



Comprehensive Annual Financial Report

For Fiscal Year Ending
December 31, 2014

Whatcom County
WASHINGTON

Comprehensive Annual Financial Report

Whatcom County Washington

Fiscal Year Ending December 31, 2014



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Finance Office

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On the Cover:

Silver Lake

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Jack Louws
County Executive

**WHATCOM COUNTY
EXECUTIVE'S OFFICE**

County Courthouse

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



October 29, 2015

Citizens of Whatcom County:

We are pleased to submit the Comprehensive Annual Financial Report of Whatcom County for the year ended December 31, 2014, in accordance with the provision of Chapter 36.22 of the Revised Code of Washington. The financial statements are presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by the Office of the Washington State Auditor.

The responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the County. Whatcom County has established a comprehensive internal control system to provide a reasonable basis for making these representations. Internal controls are designed both to protect the government's assets from loss, theft, or misuse and to compile reliable information for the preparation of the County's financial statements in conformity with GAAP. The County's internal controls have been designed to provide reasonable assurance that the financial statements will be free from material misstatements. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activity have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Whatcom County's MD&A can be found before the basic financial statements on page 7.

GENERAL INFORMATION

Whatcom County was created by an act of the Legislative Assembly of the Territory of Washington on March 9, 1854. In the eighteenth century, the area was visited by Spanish and British explorers; Bellingham Bay was named by Captain George Vancouver. The legislature stipulated that the Whatcom County Courthouse shall remain permanently in the settlement of Whatcom (now a part of the City of Bellingham) as the county seat. For the first few years, all business and court were transacted at the home of R. V. Peabody on the west bank of Whatcom Creek.

Whatcom County is located in the northwest corner of Washington State. Its northern border is British Columbia, Canada. On the southern border is Skagit County, east is Okanogan County and to the west is Puget Sound. The County is 2,126 square miles in size and about two thirds of the county is part of either the Mt. Baker National Forest or the North Cascades National Park. The Cascade Range runs through the central and western part of the county

and Mt. Baker, a 10,775 foot peak, is in the center. All of the incorporated areas are within the western corridor. The county seat, Bellingham, is the major city of Whatcom County with about 40 percent of the county’s total population. Bellingham is located 90 miles north of Seattle, the major metropolitan city in the State of Washington and 50 miles south of Vancouver, British Columbia. The population of Whatcom County in 2014 is estimated at 207,600.

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 10.3 percent since 2007. The County’s greatest employment sector is “government.” Employment of Whatcom County’s workforce of approximately 103,380 includes the following sectors:

Agriculture, Forestry, Fishing and Hunting.....	4.20%
Mining.....	*
Utilities.....	*
Construction.....	6.15%
Manufacturing.....	10.77%
Transportation and Warehousing.....	2.50%
Wholesale/Retail Trade.....	16.18%
Professional/Technical Services.....	3.74%

Finance/Insurance/Real Estate.....	3.61%
Management of Companies and Enterprises.....	0.58%
Administrative/Waste Services.....	4.45%
Educational Services.....	0.98%
Healthcare and Social Assistance.....	13.29%
Arts, Entertainment and Recreation.....	1.81%
Accommodation and Food Services.....	9.79%
Government.....	17.23%
Information.....	1.55%
Other Services, except Public Administration.....	2.88%
Not Elsewhere Classified.....	0.29%

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

Source: WA State Employment Security Department

International Transportation

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

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

Higher Education

Western Washington University (WWU) is one of six state-funded, four-year institutions of higher education in Washington State. WWU maintains 103 buildings on its 212 acre main campus and 2429 acres of off-campus property, which includes a 95 acre facility in Anacortes and a 15 acre facility at nearby Lake Whatcom. The university’s 2014 enrollment was 15,060. As one of the county’s largest employers, WWU employs 1,462 full-time faculty and staff.

Retail Trade

Between 2005 and 2014, annual taxable retail sales in Whatcom County grew by \$656 million or a 23 percent increase. Although the Canadian dollar weakened in 2013 and 2014, shopping in Whatcom County remains attractive to residents of British Columbia. A large component of Whatcom County’s sales tax revenue relates to construction activity. Sales tax is expected to grow gradually as the economy recovers and construction activity increases.

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

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 improves, our goal is to maintain services, invest in our facilities, and invest in technology to improve efficiency.

