |
| Net change in fund balances | (4,516,414) | (5,286,665) | 3,432,599 | 8,719,264 |
| Fund balances-beginning | 17,267,717 | 17,267,717 | 17,267,717 | - |
| Fund balances-ending | \$12,751,303 | \$11,981,052 | \$20,700,316 | \$8,719,264 |

Notes to the Budget Comparison Schedule 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, 2019

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 | \$19,527,200 | \$19,289,200 | \$19,081,176 | \$(208,024) |
| Licenses and permits | 110,000 | 110,000 | 144,911 | 34,911 |
| Intergovernmental | 9,612,802 | 11,265,697 | 8,841,328 | (2,424,369) |
| Charges for service | 548,720 | 548,720 | 974,862 | 426,142 |
| Miscellaneous | 104,941 | 104,941 | 319,162 | 214,221 |
| Total revenues | 29,903,663 | 31,318,558 | 29,361,439 | (1,957,119) |
| Expenditures | | | | |
| Current: | | | | |
| General government | 544,959 | 544,959 | 766,636 | (221,677) |
| Transportation | 24,253,535 | 24,168,365 | 19,785,684 | 4,382,681 |
| Capital outlay | 10,868,810 | 13,323,480 | 6,004,008 | 7,319,472 |
| Total expenditures | 35,667,304 | 38,036,804 | 26,556,328 | 11,480,476 |
| Excess (deficiency) of revenues over expenditures | (5,763,641) | (6,718,246) | 2,805,111 | 9,523,357 |
| Other financing sources (uses) | | | | |
| Sales of capital assets | 450,000 | 450,000 | 607,760 | 157,760 |
| Transfers in | 852,182 | 1,090,182 | 1,022,386 | (67,796) |
| Transfers out | (7,089,969) | (7,084,969) | (9,350,884) | (2,265,915) |
| Insurance recoveries | - | - | 20,000 | 20,000 |
| Total other financing sources (uses) | (5,787,787) | (5,544,787) | (7,700,738) | (2,155,951) |
| Net change in fund balances | (11,551,428) | (12,263,033) | (4,895,627) | 7,367,406 |
| Fund balances-beginning | 26,305,714 | 26,305,714 | 26,305,714 | - |
| Fund balances-ending | \$14,754,286 | \$14,042,681 | \$21,410,087 | \$7,367,406 |

Notes to the Budget Comparison Schedule are an integral part of this statement.

Required Supplemental Information
 Schedule of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual
 Countywide Emergency Medical Services
 Year Ended December 31, 2019

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive/ (Negative) |
|---|---------------------|---------------------|--|--|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$10,887,518 | \$10,797,518 | \$10,952,929 | \$155,411 |
| Intergovernmental | 567,350 | 1,756,750 | 4,102,035 | 2,345,285 |
| Charges for service | 3,197,533 | 3,197,533 | 3,419,779 | 222,246 |
| Miscellaneous | 36,000 | 36,000 | 326,111 | 290,111 |
| Total revenues | 14,688,401 | 15,787,801 | 18,800,854 | 3,013,053 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 11,467,150 | 11,631,362 | 11,339,387 | 291,975 |
| Capital outlay | - | 121,280 | 120,041 | 1,239 |
| Total expenditures | 11,467,150 | 11,752,642 | 11,459,428 | 293,214 |
| Excess (deficiency) of revenues over expenditures | 3,221,251 | 4,035,159 | 7,341,426 | 3,306,267 |
| Other financing sources (uses) | | | | |
| Sales of capital assets | 40,000 | 40,000 | 120,494 | 80,494 |
| Transfers in | - | 90,000 | 105,826 | 15,826 |
| Transfers out | (850,000) | (850,000) | (850,000) | - |
| Total other financing sources (uses) | (810,000) | (720,000) | (623,680) | 96,320 |
| Net change in fund balances | 2,411,251 | 3,315,159 | 6,717,746 | 3,402,587 |
| Fund balances-beginning | 7,793,270 | 7,793,270 | 7,793,270 | - |
| Fund balances-ending | \$10,204,521 | \$11,108,429 | \$14,511,016 | \$3,402,587 |

Notes to the Budget Comparison Schedule 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 2019.

Required Supplemental Information
 Schedule of Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS) Plan 1
 As of June 30, 2019
 Last 10 Fiscal Years*



| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|
| Employer's proportion of the net pension liability (asset) | 0.385% | 0.393% | 0.407% | 0.411% | 0.414% |
| Employer's proportionate share of the net pension liability | \$14,796,080 | \$17,542,983 | \$19,314,982 | \$22,079,993 | \$21,643,182 |
| Employer's covered employee payroll | \$53,175,163 | \$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 | 27.83% | 33.11% | 38.62% | 46.55% | 47.71% |
| Plan fiduciary net position as a percentage of the total pension liability | 67.12% | 63.22% | 61.24% | 57.03% | 59.10% |

*Information is only available for fiscal years 2015-2019.

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, 2019 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, 2019
 Last 10 Fiscal Years*



| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|
| Employer's proportion of the net pension liability (asset) | 0.433% | 0.434% | 0.450% | 0.446% | 0.447% |
| Employer's proportionate share of the net pension liability | \$4,206,145 | \$7,418,581 | \$15,634,932 | \$22,477,398 | \$15,961,703 |
| Employer's covered employee payroll | \$47,181,998 | \$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 | 8.91% | 15.85% | 35.44% | 54.08% | 40.27% |
| Plan fiduciary net position as a percentage of the total pension liability | 97.77% | 95.77% | 90.97% | 85.82% | 89.20% |

*Information is only available for fiscal years 2015-2019.

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, 2019 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, 2019
 Last 10 Fiscal Years*



| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|-------------|-------------|-------------|-------------|-------------|
| Employer's proportion of the net pension liability (asset) | 1.169% | 1.290% | 1.379% | 1.426% | 1.392% |
| Employer's proportionate share of the net pension liability | \$(152,074) | \$15,981 | \$270,271 | \$605,863 | \$253,983 |
| Employer's covered employee payroll | \$5,379,836 | \$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 | -2.83% | 0.30% | 5.53% | 13.12% | 6.23% |
| Plan fiduciary net position as a percentage of the total pension liability | 101.85% | 99.79% | 96.26% | 90.41% | 95.08% |

*Information is only available for fiscal years 2015-2019.

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, 2019 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, 2019
 Last 10 Fiscal Years*



| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Employer's proportion of the net pension liability (asset) | 0.037% | 0.036% | 0.034% | 0.035% | 0.035% |
| Employer's proportionate share of the net pension liability | \$(739,193) | \$(661,859) | \$(518,389) | \$(362,589) | \$(422,249) |
| State's proportionate share of the net pension liability (asset) associated with the employer | \$(4,999,885) | \$(4,476,801) | \$(3,506,370) | \$(2,452,540) | \$(2,856,082) |
| TOTAL | \$(5,739,078) | \$(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% | 0.00% |
| Plan fiduciary net position as a percentage of the total pension liability | 148.78% | 144.42% | 135.96% | 123.74% | 127.36% |

*Information is only available for fiscal years 2015-2019.

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, 2019
Last 10 Fiscal Years*

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Employer's proportion of the net pension liability (asset) | 0.243% | 0.244% | 0.240% | 0.247% | 0.240% |
| Employer's proportionate share of the net pension liability | \$(5,620,483) | \$(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 | \$(3,680,663) | \$(3,209,814) | \$(2,161,094) | \$(935,635) | \$(1,631,453) |
| TOTAL | \$(9,301,146) | \$(8,167,200) | \$(5,492,613) | \$(2,370,819) | \$(4,098,862) |
| Employer's covered employee payroll | \$8,440,586 | \$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 | -110.20% | -98.33% | -73.14% | -31.72% | -58.83% |
| Plan fiduciary net position as a percentage of the total pension liability | 119.43% | 118.50% | 113.36% | 106.04% | 111.67% |

*Information is only available for fiscal years 2015-2019.

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, 2019 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, 2019
 Last 10 Fiscal Years*



| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|---------------|---------------|
| Statutorily or contractually required contributions | \$2,717,897 | \$2,688,439 | \$2,548,237 | \$2,490,469 | \$2,097,126 |
| Contributions in relation to the statutorily or contractually required contributions | \$(2,717,897) | \$(2,688,439) | \$(2,548,237) | \$(2,490,469) | \$(2,097,126) |
| Contribution deficiency (excess) | \$- | \$- | \$- | \$- | \$- |
| Covered employer payroll | \$54,298,389 | \$51,977,462 | \$50,620,497 | \$50,783,623 | \$46,030,402 |
| Contributions as a percentage of covered employee payroll | 5.01% | 5.17% | 5.03% | 4.90% | 4.56% |

*Information is only available for fiscal years 2015-2019.

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, 2019
 Last 10 Fiscal Years*



| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|---------------|---------------|
| Statutorily or contractually required contributions | \$3,737,584 | \$3,448,739 | \$3,060,192 | \$2,791,242 | \$2,248,551 |
| Contributions in relation to the statutorily or contractually required contributions | \$(3,737,584) | \$(3,448,739) | \$(3,060,192) | \$(2,791,242) | \$(2,248,551) |
| Contribution deficiency (excess) | \$- | \$- | \$- | \$- | \$- |
| Covered employer payroll | \$48,408,922 | \$45,988,268 | \$44,611,164 | \$44,790,477 | \$40,129,411 |
| Contributions as a percentage of covered employee payroll | 7.72% | 7.50% | 6.86% | 6.23% | 5.60% |

*Information is only available for fiscal years 2015-2019.

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, 2019
 Last 10 Fiscal Years*



| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-------------|-------------|-------------|-------------|-------------|
| Statutorily or contractually required contributions | \$389,191 | \$358,885 | \$334,459 | \$324,140 | \$281,587 |
| Contributions in relation to the statutorily or contractually required contributions | \$(389,191) | \$(358,885) | \$(334,459) | \$(324,140) | \$(281,587) |
| Contribution deficiency (excess) | \$- | \$- | \$- | \$- | \$- |
| Covered employer payroll | \$5,454,931 | \$5,234,518 | \$5,019,549 | \$4,918,683 | \$4,350,221 |
| Contributions as a percentage of covered employee payroll | 7.13% | 6.86% | 6.66% | 6.59% | 6.47% |

*Information is only available for fiscal years 2015-2019.

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, 2019
 Last 10 Fiscal Years*

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-------|-------|-------|-------|-------|
| Statutorily or contractually required contributions | \$- | \$- | \$- | \$- | \$- |
| Contributions in relation to the statutorily or contractually required contributions | \$- | \$- | \$- | \$- | \$- |
| Contribution deficiency (excess) | \$- | \$- | \$- | \$- | \$- |
| Covered employer payroll | \$- | \$- | \$- | \$- | \$- |
| Contributions as a percentage of covered employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

*Information is only available for fiscal years 2015-2019.

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, 2019
 Last 10 Fiscal Years*



| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-------------|-------------|-------------|-------------|-------------|
| Statutorily or contractually required contributions | \$456,876 | \$441,702 | \$394,184 | \$393,726 | \$366,458 |
| Contributions in relation to the statutorily or contractually required contributions | \$(456,876) | \$(441,702) | \$(394,184) | \$(393,726) | \$(366,458) |
| Contribution deficiency (excess) | \$- | \$- | \$- | \$- | \$- |
| Covered employer payroll | \$8,689,023 | \$8,330,412 | \$7,601,695 | \$7,796,545 | \$7,256,591 |
| Contributions as a percentage of covered employee payroll | 5.26% | 5.30% | 5.19% | 5.05% | 5.05% |

*Information is only available for fiscal years 2015-2019.

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, 2019
 Last 10 Fiscal Years*



| | 2019 | 2018 |
|---|--------------------|--------------------|
| Total OPEB liability - beginning | \$7,387,898 | \$7,679,413 |
| Service cost | - | - |
| Interest | 278,806 | 268,938 |
| Changes in benefit terms | - | - |
| Differences between expected and actual experience | - | - |
| Changes of assumptions | (736,918) | (223,153) |
| Benefit payments | (370,760) | (337,300) |
| Other changes | | |
| Total OPEB liability - ending | \$6,559,026 | \$7,387,898 |
| Covered-employee payroll | - | - |
| Total OPEB liability as a percent of covered payroll | N/A | N/A |

*Information is only available for fiscal years 2018-2019.

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.

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.

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.

Mental Health and Developmental Disabilities - This fund is dedicated to tracking restricted and committed revenues for mental health and developmental disabilities programs according to RCW 71.20.100 and County Council requirements.

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

Affordable and Supportive Housing - A fund to account for a new tax imposed by the County. RCW 82.14.540 authorizes the County to impose a local sales and use tax for affordable and for supportive housing to persons whose income is at or below sixty percent of the Whatcom County area median income.

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.

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.

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.

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.

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 - This fund accounts for the revenues and expenditures related to the remodel of the Law Library and Elections Center space.

Public Safety Radio System - This fund accounts for revenues and expenditures related to replacing the County's current public safety radio system.

North Lake Samish Road Bridge No. 107 Replacement - This fund accounts for revenues and expenditures related to replacing the North Lake Samish Road Bridge No.107.

Vactor Truck Storage Building - This fund accounts for the revenues and expenditures related to constructing a heated building for storing the NPDES vactor truck and its related equipment.

Marine Dr, Locust Ave to Alderwood Ave Reconstruction - This fund accounts for the revenues and expenditures related to the Marine Drive, Locust Ave to Alderwood Ave reconstruction project.

Northshore Drive/ Edgewater Lane Storm Water Improvements - This fund accounts for revenues and expenditures related to building the Northshore Drive/ Edgewater Lane storm water improvements.

East Smith/ Hannegan Road Intersections Improvements - This fund accounts for the revenues and expenditures related to improving the East Smith/ Hannegan Road intersection for safety and functionality.

Prox Lock Control Panel Replacement - This fund accounts for the revenues and expenditures related to replacing access system control panels and related equipment.

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 | \$30,746,576 | \$2,017 | \$39,322,035 | \$70,070,628 |
| Investments | 9,846,077 | - | 24,838 | 9,870,915 |
| Taxes receivable, net | 137,805 | - | - | 137,805 |
| Accounts receivable, net | 406,224 | - | - | 406,224 |
| Accounts receivable-court, net | 220,143 | - | - | 220,143 |
| Special assessments, net | 35,959 | - | - | 35,959 |
| Notes receivable, net | 125,751 | - | - | 125,751 |
| Interfund receivable | 819,069 | - | 3,002,754 | 3,821,823 |
| Interfund loan receivable | - | - | 250,000 | 250,000 |
| Due from other governments | 4,696,680 | - | 248,506 | 4,945,186 |
| Prepayments | 1,029,817 | - | 18 | 1,029,835 |
| Total assets | \$48,064,101 | \$2,017 | \$42,848,151 | \$90,914,269 |
| Liabilities, deferred inflows of resources and fund balances | | | | |
| Liabilities | | | | |
| Accounts payable | \$4,334,076 | \$- | \$1,064,722 | \$5,398,798 |
| Interfund payable | 1,132,492 | - | 201,067 | 1,333,559 |
| Interfund loans payable | - | - | 250,000 | 250,000 |
| Due to other governments | 2,404 | - | - | 2,404 |
| Other accrued liabilities | 616,461 | - | 9,402 | 625,863 |
| Unearned revenue | 225,751 | - | - | 225,751 |
| Total liabilities | 6,311,184 | - | 1,525,191 | 7,836,375 |
| Deferred inflows of resources | | | | |
| Deferred property tax | 118,442 | - | - | 118,442 |
| Court receivables | 220,143 | - | - | 220,143 |
| Special assessments | 35,958 | - | - | 35,958 |
| Grants received in advance | 109,101 | - | - | 109,101 |
| Total deferred inflows of resources | 483,644 | - | - | 483,644 |
| Fund balances: | | | | |
| Restricted | 34,689,015 | 2,017 | 29,878,296 | 64,569,328 |
| Committed | 3,218,681 | - | 11,444,664 | 14,663,345 |
| Assigned | 3,361,577 | - | - | 3,361,577 |
| Total fund balances | 41,269,273 | 2,017 | 41,322,960 | 82,594,250 |
| Total liabilities, deferred inflows of resources and fund balances | \$48,064,101 | \$2,017 | \$42,848,151 | \$90,914,269 |

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Governmental Funds
Year Ended December 31, 2019

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 | \$20,138,886 | \$- | \$4,539,687 | \$24,678,573 |
| Intergovernmental | 5,918,947 | - | 1,020,130 | 6,939,077 |
| Charges for service | 7,899,554 | - | - | 7,899,554 |
| Fines and penalties | 1,241,350 | - | - | 1,241,350 |
| Miscellaneous | 2,277,309 | 13 | 393,708 | 2,671,030 |
| Total revenues | 37,476,046 | 13 | 5,953,525 | 43,429,584 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 1,606,198 | - | 5,604,612 | 7,210,810 |
| Public safety | 16,565,636 | - | 915,754 | 17,481,390 |
| Transportation | 44,383 | - | - | 44,383 |
| Natural and economic environment | 8,248,364 | - | - | 8,248,364 |
| Social services | 9,601,423 | - | - | 9,601,423 |
| Culture and recreation | 9,075 | - | 151,595 | 160,670 |
| Capital outlay | 1,687,653 | - | 5,727,944 | 7,415,597 |
| Debt service: | | | | |
| Principal | - | 140,000 | - | 140,000 |
| Interest | - | 98,725 | - | 98,725 |
| Total expenditures | 37,762,732 | 238,725 | 12,399,905 | 50,401,362 |
| Excess (deficiency) of revenues over expenditures | (286,686) | (238,712) | (6,446,380) | (6,971,778) |
| Other financing sources (uses) | | | | |
| Sales of capital assets | 110,830 | - | - | 110,830 |
| Transfers in | 10,390,897 | 239,325 | 15,655,073 | 26,285,295 |
| Transfers out | (5,293,525) | - | (6,840,125) | (12,133,650) |
| Total other financing sources (uses) | 5,208,202 | 239,325 | 8,814,948 | 14,262,475 |
| Net change in fund balances | 4,921,516 | 613 | 2,368,568 | 7,290,697 |
| Fund balances-beginning | 36,272,754 | 1,404 | 38,954,392 | 75,228,550 |
| Prior period adjustments | 75,003 | - | - | 75,003 |
| Fund balance as of January 1 (restated) | 36,347,757 | 1,404 | 38,954,392 | 75,303,553 |
| Fund balances-ending | \$41,269,273 | \$2,017 | \$41,322,960 | \$82,594,250 |

| | Election Reserve | Veteran's Relief | Tax Refund | Treasurer's O & M | Whatcom County Jail |
|---|------------------|------------------|--------------|-------------------|---------------------|
| Assets | | | | | |
| Cash, cash equivalents and pooled investments | \$458,257 | \$761,287 | \$244 | \$670,285 | \$2,066,776 |
| Investments | - | - | - | - | - |
| Taxes receivable, net | 6,849 | 6,546 | - | - | - |
| Accounts receivable, net | - | - | - | - | 44,021 |
| Accounts receivable-court, net | - | - | - | - | - |
| Special assessments, net | - | - | - | - | - |
| Notes receivable, net | - | - | - | - | - |
| Interfund receivable | 1,388 | 23,547 | - | - | 46,478 |
| Due from other governments | 359,892 | 6 | - | - | 1,986,988 |
| Prepayments | 19,031 | - | - | - | 1,616 |
| Total assets | \$845,417 | \$791,386 | \$244 | \$670,285 | \$4,145,879 |
| Liabilities, deferred inflows of resources and fund balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$82,087 | \$30,830 | \$- | \$126 | \$572,924 |
| Interfund payable | - | 16,346 | - | - | 30 |
| Due to other governments | - | - | - | - | - |
| Other accrued liabilities | 16,250 | - | - | - | 532,513 |
| Unearned revenue | - | - | - | - | - |
| Total liabilities | 98,337 | 47,176 | - | 126 | 1,105,467 |
| Deferred inflows of resources | | | | | |
| Deferred property tax | 5,895 | 5,614 | - | - | - |
| Court receivables | - | - | - | - | - |
| Special assessments | - | - | - | - | - |
| Grants received in advance | 12,083 | - | - | - | - |
| Total deferred inflows of resources | 17,978 | 5,614 | - | - | - |
| Fund balances: | | | | | |
| Restricted | - | 738,596 | 244 | 670,159 | - |
| Committed | 729,102 | - | - | - | - |
| Assigned | - | - | - | - | 3,040,412 |
| Total fund balances | 729,102 | 738,596 | 244 | 670,159 | 3,040,412 |
| Total liabilities, deferred inflows of resources and fund balances | \$845,417 | \$791,386 | \$244 | \$670,285 | \$4,145,879 |

| | REET Electronic Tech. | Low-Income Housing | Homeless Housing | Stormwater | Behavioral Health Program |
|---|-----------------------------|-----------------------|---------------------|------------------|---------------------------------|
| Assets | | | | | |
| Cash, cash equivalents and pooled investments | \$- | \$244,941 | \$528,401 | \$287,935 | \$5,680,060 |
| Investments | - | - | - | - | - |
| Taxes receivable, net | - | - | - | - | - |
| Accounts receivable, net | - | - | - | - | - |
| Accounts receivable-court, net | - | - | - | - | - |
| Special assessments, net | - | - | - | - | - |
| Notes receivable, net | - | - | - | - | - |
| Interfund receivable | - | - | - | 327,135 | 116,055 |
| Due from other governments | - | - | 309,888 | 150,548 | 1,049,314 |
| Prepayments | - | - | - | 1,161 | 11 |
| Total assets | \$- | \$244,941 | \$838,289 | \$766,779 | \$6,845,440 |
| Liabilities, deferred inflows of resources and fund balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$- | \$40,608 | \$455,169 | \$83,528 | \$770,399 |
| Interfund payable | - | - | 29,418 | 25,088 | 414,588 |
| Due to other governments | - | - | - | - | - |
| Other accrued liabilities | - | - | 3,298 | 1,061 | 15,783 |
| Unearned revenue | - | - | - | - | - |
| Total liabilities | - | 40,608 | 487,885 | 109,677 | 1,200,770 |
| Deferred inflows of resources | | | | | |
| Deferred property tax | - | - | - | - | - |
| Court receivables | - | - | - | - | - |
| Special assessments | - | - | - | - | - |
| Grants received in advance | - | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - | - |
| Fund balances: | | | | | |
| Restricted | - | 204,333 | 350,404 | 657,102 | 5,644,670 |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Total fund balances | - | 204,333 | 350,404 | 657,102 | 5,644,670 |
| Total liabilities, deferred inflows of resources and fund balances | \$- | \$244,941 | \$838,289 | \$766,779 | \$6,845,440 |

| Parks Special Revenue | Mental Health and Developmental Disabilities | Swift Creek Sediment Management | Affordable and Supportive Housing | WC Trial Court Impr | Solid Waste | Convention Center | Victim/Witness Assist. | Community Development |
|-----------------------|--|---------------------------------|-----------------------------------|---------------------|--------------------|--------------------|------------------------|-----------------------|
| \$2,698,437 | \$214,631 | \$199,816 | \$3 | \$47,215 | \$3,266,059 | \$1,912,053 | \$182,074 | \$38,007 |
| - | - | - | - | - | - | - | - | - |
| - | 14,545 | - | - | - | - | - | - | - |
| - | - | - | - | - | 354,103 | - | - | - |
| - | - | - | - | - | - | - | 183,696 | - |
| - | - | - | - | - | - | - | - | 125,751 |
| - | 3,104 | 11,407 | - | 3,670 | - | - | - | - |
| - | 13 | 182,841 | 72,239 | - | 33,273 | 135,208 | - | - |
| - | - | - | - | - | 139 | - | 18 | - |
| <u>\$2,698,437</u> | <u>\$232,293</u> | <u>\$394,064</u> | <u>\$72,242</u> | <u>\$50,885</u> | <u>\$3,653,574</u> | <u>\$2,047,261</u> | <u>\$365,788</u> | <u>\$163,758</u> |
| \$- | \$26,126 | \$165,145 | \$- | \$- | \$71,225 | \$147,438 | \$2,931 | \$- |
| 3,168 | 22,356 | 15,128 | - | - | 62,044 | 1,338 | - | - |
| 2,404 | - | - | - | - | - | - | - | - |
| - | 3,669 | - | - | - | 9,326 | - | 6,574 | - |
| - | - | - | - | - | - | - | - | 125,751 |
| <u>5,572</u> | <u>52,151</u> | <u>180,273</u> | <u>-</u> | <u>-</u> | <u>142,595</u> | <u>148,776</u> | <u>9,505</u> | <u>125,751</u> |
| - | 12,475 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 183,696 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 12,475 | - | - | - | - | - | 183,696 | - |
| 135,767 | 167,667 | 213,791 | 72,242 | 50,885 | 3,510,979 | 1,898,485 | 172,587 | 38,007 |
| 2,489,579 | - | - | - | - | - | - | - | - |
| 67,519 | - | - | - | - | - | - | - | - |
| <u>2,692,865</u> | <u>167,667</u> | <u>213,791</u> | <u>72,242</u> | <u>50,885</u> | <u>3,510,979</u> | <u>1,898,485</u> | <u>172,587</u> | <u>38,007</u> |
| <u>\$2,698,437</u> | <u>\$232,293</u> | <u>\$394,064</u> | <u>\$72,242</u> | <u>\$50,885</u> | <u>\$3,653,574</u> | <u>\$2,047,261</u> | <u>\$365,788</u> | <u>\$163,758</u> |

| | Emergency Communi- cations | Whatcom County Drug | Auditor's O & M | Emergency Management | Flood Control Zone District |
|---|----------------------------------|------------------------|--------------------|-------------------------|--------------------------------|
| Assets | | | | | |
| Cash, cash equivalents and pooled investments | \$- | \$1,588,234 | \$506,250 | \$181,059 | \$3,195,347 |
| Investments | - | - | - | - | 9,846,077 |
| Taxes receivable, net | - | - | - | - | 88,609 |
| Accounts receivable, net | - | - | - | 8,100 | - |
| Accounts receivable-court, net | - | 36,447 | - | - | - |
| Special assessments, net | - | - | - | - | 33,133 |
| Notes receivable, net | - | - | - | - | - |
| Interfund receivable | - | 16,441 | - | 24,924 | 240,572 |
| Due from other governments | - | - | - | 74,233 | 196,281 |
| Prepayments | - | - | - | 1,277 | 787,993 |
| Total assets | \$- | \$1,641,122 | \$506,250 | \$289,593 | \$14,388,012 |
| Liabilities, deferred inflows of resources and fund balances | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$- | \$160,429 | \$33,603 | \$13,659 | \$1,645,912 |
| Interfund payable | - | 11,879 | - | 2,006 | 471,198 |
| Due to other governments | - | - | - | - | - |
| Other accrued liabilities | - | - | 1,260 | 20,282 | 6,300 |
| Unearned revenue | - | - | - | - | - |
| Total liabilities | - | 172,308 | 34,863 | 35,947 | 2,123,410 |
| Deferred inflows of resources | | | | | |
| Deferred property tax | - | - | - | - | 76,166 |
| Court receivables | - | 36,447 | - | - | - |
| Special assessments | - | - | - | - | 33,132 |
| Grants received in advance | - | - | - | - | 97,018 |
| Total deferred inflows of resources | - | 36,447 | - | - | 206,316 |
| Fund balances: | | | | | |
| Restricted | - | 1,432,367 | 471,387 | - | 12,058,286 |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | 253,646 | - |
| Total fund balances | - | 1,432,367 | 471,387 | 253,646 | 12,058,286 |
| Total liabilities, deferred inflows of resources and fund balances | \$- | \$1,641,122 | \$506,250 | \$289,593 | \$14,388,012 |

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2019

| Point Roberts Transportation Benefit District | Conser- vation Futures | Road Improvement Districts | Total Non Major Special Revenue Funds |
|--|---------------------------|----------------------------------|--|
| \$1,111,528 | \$4,878,384 | \$29,293 | \$30,746,576 |
| - | - | - | 9,846,077 |
| - | 21,256 | - | 137,805 |
| - | - | - | 406,224 |
| - | - | - | 220,143 |
| - | - | 2,826 | 35,959 |
| - | - | - | 125,751 |
| - | 4,348 | - | 819,069 |
| - | 145,956 | - | 4,696,680 |
| - | 218,571 | - | 1,029,817 |
| <u>\$1,111,528</u> | <u>\$5,268,515</u> | <u>\$32,119</u> | <u>\$48,064,101</u> |
| | | | |
| \$1,345 | \$30,592 | \$- | \$4,334,076 |
| 76 | 57,829 | - | 1,132,492 |
| - | - | - | 2,404 |
| - | 145 | - | 616,461 |
| - | 100,000 | - | 225,751 |
| <u>1,421</u> | <u>188,566</u> | <u>-</u> | <u>6,311,184</u> |
| | | | |
| - | 18,292 | - | 118,442 |
| - | - | - | 220,143 |
| - | - | 2,826 | 35,958 |
| - | - | - | 109,101 |
| <u>-</u> | <u>18,292</u> | <u>2,826</u> | <u>483,644</u> |
| | | | |
| 1,110,107 | 5,061,657 | 29,293 | 34,689,015 |
| - | - | - | 3,218,681 |
| - | - | - | 3,361,577 |
| <u>1,110,107</u> | <u>5,061,657</u> | <u>29,293</u> | <u>41,269,273</u> |
| <u>\$1,111,528</u> | <u>\$5,268,515</u> | <u>\$32,119</u> | <u>\$48,064,101</u> |

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2019

| | Election Reserve | Veteran's Relief | Tax Refund | Treasurer's O&M | Whatcom County Jail | REET Electronic Technology |
|---|------------------|------------------|--------------|------------------|---------------------|----------------------------|
| Revenues | | | | | | |
| Taxes | \$359,842 | \$361,596 | \$- | \$- | \$5,034,848 | \$- |
| Intergovernmental | 15,323 | 28 | - | - | 66,985 | - |
| Charges for service | 838,811 | - | - | 173,816 | 3,830,508 | - |
| Fines and penalties | - | - | - | - | - | - |
| Miscellaneous | 3,167 | 20,781 | 1 | 5,430 | 344,352 | - |
| Total revenues | 1,217,143 | 382,405 | 1 | 179,246 | 9,276,693 | - |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | 1,243,566 | - | - | 43,029 | - | - |
| Public safety | - | - | - | - | 15,747,068 | - |
| Transportation | - | - | - | - | - | - |
| Natural and economic environment | - | - | - | - | - | - |
| Social services | - | 287,268 | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Capital outlay | 10,878 | - | - | - | - | - |
| Total expenditures | 1,254,444 | 287,268 | - | 43,029 | 15,747,068 | - |
| Excess (deficiency) of revenues over expenditures | (37,301) | 95,137 | 1 | 136,217 | (6,470,375) | - |
| Other financing sources (uses) | | | | | | |
| Sales of capital assets | 5,311 | 5,345 | - | - | - | - |
| Transfers in | 154,677 | 4,636 | - | - | 8,211,629 | - |
| Transfers out | (13,171) | (47,617) | - | (89,069) | (511,021) | - |
| Total other financing sources (uses) | 146,817 | (37,636) | - | (89,069) | 7,700,608 | - |
| Net change in fund balances | 109,516 | 57,501 | 1 | 47,148 | 1,230,233 | - |
| Fund balances-beginning | 544,583 | 681,095 | 243 | 623,011 | 1,810,179 | - |
| Prior period adjustments | 75,003 | - | - | - | - | - |
| Fund balance as of January 1 (restated) | 619,586 | 681,095 | 243 | 623,011 | 1,810,179 | - |
| Fund balances-ending | \$729,102 | \$738,596 | \$244 | \$670,159 | \$3,040,412 | \$- |

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 December 31, 2019

Whatcom County

W A S H I N G T O N

Page 2 of 4

| Low-Income Housing | Homeless Housing | Stormwater | Behavioral Health Program | Parks Special Revenue | Mental Health and Developmental Disabilities | Swift Creek Sediment Management | Affordable and Supportive Housing | Whatcom Co Trial Court Improvement |
|--------------------|------------------|------------|---------------------------|-----------------------|--|---------------------------------|-----------------------------------|------------------------------------|
| \$- | \$- | \$- | \$5,033,900 | \$- | \$803,550 | \$- | \$72,242 | \$- |
| - | 1,718,261 | 160,898 | 254,583 | 1,000,000 | 63 | 1,109,784 | - | 45,614 |
| 268,138 | 1,714,260 | 34,517 | 174,454 | 1,400 | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 1,641 | 4,797 | 2,955 | 275,612 | 83,000 | (11,175) | 18,101 | - | 5,108 |
| 269,779 | 3,437,318 | 198,370 | 5,738,549 | 1,084,400 | 792,438 | 1,127,885 | 72,242 | 50,722 |
| - | - | - | - | - | - | - | - | 7,066 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 217,271 | - | 942,489 | - | - | - | 1,207,782 | - | - |
| - | 3,152,897 | - | 4,267,779 | - | 535,024 | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | 180,439 |
| 217,271 | 3,152,897 | 942,489 | 4,267,779 | - | 535,024 | 1,207,782 | - | 187,505 |
| 52,508 | 284,421 | (744,119) | 1,470,770 | 1,084,400 | 257,414 | (79,897) | 72,242 | (136,783) |
| - | - | - | - | - | 11,878 | - | - | - |
| - | - | 943,961 | - | - | 8,977 | 300,000 | - | - |
| - | (102,921) | (199,842) | (1,690,006) | (30,953) | (110,602) | - | - | (26,059) |
| - | (102,921) | 744,119 | (1,690,006) | (30,953) | (89,747) | 300,000 | - | (26,059) |
| 52,508 | 181,500 | - | (219,236) | 1,053,447 | 167,667 | 220,103 | 72,242 | (162,842) |
| 151,825 | 168,904 | 657,102 | 5,863,906 | 1,639,418 | - | (6,312) | - | 213,727 |
| - | - | - | - | - | - | - | - | - |
| 151,825 | 168,904 | 657,102 | 5,863,906 | 1,639,418 | - | (6,312) | - | 213,727 |
| \$204,333 | \$350,404 | \$657,102 | \$5,644,670 | \$2,692,865 | \$167,667 | \$213,791 | \$72,242 | \$50,885 |

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2019

| | Solid Waste | Convention Center | Victim/ Witness Assistance | Community Development | Emergency Communications | Whatcom County Drug |
|---|--------------------|--------------------|-------------------------------|-----------------------|--------------------------|---------------------|
| Revenues | | | | | | |
| Taxes | \$1,483,747 | \$936,892 | \$- | \$- | \$- | \$- |
| Intergovernmental | 276,536 | - | - | - | - | - |
| Charges for service | 390,407 | - | 58,317 | - | - | - |
| Fines and penalties | - | - | 155,612 | - | - | 1,082,695 |
| Miscellaneous | 33,929 | 14,508 | 1,008 | 329 | - | 31,209 |
| Total revenues | 2,184,619 | 951,400 | 214,937 | 329 | - | 1,113,904 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | - | - | 162,863 | - | - | - |
| Public safety | - | - | - | - | - | 88,674 |
| Transportation | - | - | - | - | - | - |
| Natural and economic environment | - | 711,447 | - | - | - | - |
| Social services | 1,358,455 | - | - | - | - | - |
| Culture and recreation | - | 9,075 | - | - | - | - |
| Capital outlay | - | - | - | - | - | 152,247 |
| Total expenditures | 1,358,455 | 720,522 | 162,863 | - | - | 240,921 |
| Excess (deficiency) of revenues over expenditures | 826,164 | 230,878 | 52,074 | 329 | - | 872,983 |
| Other financing sources (uses) | | | | | | |
| Sales of capital assets | - | - | - | - | - | - |
| Transfers in | - | - | 23,363 | - | - | - |
| Transfers out | (526,332) | - | (2,066) | (2,300) | - | - |
| Total other financing sources (uses) | (526,332) | - | 21,297 | (2,300) | - | - |
| Net change in fund balances | 299,832 | 230,878 | 73,371 | (1,971) | - | 872,983 |
| Fund balances-beginning | 3,211,147 | 1,667,607 | 99,216 | 39,978 | - | 559,384 |
| Prior period adjustments | - | - | - | - | - | - |
| Fund balance as of January 1 (restated) | 3,211,147 | 1,667,607 | 99,216 | 39,978 | - | 559,384 |
| Fund balances-ending | \$3,510,979 | \$1,898,485 | \$172,587 | \$38,007 | \$- | \$1,432,367 |

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2019

| 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 |
|------------------|-------------------------|--------------------------------|--|-------------------------|----------------------------------|--|
| \$- | \$- | \$4,847,894 | \$77,715 | \$1,126,660 | \$- | \$20,138,886 |
| 82,775 | 152,842 | 904,341 | - | 130,914 | - | 5,918,947 |
| 93,513 | 201,473 | 119,940 | - | - | - | 7,899,554 |
| - | - | 3,014 | - | - | 29 | 1,241,350 |
| 3,807 | 46,664 | 1,303,619 | 8,821 | 33,539 | 46,106 | 2,277,309 |
| 180,095 | 400,979 | 7,178,808 | 86,536 | 1,291,113 | 46,135 | 37,476,046 |
| 149,674 | - | - | - | - | - | 1,606,198 |
| - | 729,894 | - | - | - | - | 16,565,636 |
| - | - | - | 13,626 | - | 30,757 | 44,383 |
| - | - | 5,008,204 | - | 161,171 | - | 8,248,364 |
| - | - | - | - | - | - | 9,601,423 |
| - | - | - | - | - | - | 9,075 |
| - | - | 1,087,948 | - | 256,141 | - | 1,687,653 |
| 149,674 | 729,894 | 6,096,152 | 13,626 | 417,312 | 30,757 | 37,762,732 |
| 30,421 | (328,915) | 1,082,656 | 72,910 | 873,801 | 15,378 | (286,686) |
| - | - | 71,661 | - | 16,635 | - | 110,830 |
| - | 435,609 | 293,430 | - | 14,615 | - | 10,390,897 |
| - | (31,576) | (1,747,177) | - | (158,725) | (4,088) | (5,293,525) |
| - | 404,033 | (1,382,086) | - | (127,475) | (4,088) | 5,208,202 |
| 30,421 | 75,118 | (299,430) | 72,910 | 746,326 | 11,290 | 4,921,516 |
| 440,966 | 178,528 | 12,357,716 | 1,037,197 | 4,315,331 | 18,003 | 36,272,754 |
| - | - | - | - | - | - | 75,003 |
| 440,966 | 178,528 | 12,357,716 | 1,037,197 | 4,315,331 | 18,003 | 36,347,757 |
| \$471,387 | \$253,646 | \$12,058,286 | \$1,110,107 | \$5,061,657 | \$29,293 | \$41,269,273 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Election Reserve
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|------------------|------------------|--|------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Taxes | \$360,000 | \$359,842 | \$(158) | \$367,237 |
| Intergovernmental | 27,378 | 15,323 | (12,055) | 43,013 |
| Charges for service | 911,500 | 838,811 | (72,689) | 478,636 |
| Miscellaneous | - | 3,167 | 3,167 | 862 |
| Total revenues | 1,298,878 | 1,217,143 | (81,735) | 889,748 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 1,353,813 | 1,243,566 | 110,247 | 1,264,338 |
| Capital outlay | 10,878 | 10,878 | - | 358,472 |
| Total expenditures | 1,364,691 | 1,254,444 | 110,247 | 1,622,810 |
| Excess (deficiency) of revenues over expenditures | (65,813) | (37,301) | 28,512 | (733,062) |
| Other financing sources (uses) | | | | |
| Sales of capital assets | 4,000 | 5,311 | 1,311 | 4,413 |
| Transfers in | 154,800 | 154,677 | (123) | 377,525 |
| Transfers out | (13,171) | (13,171) | - | (10,211) |
| Total other financing sources (uses) | 145,629 | 146,817 | 1,188 | 371,727 |
| Net changes in fund balances | 79,816 | 109,516 | 29,700 | (361,335) |
| Fund balances-beginning | - | 544,583 | 544,583 | 905,918 |
| Prior period adjustments | - | 75,003 | 75,003 | - |
| Fund balances-beginning (restated) | - | 619,586 | 619,586 | 905,918 |
| Fund balances-ending | \$79,816 | \$729,102 | \$649,286 | \$544,583 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Veterans' Relief
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

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

| | 2019 | | 2018 | |
|---|-------------------|------------------|--|------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Taxes | \$296,370 | \$361,596 | \$65,226 | \$329,558 |
| Intergovernmental | 30 | 28 | (2) | 11 |
| Miscellaneous | 3,000 | 20,781 | 17,781 | 11,312 |
| Total revenues | 299,400 | 382,405 | 83,005 | 340,881 |
| Expenditures | | | | |
| Current: | | | | |
| Social services | 281,398 | 287,268 | (5,870) | 253,237 |
| Total expenditures | 281,398 | 287,268 | (5,870) | 253,237 |
| Excess (deficiency) of revenues over expenditures | 18,002 | 95,137 | 77,135 | 87,644 |
| Other financing sources (uses) | | | | |
| Sales of capital assets | 4,000 | 5,345 | 1,345 | 3,946 |
| Transfers in | 3,600 | 4,636 | 1,036 | - |
| Transfers out | (53,560) | (47,617) | 5,943 | (43,606) |
| Total other financing sources (uses) | (45,960) | (37,636) | 8,324 | (39,660) |
| Net changes in fund balances | (27,958) | 57,501 | 85,459 | 47,984 |
| Fund balances-beginning | - | 681,095 | 681,095 | 633,111 |
| Fund balances-ending | \$(27,958) | \$738,596 | \$766,554 | \$681,095 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Treasurer's O & M
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|-----------------|------------------|--|------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Charges for service | \$290,515 | \$173,816 | \$(116,699) | \$179,928 |
| Miscellaneous | - | 5,430 | 5,430 | 597 |
| Total revenues | 290,515 | 179,246 | (111,269) | 180,525 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 134,523 | 43,029 | 91,494 | 54,321 |
| Capital outlay | 4,939 | - | 4,939 | - |
| Total expenditures | 139,462 | 43,029 | 96,433 | 54,321 |
| Excess (deficiency) of revenues over expenditures | 151,053 | 136,217 | (14,836) | 126,204 |
| Other financing sources (uses) | | | | |
| Transfers out | (85,000) | (89,069) | (4,069) | (87,301) |
| Total other financing sources (uses) | (85,000) | (89,069) | (4,069) | (87,301) |
| Net changes in fund balances | 66,053 | 47,148 | (18,905) | 38,903 |
| Fund balances-beginning | - | 623,011 | 623,011 | 584,108 |
| Fund balances-ending | \$66,053 | \$670,159 | \$604,106 | \$623,011 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Jail
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

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

| | 2019 | | Variance Favorable (Unfavorable) | 2018 |
|---|--------------------|--------------------|--|--------------------|
| | Budget | Actual | | Actual |
| Revenues | | | | |
| Taxes | \$4,885,670 | \$5,034,848 | \$149,178 | \$4,756,697 |
| Intergovernmental | 89,223 | 66,985 | (22,238) | 87,137 |
| Charges for service | 3,291,875 | 3,830,508 | 538,633 | 3,592,732 |
| Miscellaneous | 196,000 | 344,352 | 148,352 | 238,183 |
| Total revenues | 8,462,768 | 9,276,693 | 813,925 | 8,674,749 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 16,784,028 | 15,747,068 | 1,036,960 | 15,705,451 |
| Capital outlay | 25,000 | - | 25,000 | 36,403 |
| Total expenditures | 16,809,028 | 15,747,068 | 1,061,960 | 15,741,854 |
| Excess (deficiency) of revenues over expenditures | (8,346,260) | (6,470,375) | 1,875,885 | (7,067,105) |
| Other financing sources (uses) | | | | |
| Transfers in | 8,193,000 | 8,211,629 | 18,629 | 7,551,637 |
| Transfers out | (511,021) | (511,021) | - | (455,496) |
| Proceeds of general long-term debt | - | - | - | 14,071 |
| Total other financing sources (uses) | 7,681,979 | 7,700,608 | 18,629 | 7,110,212 |
| Net changes in fund balances | (664,281) | 1,230,233 | 1,894,514 | 43,107 |
| Fund balances-beginning | - | 1,810,179 | 1,810,179 | 1,767,072 |
| Fund balances-ending | \$(664,281) | \$3,040,412 | \$3,704,693 | \$1,810,179 |