OTHER INFORMATION

Independent Audit

In accordance with state statutes, Whatcom County is subject to an annual comprehensive examination by the State Auditor's office. Their examination is conducted in accordance with generally accepted auditing standards, Standards for Audit of Governmental Organizations, Programs, Activities, and Functions; the Single Audit Act of 1984 (P.L.98-502) and Circular A133, Audits of State and Local Governments, issued by the U. S. Office of Management and Budget.

Acknowledgments

Preparation of this report could not have been accomplished without the professional, efficient and dedicated service of the entire staff of our Administrative Services Finance office, the County Executive's office, County Treasurer's office, Public Works accounting office and the various department heads and employees who contributed to its preparation. We also recognize the professional efforts of the State Auditor's Office in their audit, and in the direction and advice they provide to us throughout the year.

Respectfully Submitted,



Jack Louws, County Executive

Elected Officials as of December 31, 2014

ELECTED OFFICIALS

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

COUNTY COUNCIL

District No. 1, Position A	Term Ends January, 2018	Barry Buchanan
District No. 1, Position B.	Term Ends January, 2016	Pete Kremen
District No. 2, Position A	Term Ends January, 2018	Ken Mann
District No. 2, Position B.	Term Ends January, 2016	Sam Crawford
District No. 3, Position A	Term Ends January, 2018	Carl Weimer
District No. 3, Position B.	Term Ends January, 2016	Barbara Brenner
Councilperson At Large	Term Ends January, 2018	Rud Browne