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)
Low-Income Housing
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

| | 2019 | | 2018 | |
|---|------------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Charges for service | \$250,000 | \$268,138 | \$18,138 | \$227,370 |
| Miscellaneous | - | 1,641 | 1,641 | 111 |
| Total revenues | 250,000 | 269,779 | 19,779 | 227,481 |
| Expenditures | | | | |
| Current: | | | | |
| Natural and economic environment | 299,000 | 217,271 | 81,729 | 215,338 |
| Total expenditures | 299,000 | 217,271 | 81,729 | 215,338 |
| Excess (deficiency) of revenues over expenditures | (49,000) | 52,508 | 101,508 | 12,143 |
| Fund balances-beginning | - | 151,825 | 151,825 | 139,682 |
| Fund balances-ending | \$(49,000) | \$204,333 | \$253,333 | \$151,825 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Homeless Housing
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|------------------|------------------|--|------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Intergovernmental | \$1,907,990 | \$1,718,261 | \$(189,729) | \$1,930,196 |
| Charges for service | 1,808,071 | 1,714,260 | (93,811) | 1,363,585 |
| Miscellaneous | - | 4,797 | 4,797 | 878 |
| Total revenues | 3,716,061 | 3,437,318 | (278,743) | 3,294,659 |
| Expenditures | | | | |
| Current: | | | | |
| Social services | 3,530,691 | 3,152,897 | 377,794 | 3,183,683 |
| Total expenditures | 3,530,691 | 3,152,897 | 377,794 | 3,183,683 |
| Excess (deficiency) of revenues over expenditures | 185,370 | 284,421 | 99,051 | 110,976 |
| Other financing sources (uses) | | | | |
| Transfers out | (108,484) | (102,921) | 5,563 | (83,031) |
| Total other financing sources (uses) | (108,484) | (102,921) | 5,563 | (83,031) |
| Net changes in fund balances | 76,886 | 181,500 | 104,614 | 27,945 |
| Fund balances-beginning | - | 168,904 | 168,904 | 140,959 |
| Fund balances-ending | \$76,886 | \$350,404 | \$273,518 | \$168,904 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Stormwater
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|-------------------|------------------|--|------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Intergovernmental | \$320,000 | \$160,898 | \$(159,102) | \$96,047 |
| Charges for service | 38,500 | 34,517 | (3,983) | 50,511 |
| Miscellaneous | - | 2,955 | 2,955 | 798 |
| Total revenues | 358,500 | 198,370 | (160,130) | 147,356 |
| Expenditures | | | | |
| Current: | | | | |
| Natural and economic environment | 1,571,160 | 942,489 | 628,671 | 810,488 |
| Total expenditures | 1,571,160 | 942,489 | 628,671 | 810,488 |
| Excess (deficiency) of revenues over expenditures | (1,212,660) | (744,119) | 468,541 | (663,132) |
| Other financing sources (uses) | | | | |
| Transfers in | 1,377,602 | 943,961 | (433,641) | 829,468 |
| Transfers out | (197,977) | (199,842) | (1,865) | (165,537) |
| Total other financing sources (uses) | 1,179,625 | 744,119 | (435,506) | 663,931 |
| Net changes in fund balances | (33,035) | - | 33,035 | 799 |
| Fund balances-beginning | - | 657,102 | 657,102 | 656,303 |
| Fund balances-ending | \$(33,035) | \$657,102 | \$690,137 | \$657,102 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Behavioral Health Program
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|----------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Taxes | \$4,800,000 | \$5,033,900 | \$233,900 | \$4,755,570 |
| Intergovernmental | 282,150 | 254,583 | (27,567) | 197,875 |
| Charges for service | 279,927 | 174,454 | (105,473) | 29,979 |
| Miscellaneous | 141,000 | 275,612 | 134,612 | 186,504 |
| Total revenues | 5,503,077 | 5,738,549 | 235,472 | 5,169,928 |
| Expenditures | | | | |
| Current: | | | | |
| Social services | 4,884,840 | 4,267,779 | 617,061 | 3,303,179 |
| Total expenditures | 4,884,840 | 4,267,779 | 617,061 | 3,303,179 |
| Excess (deficiency) of revenues over expenditures | 618,237 | 1,470,770 | 852,533 | 1,866,749 |
| Other financing sources (uses) | | | | |
| Transfers out | (1,806,429) | (1,690,006) | 116,423 | (4,082,931) |
| Total other financing sources (uses) | (1,806,429) | (1,690,006) | 116,423 | (4,082,931) |
| Net changes in fund balances | (1,188,192) | (219,236) | 968,956 | (2,216,182) |
| Fund balances-beginning | - | 5,863,906 | 5,863,906 | 8,080,088 |
| Fund balances-ending | \$(1,188,192) | \$5,644,670 | \$6,832,862 | \$5,863,906 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Parks Special Revenue
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|-------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Intergovernmental | \$- | \$1,000,000 | \$1,000,000 | \$- |
| Charges for service | 2,100 | 1,400 | (700) | 2,100 |
| Miscellaneous | 86,263 | 83,000 | (3,263) | 97,079 |
| Total revenues | 88,363 | 1,084,400 | 996,037 | 99,179 |
| Excess (deficiency) of revenues over expenditures | 88,363 | 1,084,400 | 996,037 | 99,179 |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | 1,278 |
| Transfers out | (100,000) | (30,953) | 69,047 | (91,533) |
| Total other financing sources (uses) | (100,000) | (30,953) | 69,047 | (90,255) |
| Net changes in fund balances | (11,637) | 1,053,447 | 1,065,084 | 8,924 |
| Fund balances-beginning | - | 1,639,418 | 1,639,418 | 1,630,494 |
| Fund balances-ending | \$(11,637) | \$2,692,865 | \$2,704,502 | \$1,639,418 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Mental Health & Developmental Disabilities
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

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

| | 2019 | | | 2018 |
|---|-----------------|------------------|--|------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Taxes | \$631,940 | \$803,550 | \$171,610 | \$- |
| Intergovernmental | - | 63 | 63 | - |
| Miscellaneous | 60 | (11,175) | (11,235) | - |
| Total revenues | 632,000 | 792,438 | 160,438 | - |
| Expenditures | | | | |
| Current: | | | | |
| Social services | 537,804 | 535,024 | 2,780 | - |
| Total expenditures | 537,804 | 535,024 | 2,780 | - |
| Excess (deficiency) of revenues over expenditures | 94,196 | 257,414 | 163,218 | - |
| Other financing sources (uses) | | | | |
| Sales of capital assets | 8,000 | 11,878 | 3,878 | - |
| Transfers in | 8,000 | 8,977 | 977 | - |
| Transfers out | (110,196) | (110,602) | (406) | - |
| Total other financing sources (uses) | (94,196) | (89,747) | 4,449 | - |
| Net changes in fund balances | - | 167,667 | 167,667 | - |
| Fund balances-beginning | - | - | - | - |
| Fund balances-ending | \$- | \$167,667 | \$167,667 | \$- |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Swift Creek Sediment Management
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

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

| | 2019 | | 2018 | |
|---|------------------|------------------|--|------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Intergovernmental | \$1,339,056 | \$1,109,784 | \$(229,272) | \$73,057 |
| Miscellaneous | - | 18,101 | 18,101 | (6,312) |
| Total revenues | 1,339,056 | 1,127,885 | (211,171) | 66,745 |
| Expenditures | | | | |
| Current: | | | | |
| Natural and economic environment | 1,639,056 | 1,207,782 | 431,274 | 226,705 |
| Total expenditures | 1,639,056 | 1,207,782 | 431,274 | 226,705 |
| Excess (deficiency) of revenues over expenditures | (300,000) | (79,897) | 220,103 | (159,960) |
| Other financing sources (uses) | | | | |
| Transfers in | 300,000 | 300,000 | - | 153,648 |
| Total other financing sources (uses) | 300,000 | 300,000 | - | 153,648 |
| Net changes in fund balances | - | 220,103 | 220,103 | (6,312) |
| Fund balances-beginning | - | (6,312) | (6,312) | - |
| Fund balances-ending | \$- | \$213,791 | \$213,791 | \$(6,312) |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Trial Court Improvement
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

| | 2019 | | 2018 | |
|---|--------------------|-----------------|--|------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Intergovernmental | \$45,000 | \$45,614 | \$614 | \$46,403 |
| Miscellaneous | - | 5,108 | 5,108 | 3,796 |
| Total revenues | 45,000 | 50,722 | 5,722 | 50,199 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | 7,066 | (7,066) | - |
| Capital outlay | 205,000 | 180,439 | 24,561 | 16,604 |
| Total expenditures | 205,000 | 187,505 | 17,495 | 16,604 |
| Excess (deficiency) of revenues over expenditures | (160,000) | (136,783) | 23,217 | 33,595 |
| Other financing sources (uses) | | | | |
| Transfers out | (28,937) | (26,059) | 2,878 | (23,787) |
| Total other financing sources (uses) | (28,937) | (26,059) | 2,878 | (23,787) |
| Net changes in fund balances | (188,937) | (162,842) | 26,095 | 9,808 |
| Fund balances-beginning | - | 213,727 | 213,727 | 203,919 |
| Fund balances-ending | \$(188,937) | \$50,885 | \$239,822 | \$213,727 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Solid Waste
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Taxes | \$1,332,146 | \$1,483,747 | \$151,601 | \$1,476,578 |
| Intergovernmental | 228,639 | 276,536 | 47,897 | 191,290 |
| Charges for service | 475,000 | 390,407 | (84,593) | - |
| Miscellaneous | 12,000 | 33,929 | 21,929 | 41,903 |
| Total revenues | 2,047,785 | 2,184,619 | 136,834 | 1,709,771 |
| Expenditures | | | | |
| Current: | | | | |
| Social services | 1,572,752 | 1,358,455 | 214,297 | 830,821 |
| Total expenditures | 1,647,752 | 1,358,455 | 289,297 | 830,821 |
| Excess (deficiency) of revenues over expenditures | 400,033 | 826,164 | 426,131 | 878,950 |
| Other financing sources (uses) | | | | |
| Transfers out | (338,580) | (526,332) | (187,752) | (211,442) |
| Total other financing sources (uses) | (293,643) | (526,332) | (232,689) | (211,442) |
| Net changes in fund balances | 106,390 | 299,832 | 193,442 | 667,508 |
| Fund balances-beginning | - | 3,211,147 | 3,211,147 | 2,543,639 |
| Fund balances-ending | \$106,390 | \$3,510,979 | \$3,404,589 | \$3,211,147 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Convention Center
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

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

| | 2019 | | Variance Favorable (Unfavorable) | 2018 |
|---|-------------------|--------------------|--|--------------------|
| | Budget | Actual | | Actual |
| Revenues | | | | |
| Taxes | \$749,662 | \$936,892 | \$187,230 | \$859,582 |
| Miscellaneous | - | 14,508 | 14,508 | 847 |
| Total revenues | 749,662 | 951,400 | 201,738 | 860,429 |
| Expenditures | | | | |
| Current: | | | | |
| Natural and economic environment | 771,500 | 711,447 | 60,053 | 689,481 |
| Culture and recreation | 9,000 | 9,075 | (75) | 3,742 |
| Total expenditures | 780,500 | 720,522 | 59,978 | 693,223 |
| Excess (deficiency) of revenues over expenditures | (30,838) | 230,878 | 261,716 | 167,206 |
| Fund balances-beginning | - | 1,667,607 | 1,667,607 | 1,500,401 |
| Fund balances-ending | \$(30,838) | \$1,898,485 | \$1,929,323 | \$1,667,607 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Victim/Witness Assistance
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|-----------------|------------------|--|-----------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Charges for service | \$26,500 | \$58,317 | \$31,817 | \$65,948 |
| Fines and penalties | 180,500 | 155,612 | (24,888) | 39,878 |
| Miscellaneous | - | 1,008 | 1,008 | (460) |
| Total revenues | 207,000 | 214,937 | 7,937 | 105,366 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 165,602 | 162,863 | 2,739 | 17,667 |
| Total expenditures | 165,602 | 162,863 | 2,739 | 17,667 |
| Excess (deficiency) of revenues over expenditures | 41,398 | 52,074 | 10,676 | 87,699 |
| Other financing sources (uses) | | | | |
| Transfers in | - | 23,363 | 23,363 | - |
| Transfers out | (2,066) | (2,066) | - | (1,841) |
| Total other financing sources (uses) | (2,066) | 21,297 | 23,363 | (1,841) |
| Net changes in fund balances | 39,332 | 73,371 | 34,039 | 85,858 |
| Fund balances-beginning | - | 99,216 | 99,216 | 13,358 |
| Fund balances-ending | \$39,332 | \$172,587 | \$133,255 | \$99,216 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Community Development
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

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

| | 2019 | | 2018 | |
|---|------------------|-----------------|--|-----------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$329 | \$329 | \$23,094 |
| Total revenues | - | 329 | 329 | 23,094 |
| Excess (deficiency) of revenues over expenditures | - | 329 | 329 | 23,094 |
| Other financing sources (uses) | | | | |
| Transfers out | (6,000) | (2,300) | 3,700 | - |
| Total other financing sources (uses) | (6,000) | (2,300) | 3,700 | - |
| Net changes in fund balances | (6,000) | (1,971) | 4,029 | 23,094 |
| Fund balances-beginning | - | 39,978 | 39,978 | 16,884 |
| Fund balances-ending | \$(6,000) | \$38,007 | \$44,007 | \$39,978 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Drug
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | Variance Favorable (Unfavorable) | 2018 |
|---|-------------------|--------------------|--|------------------|
| | Budget | Actual | | Actual |
| Revenues | | | | |
| Fines and penalties | \$350,200 | \$1,082,695 | \$732,495 | \$153,981 |
| Miscellaneous | 6,400 | 31,209 | 24,809 | 24,276 |
| Total revenues | 356,600 | 1,113,904 | 757,304 | 178,257 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 187,000 | 88,674 | 98,326 | 128,876 |
| Capital outlay | 250,000 | 152,247 | 97,753 | - |
| Total expenditures | 437,000 | 240,921 | 196,079 | 128,876 |
| Excess (deficiency) of revenues over expenditures | (80,400) | 872,983 | 953,383 | 49,381 |
| Fund balances-beginning | - | 559,384 | 559,384 | 510,003 |
| Fund balances-ending | \$(80,400) | \$1,432,367 | \$1,512,767 | \$559,384 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Auditor's O & M
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|------------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Intergovernmental | \$94,000 | \$82,775 | \$(11,225) | \$90,061 |
| Charges for service | 93,450 | 93,513 | 63 | 87,153 |
| Miscellaneous | - | 3,807 | 3,807 | 3,529 |
| Total revenues | 187,450 | 180,095 | (7,355) | 180,743 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 218,195 | 149,674 | 68,521 | 140,009 |
| Total expenditures | 218,195 | 149,674 | 68,521 | 140,009 |
| Excess (deficiency) of revenues over expenditures | (30,745) | 30,421 | 61,166 | 40,734 |
| Fund balances-beginning | - | 440,966 | 440,966 | 400,232 |
| Fund balances-ending | \$(30,745) | \$471,387 | \$502,132 | \$440,966 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Emergency Management
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|-------------------|------------------|--|------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Intergovernmental | \$165,323 | \$152,842 | \$(12,481) | \$208,627 |
| Charges for service | 201,473 | 201,473 | - | 169,922 |
| Miscellaneous | 110,977 | 46,664 | (64,313) | 111,047 |
| Total revenues | 477,773 | 400,979 | (76,794) | 489,596 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 919,556 | 729,894 | 189,662 | 692,387 |
| Capital outlay | 5,000 | - | 5,000 | 101,755 |
| Total expenditures | 924,556 | 729,894 | 194,662 | 794,142 |
| Excess (deficiency) of revenues over expenditures | (446,783) | (328,915) | 117,868 | (304,546) |
| Other financing sources (uses) | | | | |
| Transfers in | 436,544 | 435,609 | (935) | 319,120 |
| Transfers out | (31,576) | (31,576) | - | (15,904) |
| Total other financing sources (uses) | 404,968 | 404,033 | (935) | 303,216 |
| Net changes in fund balances | (41,815) | 75,118 | 116,933 | (1,330) |
| Fund balances-beginning | - | 178,528 | 178,528 | 179,858 |
| Fund balances-ending | \$(41,815) | \$253,646 | \$295,461 | \$178,528 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Flood Control Zone District
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | Variance Favorable (Unfavorable) | 2018 |
|---|----------------------|---------------------|--|---------------------|
| | Budget | Actual | | Actual |
| Revenues | | | | |
| Taxes | \$4,831,712 | \$4,847,894 | \$16,182 | \$4,846,465 |
| Intergovernmental | 3,173,047 | 904,341 | (2,268,706) | 949,116 |
| Charges for service | 196,600 | 119,940 | (76,660) | 139,470 |
| Fines and penalties | 2,500 | 3,014 | 514 | 4,006 |
| Miscellaneous | 1,060,929 | 1,303,619 | 242,690 | 1,117,576 |
| Total revenues | 9,264,788 | 7,178,808 | (2,085,980) | 7,056,633 |
| Expenditures | | | | |
| Current: | | | | |
| Natural and economic environment | 9,091,807 | 5,008,204 | 4,083,603 | 6,018,012 |
| Capital outlay | 3,161,335 | 1,087,948 | 2,073,387 | 292,326 |
| Total expenditures | 12,253,142 | 6,096,152 | 6,156,990 | 6,310,338 |
| Excess (deficiency) of revenues over expenditures | (2,988,354) | 1,082,656 | 4,071,010 | 746,295 |
| Other financing sources (uses) | | | | |
| Sales of capital assets | 30,000 | 71,661 | 41,661 | 57,388 |
| Transfers in | 650,265 | 293,430 | (356,835) | 28,407 |
| Transfers out | (2,245,066) | (1,747,177) | 497,889 | (1,441,761) |
| Total other financing sources (uses) | (1,564,801) | (1,382,086) | 182,715 | (1,355,966) |
| Net changes in fund balances | (4,553,155) | (299,430) | 4,253,725 | (609,671) |
| Fund balances-beginning | - | 12,357,716 | 12,357,716 | 12,967,387 |
| Fund balances-ending | \$(4,553,155) | \$12,058,286 | \$16,611,441 | \$12,357,716 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Point Roberts Transportation Benefit District
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

WASHINGTON

| | 2019 | | 2018 | |
|---|-----------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Taxes | \$60,000 | \$77,715 | \$17,715 | \$82,575 |
| Fines and penalties | - | - | - | 1,782 |
| Miscellaneous | - | 8,821 | 8,821 | 869 |
| Total revenues | 60,000 | 86,536 | 26,536 | 85,226 |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | 30,000 | 13,626 | 16,374 | 9,343 |
| Total expenditures | 30,000 | 13,626 | 16,374 | 9,343 |
| Excess (deficiency) of revenues over expenditures | 30,000 | 72,910 | 42,910 | 75,883 |
| Fund balances-beginning | - | 1,037,197 | 1,037,197 | 961,314 |
| Fund balances-ending | \$30,000 | \$1,110,107 | \$1,080,107 | \$1,037,197 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Conservation Futures
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Taxes | \$1,124,420 | \$1,126,660 | \$2,240 | \$1,129,897 |
| Intergovernmental | 127,500 | 130,914 | 3,414 | 830,138 |
| Miscellaneous | 200 | 33,539 | 33,339 | 45,012 |
| Total revenues | <u>1,252,120</u> | <u>1,291,113</u> | <u>38,993</u> | <u>2,005,047</u> |
| Expenditures | | | | |
| Current: | | | | |
| Natural and economic environment | 216,421 | 161,171 | 55,250 | 169,028 |
| Capital outlay | 483,413 | 256,141 | 227,272 | 1,016,186 |
| Total expenditures | <u>699,834</u> | <u>417,312</u> | <u>282,522</u> | <u>1,185,214</u> |
| Excess (deficiency) of revenues over expenditures | <u>552,286</u> | <u>873,801</u> | <u>321,515</u> | <u>819,833</u> |
| Other financing sources (uses) | | | | |
| Sales of capital assets | 10,000 | 16,635 | 6,635 | 13,567 |
| Transfers in | 12,800 | 14,615 | 1,815 | - |
| Transfers out | (272,500) | (158,725) | 113,775 | (156,400) |
| Total other financing sources (uses) | <u>(249,700)</u> | <u>(127,475)</u> | <u>122,225</u> | <u>(142,833)</u> |
| Net changes in fund balances | <u>302,586</u> | <u>746,326</u> | <u>443,740</u> | <u>677,000</u> |
| Fund balances-beginning | - | 4,315,331 | 4,315,331 | 3,638,331 |
| Fund balances-ending | <u>\$302,586</u> | <u>\$5,061,657</u> | <u>\$4,759,071</u> | <u>\$4,315,331</u> |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Road Improvement Districts
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|---------|----------|--|----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Fines and penalties | \$- | \$29 | \$29 | \$16 |
| Miscellaneous | 45,859 | 46,106 | 247 | 45,836 |
| Total revenues | 45,859 | 46,135 | 276 | 45,852 |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | 41,500 | 30,757 | 10,743 | 36,852 |
| Total expenditures | 41,500 | 30,757 | 10,743 | 36,852 |
| Excess (deficiency) of revenues over expenditures | 4,359 | 15,378 | 11,019 | 9,000 |
| Other financing sources (uses) | | | | |
| Transfers out | (4,088) | (4,088) | - | (4,086) |
| Total other financing sources (uses) | (4,088) | (4,088) | - | (4,086) |
| Net changes in fund balances | 271 | 11,290 | 11,019 | 4,914 |
| Fund balances-beginning | - | 18,003 | 18,003 | 13,089 |
| Fund balances-ending | \$271 | \$29,293 | \$29,022 | \$18,003 |

| | CRID No. 9 General Debt | 2003 Ltd. Tax GO Bond | 2010 Ltd. Tax GO Bond | Total Non Major Debt Service Funds |
|---|----------------------------|--------------------------|--------------------------|--|
| Assets | | | | |
| Cash, cash equivalents and pooled investments | \$- | \$- | \$2,017 | \$2,017 |
| Total assets | \$- | \$- | \$2,017 | \$2,017 |
| Fund balances: | | | | |
| Restricted | \$- | \$- | \$2,017 | \$2,017 |
| Total fund balances | - | - | 2,017 | 2,017 |
| Total liabilities and fund balances | \$- | \$- | \$2,017 | \$2,017 |

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2019



| | CRID No. 9 General Debt | 2003 Ltd. Tax GO Bond | 2010 Ltd. Tax GO Bond | Total Non Major Debt Service Funds |
|---|----------------------------|--------------------------|--------------------------|--|
| Revenues | | | | |
| Miscellaneous | \$- | \$- | \$13 | \$13 |
| Total revenues | - | - | 13 | 13 |
| Expenditures | | | | |
| Current: | | | | |
| Principal | - | - | 140,000 | 140,000 |
| Interest | - | - | 98,725 | 98,725 |
| Total expenditures | - | - | 238,725 | 238,725 |
| Excess (deficiency) of revenues over expenditures | - | - | (238,712) | (238,712) |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | 239,325 | 239,325 |
| Total other financing sources (uses) | - | - | 239,325 | 239,325 |
| Net changes in fund balances | - | - | 613 | 613 |
| Fund balances-beginning | - | - | 1,404 | 1,404 |
| Fund balances-ending | \$- | \$- | \$2,017 | \$2,017 |