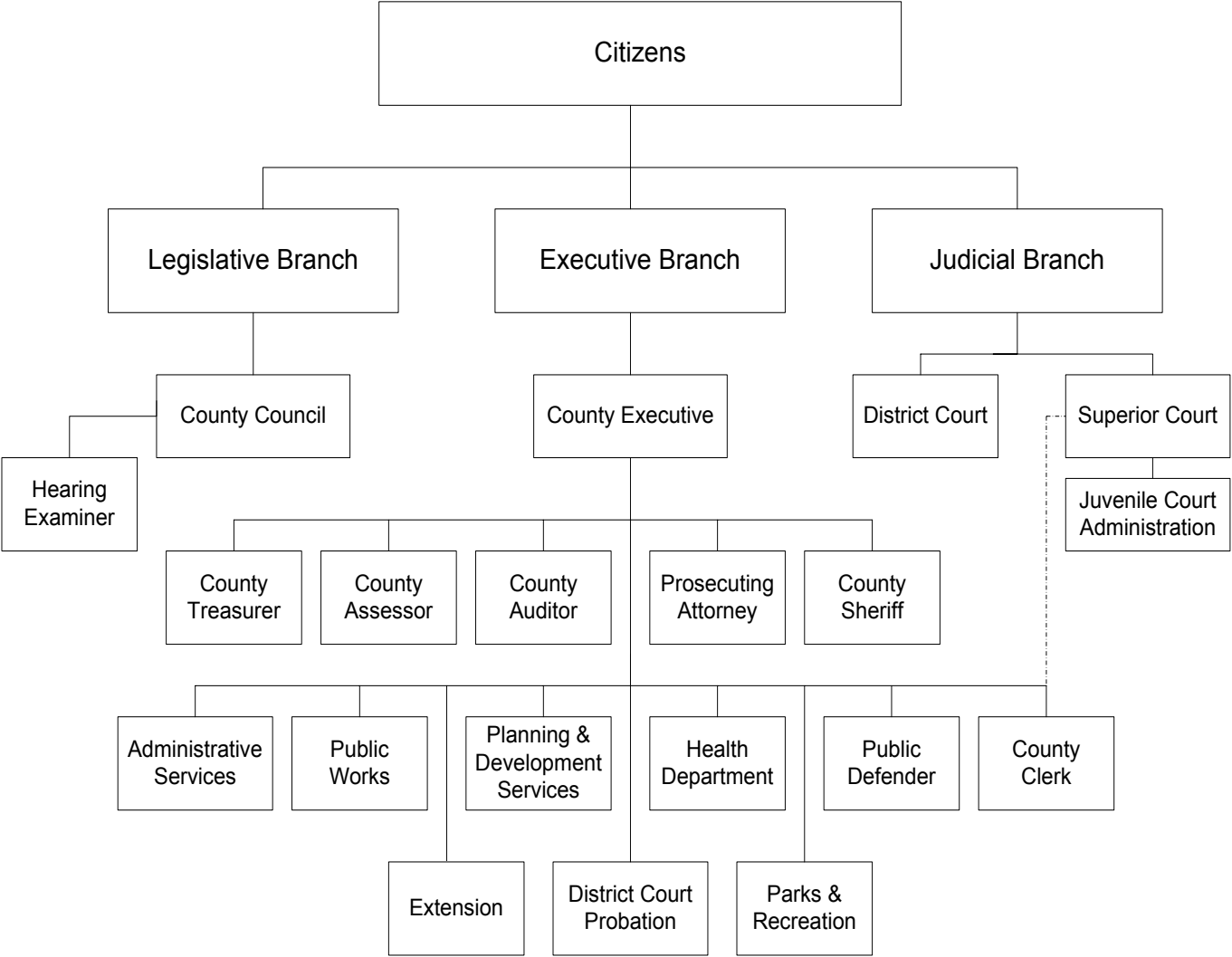
SUPERIOR COURT JUDGES

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

DISTRICT COURT JUDGES

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

Whatcom County Organizational Chart



MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2014

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, 2014.

Financial Highlights

During 2014, the County's financial condition continued to slowly improve. The County's financial position is stable and our financial growth is anticipated to be gradual.

Whatcom County's total assets exceeded liabilities and deferred inflows of resources (net position) by \$373,853,041 as compared to \$313,419,489 in 2013 (19.3 percent increase). 8.6 percent of net position or \$32,038,972 are unrestricted as defined by the Government Accounting Standards Board and may be used to meet the government's ongoing obligations to citizens and creditors. Details of factors contributing to the increase in net position are discussed later within this management's discussion and analysis.

\$44.2 million increase in total net position was due to a transfer of land and timber from Washington State Department of Natural Resources to the County.

Building activity is increasing. Building permit revenues are up 7.4 percent from 2013 to 2014.

Whatcom County's expenses for governmental activities increased \$4.0 million or 3.3 percent between 2013 and 2014.

As of December 31, 2014, the County's governmental funds reported combined ending fund balances of \$121.6 million.

At the end of 2014 the unassigned fund balance for the General Fund was \$12,352,490, or approximately 19.0 percent of total General Fund expenditures. Total fund balance for the General Fund increased 5.6 percent for the year.

The County's outstanding general obligation debt total \$3.8 million at the end of 2014.

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 24-26 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 27-28 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 30-71 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The required supplementary information can be found on page 73-76 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 77-177 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	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$160,310,091	\$152,700,115	\$2,503,296	\$2,084,831	\$162,813,387	\$154,784,946
Capital assets	240,253,603	185,163,845	3,584	4,226	240,257,187	185,168,071
Total assets	400,563,694	337,863,960	2,506,880	2,089,057	403,070,574	339,953,017
Long-term debt	18,070,590	18,230,218	147,712	130,826	18,218,302	18,361,044
Other liabilities	10,766,899	7,978,569	54,122	15,502	10,821,021	7,994,071
Total liabilities	28,837,489	26,208,787	201,834	146,328	29,039,323	26,355,115
Deferred inflows of resources	178,210	178,413	-	-	178,210	178,413
Net position:						
Net investment in capital assets	237,208,328	181,963,507	3,584	4,226	237,211,912	181,967,733
Restricted	104,602,157	98,335,999	-	-	104,602,157	98,335,999
Unrestricted	29,737,510	31,177,254	2,301,462	1,938,503	32,038,972	33,115,757
Total net position	\$371,547,995	\$311,476,760	\$2,305,046	\$1,942,729	\$373,853,041	\$313,419,489

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 exceeded liabilities and deferred inflows of resources by \$373,853,041 at the close of 2014; this is an increase of \$60.4 million over 2013 net position. Governmental activities increased Whatcom County's net position by \$60,071,235¹, thereby accounting for 99 percent of the growth in the net position of Whatcom County. Business-type activities increased net position \$362,317.