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2010 Ltd Tax GO Bond
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|-----------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$13 | \$13 | \$- |
| Total revenues | - | 13 | 13 | - |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal | 140,000 | 140,000 | - | 355,000 |
| Interest | 99,325 | 98,725 | 600 | 111,425 |
| Total expenditures | 239,325 | 238,725 | 600 | 466,425 |
| Excess (deficiency) of revenues over expenditures | (239,325) | (238,712) | 613 | (466,425) |
| Other financing sources (uses) | | | | |
| Transfers in | 239,325 | 239,325 | - | 466,825 |
| Total other financing sources (uses) | 239,325 | 239,325 | - | 466,825 |
| Net changes in fund balances | - | 613 | 613 | 400 |
| Fund balances-beginning | - | 1,404 | - | 1,004 |
| Fund balances-ending | \$- | \$2,017 | \$613 | \$1,404 |

| | Real Estate Excise Tax II | Real Estate Excise Tax I | Civic Center Building Improvement | East Whatcom Regional Resource Center Construction | 2010 Jail Improvement | Lummi Nation Lease |
|---|------------------------------|-----------------------------|---|--|--------------------------|-----------------------|
| Assets | | | | | | |
| Cash, cash equivalents and pooled investments | \$4,612,672 | \$3,357,677 | \$2,412,675 | \$31,056 | \$5,290,605 | \$2,339,717 |
| Investments | - | - | - | - | 24,838 | - |
| Interfund receivable | - | - | - | - | - | - |
| Interfund loan receivable | 250,000 | - | - | - | - | - |
| Due from other governments | - | 35,387 | - | 37,500 | - | - |
| Prepayments | - | - | - | - | 18 | - |
| Total assets | \$4,862,672 | \$3,393,064 | \$2,412,675 | \$68,556 | \$5,315,461 | \$2,339,717 |
| Liabilities and fund balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$5,481 | \$34,675 | \$16,559 | \$56,758 | \$101,458 | \$- |
| Interfund payable | 200,000 | - | - | - | - | - |
| Interfund loans payable | - | - | - | - | - | - |
| Other accrued liabilities | - | - | - | - | 7,624 | - |
| Total liabilities | 205,481 | 34,675 | 16,559 | 56,758 | 109,082 | - |
| Fund balances: | | | | | | |
| Restricted | 4,657,191 | 3,358,389 | 2,396,116 | 11,798 | 5,206,379 | 2,339,717 |
| Committed | - | - | - | - | - | - |
| Total fund balances | 4,657,191 | 3,358,389 | 2,396,116 | 11,798 | 5,206,379 | 2,339,717 |
| Total liabilities and fund balances | \$4,862,672 | \$3,393,064 | \$2,412,675 | \$68,556 | \$5,315,461 | \$2,339,717 |

| Birch Bay Dr and Pedestrian Facility Project | Sheriff's Record Management System Prjt | New Jail Project | Nesset Farm Restoration | State St Building Acquisition and Improvement | Courthouse Improvement | 2015 Girard Street Building Improvement | Courthouse Building Envelope Project | 2015 Silver Lake Park Improvement |
|--|--|---------------------|----------------------------|---|---------------------------|--|---|---|
| \$5,191,273 | \$59,059 | \$1,764,671 | \$- | \$2,404,794 | \$214,194 | \$410,092 | \$2,950,165 | \$323,961 |
| - | - | - | - | - | - | - | - | - |
| 3,000,000 | - | - | - | - | - | - | - | 602 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| <u>\$8,191,273</u> | <u>\$59,059</u> | <u>\$1,764,671</u> | <u>\$-</u> | <u>\$2,404,794</u> | <u>\$214,194</u> | <u>\$410,092</u> | <u>\$2,950,165</u> | <u>\$324,563</u> |
| \$194,102 | \$- | \$- | \$- | \$306 | \$97,913 | \$- | \$272,962 | \$94,974 |
| - | - | - | - | - | - | - | - | 395 |
| - | - | - | - | - | - | - | - | - |
| 940 | - | - | - | - | - | - | - | - |
| <u>195,042</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>306</u> | <u>97,913</u> | <u>-</u> | <u>272,962</u> | <u>95,369</u> |
| 7,996,231 | - | - | - | - | - | - | - | - |
| - | 59,059 | 1,764,671 | - | 2,404,488 | 116,281 | 410,092 | 2,677,203 | 229,194 |
| <u>7,996,231</u> | <u>59,059</u> | <u>1,764,671</u> | <u>-</u> | <u>2,404,488</u> | <u>116,281</u> | <u>410,092</u> | <u>2,677,203</u> | <u>229,194</u> |
| <u>\$8,191,273</u> | <u>\$59,059</u> | <u>\$1,764,671</u> | <u>\$-</u> | <u>\$2,404,794</u> | <u>\$214,194</u> | <u>\$410,092</u> | <u>\$2,950,165</u> | <u>\$324,563</u> |

| | 2015 Lighthouse Marine Park Improvement | 2015 South Fork Park Improvement | Academy Rd Storm Water Imprvmnts | Agate Heights Estate/ Bay Lane Storm Water Imprvmnts | Criminal Justice Integrated Case Mgmt System Projects | Integrated Land Records and Permit Management System Projects |
|---|--|--|--|--|--|--|
| Assets | | | | | | |
| Cash, cash equivalents and pooled investments | \$2,722 | \$32,914 | \$1 | \$302,765 | \$553,280 | \$875,935 |
| Investments | - | - | - | - | - | - |
| Interfund receivable | - | - | - | - | - | 2,152 |
| Interfund loan receivable | - | - | - | - | - | - |
| Due from other governments | - | - | - | 175,619 | - | - |
| Prepayments | - | - | - | - | - | - |
| Total assets | \$2,722 | \$32,914 | \$1 | \$478,384 | \$553,280 | \$878,087 |
| Liabilities and fund balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$1,996 | \$- | \$- | \$2,097 | \$- | \$107,991 |
| Interfund payable | - | - | - | - | - | - |
| Interfund loans payable | - | - | - | 250,000 | - | - |
| Other accrued liabilities | - | - | - | - | - | - |
| Total liabilities | 1,996 | - | - | 252,097 | - | 107,991 |
| Fund balances: | | | | | | |
| Restricted | - | - | 1 | 226,287 | - | - |
| Committed | 726 | 32,914 | - | - | 553,280 | 770,096 |
| Total fund balances | 726 | 32,914 | 1 | 226,287 | 553,280 | 770,096 |
| Total liabilities and fund balances | \$2,722 | \$32,914 | \$1 | \$478,384 | \$553,280 | \$878,087 |

| Sudden Valley Storm Water Imprvmnts | Hovander Park Building Imprvmnts | Lake Whatcom Park Trail Development | Financial System Software | Law Library/ Elections Remodel | Public Safety Radio System | North Lake Samish Road Bridge No. 107 Replacement | Vactor Truck Storage Building | Marine Dr, Locust Ave to Alderwood Ave Reconst |
|-------------------------------------|----------------------------------|-------------------------------------|---------------------------|--------------------------------|----------------------------|---|-------------------------------|--|
| \$781,495 | \$243,273 | \$89,498 | \$1,751,356 | \$104,917 | \$452,023 | \$596,524 | \$440,843 | \$731,561 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| \$781,495 | \$243,273 | \$89,498 | \$1,751,356 | \$104,917 | \$452,023 | \$596,524 | \$440,843 | \$731,561 |
| \$- | \$- | \$- | \$3,995 | \$4,698 | \$- | \$17,193 | \$- | \$15,667 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | 641 |
| - | - | - | 3,995 | 4,698 | - | 17,193 | - | 16,308 |
| 781,495 | 243,273 | 89,498 | - | 100,219 | 452,023 | 579,331 | - | 715,253 |
| - | - | - | 1,747,361 | - | - | - | 440,843 | - |
| 781,495 | 243,273 | 89,498 | 1,747,361 | 100,219 | 452,023 | 579,331 | 440,843 | 715,253 |
| \$781,495 | \$243,273 | \$89,498 | \$1,751,356 | \$104,917 | \$452,023 | \$596,524 | \$440,843 | \$731,561 |

| | Northshore Drive/ Edgewater Lane Storm Water Imp | E Smith/ Hannegan Rd Intersection Imprvmnts | Prox Lock Contol Panel Replacement | Total Non Major Capital Project Funds |
|---|--|--|--|---|
| Assets | | | | |
| Cash, cash equivalents and pooled investments | \$191,151 | \$570,710 | \$238,456 | \$39,322,035 |
| Investments | - | - | - | 24,838 |
| Interfund receivable | - | - | - | 3,002,754 |
| Interfund loan receivable | - | - | - | 250,000 |
| Due from other governments | - | - | - | 248,506 |
| Prepayments | - | - | - | 18 |
| Total assets | \$191,151 | \$570,710 | \$238,456 | \$42,848,151 |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Accounts payable | \$9,899 | \$25,998 | \$- | \$1,064,722 |
| Interfund payable | 672 | - | - | 201,067 |
| Interfund loans payable | - | - | - | 250,000 |
| Other accrued liabilities | - | 197 | - | 9,402 |
| Total liabilities | 10,571 | 26,195 | - | 1,525,191 |
| Fund balances: | | | | |
| Restricted | 180,580 | 544,515 | - | 29,878,296 |
| Committed | - | - | 238,456 | 11,444,664 |
| Total fund balances | 180,580 | 544,515 | 238,456 | 41,322,960 |
| Total liabilities and fund balances | \$191,151 | \$570,710 | \$238,456 | \$42,848,151 |

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2019

| | Real Estate Excise Tax II | Real Estate Excise Tax I | Civic Center Building Improvement | East Whatcom Regional Resource Ctr Construction | 2010 Jail Improvement | Lummi Nation Lease |
|---|------------------------------|-----------------------------|---|--|--------------------------|-----------------------|
| Revenues | | | | | | |
| Taxes | \$2,269,844 | \$2,269,843 | \$- | \$- | \$- | \$- |
| Intergovernmental | - | 35,387 | - | 562,246 | - | - |
| Miscellaneous | 38,974 | 39,158 | 20,143 | 2,780 | 43,025 | 19,363 |
| Total revenues | 2,308,818 | 2,344,388 | 20,143 | 565,026 | 43,025 | 19,363 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | - | 146,926 | 38,546 | - | - | - |
| Public safety | - | - | - | - | 807,082 | - |
| Culture and recreation | 140,015 | 11,580 | - | - | - | - |
| Capital outlay | - | 172,388 | - | 1,149,246 | - | - |
| Total expenditures | 140,015 | 330,894 | 38,546 | 1,149,246 | 807,082 | - |
| Excess (deficiency) of revenues over expenditures | 2,168,803 | 2,013,494 | (18,403) | (584,220) | (764,057) | 19,363 |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | 172,000 | 927,000 | - |
| Transfers out | (2,189,600) | (3,723,525) | - | - | - | - |
| Total other financing sources (uses) | (2,189,600) | (3,723,525) | - | 172,000 | 927,000 | - |
| Net changes in fund balances | (20,797) | (1,710,031) | (18,403) | (412,220) | 162,943 | 19,363 |
| Fund balances-beginning | 4,677,988 | 5,068,420 | 2,414,519 | 424,018 | 5,043,436 | 2,320,354 |
| Fund balances-ending | \$4,657,191 | \$3,358,389 | \$2,396,116 | \$11,798 | \$5,206,379 | \$2,339,717 |

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2019

| | Birch Bay Dr and Pedestrian Facility Project | Sheriff's Record Management System Prjt | New Jail Project | Nesset Farm Restoration | State St Building Acquisition and Improvement | Courthouse Improvement |
|---|--|--|---------------------|----------------------------|---|---------------------------|
| Revenues | | | | | | |
| Taxes | \$- | \$- | \$- | \$- | \$- | \$- |
| Intergovernmental | - | - | - | - | - | - |
| Miscellaneous | 39,279 | 1,182 | 20,513 | - | 20,142 | 4,480 |
| Total revenues | 39,279 | 1,182 | 20,513 | - | 20,142 | 4,480 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | 32,019 | 518,342 |
| Public safety | - | 108,672 | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Capital outlay | 995,968 | - | - | - | - | - |
| Total expenditures | 995,968 | 108,672 | - | - | 32,019 | 518,342 |
| Excess (deficiency) of revenues over expenditures | (956,689) | (107,490) | 20,513 | - | (11,877) | (513,862) |
| Other financing sources (uses) | | | | | | |
| Transfers in | 4,400,000 | - | - | - | - | - |
| Transfers out | - | - | (927,000) | - | - | - |
| Total other financing sources (uses) | 4,400,000 | - | (927,000) | - | - | - |
| Net changes in fund balances | 3,443,311 | (107,490) | (906,487) | - | (11,877) | (513,862) |
| Fund balances-beginning | 4,552,920 | 166,549 | 2,671,158 | - | 2,416,365 | 630,143 |
| Fund balances-ending | \$7,996,231 | \$59,059 | \$1,764,671 | \$- | \$2,404,488 | \$116,281 |

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2019

| 2015 Girard Street Building Improvement | Courthouse Building Envelope Project | 2015 Silver Lake Park Improvement | 2015 Lighthouse Marine Park Improvement | 2015 South Fork Park Improvement | Academy Rd Storm Water Imprvmnts | Agate Heights Estate/ Bay Lane Storm Water Imprvmnts | Criminal Justice Integrated Case Mgmt System Projects | Integrated Land Records and Permit Management System Projects |
|---|--------------------------------------|-----------------------------------|---|----------------------------------|----------------------------------|--|---|---|
| \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- | \$- |
| - | - | - | - | - | - | 422,497 | - | - |
| 3,537 | 20,487 | 66,486 | 459 | 307 | - | 3,300 | 4,581 | 9,977 |
| 3,537 | 20,487 | 66,486 | 459 | 307 | - | 425,797 | 4,581 | 9,977 |
| 11,384 | 4,341,326 | - | - | - | - | - | - | 278,313 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | 1,830,216 | 34,713 | 5,492 | - | 602,007 | - | 242,206 |
| 11,384 | 4,341,326 | 1,830,216 | 34,713 | 5,492 | - | 602,007 | - | 520,519 |
| (7,847) | (4,320,839) | (1,763,730) | (34,254) | (5,185) | - | (176,210) | 4,581 | (510,542) |
| - | 4,700,000 | 1,989,600 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 4,700,000 | 1,989,600 | - | - | - | - | - | - |
| (7,847) | 379,161 | 225,870 | (34,254) | (5,185) | - | (176,210) | 4,581 | (510,542) |
| 417,939 | 2,298,042 | 3,324 | 34,980 | 38,099 | 1 | 402,497 | 548,699 | 1,280,638 |
| \$410,092 | \$2,677,203 | \$229,194 | \$726 | \$32,914 | \$1 | \$226,287 | \$553,280 | \$770,096 |

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2019

| | Sudden Valley Storm Water Imprvmnts | Hovander Park Building Imprvmnts | Lake Whatcom Park Trail Development | Financial System Software | Law Library/ Elections Remodel | Public Safety Radio System |
|---|---|--|--|---------------------------------|--------------------------------------|-------------------------------|
| Revenues | | | | | | |
| Taxes | \$- | \$- | \$- | \$- | \$- | \$- |
| Intergovernmental | - | - | - | - | - | - |
| Miscellaneous | 6,467 | 2,014 | 1,724 | 14,506 | 3,258 | 865 |
| Total revenues | 6,467 | 2,014 | 1,724 | 14,506 | 3,258 | 865 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | 5,990 | 231,766 | - |
| Public safety | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - |
| Capital outlay | - | 277 | 153,795 | - | - | - |
| Total expenditures | - | 277 | 153,795 | 5,990 | 231,766 | - |
| Excess (deficiency) of revenues over expenditures | 6,467 | 1,737 | (152,071) | 8,516 | (228,508) | 865 |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | - | - | 451,158 |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | 451,158 |
| Net changes in fund balances | 6,467 | 1,737 | (152,071) | 8,516 | (228,508) | 452,023 |
| Fund balances-beginning | 775,028 | 241,536 | 241,569 | 1,738,845 | 328,727 | - |
| Fund balances-ending | \$781,495 | \$243,273 | \$89,498 | \$1,747,361 | \$100,219 | \$452,023 |

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2019

| North Lake Samish Road Bridge No. 107 Replacement | Vactor Truck Storage Building | Marine Dr, Locust Ave to Alderwood Ave Reconst | Northshore Drive/ Edgewater Lane Storm Water Imp | E Smith/ Hannegan Rd Intersection Imprvmnts | Prox Lock Contol Panel Replacement | Total Non Major Capital Project Funds |
|---|-------------------------------------|---|--|--|--|---|
| \$- | \$- | \$- | \$- | \$- | \$- | \$4,539,687 |
| - | - | - | - | - | - | 1,020,130 |
| 1,142 | 843 | 1,400 | 1,768 | 1,092 | 456 | 393,708 |
| 1,142 | 843 | 1,400 | 1,768 | 1,092 | 456 | 5,953,525 |
| - | - | - | - | - | - | 5,604,612 |
| - | - | - | - | - | - | 915,754 |
| - | - | - | - | - | - | 151,595 |
| 191,811 | - | 83,647 | 39,786 | 226,392 | - | 5,727,944 |
| 191,811 | - | 83,647 | 39,786 | 226,392 | - | 12,399,905 |
| (190,669) | 843 | (82,247) | (38,018) | (225,300) | 456 | (6,446,380) |
| 770,000 | 440,000 | 797,500 | - | 769,815 | 238,000 | 15,655,073 |
| - | - | - | - | - | - | (6,840,125) |
| 770,000 | 440,000 | 797,500 | - | 769,815 | 238,000 | 8,814,948 |
| 579,331 | 440,843 | 715,253 | (38,018) | 544,515 | 238,456 | 2,368,568 |
| - | - | - | 218,598 | - | - | 38,954,392 |
| \$579,331 | \$440,843 | \$715,253 | \$180,580 | \$544,515 | \$238,456 | \$41,322,960 |

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Real Estate Excise Tax II
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|--------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Taxes | \$2,191,457 | \$2,269,844 | \$78,387 | \$2,355,092 |
| Miscellaneous | - | 38,974 | 38,974 | (7,302) |
| Total revenues | 2,191,457 | 2,308,818 | 117,361 | 2,347,790 |
| Expenditures | | | | |
| Current: | | | | |
| Culture and recreation | 301,413 | 140,015 | 161,398 | 273,933 |
| Capital outlay | 22,135 | - | 22,135 | 156,011 |
| Total expenditures | 323,547 | 140,015 | 183,532 | 429,944 |
| Excess (deficiency) of revenues over expenditures | 1,867,910 | 2,168,803 | 300,893 | 1,917,846 |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | 414 |
| Transfers out | (2,189,600) | (2,189,600) | - | (826,719) |
| Total other financing sources (uses) | (2,189,600) | (2,189,600) | - | (826,305) |
| Net changes in fund balances | (321,690) | (20,797) | 300,893 | 1,091,541 |
| Fund balances-beginning | - | 4,677,988 | 4,677,988 | 3,586,447 |
| Fund balances-ending | \$(321,690) | \$4,657,191 | \$4,978,881 | \$4,677,988 |

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Real Estate Excise Tax I
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|---------------|-------------|--|-------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Taxes | \$2,191,457 | \$2,269,843 | \$78,386 | \$2,355,091 |
| Intergovernmental | 294,400 | 35,387 | (259,013) | - |
| Miscellaneous | - | 39,158 | 39,158 | (1,017) |
| Total revenues | 2,485,857 | 2,344,388 | (141,469) | 2,354,074 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 222,486 | 146,926 | 75,560 | 414,466 |
| Culture and recreation | - | 11,580 | (11,580) | - |
| Capital outlay | 1,021,965 | 172,388 | 849,577 | 257,935 |
| Total expenditures | 1,244,451 | 330,894 | 913,557 | 672,401 |
| Excess (deficiency) of revenues over expenditures | 1,241,406 | 2,013,494 | 772,088 | 1,681,673 |
| Other financing sources (uses) | | | | |
| Transfers out | (3,723,525) | (3,723,525) | - | (570,000) |
| Total other financing sources (uses) | (3,723,525) | (3,723,525) | - | (570,000) |
| Net changes in fund balances | (2,482,119) | (1,710,031) | 772,088 | 1,111,673 |
| Fund balances-beginning | - | 5,068,420 | 5,068,420 | 3,956,747 |
| Fund balances-ending | \$(2,482,119) | \$3,358,389 | \$5,840,508 | \$5,068,420 |

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Civic Center Building Improvement
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|----------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$20,143 | \$20,143 | \$3,788 |
| Total revenues | - | 20,143 | 20,143 | 3,788 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | 38,546 | (38,546) | |
| Capital outlay | 2,397,095 | - | 2,397,095 | 44,498 |
| Total expenditures | 2,397,095 | 38,546 | 2,358,549 | 44,498 |
| Excess (deficiency) of revenues over expenditures | (2,397,095) | (18,403) | 2,378,692 | (40,710) |
| Fund balances-beginning | - | 2,414,519 | 2,414,519 | 2,455,229 |
| Fund balances-ending | \$(2,397,095) | \$2,396,116 | \$4,793,211 | \$2,414,519 |

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
East Whatcom Regional Resource Ctr Construction
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

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

| | 2019 | | Variance Favorable (Unfavorable) | 2018 |
|---|--------------------|------------------|--|------------------|
| | Budget | Actual | | Actual |
| Revenues | | | | |
| Intergovernmental | \$562,246 | \$562,246 | \$- | \$35,081 |
| Miscellaneous | - | 2,780 | 2,780 | (248) |
| Total revenues | <u>562,246</u> | <u>565,026</u> | <u>2,780</u> | <u>34,833</u> |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 1,160,794 | 1,149,246 | 11,548 | 39,643 |
| Total expenditures | <u>1,160,794</u> | <u>1,149,246</u> | <u>11,548</u> | <u>39,643</u> |
| Excess (deficiency) of revenues over expenditures | <u>(598,548)</u> | <u>(584,220)</u> | <u>14,328</u> | <u>(4,810)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 287,000 | 172,000 | (115,000) | 115,000 |
| Total other financing sources (uses) | <u>287,000</u> | <u>172,000</u> | <u>(115,000)</u> | <u>115,000</u> |
| Net changes in fund balances | <u>(311,548)</u> | <u>(412,220)</u> | <u>(100,672)</u> | <u>110,190</u> |
| Fund balances-beginning | - | 424,018 | 424,018 | 313,828 |
| Fund balances-ending | <u>\$(311,548)</u> | <u>\$11,798</u> | <u>\$323,346</u> | <u>\$424,018</u> |

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2010 Jail Improvement
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

WASHINGTON

| | 2019 | | | 2018 |
|---|----------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$43,025 | \$43,025 | \$(29,535) |
| Total revenues | - | 43,025 | 43,025 | (29,535) |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 1,387,146 | 807,082 | 580,064 | 356,656 |
| Capital outlay | 4,569,335 | - | 4,569,335 | - |
| Total expenditures | 5,956,481 | 807,082 | 5,149,399 | 356,656 |
| Excess (deficiency) of revenues over expenditures | (5,956,481) | (764,057) | 5,192,424 | (386,191) |
| Other financing sources (uses) | | | | |
| Transfers in | 927,000 | 927,000 | - | 5,250,000 |
| Total other financing sources (uses) | 927,000 | 927,000 | - | 5,250,000 |
| Net changes in fund balances | (5,029,481) | 162,943 | 5,192,424 | 4,863,809 |
| Fund balances-beginning | - | 5,043,436 | 5,043,436 | 179,627 |
| Fund balances-ending | \$(5,029,481) | \$5,206,379 | \$10,235,860 | \$5,043,436 |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Lummi Nation Lease
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

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

| | 2019 | | 2018 | |
|---|---------------|-------------|--|-------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$19,363 | \$19,363 | \$5,028 |
| Total revenues | - | 19,363 | 19,363 | 5,028 |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 2,335,240 | - | 2,335,240 | - |
| Total expenditures | 2,335,240 | - | 2,335,240 | - |
| Excess (deficiency) of revenues over expenditures | (2,335,240) | 19,363 | 2,354,603 | 5,028 |
| Fund balances-beginning | - | 2,320,354 | 2,320,354 | 2,315,326 |
| Fund balances-ending | \$(2,335,240) | \$2,339,717 | \$4,674,957 | \$2,320,354 |

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Birch Bay Drive & Pedestrian Facility Project
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|----------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Intergovernmental | \$1,557,896 | \$- | \$(1,557,896) | \$- |
| Miscellaneous | - | 39,279 | 39,279 | 10,206 |
| Total revenues | <u>1,557,896</u> | <u>39,279</u> | <u>(1,518,617)</u> | <u>10,206</u> |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 10,790,163 | 995,968 | 9,794,195 | 445,229 |
| Total expenditures | <u>10,790,163</u> | <u>995,968</u> | <u>9,794,195</u> | <u>445,229</u> |
| Excess (deficiency) of revenues over expenditures | <u>(9,232,267)</u> | <u>(956,689)</u> | <u>8,275,578</u> | <u>(435,023)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 4,650,000 | 4,400,000 | (250,000) | - |
| Total other financing sources (uses) | <u>4,650,000</u> | <u>4,400,000</u> | <u>(250,000)</u> | <u>-</u> |
| Net changes in fund balances | <u>(4,582,267)</u> | <u>3,443,311</u> | <u>8,025,578</u> | <u>(435,023)</u> |
| Fund balances-beginning | - | 4,552,920 | 4,552,920 | 4,987,943 |
| Fund balances-ending | <u>\$(4,582,267)</u> | <u>\$7,996,231</u> | <u>\$12,578,498</u> | <u>\$4,552,920</u> |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Sheriff's Record Mgmt System Project
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|-------------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$1,182 | \$1,182 | \$374 |
| Total revenues | - | 1,182 | 1,182 | 374 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | - | 108,672 | (108,672) | 17,192 |
| Capital outlay | 167,618 | - | 167,618 | - |
| Total expenditures | 167,618 | 108,672 | 58,946 | 17,192 |
| Excess (deficiency) of revenues over expenditures | (167,618) | (107,490) | 60,128 | (16,818) |
| Fund balances-beginning | - | 166,549 | 166,549 | 183,367 |
| Fund balances-ending | \$(167,618) | \$59,059 | \$226,677 | \$166,549 |