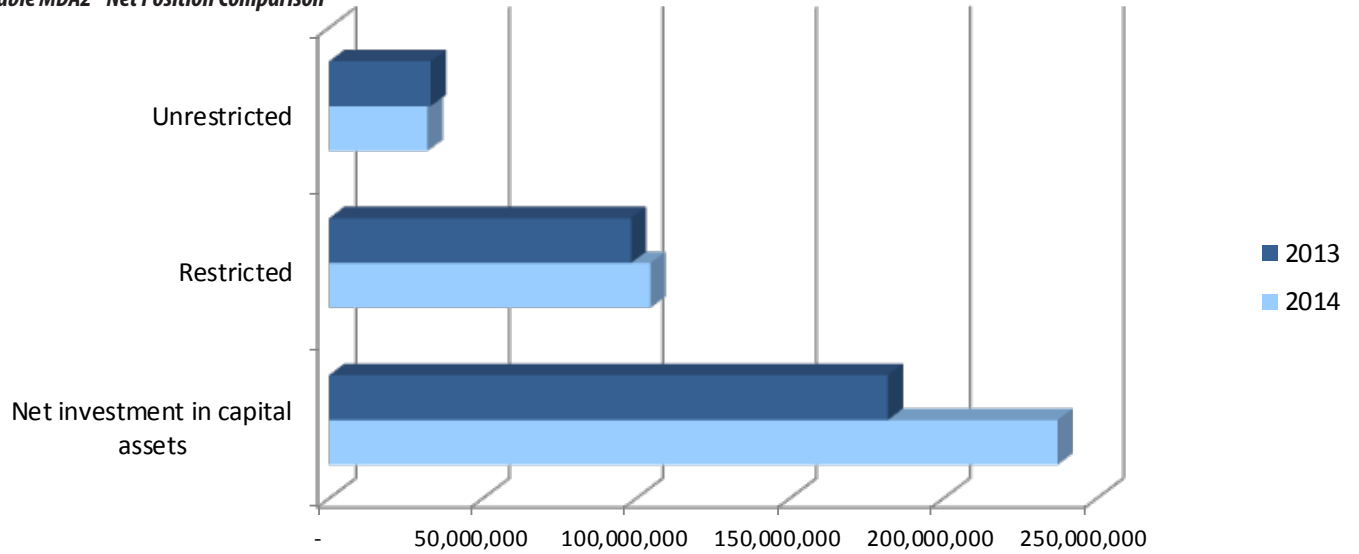
The largest portion of Whatcom County's net position (63 percent) reflects its investment in capital assets (e.g., land, buildings, equipment and infrastructure); less any outstanding debt used to acquire those assets. Whatcom County uses these capital assets to provide services to citizens; consequently, 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 \$55.2 million. Whatcom County invested \$48.5 million in land, \$12.4 million in infrastructure, \$2.9 million in buildings, \$2.7 million in equipment, \$1.1 million in construction in progress and \$724,000 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 \$104,602,157 or 28 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 increased \$6.3 million.

¹ \$44 million attributable to a transfer of land and timber from Washington State Department of Natural Resources to Whatcom County for Park purposes.

The remaining balance of net position, unrestricted net position (\$32,038,972) may be used to meet the government's ongoing obligations to citizens and creditors.