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
New Jail Project
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|----------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$20,513 | \$20,513 | \$3,887 |
| Total revenues | - | 20,513 | 20,513 | 3,887 |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 134,083 | - | 134,083 | - |
| Total expenditures | 134,083 | - | 134,083 | - |
| Excess (deficiency) of revenues over expenditures | (134,083) | 20,513 | 154,596 | 3,887 |
| Other financing sources (uses) | | | | |
| Transfers out | (927,000) | (927,000) | - | - |
| Total other financing sources (uses) | (927,000) | (927,000) | - | - |
| Net changes in fund balances | (1,061,083) | (906,487) | 154,596 | 3,887 |
| Fund balances-beginning | - | 2,671,158 | 2,671,158 | 2,667,271 |
| Fund balances-ending | \$(1,061,083) | \$1,764,671 | \$2,825,754 | \$2,671,158 |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Nessel Farm Restoration
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|---------------|------------|--|------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$63,223 | \$- | \$(63,223) | \$66 |
| Total revenues | <u>63,223</u> | <u>-</u> | <u>(63,223)</u> | <u>66</u> |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 63,223 | - | 63,223 | - |
| Total expenditures | <u>63,223</u> | <u>-</u> | <u>63,223</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | - | - | - | 66 |
| Fund balances-beginning | - | - | - | (66) |
| Fund balances-ending | <u>\$-</u> | <u>\$-</u> | <u>\$-</u> | <u>\$-</u> |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 State St Building Acquisition & Improv.
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|----------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$20,142 | \$20,142 | \$4,733 |
| Total revenues | - | 20,142 | 20,142 | 4,733 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | 32,019 | (32,019) | 159,549 |
| Capital outlay | 2,431,905 | - | 2,431,905 | - |
| Total expenditures | 2,431,905 | 32,019 | 2,399,886 | 159,549 |
| Excess (deficiency) of revenues over expenditures | (2,431,905) | (11,877) | 2,420,028 | (154,816) |
| Fund balances-beginning | - | 2,416,365 | 2,416,365 | 2,571,181 |
| Fund balances-ending | \$(2,431,905) | \$2,404,488 | \$4,836,393 | \$2,416,365 |

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Courthouse Improvement
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|-------------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$4,480 | \$4,480 | \$2,776 |
| Total revenues | - | 4,480 | 4,480 | 2,776 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | 518,342 | (518,342) | 224,735 |
| Capital outlay | 634,213 | - | 634,213 | - |
| Total expenditures | 634,213 | 518,342 | 115,871 | 224,735 |
| Excess (deficiency) of revenues over expenditures | (634,213) | (513,862) | 120,351 | (221,959) |
| Net changes in fund balances | (634,213) | (513,862) | 120,351 | (221,959) |
| Fund balances-beginning | - | 630,143 | 630,143 | 852,102 |
| Fund balances-ending | \$(634,213) | \$116,281 | \$750,494 | \$630,143 |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 2015 Girard Street Building Improvement
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|-------------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$3,537 | \$3,537 | \$694 |
| Total revenues | - | 3,537 | 3,537 | 694 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 354,888 | 11,384 | 343,504 | 20,850 |
| Capital outlay | 65,803 | - | 65,803 | - |
| Total expenditures | 420,691 | 11,384 | 409,307 | 20,850 |
| Excess (deficiency) of revenues over expenditures | (420,691) | (7,847) | 412,844 | (20,156) |
| Fund balances-beginning | - | 417,939 | 417,939 | 438,095 |
| Fund balances-ending | \$(420,691) | \$410,092 | \$830,783 | \$417,939 |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Courthouse Building Envelope Project
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

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

| | 2019 | | 2018 | |
|---|----------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$20,487 | \$20,487 | \$5,462 |
| Total revenues | - | 20,487 | 20,487 | 5,462 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 7,012,884 | 4,341,326 | 2,671,558 | 231,569 |
| Total expenditures | 7,012,884 | 4,341,326 | 2,671,558 | 231,569 |
| Excess (deficiency) of revenues over expenditures | (7,012,884) | (4,320,839) | 2,692,045 | (226,107) |
| Other financing sources (uses) | | | | |
| Transfers in | 4,700,000 | 4,700,000 | - | - |
| Total other financing sources (uses) | 4,700,000 | 4,700,000 | - | - |
| Net changes in fund balances | (2,312,884) | 379,161 | 2,692,045 | (226,107) |
| Fund balances-beginning | - | 2,298,042 | 2,298,042 | 2,524,149 |
| Fund balances-ending | \$(2,312,884) | \$2,677,203 | \$4,990,087 | \$2,298,042 |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 2015 Silver Lake Park Improvement
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

Whatcom County

WASHINGTON

| | 2019 | | | 2018 |
|---|------------------|------------------|--|----------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$66,486 | \$66,486 | \$5,735 |
| Total revenues | - | 66,486 | 66,486 | 5,735 |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 1,993,154 | 1,830,216 | 162,938 | 759,694 |
| Total expenditures | 1,993,154 | 1,830,216 | 162,938 | 759,694 |
| Excess (deficiency) of revenues over expenditures | (1,993,154) | (1,763,730) | 229,424 | (753,959) |
| Other financing sources (uses) | | | | |
| Transfers in | 1,989,600 | 1,989,600 | - | - |
| Total other financing sources (uses) | 1,989,600 | 1,989,600 | - | - |
| Net changes in fund balances | (3,554) | 225,870 | 229,424 | (753,959) |
| Fund balances-beginning | - | 3,324 | 3,324 | 757,283 |
| Fund balances-ending | \$(3,554) | \$229,194 | \$232,748 | \$3,324 |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 2015 Lighthouse Marine Park Improvement
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

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

| | 2019 | | | 2018 |
|---|-------------------|--------------|--|-----------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$459 | \$459 | \$688 |
| Total revenues | - | 459 | 459 | 688 |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 35,434 | 34,713 | 721 | 163,719 |
| Total expenditures | 35,434 | 34,713 | 721 | 163,719 |
| Excess (deficiency) of revenues over expenditures | (35,434) | (34,254) | 1,180 | (163,031) |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | 78,500 |
| Total other financing sources (uses) | - | - | - | 78,500 |
| Net changes in fund balances | (35,434) | (34,254) | 1,180 | (84,531) |
| Fund balances-beginning | - | 34,980 | 34,980 | 119,511 |
| Fund balances-ending | \$(35,434) | \$726 | \$36,160 | \$34,980 |

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2015 South Fork Park Improvement
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|-------------------|-----------------|--|-----------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Intergovernmental | \$209,000 | \$- | \$(209,000) | \$- |
| Miscellaneous | - | 307 | 307 | 370 |
| Total revenues | 209,000 | 307 | (208,693) | 370 |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 247,268 | 5,492 | 241,776 | 26,117 |
| Total expenditures | 247,268 | 5,492 | 241,776 | 26,117 |
| Excess (deficiency) of revenues over expenditures | (38,268) | (5,185) | 33,083 | (25,747) |
| Fund balances-beginning | - | 38,099 | 38,099 | 63,846 |
| Fund balances-ending | \$(38,268) | \$32,914 | \$71,182 | \$38,099 |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Academy Road Stormwater Improvements
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

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

| | 2019 | | 2018 | |
|---|---------------|------------|--|------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | \$63,165 | \$- | \$63,165 | \$- |
| Total expenditures | 63,165 | - | 63,165 | - |
| Excess (deficiency) of revenues over expenditures | (63,165) | - | 63,165 | - |
| Other financing sources (uses) | | | | |
| Transfers in | 63,165 | - | (63,165) | - |
| Total other financing sources (uses) | 63,165 | - | (63,165) | - |
| Net changes in fund balances | - | - | - | - |
| Fund balances-beginning | - | 1 | 1 | 1 |
| Fund balances-ending | \$- | \$1 | \$1 | \$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, 2019
(With comparative totals for December 31, 2018)

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

| | 2019 | | 2018 | |
|---|--------------------|------------------|--|------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Intergovernmental | \$360,000 | \$422,497 | \$62,497 | \$- |
| Miscellaneous | - | 3,300 | 3,300 | 1,537 |
| Total revenues | 360,000 | 425,797 | 65,797 | 1,537 |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 765,810 | 602,007 | 163,803 | 651,729 |
| Total expenditures | 765,810 | 602,007 | 163,803 | 651,729 |
| Excess (deficiency) of revenues over expenditures | (405,810) | (176,210) | 229,600 | (650,192) |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | 528,219 |
| Total other financing sources (uses) | - | - | - | 528,219 |
| Net changes in fund balances | (405,810) | (176,210) | 229,600 | (121,973) |
| Fund balances-beginning | - | 402,497 | 402,497 | 524,470 |
| Fund balances-ending | \$(405,810) | \$226,287 | \$632,097 | \$402,497 |

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, 2019
 (With comparative totals for December 31, 2018)

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

| | 2019 | | | 2018 |
|---|-------------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$4,581 | \$4,581 | \$816 |
| Total revenues | - | 4,581 | 4,581 | 816 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | 3,655 |
| Capital outlay | 552,221 | - | 552,221 | - |
| Total expenditures | 552,221 | - | 552,221 | 3,655 |
| Excess (deficiency) of revenues over expenditures | (552,221) | 4,581 | 556,802 | (2,839) |
| Fund balances-beginning | - | 548,699 | 548,699 | 551,538 |
| Fund balances-ending | \$(552,221) | \$553,280 | \$1,105,501 | \$548,699 |

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, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|----------------------|------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$9,977 | \$9,977 | \$6,275 |
| Total revenues | - | 9,977 | 9,977 | 6,275 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 454,788 | 278,313 | 176,475 | 464,293 |
| Capital outlay | 834,151 | 242,206 | 591,945 | 533,428 |
| Total expenditures | 1,288,939 | 520,519 | 768,420 | 997,721 |
| Excess (deficiency) of revenues over expenditures | (1,288,939) | (510,542) | 778,397 | (991,446) |
| Fund balances-beginning | - | 1,280,638 | 1,280,638 | 2,272,084 |
| Fund balances-ending | \$(1,288,939) | \$770,096 | \$2,059,035 | \$1,280,638 |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Sudden Valley Storm Water Improvements
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|-------------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$6,467 | \$6,467 | \$1,115 |
| Total revenues | - | 6,467 | 6,467 | 1,115 |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 780,000 | - | 780,000 | - |
| Total expenditures | 780,000 | - | 780,000 | - |
| Excess (deficiency) of revenues over expenditures | (780,000) | 6,467 | 786,467 | 1,115 |
| Fund balances-beginning | - | 775,028 | 775,028 | 773,913 |
| Fund balances-ending | \$(780,000) | \$781,495 | \$1,561,495 | \$775,028 |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Hovander Park Building Improvements
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|-------------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$2,014 | \$2,014 | \$410 |
| Total revenues | - | 2,014 | 2,014 | 410 |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 242,569 | 277 | 242,292 | 7,896 |
| Total expenditures | 242,569 | 277 | 242,292 | 7,896 |
| Excess (deficiency) of revenues over expenditures | (242,569) | 1,737 | 244,306 | (7,486) |
| Fund balances-beginning | - | 241,536 | 241,536 | 249,022 |
| Fund balances-ending | \$(242,569) | \$243,273 | \$485,842 | \$241,536 |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Lake Whatcom Park Trail Development
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|-------------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$1,724 | \$1,724 | \$1,351 |
| Total revenues | - | 1,724 | 1,724 | 1,351 |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 243,122 | 153,795 | 89,327 | 127,033 |
| Total expenditures | 243,122 | 153,795 | 89,327 | 127,033 |
| Excess (deficiency) of revenues over expenditures | (243,122) | (152,071) | 91,051 | (125,682) |
| Fund balances-beginning | - | 241,569 | 241,569 | 367,251 |
| Fund balances-ending | \$(243,122) | \$89,498 | \$332,620 | \$241,569 |

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Financial System Software
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|----------------------|--------------------|--|--------------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$14,506 | \$14,506 | \$(11,155) |
| Total revenues | - | 14,506 | 14,506 | (11,155) |
| Expenditures | | | | |
| Current: | | | | |
| General government | 125,000 | 5,990 | 119,010 | - |
| Capital outlay | 1,625,000 | - | 1,625,000 | - |
| Total expenditures | 1,750,000 | 5,990 | 1,744,010 | - |
| Excess (deficiency) of revenues over expenditures | (1,750,000) | 8,516 | 1,758,516 | (11,155) |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | 1,750,000 |
| Total other financing sources (uses) | - | - | - | 1,750,000 |
| Net changes in fund balances | (1,750,000) | 8,516 | 1,758,516 | 1,738,845 |
| Fund balances-beginning | - | 1,738,845 | 1,738,845 | - |
| Fund balances-ending | \$(1,750,000) | \$1,747,361 | \$3,497,361 | \$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, 2019
 (With comparative totals for December 31, 2018)

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

| | 2019 | | | 2018 |
|---|-------------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$3,258 | \$3,258 | \$(2,109) |
| Total revenues | - | 3,258 | 3,258 | (2,109) |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | 231,766 | (231,766) | 164 |
| Capital outlay | 330,836 | - | 330,836 | - |
| Total expenditures | 330,836 | 231,766 | 99,070 | 164 |
| Excess (deficiency) of revenues over expenditures | (330,836) | (228,508) | 102,328 | (2,273) |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | 331,000 |
| Total other financing sources (uses) | - | - | - | 331,000 |
| Net changes in fund balances | (330,836) | (228,508) | 102,328 | 328,727 |
| Fund balances-beginning | - | 328,727 | 328,727 | - |
| Fund balances-ending | \$(330,836) | \$100,219 | \$431,055 | \$328,727 |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Public Safety Radio System
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | 2018 | |
|---|-----------|-----------|--|--------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$865 | \$865 | \$- |
| Total revenues | - | 865 | 865 | - |
| Excess (deficiency) of revenues over expenditures | (451,158) | 865 | 452,023 | - |
| Other financing sources (uses) | | | | |
| Transfers in | 451,158 | 451,158 | - | - |
| Total other financing sources (uses) | 451,158 | 451,158 | - | - |
| Net changes in fund balances | - | 452,023 | 452,023 | - |
| Fund balances-beginning | - | - | - | - |
| Fund balances-ending | \$- | \$452,023 | \$452,023 | \$- |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 N Lake Samish Rd Bridge 107 Replace
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|-----------|-----------|--|--------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$1,142 | \$1,142 | \$- |
| Total revenues | - | 1,142 | 1,142 | - |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 770,000 | 191,811 | 578,189 | - |
| Total expenditures | 770,000 | 191,811 | 578,189 | - |
| Excess (deficiency) of revenues over expenditures | (770,000) | (190,669) | 579,331 | - |
| Other financing sources (uses) | | | | |
| Transfers in | 770,000 | 770,000 | - | - |
| Total other financing sources (uses) | 770,000 | 770,000 | - | - |
| Net changes in fund balances | - | 579,331 | 579,331 | - |
| Fund balances-beginning | - | - | - | - |
| Fund balances-ending | \$- | \$579,331 | \$579,331 | \$- |

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)
Vactor Truck Storage Building
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

| | 2019 | | | 2018 |
|---|-----------|-----------|--|--------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$843 | \$843 | \$- |
| Total revenues | - | 843 | 843 | - |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 440,000 | - | 440,000 | - |
| Total expenditures | 440,000 | - | 440,000 | - |
| Excess (deficiency) of revenues over expenditures | (440,000) | 843 | 440,843 | - |
| Other financing sources (uses) | | | | |
| Transfers in | 440,000 | 440,000 | - | - |
| Total other financing sources (uses) | 440,000 | 440,000 | - | - |
| Net changes in fund balances | - | 440,843 | 440,843 | - |
| Fund balances-beginning | - | - | - | - |
| Fund balances-ending | \$- | \$440,843 | \$440,843 | \$- |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Marine Locust Alderwood Reconstruction
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|-----------|-----------|--|--------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$1,400 | \$1,400 | \$- |
| Total revenues | - | 1,400 | 1,400 | - |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 797,500 | 83,647 | 713,853 | - |
| Total expenditures | 797,500 | 83,647 | 713,853 | - |
| Excess (deficiency) of revenues over expenditures | (797,500) | (82,247) | 715,253 | - |
| Other financing sources (uses) | | | | |
| Transfers in | 797,500 | 797,500 | - | - |
| Total other financing sources (uses) | 797,500 | 797,500 | - | - |
| Net changes in fund balances | - | 715,253 | 715,253 | - |
| Fund balances-beginning | - | - | - | - |
| Fund balances-ending | \$- | \$715,253 | \$715,253 | \$- |

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, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|-------------|-----------|--|-----------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$1,768 | \$1,768 | \$(1,402) |
| Total revenues | - | 1,768 | 1,768 | (1,402) |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | 220,000 | 39,786 | 180,214 | - |
| Total expenditures | 220,000 | 39,786 | 180,214 | - |
| Excess (deficiency) of revenues over expenditures | (220,000) | (38,018) | 181,982 | (1,402) |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | 220,000 |
| Total other financing sources (uses) | - | - | - | 220,000 |
| Net changes in fund balances | (220,000) | (38,018) | 181,982 | 218,598 |
| Fund balances-beginning | - | 218,598 | 218,598 | - |
| Fund balances-ending | \$(220,000) | \$180,580 | \$400,580 | \$218,598 |

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 East Smith/Hannegan Road Intersection Improvements
 Year Ended December 31, 2019
 (With comparative totals for December 31, 2018)

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

| | 2019 | | | 2018 |
|---|-----------|-----------|--|--------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$1,092 | \$1,092 | \$- |
| Total revenues | - | 1,092 | 1,092 | - |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | \$859,815 | \$226,392 | \$633,423 | \$185 |
| Total expenditures | 859,815 | 226,392 | 633,423 | 185 |
| Excess (deficiency) of revenues over expenditures | (859,815) | (225,300) | 634,515 | (185) |
| Other financing sources (uses) | | | | |
| Transfers in | 859,815 | 769,815 | (90,000) | 185 |
| Total other financing sources (uses) | 859,815 | 769,815 | (90,000) | 185 |
| Net changes in fund balances | - | 544,515 | 544,515 | - |
| Fund balances-beginning | - | - | - | - |
| Fund balances-ending | \$- | \$544,515 | \$544,515 | \$- |

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Prox Lock Control Panel Replace
Year Ended December 31, 2019
(With comparative totals for December 31, 2018)

Whatcom County

W A S H I N G T O N

| | 2019 | | | 2018 |
|---|-----------|-----------|--|--------|
| | Budget | Actual | Variance Favorable (Unfavorable) | Actual |
| Revenues | | | | |
| Miscellaneous | \$- | \$456 | \$456 | \$- |
| Total revenues | - | 456 | 456 | - |
| Expenditures | | | | |
| Current: | | | | |
| General government | 238,000 | - | 238,000 | - |
| Total expenditures | 238,000 | - | 238,000 | - |
| Excess (deficiency) of revenues over expenditures | (238,000) | 456 | 238,456 | - |
| Other financing sources (uses) | | | | |
| Transfers in | 238,000 | 238,000 | - | - |
| Total other financing sources (uses) | 238,000 | 238,000 | - | - |
| Net changes in fund balances | - | 238,456 | 238,456 | - |
| Fund balances-beginning | - | - | - | - |
| Fund balances-ending | \$- | \$238,456 | \$238,456 | \$- |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual
Public Utilities Improvement
Year Ended December 31, 2019

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive/ (Negative) |
|---|--------------------|----------------------|---------------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$4,433,527 | \$4,433,527 | \$4,573,987 | \$140,460 |
| Miscellaneous | 116,650 | 116,650 | 245,014 | 128,364 |
| Total revenues | 4,550,177 | 4,550,177 | 4,819,001 | 268,824 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 132,486 | 132,486 | 25,242 | 107,244 |
| Natural and economic environment | 717,300 | 7,036,767 | 1,355,713 | 5,681,054 |
| Capital outlay | 89,000 | 89,000 | - | 89,000 |
| Total expenditures | 938,786 | 7,258,253 | 1,380,955 | 5,877,298 |
| Excess (deficiency) of revenues over expenditures | 3,611,391 | (2,708,076) | 3,438,046 | 6,146,122 |
| Other financing sources (uses) | | | | |
| Transfer out | (460,644) | (3,025,475) | (2,961,633) | 63,842 |
| Total other financing sources (uses) | (460,644) | (3,025,475) | (2,961,633) | 63,842 |
| Net changes in fund balances | 3,150,747 | (5,733,551) | 476,413 | 6,209,964 |
| Fund balance as of January 1 | - | - | 27,550,990 | 27,550,990 |
| Fund balance as of December 31 | \$3,150,747 | \$(5,733,551) | \$28,027,403 | \$33,760,954 |

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual
Triage Center Expansion
Year Ended December 31, 2019

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 | \$- | \$9,058,781 | \$1,940,744 | \$(7,118,037) |
| Charges for service | - | - | 101,245 | 101,245 |
| Miscellaneous | - | - | 41,961 | 41,961 |
| Total revenues | - | 9,058,781 | 2,083,950 | (6,974,831) |
| Expenditures | | | | |
| Current: | | | | |
| Capital outlay | - | 13,057,863 | 2,104,327 | 10,953,536 |
| Total expenditures | - | 13,057,863 | 2,104,327 | 10,953,536 |
| Excess (deficiency) of revenues over expenditures | - | (3,999,082) | (20,377) | 3,978,705 |
| Other financing sources (uses) | | | | |
| Transfer in | - | 1,000,000 | 1,000,000 | - |
| Total other financing sources (uses) | - | 1,000,000 | 1,000,000 | - |
| Net changes in fund balances | - | (2,999,082) | 979,623 | 3,978,705 |
| Fund balance as of January 1 | - | - | 2,966,492 | 2,966,492 |
| Fund balance as of December 31 | \$- | \$(2,999,082) | \$3,946,115 | \$6,945,197 |

| | Equipment Rental | Administrative Services | Total |
|---|---------------------|----------------------------|---------------------|
| Assets | | | |
| Current assets | | | |
| Cash, cash equivalents and pooled investments | \$5,005,438 | \$15,238,791 | \$20,244,229 |
| Deposits with fiscal agent | - | 6,000 | 6,000 |
| Receivables, net | 26,893 | 11,916 | 38,809 |
| Interfund receivable | 72,551 | 405,377 | 477,928 |
| Due from other governments | 1,285 | 64,951 | 66,236 |
| Interfund loan receivable | 115,327 | - | 115,327 |
| Employee advances | - | 126 | 126 |
| Inventories | 1,559,161 | 39,489 | 1,598,650 |
| Prepayments | 5,099 | 842 | 5,941 |
| Total current assets | 6,785,754 | 15,767,492 | 22,553,246 |
| Noncurrent assets | | | |
| Interfund loan-long-term | 318,321 | - | 318,321 |
| Capital assets: | | | |
| Land | 320,864 | 119,000 | 439,864 |
| Building and structures, net | 919,085 | 40,427 | 959,512 |
| Capital leases, net | - | 15,653 | 15,653 |
| Other improvements, net | 400,417 | 1,141 | 401,558 |
| Machinery and equipment, net | 13,075,529 | 302,370 | 13,377,899 |
| Intangible assets, net | 50,400 | - | 50,400 |
| Total capital assets, net | 14,766,295 | 478,591 | 15,244,886 |
| Total noncurrent assets | 15,084,616 | 478,591 | 15,563,207 |
| Total assets | 21,870,370 | 16,246,083 | 38,116,453 |
| Deferred outflows of resources | | | |
| Pension | 94,849 | 446,346 | 541,195 |
| Total deferred outflows of resources | 94,849 | 446,346 | 541,195 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable | 617,720 | 660,864 | 1,278,584 |
| Claims cost payable | - | 3,376,624 | 3,376,624 |
| Interfund payable | 103,457 | 44,635 | 148,092 |
| Compensated absences | 142,137 | 534,533 | 676,670 |
| Other accrued liabilities | 54,808 | 266,810 | 321,618 |
| Total current liabilities | 918,122 | 4,883,466 | 5,801,588 |
| Noncurrent liabilities | | | |
| Other noncurrent liabilities | - | 15,652 | 15,652 |
| Pension liability, net | 387,645 | 1,824,214 | 2,211,859 |
| Total noncurrent liabilities | 387,645 | 1,839,866 | 2,227,511 |
| Total liabilities | 1,305,767 | 6,723,332 | 8,029,099 |
| Deferred inflows of resources | | | |
| Pension | 209,795 | 987,271 | 1,197,066 |
| Total deferred inflows of resources | 209,795 | 987,271 | 1,197,066 |
| Net position | | | |
| Net investment in capital assets | 14,766,295 | 478,591 | 15,244,886 |
| Unrestricted | 5,683,362 | 8,503,235 | 14,186,597 |
| Total net position | \$20,449,657 | \$8,981,826 | \$29,431,483 |