Table MDA2 - Net Position Comparison



Whatcom County

W A S H I N G T O N

Table MDA3 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenue:						
Charges for services	\$24,244,099	\$23,565,563	\$1,917,273	\$1,875,383	\$26,161,372	\$25,440,946
Operating grants & contributions	21,399,828	21,304,942	-	-	21,399,828	21,304,942
Capital grants & contributions	12,285,684	7,609,133	-	-	12,285,684	7,609,133
General revenue:						
Property taxes	50,107,903	49,162,835	-	-	50,107,903	49,162,835
Timber taxes	-	-	-	-	-	-
Retail taxes	26,485,109	25,757,926	-	-	26,485,109	25,757,926
Business and occupation taxes	31,211	31,439	-	-	31,211	31,439
Excise taxes	4,126,810	2,888,689	-	-	4,126,810	2,888,689
Penalties and interest	-	-	-	-	-	-
Other	6,303,265	5,271,836	-	-	6,303,265	5,271,836
Total revenues	<u>144,983,909</u>	<u>135,592,363</u>	<u>1,917,273</u>	<u>1,875,383</u>	<u>146,901,182</u>	<u>137,467,746</u>
Expenses						
General government	27,929,915	27,733,347	-	-	27,929,915	27,733,347
Public safety	44,827,618	41,025,695	-	-	44,827,618	41,025,695
Utilities	1,065,930	728,915	-	-	1,065,930	728,915
Physical environment	-	-	-	-	-	-
Transportation	22,594,861	22,423,554	-	-	22,594,861	22,423,554
Natural and economic environment	7,978,742	8,756,170	-	-	7,978,742	8,756,170
Social services	19,161,487	19,148,787	-	-	19,161,487	19,148,787
Culture and recreation	4,317,013	4,001,986	-	-	4,317,013	4,001,986
Interest on long-term debt	152,606	175,929	-	-	152,606	175,929
Whatcom Co. Investment Pool	-	-	265,862	255,269	265,862	255,269
Ferry System	-	-	2,393,596	2,538,920	2,393,596	2,538,920
Total expenses	<u>128,028,172</u>	<u>123,994,383</u>	<u>2,659,458</u>	<u>2,794,189</u>	<u>130,687,630</u>	<u>126,788,572</u>
Change in net position before transfers	16,955,737	11,597,980	(742,185)	(918,806)	16,213,552	10,679,174
Special item	44,220,000	-	-	-	44,220,000	-
Transfers	(1,104,502)	(1,134,728)	1,104,502	1,134,728	-	-
Change in net position	60,071,235	10,463,252	362,317	215,922	60,433,552	10,679,174
Net position-beginning	311,476,760	300,915,446	1,942,729	1,725,906	313,419,489	302,641,352
Prior period adjustment	-	98,062	-	901	-	98,963
Net position-beginning (restated)	<u>311,476,760</u>	<u>301,013,508</u>	<u>1,942,729</u>	<u>1,726,807</u>	<u>313,419,489</u>	<u>302,740,315</u>
Net position-ending	<u>\$371,547,995</u>	<u>\$311,476,760</u>	<u>\$2,305,046</u>	<u>\$1,942,729</u>	<u>\$373,853,041</u>	<u>\$313,419,489</u>

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

Overall revenues are up \$9.4 million.

Property tax revenue is up \$945,000 or 1.9 percent over last year.

Sales tax revenue is up \$727,000 or 2.8 percent from 2013.

Capital grants and contributions are \$4.7 million greater than 2013. These revenues fluctuate based on the capital projects that are underway during the year.

Excise tax increased \$1.2 million or 42.9 percent from 2013. Revenue from the excise tax on the sale of real property contributed \$899,000 to this increase.

Other revenues are \$1.0 million higher than last year. Investment earnings are slightly up from 2013 but the primary reason for this increase is the reversal of an unrealized loss based on current market value of investments at year end.

Expenses increased \$3.9 million or 3.1 percent.

The growth in net position of \$60.4 million is primarily due to the increase in capital grants and land acquired from Washington State Department of Natural Resources (\$44.2 million).