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2019

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

| | Equipment Rental | Administrative Services | Total |
|--|---------------------|----------------------------|---------------------|
| Operating Revenue | | | |
| Charges for service | \$4,461,273 | \$18,314,971 | \$22,776,244 |
| Rents and parking | 5,816,550 | 3,024 | 5,819,574 |
| Fines and forfeits | - | 1,520 | 1,520 |
| Miscellaneous | 12,490 | 29,605 | 42,095 |
| Total operating revenues | 10,290,313 | 18,349,120 | 28,639,433 |
| Operating expenses | | | |
| General operations | 7,730,439 | 18,144,155 | 25,874,594 |
| General administration | 499,613 | - | 499,613 |
| Depreciation | 2,209,206 | 157,664 | 2,366,870 |
| Total operating expenses | 10,439,258 | 18,301,819 | 28,741,077 |
| Operating income (loss) | (148,945) | 47,301 | (101,644) |
| Non-operating revenues (expenses) | | | |
| Gain (loss) on sale of capital assets | 155,798 | - | 155,798 |
| Interest revenue | 10,641 | - | 10,641 |
| Interest expense | - | (243) | (243) |
| Unrealized gain (loss) on investments | 47,858 | 127,715 | 175,573 |
| Insurance recoveries | 3,240 | 1,117,066 | 1,120,306 |
| Total non-operating revenues (expenses) | 217,537 | 1,244,538 | 1,462,075 |
| Income (loss) before transfers | 68,592 | 1,291,839 | 1,360,431 |
| Capital contributions | 42,815 | - | 42,815 |
| Transfers in | 509,808 | 618,335 | 1,128,143 |
| Transfers out | (233,064) | (357,184) | (590,248) |
| Changes in net position | 388,151 | 1,552,990 | 1,941,141 |
| Total net position-beginning | 20,061,506 | 7,428,836 | 27,490,342 |
| Total net position-ending | \$20,449,657 | \$8,981,826 | \$29,431,483 |

| | Equipment Rental | Administrative Services | Total |
|---|---------------------|----------------------------|--------------------|
| Cash flows from operating activities: | | | |
| Receipts from customers | \$10,558,638 | \$18,050,749 | \$28,609,387 |
| Payments for goods and services | (7,522,136) | (13,268,868) | (20,791,004) |
| Payments to employees | (1,336,727) | (6,257,121) | (7,593,848) |
| Net cash provided (used) by operating activities | 1,699,775 | (1,475,240) | 224,535 |
| Cash flows from non-capital financing activities: | | | |
| Transfers in | - | 618,335 | 618,335 |
| Transfers out | (233,064) | (357,184) | (590,248) |
| Interest revenue | 10,641 | - | 10,641 |
| Insurance recoveries | 3,240 | 1,117,065 | 1,120,305 |
| Net cash provided (used) by non-capital financing activities | (219,183) | 1,378,216 | 1,159,033 |
| Cash flows from capital financing activities: | | | |
| Interest paid on capital debt | - | (243) | (243) |
| Transfers in | 509,808 | - | 509,808 |
| Proceeds from sale of assets | 271,236 | - | 271,236 |
| Purchases of capital assets | (3,271,333) | (219,666) | (3,490,999) |
| Net cash provided (used) by capital financing activities | (2,490,289) | (219,909) | (2,710,198) |
| Cash flows from investing activities: | | | |
| Unrealized gain (loss) on investments | 47,858 | 127,715 | 175,573 |
| Net cash provided (used) by investing activities | 47,858 | 127,715 | 175,573 |
| Net Increase (decrease) in cash and cash equivalents | (961,839) | (189,218) | (1,151,057) |
| Balances - beginning of the year | 5,967,277 | 15,428,009 | 21,395,286 |
| Balances - end of the year | \$5,005,438 | \$15,238,791 | \$20,244,229 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | \$(148,945) | \$47,301 | \$(101,644) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | |
| Depreciation expense | 2,209,206 | 157,664 | 2,366,870 |
| Change in assets and liabilities: | | | |
| Receivables, net | 268,325 | (298,371) | (30,046) |
| Inventories | (140,691) | (17,288) | (157,979) |
| Accounts and other payables | (488,915) | (912,274) | (1,401,189) |
| Accrued expenses | 795 | (452,272) | (451,477) |
| Net cash provided by operating activities | \$1,699,775 | \$(1,475,240) | \$224,535 |
| Noncash capital financing activities: | | | |
| Contributed Vehicles | \$42,715 | \$- | \$42,715 |
| Total noncash investing & capital financing activities | \$42,715 | \$- | \$42,715 |

| | Enterprise Funds | | |
|---|-----------------------------------|--------------------|--------------------|
| | Whatcom County Investment Pool | Ferry System | Totals |
| Assets | | | |
| Current assets | | | |
| Cash, cash equivalents and pooled investments | \$189,669 | \$2,451,953 | \$2,641,622 |
| Deposits with fiscal agent | - | 10,000 | 10,000 |
| Interfund receivable | - | 404,816 | 404,816 |
| Prepayments | 127 | 206 | 333 |
| Total current assets | 189,796 | 2,866,975 | 3,056,771 |
| Noncurrent assets | | | |
| Capital assets: | | | |
| Machinery and equipment, net | - | 375 | 375 |
| Total noncurrent assets | - | 375 | 375 |
| Total assets | 189,796 | 2,867,350 | 3,057,146 |
| Deferred outflows of resources | | | |
| Pension | 10,694 | 86,015 | 96,709 |
| Total deferred outflows of resources | 10,694 | 86,015 | 96,709 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable | 9,170 | 12,079 | 21,249 |
| Interfund payable | - | 2,631 | 2,631 |
| Compensated absences | 25,530 | 46,578 | 72,108 |
| Other accrued liabilities | 6,333 | 89,803 | 96,136 |
| Total current liabilities | 41,033 | 151,091 | 192,124 |
| Noncurrent liabilities | | | |
| Pension liability, net | 43,705 | 351,541 | 395,246 |
| Total noncurrent liabilities | 43,705 | 351,541 | 395,246 |
| Total liabilities | 84,738 | 502,632 | 587,370 |
| Deferred inflows of resources | | | |
| Pension | 23,653 | 190,255 | 213,908 |
| Total deferred inflows of resources | 23,653 | 190,255 | 213,908 |
| Net position | | | |
| Net investment in capital assets | - | 375 | 375 |
| Unrestricted | 92,099 | 2,260,103 | 2,352,202 |
| Total net position | \$92,099 | \$2,260,478 | \$2,352,577 |

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Non-Major Enterprise Funds
Year Ended December 31, 2019

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

| | Enterprise Funds | | |
|--|-----------------------------------|--------------------|--------------------|
| | Whatcom County Investment Pool | Ferry System | Totals |
| Operating revenues | | | |
| Intergovernmental | \$- | \$288,631 | \$288,631 |
| Charges for service | 278,216 | 1,524,448 | 1,802,664 |
| Miscellaneous | - | 49,645 | 49,645 |
| Total operating revenues | 278,216 | 1,862,724 | 2,140,940 |
| Operating expenses | | | |
| General operations | 249,988 | 2,533,333 | 2,783,321 |
| General administration | - | 196,938 | 196,938 |
| Depreciation | - | 642 | 642 |
| Total operating expenses | 249,988 | 2,730,913 | 2,980,901 |
| Operating income (loss) | 28,228 | (868,189) | (839,961) |
| Non-operating revenues (expenses) | | | |
| Unrealized gain (loss) on investments | - | 19,484 | 19,484 |
| Total non-operating revenues (expenses) | - | 19,484 | 19,484 |
| Income (loss) before transfers | 28,228 | (848,705) | (820,477) |
| Transfers in | - | 1,379,043 | 1,379,043 |
| Transfers out | - | (239,180) | (239,180) |
| Changes in net position | 28,228 | 291,158 | 319,386 |
| Total net position-beginning | 63,871 | 1,969,320 | 2,033,191 |
| Total net position-ending | \$92,099 | \$2,260,478 | \$2,352,577 |

| | Enterprise Funds | | |
|---|-----------------------------------|----------------------|--------------------|
| | Whatcom County Investment Pool | Ferry System | Totals |
| Cash flows from operating activities: | | | |
| Receipts from customers | \$276,667 | \$1,965,064 | \$2,241,731 |
| Payments for goods and services | (72,411) | (1,637,718) | (1,710,129) |
| Payments to employees | (178,522) | (1,343,290) | (1,521,812) |
| Net cash provided (used) by operating activities | 25,734 | (1,015,944) | (990,210) |
| Cash flows from non-capital financing activities: | | | |
| Transfers in | - | 1,379,043 | 1,379,043 |
| Transfers out | - | (239,180) | (239,180) |
| Net cash provided (used) by non-capital financing activities | - | 1,139,863 | 1,139,863 |
| Cash flows from investing activities: | | | |
| Unrealized gain (loss) on investments | - | 19,484 | 19,484 |
| Net cash provided (used) by investing activities | - | 19,484 | 19,484 |
| Net increase (decrease) in cash and cash equivalents | 25,734 | 143,403 | 169,137 |
| Balances - beginning of the year | 163,935 | 2,308,550 | 2,472,485 |
| Balances - end of the year | \$189,669 | \$2,451,953 | \$2,641,622 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | \$28,228 | \$(868,189) | \$(839,961) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | |
| Depreciation expense | - | 642 | 642 |
| Change in assets and liabilities: | | | |
| Receivables, net | (1,549) | 102,340 | 100,791 |
| Accounts and other payables | 971 | (158,025) | (157,054) |
| Accrued expenses | (1,916) | (92,712) | (94,628) |
| Net cash provided by operating activities | \$25,734 | \$(1,015,944) | \$(990,210) |

| | Investment Trust Fund |
|---|--------------------------|
| Assets | |
| Certificates of deposit and saving accounts | \$49,233,173 |
| Taxable municipal notes | 45,684,830 |
| US treasury notes | 6,290,524 |
| US agency notes | 146,659,635 |
| Supranational agency notes | 25,767,345 |
| LGIP | 61,427,739 |
| Total assets | 335,063,246 |
| Net position | |
| Held in trust for pool participants | 335,063,246 |
| Total net position | \$335,063,246 |

Combining Statement of Changes in Net Position
Investment Trust Funds
Year Ended December 31, 2019

| | Investment Trust Fund |
|--|--------------------------|
| Additions | |
| Contributions | \$343,593,036 |
| Investment earnings: | |
| Interest | 5,336,389 |
| Net Increase (decrease) in fair value of investments | 2,093,903 |
| Total additions | 351,023,328 |
| Deductions | |
| Distributions | 241,335,191 |
| Total deductions | 241,335,191 |
| Change in net position | 109,688,137 |
| Net position-beginning | 225,375,109 |
| Net position-ending | \$335,063,246 |

| | Cemetery Districts | Drainage, Diking & Flood Cntr Districts | Park & Recreation Districts | Rural Library | Northwest Regional Council | Council of Government |
|------------------------------|-----------------------|--|-----------------------------------|------------------|----------------------------------|--------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$1,452,909 | \$481,817 | \$869,239 | \$581,131 | \$1,957,942 | \$3,481 |
| Deposits with fiscal agent | - | - | - | - | - | - |
| Accounts receivable, net | - | - | - | - | - | - |
| Employee advances | - | - | - | - | - | - |
| Total assets | \$1,452,909 | \$481,817 | \$869,239 | \$581,131 | \$1,957,942 | \$3,481 |
| Liabilities | | | | | | |
| Warrants payable | \$- | \$- | \$- | \$- | \$- | \$- |
| Accounts payable | 7,252 | 61,480 | 1,762 | 149,820 | - | - |
| Other accrued liabilities | (1,464) | - | 101 | - | - | - |
| Revenue collected in advance | - | - | - | - | - | - |
| Custodial accounts | 1,447,121 | 420,337 | 867,376 | 431,311 | 1,957,942 | 3,481 |
| Total liabilities | \$1,452,909 | \$481,817 | \$869,239 | \$581,131 | \$1,957,942 | \$3,481 |

| | Hospital Districts | Port | P.U.D. District | Whatcom Transit | School Districts | Watershed Districts |
|------------------------------|-----------------------|-----------------|-----------------|--------------------|---------------------|------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$97,791 | \$65,338 | \$14,147 | \$- | \$6,257,671 | \$302,692 |
| Deposits with fiscal agent | - | - | - | - | 308,626 | - |
| Accounts receivable, net | - | - | - | - | - | - |
| Employee advances | - | - | - | - | - | - |
| Total assets | \$97,791 | \$65,338 | \$14,147 | \$- | \$6,566,297 | \$302,692 |
| Liabilities | | | | | | |
| Warrants payable | \$- | \$- | \$- | \$- | \$5,891,515 | \$- |
| Accounts payable | 152 | - | - | - | - | - |
| Other accrued liabilities | 33 | - | - | - | 23,271 | - |
| Revenue collected in advance | - | - | - | - | - | - |
| Custodial accounts | 97,606 | 65,338 | 14,147 | - | 651,511 | 302,692 |
| Total liabilities | \$97,791 | \$65,338 | \$14,147 | \$- | \$6,566,297 | \$302,692 |

| Fire Districts | Water Districts | Treasurer's Suspense | Inmate Trust Fund | Claims Fund | Total |
|--------------------|--------------------|----------------------|-------------------|--------------------|---------------------|
| \$1,965,377 | \$1,508,523 | \$4,918,971 | \$59,540 | \$1,858,881 | \$22,395,450 |
| - | - | - | - | - | 308,626 |
| - | - | 6,283 | - | - | 6,283 |
| - | (850) | - | - | - | (850) |
| <u>\$1,965,377</u> | <u>\$1,507,673</u> | <u>\$4,925,254</u> | <u>\$59,540</u> | <u>\$1,858,881</u> | <u>\$22,709,509</u> |
| \$- | \$- | \$- | \$- | \$1,858,881 | \$7,750,396 |
| 83,335 | 69,177 | - | - | - | 372,978 |
| (653) | 133 | - | - | - | 21,421 |
| - | - | 189,199 | - | - | 189,199 |
| <u>1,882,695</u> | <u>1,438,363</u> | <u>4,736,055</u> | <u>59,540</u> | <u>-</u> | <u>14,375,515</u> |
| <u>\$1,965,377</u> | <u>\$1,507,673</u> | <u>\$4,925,254</u> | <u>\$59,540</u> | <u>\$1,858,881</u> | <u>\$22,709,509</u> |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Cemetery Districts
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|-------------|-------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$1,484,882 | \$1,908,487 | \$1,940,460 | \$1,452,909 |
| Total assets | \$1,484,882 | \$1,908,487 | \$1,940,460 | \$1,452,909 |
| Liabilities | | | | |
| Accounts payable | \$5,707 | \$719,462 | \$717,917 | \$7,252 |
| Other accrued liabilities | (1,455) | 456,833 | 456,842 | (1,464) |
| Custodial accounts | 1,480,630 | - | 33,509 | 1,447,121 |
| Total liabilities | \$1,484,882 | \$1,176,295 | \$1,208,268 | \$1,452,909 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Drainage, Diking and Flood Control Districts
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|-----------|-----------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$406,788 | \$335,883 | \$260,854 | \$481,817 |
| Total assets | \$406,788 | \$335,883 | \$260,854 | \$481,817 |
| Liabilities | | | | |
| Accounts payable | \$12,312 | \$151,913 | \$102,745 | \$61,480 |
| Custodial accounts | 394,476 | 25,861 | - | 420,337 |
| Total liabilities | \$406,788 | \$177,774 | \$102,745 | \$481,817 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Park and Recreation Districts
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|--------------------|--------------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$742,490 | \$4,530,168 | \$4,403,419 | \$869,239 |
| Total assets | \$742,490 | \$4,530,168 | \$4,403,419 | \$869,239 |
| Liabilities | | | | |
| Accounts payable | \$10,616 | \$519,144 | \$527,998 | \$1,762 |
| Other accrued liabilities | - | 178,402 | 178,301 | 101 |
| Custodial accounts | 731,874 | 135,502 | - | 867,376 |
| Total liabilities | \$742,490 | \$833,048 | \$706,299 | \$869,239 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Rural Library
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|--------------|--------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$509,790 | \$18,244,464 | \$18,173,123 | \$581,131 |
| Total assets | \$509,790 | \$18,244,464 | \$18,173,123 | \$581,131 |
| Liabilities | | | | |
| Accounts payable | \$139,878 | \$2,903,252 | \$2,893,310 | \$149,820 |
| Custodial accounts | 369,912 | 61,399 | - | 431,311 |
| Total liabilities | \$509,790 | \$2,964,651 | \$2,893,310 | \$581,131 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Northwest Regional Council
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|--------------|--------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$2,005,823 | \$46,832,557 | \$46,880,438 | \$1,957,942 |
| Total assets | \$2,005,823 | \$46,832,557 | \$46,880,438 | \$1,957,942 |
| Liabilities | | | | |
| Accounts payable | \$488,003 | \$7,402,763 | \$7,890,766 | \$- |
| Custodial accounts | 1,517,820 | 440,122 | - | 1,957,942 |
| Total liabilities | \$2,005,823 | \$7,842,885 | \$7,890,766 | \$1,957,942 |

| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|-------------|-------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$248,442 | \$2,521,539 | \$2,766,500 | \$3,481 |
| Total assets | \$248,442 | \$2,521,539 | \$2,766,500 | \$3,481 |
| Liabilities | | | | |
| Custodial accounts | \$248,442 | \$- | \$244,961 | \$3,481 |
| Total liabilities | \$248,442 | \$- | \$244,961 | \$3,481 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Hospital Districts
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|-----------|-----------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$93,385 | \$529,522 | \$525,116 | \$97,791 |
| Total assets | \$93,385 | \$529,522 | \$525,116 | \$97,791 |
| Liabilities | | | | |
| Accounts payable | \$143 | \$227,883 | \$227,874 | \$152 |
| Other accrued liabilities | - | 37,647 | 37,614 | 33 |
| Custodial accounts | 93,242 | 22,708 | 18,344 | 97,606 |
| Total liabilities | \$93,385 | \$288,238 | \$283,832 | \$97,791 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Port
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|-------------|-------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$101,789 | \$7,492,308 | \$7,528,759 | \$65,338 |
| Total assets | \$101,789 | \$7,492,308 | \$7,528,759 | \$65,338 |
| Liabilities | | | | |
| Custodial accounts | \$101,789 | \$- | \$36,451 | \$65,338 |
| Total liabilities | \$101,789 | \$- | \$36,451 | \$65,338 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 P.U.D. District
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|--------------|--------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$5,057 | \$54,337,498 | \$54,328,408 | \$14,147 |
| Total assets | \$5,057 | \$54,337,498 | \$54,328,408 | \$14,147 |
| Liabilities | | | | |
| Accounts payable | \$- | \$6,440,236 | \$6,440,236 | \$- |
| Custodial accounts | 5,057 | 9,090 | - | 14,147 |
| Total liabilities | \$5,057 | \$6,449,326 | \$6,440,236 | \$14,147 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Whatcom Transit
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|--------------|--------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$- | \$80,970,659 | \$80,970,659 | \$- |
| Total assets | \$- | \$80,970,659 | \$80,970,659 | \$- |
| Liabilities | | | | |
| Custodial accounts | \$- | \$- | \$- | \$- |
| Total liabilities | \$- | \$- | \$- | \$- |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 School Districts
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|----------------------------|----------------------|----------------------|----------------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$12,823,134 | \$781,069,641 | \$787,635,104 | \$6,257,671 |
| Deposits with fiscal agent | 280,726 | 38,895,751 | 38,867,851 | 308,626 |
| Total assets | \$13,103,860 | \$819,965,392 | \$826,502,955 | \$6,566,297 |
| Liabilities | | | | |
| Warrants payable | \$9,803,526 | \$192,668,490 | \$196,580,501 | \$5,891,515 |
| Matured long-term debt | - | 22,339,095 | 22,339,095 | - |
| Matured interest payable | - | 16,611,844 | 16,611,844 | - |
| Other accrued liabilities | 23,271 | - | - | 23,271 |
| Custodial accounts | 3,277,063 | 190,185,531 | 192,811,083 | 651,511 |
| Total liabilities | \$13,103,860 | \$421,804,960 | \$428,342,523 | \$6,566,297 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Watershed Districts
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|------------------|------------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$273,266 | \$729,359 | \$699,933 | \$302,692 |
| Total assets | \$273,266 | \$729,359 | \$699,933 | \$302,692 |
| Liabilities | | | | |
| Accounts payable | \$- | \$361,492 | \$361,492 | \$- |
| Custodial accounts | 273,266 | 29,426 | - | 302,692 |
| Total liabilities | \$273,266 | \$390,918 | \$361,492 | \$302,692 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Fire Districts
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|--------------|--------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$1,639,429 | \$68,427,385 | \$68,101,437 | \$1,965,377 |
| Total assets | \$1,639,429 | \$68,427,385 | \$68,101,437 | \$1,965,377 |
| Liabilities | | | | |
| Accounts payable | \$21,416 | \$6,700,112 | \$6,638,193 | \$83,335 |
| Other accrued liabilities | - | 492,828 | 493,481 | (653) |
| Custodial accounts | 1,618,013 | 264,682 | - | 1,882,695 |
| Total liabilities | \$1,639,429 | \$7,457,622 | \$7,131,674 | \$1,965,377 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Water Districts
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|---------------------|---------------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$1,253,506 | \$10,709,236 | \$10,454,219 | \$1,508,523 |
| Employee advances | (850) | - | - | (850) |
| Total assets | \$1,252,656 | \$10,709,236 | \$10,454,219 | \$1,507,673 |
| Liabilities | | | | |
| Accounts payable | \$166,287 | \$3,720,226 | \$3,817,336 | \$69,177 |
| Other accrued liabilities | - | 966,713 | 966,580 | 133 |
| Custodial accounts | 1,086,369 | 351,994 | - | 1,438,363 |
| Total liabilities | \$1,252,656 | \$5,038,933 | \$4,783,916 | \$1,507,673 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Treasurer's Suspense
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|------------------------------|----------------------|----------------------|----------------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$3,875,806 | \$177,899,651 | \$176,856,486 | \$4,918,971 |
| Accounts receivable, net | 178 | 2,651,815 | 2,645,710 | 6,283 |
| Total assets | \$3,875,984 | \$180,551,466 | \$179,502,196 | \$4,925,254 |
| Liabilities | | | | |
| Due to other governments | \$383,932 | \$- | \$383,932 | \$- |
| Revenue collected in advance | 194,134 | 521,814 | 526,749 | 189,199 |
| Deferred credits | - | | | - |
| Custodial accounts | 3,297,918 | 9,073,187 | 7,635,050 | 4,736,055 |
| Total liabilities | \$3,875,984 | \$9,595,001 | \$8,545,731 | \$4,925,254 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Inmate Trust Fund
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|-------------|-------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$30,169 | \$1,117,787 | \$1,088,416 | \$59,540 |
| Total assets | \$30,169 | \$1,117,787 | \$1,088,416 | \$59,540 |
| Liabilities | | | | |
| Custodial accounts | \$30,169 | \$1,117,787 | \$1,088,416 | \$59,540 |
| Total liabilities | \$30,169 | \$1,117,787 | \$1,088,416 | \$59,540 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Claims Fund
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|---------------------------|----------------------|---------------|---------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$3,259,587 | \$510,301,988 | \$511,702,694 | \$1,858,881 |
| Total assets | \$3,259,587 | \$510,301,988 | \$511,702,694 | \$1,858,881 |
| Liabilities | | | | |
| Warrants payable | \$3,259,587 | \$125,662,372 | \$127,063,078 | \$1,858,881 |
| Total liabilities | \$3,259,587 | \$125,662,372 | \$127,063,078 | \$1,858,881 |

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Total Agency Funds
 For the Year Ended December 31, 2019



| | Balance January 1 | Additions | Deletions | Balance December 31 |
|------------------------------|----------------------|------------------------|------------------------|------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$28,753,343 | \$1,767,958,132 | \$1,774,316,025 | \$22,395,450 |
| Deposits with fiscal agent | 280,726 | 38,895,751 | 38,867,851 | 308,626 |
| Accounts receivable, net | 178 | 2,651,815 | 2,645,710 | 6,283 |
| Employee advances | (850) | - | - | (850) |
| Total assets | \$29,033,397 | \$1,809,505,698 | \$1,815,829,586 | \$22,709,509 |
| Liabilities | | | | |
| Warrants payable | \$13,063,113 | \$318,330,862 | \$323,643,579 | \$7,750,396 |
| Accounts payable | 844,362 | 29,146,483 | 29,617,867 | 372,978 |
| Due to other governments | 383,932 | - | 383,932 | - |
| Matured long-term debt | - | 22,339,095 | 22,339,095 | - |
| Matured interest payable | - | 16,611,844 | 16,611,844 | - |
| Other accrued liabilities | 21,816 | 2,132,423 | 2,132,818 | 21,421 |
| Revenue collected in advance | 194,134 | 521,814 | 526,749 | 189,199 |
| Custodial accounts | 14,526,040 | 201,717,289 | 201,867,814 | 14,375,515 |
| Total liabilities | \$29,033,397 | \$590,799,810 | \$597,123,698 | \$22,709,509 |

Schedule of Expenditures - Budget and Actual
 General Fund by Department
 Year Ended December 31, 2019



| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive/ (Negative) |
|---------------------------------|---------------------|---------------------|---------------------|---|
| | Original | Final | | |
| Expenditures* | | | | |
| Assessor | \$3,394,993 | \$3,472,325 | \$3,203,574 | \$268,751 |
| Auditor | 1,424,557 | 1,441,773 | 1,400,180 | 41,593 |
| County Council | 1,512,431 | 1,527,759 | 1,353,371 | 174,388 |
| County Executive | 778,972 | 787,457 | 779,007 | 8,450 |
| Planning & Development Services | 5,910,561 | 6,272,694 | 5,795,086 | 477,608 |
| Treasurer | 1,563,968 | 1,583,555 | 1,514,328 | 69,227 |
| Sheriff | 17,867,357 | 19,249,258 | 17,825,287 | 1,423,972 |
| District Court | 2,546,145 | 2,632,328 | 2,616,019 | 16,309 |
| District Court Probation | 2,029,333 | 2,182,853 | 2,020,830 | 162,023 |
| Hearing Examiner | 201,617 | 203,460 | 202,502 | 958 |
| Juvenile | 5,015,706 | 5,177,427 | 4,822,061 | 355,366 |
| Prosecuting Attorney | 6,550,982 | 6,673,569 | 6,203,419 | 470,150 |
| Public Defender | 4,318,112 | 4,405,559 | 4,226,819 | 178,740 |
| Superior Court | 5,756,004 | 5,897,949 | 5,731,654 | 166,295 |
| Extension | 541,708 | 545,152 | 507,772 | 37,380 |
| Non-Departmental | 14,614,557 | 15,001,522 | 16,516,725 | (1,515,203) |
| Park | 4,383,264 | 4,442,729 | 4,068,073 | 374,656 |
| Health | 13,642,352 | 14,174,323 | 13,322,408 | 851,915 |
| Total Expenditures | \$92,052,619 | \$95,671,692 | \$92,109,114 | \$3,562,578 |

* 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.

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| Schedule 2 | Changes in Net Position | .214 |
| Schedule 3 | Fund Balances, Governmental Funds | .218 |
| Schedule 4 | Changes in Fund Balances, Governmental Funds | .220 |

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.

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| Schedule 6 | Direct and Overlapping Property Tax Rates | .224 |
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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.

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

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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.

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

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

| | Fiscal Year | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Governmental activities | | | | | |
| Invested in capital assets, net of related debt | \$170,627,638 | \$177,863,686 | \$174,525,706 | \$181,963,507 | \$237,208,328 |
| Restricted | 55,818,803 | 82,559,994 | 93,042,965 | 98,335,999 | 104,602,157 |
| Unrestricted | 48,310,008 | 30,353,275 | 33,346,775 | 31,177,254 | 29,737,510 |
| Total governmental activities net position | \$274,756,449 | \$290,776,955 | \$300,915,446 | \$311,476,760 | \$371,547,995 |
| Business-type activities | | | | | |
| Invested in capital assets, net of related debt | \$13,604 | \$9,385 | \$5,166 | \$4,226 | \$3,584 |
| Unrestricted | 717,027 | 1,074,308 | 1,720,740 | 1,938,503 | 2,301,462 |
| Total business-type activities net position | \$730,631 | \$1,083,693 | \$1,725,906 | \$1,942,729 | \$2,305,046 |
| Primary government | | | | | |
| Invested in capital assets, net of related debt | \$170,641,242 | \$177,873,071 | \$174,530,872 | \$181,967,733 | \$237,211,912 |
| Restricted | 55,818,803 | 82,559,994 | 93,042,965 | 98,335,999 | 104,602,157 |
| Unrestricted | 49,027,035 | 31,427,583 | 35,067,515 | 33,115,757 | 32,038,972 |
| Total primary government net position | \$275,487,080 | \$291,860,648 | \$302,641,352 | \$313,419,489 | \$373,853,041 |

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

| Fiscal Year | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2015 | 2016 | 2017 | 2018 | 2019 |
| \$246,574,891 | \$247,592,484 | \$249,804,468 | \$251,688,585 | \$259,181,361 |
| 104,504,838 | 108,006,250 | 120,343,165 | 135,572,881 | 144,718,350 |
| (3,306,441) | (4,708,739) | 1,695,052 | (321,595) | 12,100,399 |
| <u>\$347,773,288</u> | <u>\$350,889,995</u> | <u>\$371,842,685</u> | <u>\$386,939,871</u> | <u>\$416,000,110</u> |
| \$2,942 | \$2,300 | \$1,659 | \$1,017 | \$375 |
| 1,716,510 | 1,806,209 | 2,131,963 | 2,450,020 | 2807347 |
| <u>\$1,719,452</u> | <u>\$1,808,509</u> | <u>\$2,133,622</u> | <u>\$2,451,037</u> | <u>\$2,807,722</u> |
| \$246,577,833 | \$247,594,784 | \$249,806,127 | \$251,689,602 | \$259,181,736 |
| 104,504,838 | 108,006,250 | 120,343,165 | 135,572,881 | 144,718,350 |
| (1,589,931) | (2,902,530) | 3,827,015 | 2,128,425 | 14,907,746 |
| <u>\$349,492,740</u> | <u>\$352,698,504</u> | <u>\$373,976,307</u> | <u>\$389,390,908</u> | <u>\$418,807,832</u> |

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

| | Fiscal Year | | | | |
|---|----------------|----------------|----------------|----------------|----------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | \$28,311,133 | \$28,299,947 | \$28,215,657 | \$27,733,347 | \$27,929,915 |
| Public safety | 39,655,473 | 39,647,081 | 39,547,247 | 41,025,695 | 44,827,618 |
| Utilities | - | - | - | 728,915 | 1,065,930 |
| Physical environment | 5,879,096 | 4,906,672 | 4,858,695 | - | - |
| Transportation | 20,425,894 | 21,759,103 | 21,548,292 | 22,423,554 | 22,594,861 |
| Natural and economic environment | 3,202,356 | 3,461,965 | 3,864,716 | 8,756,169 | 7,978,742 |
| Social services | 12,554,614 | 12,908,382 | 13,889,613 | 19,148,787 | 19,161,487 |
| Culture and recreation | 4,341,404 | 4,081,926 | 4,494,034 | 4,001,986 | 4,317,013 |
| Interest on long-term debt | 338,326 | 303,440 | 232,859 | 175,929 | 152,606 |
| Total governmental activities expenses | 114,708,296 | 115,368,516 | 116,651,113 | \$123,994,382 | 128,028,172 |
| Business-type activities: | | | | | |
| Whatcom County Investment Pool | 237,051 | 240,334 | 246,714 | 255,269 | 265,862 |
| Whatcom County Ferry System | 2,703,673 | 2,489,181 | 2,370,448 | 2,531,174 | 2,397,874 |
| Total business-type activities expense | 2,940,724 | 2,729,515 | 2,617,162 | 2,786,443 | 2,663,736 |
| Total primary government expenses | \$117,649,020 | \$118,098,031 | \$119,268,275 | \$126,780,825 | \$130,691,908 |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services | | | | | |
| General government | 4,864,383 | \$5,104,591 | \$5,071,916 | \$8,016,016 | \$7,604,267 |
| Public safety | 4,255,009 | 3,623,893 | 4,045,779 | 8,161,295 | 10,706,721 |
| Utilities | - | - | - | 758,431 | - |
| Physical environment | 780,925 | 769,494 | 776,426 | - | - |
| Transportation | 2,821,648 | 2,687,479 | 2,671,800 | 2,434,042 | 2,315,887 |
| Natural and economic environment | 1,166,884 | 1,049,701 | 1,254,669 | 1,182,061 | 923,215 |
| Social services | 2,604,947 | 2,331,138 | 2,675,550 | 2,649,232 | 2,399,275 |
| Culture and recreation | 334,926 | 361,225 | 365,545 | 364,486 | 294,734 |
| Operating grants and contributions | 25,612,409 | 26,001,375 | 22,426,812 | 21,304,942 | 21,399,828 |
| Capital grants and contributions | 10,320,164 | 8,089,478 | 6,111,570 | 7,609,133 | 12,285,684 |
| Total governmental activities program revenues | 52,761,295 | 50,018,374 | 45,400,067 | 52,479,638 | 57,929,611 |
| Business-type activities: | | | | | |
| Charges for services | 1,432,710 | 1,887,527 | 1,780,726 | 1,875,383 | 1,917,273 |
| Total business-type activities program revenues | 1,432,710 | 1,887,527 | 1,780,726 | 1,875,383 | 1,917,273 |
| Total primary government program revenues | \$54,194,005 | \$51,905,901 | \$47,180,793 | \$54,355,021 | \$59,846,884 |
| Net (Expense)/Revenue | | | | | |
| Governmental activities | \$(61,947,001) | \$(65,350,142) | \$(71,251,046) | \$(71,514,744) | \$(70,098,561) |
| Business-type activities | (1,508,014) | (841,988) | (836,436) | (911,060) | (746,463) |
| Total primary government net expense | \$(63,455,015) | \$(66,192,130) | \$(72,087,482) | \$(72,425,804) | \$(70,845,024) |

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

| Fiscal Year | | | | |
|----------------|----------------|----------------|----------------|----------------|
| 2015 | 2016 | 2017 | 2018 | 2019 |
| \$30,779,824 | \$33,346,649 | \$31,165,548 | \$32,267,846 | \$41,102,725 |
| 45,083,840 | 47,902,859 | 49,404,289 | 52,277,517 | 54,286,671 |
| 813,977 | 719,438 | - | - | - |
| - | - | - | - | - |
| 23,252,369 | 26,254,000 | 24,159,637 | 26,399,671 | 25,907,424 |
| 8,060,712 | 8,013,891 | 10,927,586 | 11,566,179 | 11,094,004 |
| 17,996,969 | 18,673,421 | 19,819,560 | 21,860,399 | 23,695,157 |
| 4,558,516 | 4,948,161 | 4,258,868 | 4,492,538 | 4,465,052 |
| 128,260 | 109,862 | 128,083 | 102,007 | 111,288 |
| 130,674,467 | 139,968,281 | 139,863,571 | 148,966,157 | 160,662,321 |
| 273,137 | 295,038 | 307,898 | 258,830 | 249,219 |
| 2,460,184 | 2,604,367 | 2,686,841 | 2,865,580 | 2,694,383 |
| 2,733,321 | 2,899,405 | 2,994,739 | 3,124,410 | 2,943,602 |
| \$133,407,788 | \$142,867,686 | \$142,858,310 | \$152,090,567 | \$163,605,923 |
| \$7,974,131 | \$8,477,357 | \$8,332,666 | \$8,192,133 | \$9,149,050 |
| 12,133,288 | 10,844,756 | 10,914,642 | 10,923,340 | 12,609,198 |
| 10,000 | 14,416 | - | - | - |
| - | - | - | - | - |
| 2,269,749 | 1,508,958 | 1,801,653 | 2,311,350 | 2,153,279 |
| 1,214,652 | 1,163,755 | 415,297 | 481,256 | 432,624 |
| 2,684,025 | 3,225,455 | 3,973,395 | 4,217,792 | 5,413,862 |
| 257,273 | 273,432 | 262,672 | 260,320 | 256,491 |
| 19,898,633 | 19,115,601 | 20,533,655 | 21,681,242 | 26,163,078 |
| 11,944,482 | 8,904,416 | 5,671,252 | 7,847,406 | 13,053,007 |
| 58,386,233 | 53,528,146 | 51,905,232 | 55,914,839 | 69,230,589 |
| 1,908,861 | 1,809,806 | 1,882,244 | 1,899,846 | 1,853,309 |
| 1,908,861 | 1,809,806 | 1,882,244 | 1,899,846 | 1,853,309 |
| \$60,295,094 | \$55,337,952 | \$53,787,476 | \$57,814,685 | \$71,083,898 |
| \$(72,288,234) | \$(86,440,135) | \$(87,958,339) | \$(93,051,318) | \$(91,431,732) |
| (824,460) | (957,573) | (795,726) | (886,826) | (802,662) |
| \$(73,112,694) | \$(87,397,708) | \$(88,754,065) | \$(93,938,144) | \$(92,234,394) |

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

| | Fiscal Year | | | | |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| General Revenues and Other Changes in Net Assets | | | | | |
| Governmental activities: | | | | | |
| Taxes: | | | | | |
| Property taxes | \$47,208,461 | \$47,891,011 | \$48,366,671 | \$49,162,835 | \$50,107,903 |
| Timber taxes | 183,636 | 354,707 | 550,876 | - | - |
| Retail taxes | 22,368,270 | 22,887,516 | 24,049,680 | 25,757,926 | 26,485,109 |
| Business and occupation taxes | - | - | - | 31,439 | 31,211 |
| Excise taxes | 2,466,037 | 2,612,122 | 3,202,538 | 2,888,689 | 4,126,810 |
| Penalties and interest | 2,362,264 | 2,498,709 | 2,088,649 | - | - |
| Unrestricted investment earnings | 1,358,391 | 1,096,735 | 717,360 | (6,966) | 911,649 |
| Gain/loss on sale of capital assets | 698,530 | 1,013,444 | 1,453,925 | 708,201 | 530,863 |
| Miscellaneous | 2,869,262 | 1,677,984 | 2,438,487 | 4,570,601 | 4,860,753 |
| Special item-gain on acquired capital asset | - | - | - | - | 44,220,000 |
| Transfers | (1,162,091) | (1,195,050) | (1,025,137) | (1,134,728) | (1,104,502) |
| Total governmental activities | 78,352,760 | 78,837,178 | 81,843,049 | 81,977,997 | 130,169,796 |
| Business-type activities: | | | | | |
| Unrestricted investment earnings | - | - | - | (7,746) | 4,278 |
| Transfers | 1,162,091 | 1,195,050 | 1,025,137 | 1,134,728 | 1,104,502 |
| Total business-type activities | 1,162,091 | 1,195,050 | 1,025,137 | 1,126,982 | 1,108,780 |
| Total primary government | \$79,514,851 | \$80,032,228 | \$82,868,186 | \$83,104,979 | \$131,278,576 |
| Change in Net Assets | | | | | |
| Governmental activities | \$16,405,759 | \$13,487,036 | \$10,592,003 | \$10,463,253 | \$60,071,235 |
| Business-type activities | (345,923) | 353,062 | 188,701 | 215,922 | 362,317 |
| Total primary government | \$16,059,836 | \$13,840,098 | \$10,780,704 | \$10,679,175 | \$60,433,552 |

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

| Fiscal Year | | | | |
|--------------|--------------|---------------|---------------|---------------|
| 2015 | 2016 | 2017 | 2018 | 2019 |
| \$51,002,880 | \$51,789,000 | \$61,426,749 | \$64,009,643 | \$64,561,027 |
| - | - | - | - | - |
| 27,398,286 | 28,656,766 | 31,608,063 | 34,531,198 | 36,802,587 |
| 29,325 | 27,402 | 31,576 | 29,186 | 32,903 |
| 4,985,002 | 5,411,302 | 6,073,543 | 7,118,208 | 7,375,357 |
| - | - | - | - | - |
| 741,899 | 669,860 | 1,258,506 | 2,648,077 | 5,179,956 |
| 1,018,373 | 423,976 | 450,255 | 1,050,206 | 4,064,711 |
| 4,107,700 | 3,636,702 | 3,327,643 | 3,191,280 | 3,286,075 |
| - | - | - | - | - |
| (1,116,512) | (1,058,166) | (1,115,849) | (1,210,096) | (1,139,863) |
| 88,166,953 | 89,556,842 | 103,060,486 | 111,367,702 | 120,162,753 |
| 169 | (11,536) | 4,990 | (5,855) | 19,484 |
| 1,116,512 | 1,058,166 | 1,115,849 | 1,210,096 | 1,139,863 |
| 1,116,681 | 1,046,630 | 1,120,839 | 1,204,241 | 1,159,347 |
| \$89,283,634 | \$90,603,472 | \$104,181,325 | \$112,571,943 | \$121,322,100 |
| \$15,878,719 | \$3,116,707 | \$15,102,147 | \$18,316,384 | \$28,731,021 |
| 292,221 | 89,057 | 325,113 | 317,415 | 356,685 |
| \$16,170,940 | \$3,205,764 | \$15,427,260 | \$18,633,799 | \$29,087,706 |

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

| | Fiscal Year | | | | |
|---|---------------------|---------------------|---------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| General Fund | | | | | |
| Reserved | \$349,228 | \$- | \$- | \$- | \$- |
| Unreserved | 8,839,368 | - | - | - | - |
| Restricted | - | 158,781 | 536,962 | 693,229 | 334,317 |
| Unassigned | - | 10,370,694 | 10,869,965 | 11,658,731 | 12,703,184 |
| Total general fund | \$9,188,596 | \$10,529,475 | \$11,406,927 | \$12,351,960 | \$13,037,501 |
| All Other Governmental Funds | | | | | |
| Reserved | \$10,092,405 | \$- | \$- | \$- | \$- |
| Restricted | - | 85,559,994 | 94,313,965 | 94,441,322 | 97,862,280 |
| Committed | - | 418,449 | 361,694 | 5,381,198 | 7,873,940 |
| Assigned | - | 4,107,225 | 4,464,983 | 2,516,944 | 2,838,698 |
| Unassigned | - | - | - | - | - |
| Unreserved, reported in: | 51,695,565 | - | - | - | - |
| Special revenue funds | 21,780,998 | - | - | - | - |
| Total all other governmental funds | \$83,568,968 | \$90,085,668 | \$99,140,642 | \$102,339,464 | \$108,574,918 |

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

| Fiscal Year | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2015 | 2016 | 2017 | 2018 | 2019 |
| \$- | \$- | \$- | \$- | \$- |
| - | - | - | - | - |
| 788,981 | 1,193,986 | 1,370,146 | 1,557,574 | 394,194 |
| 14,732,224 | 15,694,885 | 19,719,446 | 15,455,928 | 20,306,122 |
| <u>\$15,521,205</u> | <u>\$16,888,871</u> | <u>\$21,089,592</u> | <u>\$17,013,502</u> | <u>\$20,700,316</u> |
| \$- | \$- | \$- | \$- | \$- |
| 96,777,284 | 96,949,348 | 105,188,376 | 123,531,902 | 132,463,949 |
| 10,638,840 | 12,049,671 | 16,059,213 | 14,278,943 | 14,663,345 |
| 3,226,073 | 2,071,796 | 1,990,680 | 2,040,483 | 3,361,577 |
| - | - | (19,512) | (6,312) | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>\$110,642,197</u> | <u>\$111,070,815</u> | <u>\$123,218,757</u> | <u>\$139,845,016</u> | <u>\$150,488,871</u> |

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

| | Fiscal Year | | | | |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Revenues | | | | | |
| Taxes | \$75,212,285 | \$77,746,503 | \$79,361,709 | \$78,837,505 | \$81,875,139 |
| Licenses and permits | 2,314,115 | 2,091,213 | 2,005,544 | 2,395,846 | 2,419,488 |
| Intergovernmental | 35,734,318 | 33,678,960 | 28,279,651 | 28,898,339 | 33,448,448 |
| Charges for services | 11,240,618 | 10,738,984 | 11,173,817 | 17,488,346 | 18,286,508 |
| Fines and forfeits | 2,314,995 | 2,157,685 | 2,735,872 | 2,732,376 | 2,579,177 |
| Miscellaneous | 3,187,505 | 2,991,394 | 3,261,098 | 4,404,838 | 5,720,852 |
| Total Revenues | 130,003,836 | 129,404,739 | 126,817,691 | 134,757,250 | 144,329,612 |
| Expenditures | | | | | |
| General government | 26,796,709 | 26,560,989 | 26,509,059 | 26,332,143 | 26,455,321 |
| Public safety | 39,352,531 | 38,991,462 | 39,015,373 | 40,077,056 | 43,838,275 |
| Utilities | - | - | - | 627,269 | 963,733 |
| Physical environment | 5,992,306 | 4,925,995 | 4,905,619 | - | - |
| Transportation | 14,881,399 | 15,744,702 | 16,065,687 | 16,712,235 | 16,646,535 |
| Natural and economic environment | 3,202,329 | 3,461,926 | 3,871,139 | 8,775,376 | 7,962,671 |
| Social services | 12,522,896 | 12,859,278 | 13,958,410 | 19,153,283 | 19,176,980 |
| Culture and recreation | 4,201,730 | 4,003,549 | 4,347,714 | 3,889,340 | 4,111,155 |
| Capital outlay | 13,908,191 | 13,058,768 | 7,765,286 | 21,880,066 | 18,879,190 |
| Debt service: | | | | | |
| Principal | 4,984,596 | 1,912,564 | 945,754 | 333,600 | 310,000 |
| Interest | 343,889 | 308,415 | 236,501 | 188,140 | 175,969 |
| Total expenditures | 126,186,576 | 121,827,648 | 117,620,542 | 137,968,508 | 138,519,829 |
| Excess of revenues over (under) expenditures | 3,817,260 | 7,577,091 | 9,197,149 | (3,211,258) | 5,809,783 |
| Other Financing Sources (Uses) | | | | | |
| Proceeds of refunding long-term debt | - | - | - | - | - |
| Payments to refunded debt escrow agent | - | - | - | - | - |
| Sales of capital assets | 698,530 | 1,013,444 | 1,453,925 | 5,142,165 | 530,863 |
| Transfers in | 20,336,343 | 18,045,344 | 11,417,019 | 32,701,080 | 20,621,047 |
| Transfers out | (20,060,214) | (19,173,253) | (12,394,872) | (30,988,691) | (20,049,538) |
| Insurance recoveries | 31,395 | 24,916 | - | 216,662 | - |
| Capital Lease Proceeds | 152,156 | - | 259,205 | 202,916 | 8,840 |
| Proceeds of refunding long-term debt | 6,299,585 | - | - | - | - |
| Prior period adjustments | - | - | - | 80,981 | - |
| Total other financing sources (uses) | 7,457,795 | (89,549) | 735,277 | 7,355,113 | 1,111,212 |
| Net change in fund balance | \$11,275,055 | \$7,487,542 | \$9,932,426 | \$4,143,855 | \$6,920,995 |
| Debt service as a percentage of noncapital expenditures | 4.6% | 2.0% | 1.1% | 0.4% | 0.4% |