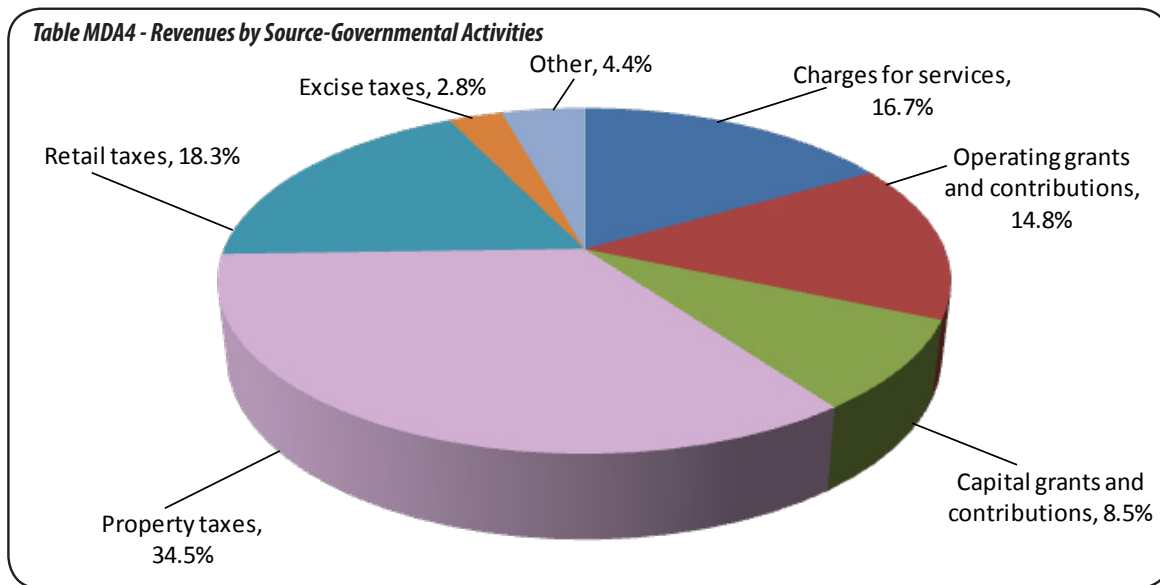
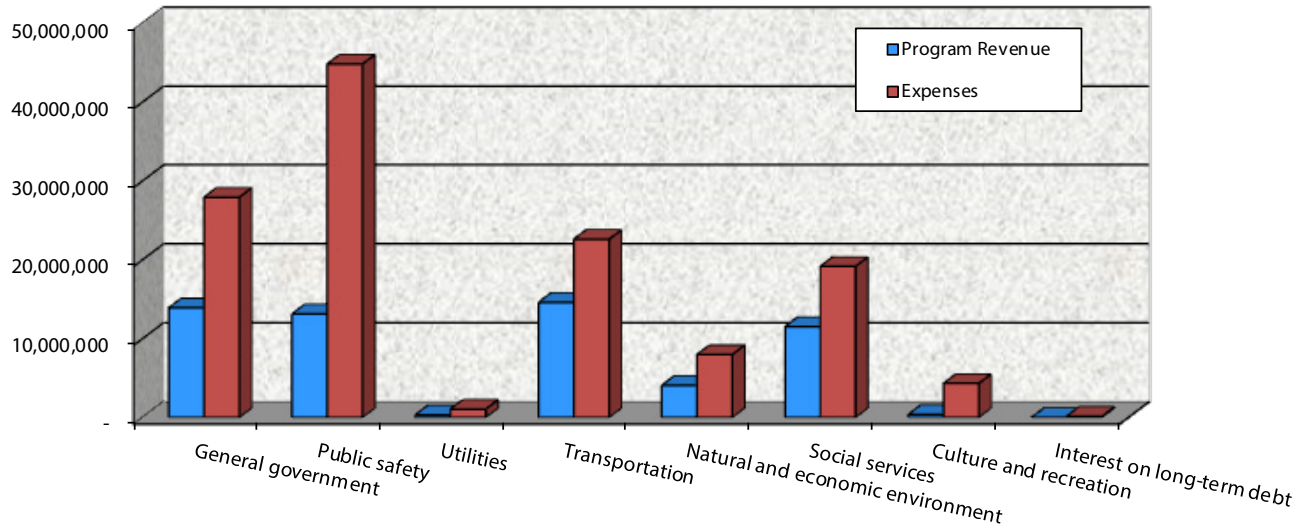


Table MDAS - Expenses and Program Revenues-Governmental Activities



Financial Analysis of the County’s Funds

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

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

As of December 31, 2014, the County’s governmental funds reported combined fund balances of \$121.6 million; this is an increase of \$6.9 million over 2013 or 6 percent. Overall the funds collected 94 percent of their budgeted revenues and expended 73 percent of their budgeted expenditures.

Unassigned fund balance is \$12.4 million or approximately 10 percent. Unassigned fund balance is available for spending for any purpose. Assigned fund balance is \$2.8 million or approximately 2 percent. Assigned fund balance represents resources Whatcom County intends to use for specific purposes. Committed fund balance totals \$7.9 million or approximately 7 percent. Committed fund balance has been restricted for a specific use by the County Council. The remainder of the County’s fund balances is classified as restricted. Restricted fund balance totals \$98.5 million or approximately 81 percent. Restricted fund balance may only be used for specific purposes. Restrictions are imposed by legislation, grantors, bondholders, higher levels of government or through constitutional provisions.

The General Fund is the primary operating fund for the Whatcom County. At the end of 2014, unassigned fund balance of the General Fund was \$12.4 million, while total fund balance increased to \$13.0 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 19.0 percent of total General Fund expenditures, while total fund balance represents approximately 20.0 percent of that same amount.

During 2014, the fund balance of the General Fund increased by \$686,000. This compares to an increase in fund balance of \$924,000 in 2013. Revenues are slightly higher than 2013 and expenditures are \$1.0 million less than 2013. Transfers out decreased \$3.0 million and sales of capital assets are \$4.4 million less than 2013 (In 2013, the General Fund sold the Civic Center building to the Road Fund.).