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

| Fiscal Year | | | | |
|--------------|--------------|--------------|---------------|---------------|
| 2015 | 2016 | 2017 | 2018 | 2019 |
| \$83,520,080 | \$86,062,033 | \$99,234,376 | \$105,673,769 | \$108,698,249 |
| 2,624,103 | 3,728,547 | 3,788,430 | 3,731,635 | 3,845,267 |
| 31,488,197 | 27,672,047 | 25,748,606 | 28,874,868 | 38,368,439 |
| 19,777,059 | 18,338,298 | 18,385,673 | 19,227,474 | 21,565,274 |
| 3,133,762 | 2,338,827 | 2,529,640 | 2,401,339 | 3,332,735 |
| 5,979,987 | 5,441,972 | 5,815,388 | 7,070,417 | 9,829,798 |
| 146,523,188 | 143,581,724 | 155,502,113 | 166,979,502 | 185,639,762 |
| 27,201,170 | 29,772,940 | 31,207,476 | 32,872,111 | 41,588,432 |
| 44,819,680 | 46,835,998 | 49,005,204 | 53,285,505 | 56,312,318 |
| 711,578 | 610,156 | - | - | - |
| - | - | - | - | - |
| 17,599,399 | 19,554,235 | 19,481,583 | 19,918,233 | 19,830,067 |
| 8,042,322 | 7,871,367 | 10,711,727 | 11,319,949 | 11,713,926 |
| 18,270,835 | 18,731,362 | 20,090,890 | 22,455,402 | 24,303,370 |
| 4,404,120 | 4,547,281 | 4,079,821 | 4,250,468 | 4,251,994 |
| 19,993,746 | 12,876,775 | 9,174,888 | 9,091,524 | 15,809,059 |
| 325,000 | 330,000 | 355,000 | 355,000 | 140,000 |
| 163,122 | 147,391 | 138,990 | 127,254 | 113,374 |
| 141,530,972 | 141,277,505 | 144,245,579 | 153,675,446 | 174,062,540 |
| 4,992,216 | 2,304,219 | 11,256,534 | 13,304,056 | 11,577,222 |
| - | - | - | - | - |
| - | - | - | - | - |
| 1,018,373 | 423,976 | 450,255 | 1,050,206 | 4,064,711 |
| 25,587,633 | 18,456,235 | 28,997,631 | 26,714,523 | 33,567,383 |
| (27,154,480) | (19,502,641) | (30,492,215) | (28,729,445) | (35,245,141) |
| 430 | - | - | 33,040 | 20,000 |
| 106,811 | 114,495 | 285,915 | 177,789 | 17,276 |
| - | - | - | - | - |
| - | - | - | - | - |
| (441,233) | (507,935) | (758,414) | (753,887) | 2,424,229 |
| \$4,550,983 | \$1,796,284 | \$10,498,120 | \$12,550,169 | \$14,001,451 |
| 0.4% | 0.4% | 0.4% | 0.3% | 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 |
|-------------|------------------------------|----------------------------------|----------------------------------|----------------------|-----------------------|
| 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 |
| 2019 | \$33,940,414,730 | \$799,888,654 | \$820,102,845 | \$35,560,406,229 | 2.46 |

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 |
| 2008 | 1.061 | 1.631 | 0.000 | 2.692 | 3.122 | 1.053 | 0.325 | 2.282 |
| 2009 | 0.991 | 1.573 | 0.000 | 2.564 | 3.080 | 1.005 | 0.306 | 2.131 |
| 2010 | 0.995 | 1.542 | 0.000 | 2.537 | 3.060 | 1.106 | 0.296 | 2.095 |
| 2011 | 1.086 | 1.665 | 0.000 | 2.751 | 3.418 | 1.078 | 0.297 | 2.202 |
| 2012 | 1.110 | 1.702 | 0.000 | 2.812 | 3.586 | 1.110 | 0.289 | 2.252 |
| 2013 | 1.128 | 1.749 | 0.000 | 2.877 | 2.715 | 1.203 | 0.286 | 2.372 |
| 2014 | 1.138 | 1.787 | 0.000 | 2.925 | 2.783 | 0.853 | 0.289 | 2.347 |
| 2015 | 1.128 | 1.780 | 0.000 | 2.908 | 2.897 | 1.264 | 0.288 | 2.331 |
| 2016 | 1.102 | 1.746 | 0.000 | 2.848 | 2.864 | 1.318 | 0.276 | 2.205 |
| 2017 | 1.058 | 1.673 | 0.000 | 2.731 | 2.772 | 1.433 | 0.265 | 2.116 |
| 2018 | 1.018 | 1.692 | 0.000 | 2.709 | 2.690 | 1.275 | 0.250 | 1.409 |
| 2019 | 0.924 | 1.541 | 0.000 | 2.465 | 1.461 | 1.174 | 0.228 | 1.262 |

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 | | | | | |
|--------------------------|---------------|-------------------|---------------------|----------------|--------------------|
| State of WA | Rural Library | Hospital District | Park & Rec District | Water District | Cemetery Districts |
| 2.427 | 0.350 | 0.538 | 0.082 | 0.465 | 0.060 |
| 2.219 | 0.339 | 0.564 | 0.070 | 0.440 | 0.060 |
| 2.198 | 0.440 | 0.583 | 0.083 | 0.431 | 0.060 |
| 2.456 | 0.486 | 0.543 | 0.073 | 0.511 | 0.070 |
| 2.508 | 0.500 | 0.564 | 0.084 | 0.514 | 0.069 |
| 2.670 | 0.500 | 0.588 | 0.084 | 0.000 | 0.073 |
| 2.616 | 0.500 | 0.595 | 0.084 | 0.000 | 0.072 |
| 2.484 | 0.500 | 0.589 | 0.084 | 0.000 | 0.072 |
| 2.307 | 0.496 | 0.597 | 0.084 | 0.000 | 0.072 |
| 2.234 | 0.487 | 0.603 | 0.084 | 0.000 | 0.067 |
| 3.200 | 0.473 | 0.591 | 0.215 | 0.000 | 0.063 |
| 2.764 | 0.434 | 0.571 | 0.584 | 0.000 | 0.060 |

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



| Taxpayer | 2019 | | | 2010 | | |
|--------------------------------|------------------------|------|---|------------------------|------|---|
| | 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) | \$997,711,118 | 1 | 3.10% | \$828,832,407 | 1 | 3.49% |
| Puget Sound Energy | 444,954,182 | 2 | 1.38% | 251,505,033 | 3 | 1.06% |
| Phillips 66 Company | 441,284,977 | 3 | 1.37% | 436,170,049 | 2 | 1.84% |
| Petro Gas West LLC | 158,589,086 | 4 | 0.49% | | | 0.00% |
| Alumet Corporation (Intalco) | 79,994,846 | 5 | 0.25% | 81,234,934 | 4 | 0.34% |
| Trans Mountain Pipeline | 70,797,707 | 6 | 0.49% | | | 0.00% |
| BNSF Railway Company | 58,519,908 | 7 | 0.18% | | | 0.00% |
| Bellis Fair Partners | 55,728,783 | 8 | 0.17% | 42,284,652 | 8 | 0.18% |
| Northwest Pipeline Corporation | 52,328,223 | 9 | 0.16% | 54,992,771 | 6 | 0.23% |
| SSC Bellingham Apartments LLC | 51,436,298 | 10 | 0.16% | | | 0.00% |
| Cascade Natural Gas | - | | - | 47,984,453 | 7 | 0.20% |
| Verizon Northwest Inc. | - | | - | 38,643,186 | 9 | 0.16% |
| Tenaska Washington Partners | - | | - | 64,928,332 | 5 | 0.27% |
| Trillium | - | | - | 37,964,301 | 10 | 0.16% |
| Total | \$2,411,345,128 | | 7.49% | \$1,884,540,118 | | 7.94% |

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 |
| 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% |
| 2019 | \$64,717,296 | \$63,847,826 | 98.66% | \$710,343 | \$64,558,169 | 99.75% |

Source: *Whatcom County Assessor and Whatcom County Treasurer.*

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

| Fiscal Year | Governmental Activities | | | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|--------------------------|--------------------------|----------------|--------------------------|-------------------------------|------------|
| | General Obligation Bonds | Special Assessment Bonds | Capital Leases | | | |
| 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 | 1.99% | \$11 |
| 2019 | \$1,845,000 | \$- | \$348,151 | \$2,193,151 | Not Available | \$10 |

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 |
|-------------|--------------------------|---|-------------------------|
| 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 |
| 2019 | \$1,845,000 | 0.01% | \$8.18 |

Notes: *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 | \$1,845,000 | 100% | \$1,845,000 |
| Total Direct Bonded Debt | \$1,845,000 | | \$1,845,000 |
| 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 | \$1,845,000 | | \$1,845,000 |

Source: *Whatcom County Treasurer.*



Legal Debt Margin Information
 Last Ten Fiscal Years
 Schedule 12

| | Fiscal Year | | | |
|--|---------------|---------------|---------------|---------------|
| | 2010 | 2011 | 2012 | 2013 |
| Debt limit | \$355,935,992 | \$352,973,637 | \$352,266,165 | \$355,191,843 |
| Total net debt applicable to limit | 16,587,403 | 15,087,827 | 14,852,077 | 13,476,969 |
| Legal debt margin | \$372,523,395 | \$368,061,464 | \$367,118,242 | \$368,668,812 |
| Total net debt applicable to the limit as a percentage of debt limit | 5% | 4% | 4% | 4% |

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 | | | | | |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| \$364,561,799 | \$379,489,935 | \$400,120,328 | \$431,455,002 | \$483,052,908 | \$533,406,093 |
| 14,742,520 | 14,520,168 | 14,121,234 | 15,451,243 | 14,374,040 | 17,129,928 |
| \$379,304,319 | \$394,010,103 | \$414,241,562 | \$446,906,245 | \$497,426,948 | \$516,276,165 |
| 4% | 4.04% | 3.83% | 3.53% | 3.58% | 2.98% |

Legal Debt Margin Calculation for Fiscal Year 2019

| | |
|--|----------------|
| Assessed value | 35,560,406,229 |
| Debt limit (1.5% of assessed value without a vote) | 533,406,093 |
| Debt applicable to limit: | |
| Outstanding debt | 17,131,945 |
| Less: Amounts set aside for repayment of general obligation debt | (2,017) |
| Total net debt applicable to limit | 17,129,928 |
| Legal debt margin | \$516,276,165 |

Pledged Revenue Coverage
 Last Ten Fiscal Years
 Schedule 13

| Fiscal Year | Special Assessment Bonds | | | Coverage |
|-------------|--------------------------|--------------|----------|----------|
| | Assessments Collected | Debt Service | | |
| | | Principal | Interest | |
| 2010 | \$- | \$- | \$- | - |
| 2011 | \$7,283 | \$- | \$- | - |
| 2012 | \$- | \$- | \$- | - |
| 2013 | \$- | \$- | \$- | - |
| 2014 | \$- | \$- | \$- | - |
| 2015 | \$- | \$- | \$- | - |
| 2016 | \$- | \$- | \$- | - |
| 2017 | \$- | \$- | \$- | - |
| 2018 | \$- | \$- | \$- | - |
| 2019 | \$- | \$- | \$- | - |

| Year | Population | Personal Income (thousands of dollars) | Per Capita Personal Income | Median Age | School Enrollment | Unemployment Rate |
|------|------------|---|-------------------------------|---------------|----------------------|----------------------|
| 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 | \$11,011,627 | \$48,792 | 37.20 | 26,786 | 4.6% |
| 2019 | 225,685 | Not Available | Not Available | Not Available | 27,928 | 5.0% |

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

Principal Employers
Current and Nine Years Ago
Schedule 15



| Employer | 2019 | | | 2010 | | |
|----------------------------------|---------------|------|---------------------------------------|---------------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| St. Joseph Hospital (FTE) | 3,116 | 1 | 2.84% | 2,751 | 1 | 2.58% |
| Western Washington (FTE) | 2,647 | 2 | 2.41% | 2,196 | 2 | 2.06% |
| Lummi Nation (Total Employees)* | 2,083 | 3 | 1.90% | | | |
| Bellingham School District (FTE) | 1,186 | 4 | 1.08% | 1,278 | 3 | 1.20% |
| City of Bellingham | 903 | 5 | 0.82% | 840 | 5 | 0.79% |
| Whatcom County (FTE) | 902 | 6 | 0.82% | 935 | 4 | 0.88% |
| Matrix Services Inc. | 870 | 7 | 0.79% | | | |
| BP (Cherry Point (Estimate))* | 850 | 8 | 0.78% | 800 | 6 | 0.75% |
| Ferndale School District | 847 | 9 | 0.77% | 685 | 8 | 0.64% |
| Haggen, Inc (Total Employees) | 747 | 10 | 0.68% | | | |
| Fred Meyer | | | | 578 | 10 | 0.54% |
| Heath Techna | | | | 610 | 9 | 0.57% |
| Sodexo Services | | | | 726 | 7 | 0.68% |
| Total | 14,151 | | 12.90% | 11,399 | | 10.69% |

Source: WWU Center for Economic and Business Research.

Note: *Based on 2018 data.

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 | | | | | | | | | |
|-------------------------------------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| General Government | | | | | | | | | | |
| Administrative Svcs | 66.85 | 61.85 | 61.15 | 60.55 | 60.55 | 63.80 | 63.80 | 64.50 | 65.50 | 67.50 |
| Assessor | 29.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 29.00 | 29.00 | 30.00 |
| Auditor | 19.00 | 19.00 | 19.00 | 19.00 | 18.00 | 17.00 | 17.00 | 17.00 | 17.00 | 17.00 |
| County Council | 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 |
| County Executive | 4.00 | 4.00 | 4.00 | 3.70 | 4.70 | 4.70 | 4.70 | 4.50 | 4.50 | 4.50 |
| Executive Non Dept. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2.00 | 2.00 | 2.50 |
| District Court Prob. | 15.70 | 15.70 | 15.70 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 15.00 |
| District Court | 18.50 | 18.50 | 18.50 | 18.50 | 18.50 | 18.50 | 19.50 | 19.50 | 19.50 | 19.50 |
| Prosecuting Attorney | 50.90 | 50.90 | 49.90 | 49.90 | 49.90 | 49.90 | 50.90 | 49.90 | 50.10 | 50.60 |
| Public Defender | 32.80 | 29.80 | 29.80 | 28.80 | 28.80 | 30.00 | 30.00 | 31.00 | 31.00 | 32.00 |
| Superior Court | 40.20 | 40.20 | 40.20 | 39.20 | 39.20 | 42.20 | 42.20 | 42.20 | 42.20 | 44.20 |
| Treasurer | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 |
| Public Safety | | | | | | | | | | |
| Jail | 88.50 | 86.50 | 86.50 | 86.50 | 86.50 | 86.50 | 86.50 | 87.50 | 89.50 | 91.50 |
| Juvenile Court Admin | 38.40 | 38.40 | 37.40 | 37.60 | 37.60 | 38.70 | 38.70 | 39.00 | 39.00 | 38.00 |
| Planning & Dev't Svcs | 47.00 | 47.00 | 45.00 | 43.00 | 44.00 | 44.50 | 46.00 | 46.00 | 46.00 | 47.00 |
| Sheriff | 106.50 | 108.50 | 108.50 | 107.50 | 107.50 | 106.50 | 107.50 | 108.50 | 109.50 | 114.50 |
| Transportation | | | | | | | | | | |
| Public Works | 153.70 | 155.70 | 155.70 | 154.70 | 154.70 | 161.00 | 162.00 | 164.00 | 167.00 | 169.00 |
| 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 | 75.20 | 73.15 | 73.15 | 71.35 | 71.35 | 75.35 | 78.40 | 82.90 | 81.50 | 82.60 |
| Culture and Recreation | | | | | | | | | | |
| Cooperative Extension | 2.52 | 2.52 | 2.52 | 2.52 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Parks & Recreation | 25.75 | 23.00 | 23.00 | 23.00 | 23.00 | 23.00 | 23.00 | 24.00 | 24.00 | 25.00 |
| Total | 838.02 | 826.22 | 821.52 | 811.32 | 811.80 | 830.15 | 838.70 | 852.00 | 857.80 | 876.90 |

Source: Whatcom County Administrative Services.

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

| Function/ Program | Fiscal Year | | | | | | | | | |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| General Government | | | | | | | | | | |
| General Election (1) | | | | | | | | | | |
| # of Registered Voters | 116,581 | 117,162 | 125,485 | 127,002 | 127,300 | 129,345 | 138,962 | 139,713 | 143,265 | 146,851 |
| # of Votes | 86,993 | 69,147 | 104,727 | 69,709 | 76,123 | 61,136 | 114,920 | 63,626 | 110,504 | 82,537 |
| % of Reg. Voters Voting | 74.6% | 59.0% | 83.5% | 54.9% | 59.8% | 47.3% | 82.7% | 45.5% | 77.1% | 56.2% |
| Assessor (2) | | | | | | | | | | |
| Real Property Parcels | 111,567 | 111,107 | 111,302 | 111,453 | 111,744 | 112,043 | 112,562 | 113,078 | 113,687 | 114,135 |
| Building Permits Evaluated | 3,186 | 4,622 | 2,716 | 3,099 | 2,405 | 1,387 | 2,900 | 2,895 | 4,904 | 3,407 |
| New Single Family Residences | 151 | 210 | 314 | 517 | 421 | 516 | 579 | 651 | 754 | 619 |
| Judicial (3) | | | | | | | | | | |
| District Court Infractions | 19,142 | 18,206 | 18,790 | 16,802 | 15,226 | 17,384 | 16,027 | 15,003 | 16,434 | 15,952 |
| Public Safety (4) | | | | | | | | | | |
| # of Fire Inspections | 253 | 180 | 168 | 164 | 159 | 120 | 121 | 113 | 117 | 93 |
| # Sheriffs - Commissioned | 85.00 | 88.00 | 88.00 | 85.50 | 85.50 | 84.50 | 85.5 | 86.5 | 87 | 91 |
| # Sheriffs - Civilian | 20.50 | 20.50 | 20.50 | 22.00 | 22.00 | 22.00 | 22.00 | 22.00 | 19 | 20 |
| Calls for Service | 27,230 | 26,632 | 25,713 | 26,313 | 26,218 | 27,373 | 28,340 | 29,697 | 31,128 | 29,693 |
| Average Daily Jail and Work Center Population | 275 | 261 | 278 | 258 | 371 | 345 | 320 | 312 | 314 | 304 |
| Building Department | | | | | | | | | | |
| Permits Applications | 946 | 739 | 722 | 744 | 755 | 816 | 806 | 836 | 893 | 947 |
| Mechanical/Plumbing | 467 | 461 | 512 | 460 | 547 | 592 | 629 | 665 | 864 | 1076 |
| Physical Environment (5) | | | | | | | | | | |
| Flood Permits Issued | 55 | 91 | 118 | 137 | 127 | 99 | 133 | 171 | 120 | 133 |
| Transportation (6) | | | | | | | | | | |
| Roads Oiled | 663.55 | 663.24 | 661.75 | 661.34 | 661.07 | 660.33 | 660.15 | 659.91 | 726.34 | 740.72 |
| Roads Asphalt | 233.94 | 234.09 | 235.66 | 234.45 | 234.10 | 234.89 | 222.73 | 222.73 | 156.51 | 138.82 |
| Roads Gravel | 30.40 | 29.55 | 29.35 | 29.37 | 29.27 | 29.06 | 29.06 | 29.17 | 28.86 | 28.78 |
| Roads Misc | 15.60 | 14.59 | 14.59 | 14.59 | 15.04 | 14.27 | 26.89 | 26.76 | 27.59 | 27.12 |
| Ferry Passengers | 197,980 | 185,801 | 182,484 | 171,317 | 176,798 | 186,170 | 186,097 | 199,873 | 204,060 | 199,644 |
| Ferry Vehicle Trips | 110,405 | 107,164 | 109,336 | 106,594 | 111,590 | 113,880 | 114,228 | 121,645 | 122,275 | 12,609 |
| Culture and Recreation (7) | | | | | | | | | | |
| Number of Parks | 20 | 17 | 17 | 20 | 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 Departments.

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

(6) Source: Whatcom County Public Works.

(7) Source: Whatcom County Parks.

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

| Function/ Program | Fiscal Year | | | | | | | | | |
|----------------------------|-------------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Function | | | | | | | | | | |
| Public Safety (1) | | | | | | | | | | |
| Sheriff Units | 93.5 | 93.5 | 93.5 | 93 | 93 | 93 | 94 | 94 | 95.5 | 99.5 |
| Transportation (1) | | | | | | | | | | |
| Miles of Road | 943.49 | 941.47 | 941.35 | 939.75 | 939.48 | 938.55 | 938.83 | 938.57 | 939.3 | 935.44 |
| Traffic Signals | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| Ferry Vessel | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire Protection (2) | | | | | | | | | | |
| No. of Districts | 12 | 11 | 11 | 14 | 14 | 13 | 13 | 13 | 13 | 13 |
| Culture and Recreation (3) | | | | | | | | | | |
| Regional Parks - Number | 20 | 17 | 17 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Community Parks - Number | - | - | - | 2 | 4 | 4 | 4 | 4 | 4 | 4 |
| Neighbor Parks - Number | - | - | - | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Parks - Acres | 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 | 16,122.00 |
| Senior Centers | 8* | 8* | 8* | 8* | 8* | 8* | 8 | 8 | 8 | 8 |
| Public Schools (4) | | | | | | | | | | |
| Number of Schools | | | | | | | | | | |
| Elementary | 36 | 37 | 36 | 36 | 34 | 32 | 34 | 31 | 31 | 34 |
| Middle | 10 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| High | 11 | 11 | 11 | 11 | 12 | 11 | 11 | 11 | 11 | 11 |
| Alternative or Special | 13 | 14 | 13 | 13 | 11 | 13 | 14 | 15 | 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 |

(1) Source: Whatcom County Public Works.

(2) Source: Whatcom County Small Taxing Districts.

(3) Source: Whatcom County Parks.

(4) Source: Education Service District #189.

Note: *Two Senior Centers are County Owned.