Under GASB 54 certain Special Revenue Funds are required to be reported in the General Fund. For 2014, the LEOFF I Healthcare Fund is combined into the General Fund.

The County Road Fund had a fund balance of \$27.8 million in 2014 which is up from \$25.0 million in 2013. This \$2.8 million increase in fund balance is primarily due to 2014 revenues exceeding expenditures due to decreased capital spending.

The fund balance for the Public Utilities Improvement Fund increased \$3.2 million. Various projects were not complete at year end. \$8.6 million of expenditures budgeted in 2014 will be carried over into 2015.

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, 2014.

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

	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$40,516,215	\$40,841,215	\$41,246,226
Intergovernmental	14,066,740	16,049,679	14,854,804
Other	15,757,253	16,182,475	16,370,498
Total revenues	70,340,208	73,073,369	72,471,528
Expenditures:			
Expenditures	68,666,601	71,632,035	65,090,183
Other financing sources (uses)	(3,266,679)	(6,441,771)	(6,695,804)
Total expenditures	71,933,280	78,073,806	71,785,987
Change to fund balance	\$(1,593,072)	\$(5,000,437)	\$685,541

General Fund actual revenues are less than budget by \$602,000. Intergovernmental revenue received was \$1.2 million less than budgeted revenue. Tax revenues are greater than budgeted amounts by \$405,000.

Overall expenditures for the General Fund are 91 percent of the approved budget at year-end. All departments had expenditures within their budgeted authority.

Capital Assets and Debt Administration

Capital assets. The County’s investment in capital assets for its governmental activities as of December 31, 2014, amounts to \$240 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 2013 was approximately 29.8 percent.

Major capital asset events during 2014 included the following:

- 8,844 acres of land and timber was transferred to the County from the Washington State Forest Board with an estimated value of \$44.2 million.
- Purchased property at 1500 North State Street for a cost of \$2.7 million.
- \$2.5 million was spent for property on Birch Bay Drive that is intended to be a future site for a park and community center.
- Remodel of the courthouse for the fourth judge’s courtroom at a cost of \$1.1 million.
- New equipment purchases totaled \$2.7 million which included vehicles and road maintenance equipment.
- Various projects related to roads, bridges, road-related improvements and drainage systems totaled \$12.4 million.

Table MDA7 - Capital Assets

	Governmental Activities	
	2014	2013
Land	\$101,049,212	\$52,538,339
Construction in progress	2,690,332	1,613,880
Intangible assets	50,400	50,400
Buildings	47,165,024	46,197,171
Improvements	6,091,098	8,089,894
Equipment	8,859,275	8,206,949
Infrastructure	74,348,262	68,467,213
Totals	\$240,253,603	\$185,163,846

For more detailed information see page 45 for Capital Assets Activity.

Long-term debt. At year-end, the County had \$18,070,590 in outstanding debt compared to \$18,230,218 last year. That is a decrease of \$159,628. The County’s outstanding general obligation debt totaled \$3.8 million. See Note 9 to the financial statements.

Table MDA8 - Outstanding Debt

	Governmental Activities	
	2014	2013
General Obligation Bonds	\$3,480,938	\$3,818,596
Capital Leases	311,275	441,338
Estimated Self-Insurance Claims	4,169,744	4,502,343
Other Postemployment Benefits Payable	2,437,493	1,902,009
Compensated Absences	7,421,140	7,315,932
Other Long-term Liabilities	250,000	250,000
	<u>\$18,070,590</u>	<u>\$18,230,218</u>

State statutes limit the amount of general obligation debt the County may issue to 2.5 percent with a vote and 1.5 percent with no vote required. The current debt limitation for Whatcom County is \$592.9 million with a vote and \$349.8 without a vote, both of which are significantly in excess of the County's outstanding general obligation debt of \$3.8 million.

Additional information on Whatcom County's long-term debt can be found in Note 9 on pages 63-65 of this report.

Economic Factors

Whatcom County's local economy is gradually recovering from the effects of the global recession. Retail sales are up 2.2 percent over 2013. The unemployment rate remained almost unchanged from 2013. As of December 2014, the rate was 6.4 percent. The population of Whatcom County has grown 17.1 percent over ten years ago. Per capita income of Whatcom County has been growing in recent years at approximately 3.9 percent. For 2014, the assessed valuations of property increased slightly (1 percent) over 2013.

Contacting the County's Financial Management

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$129,409,559	\$2,032,280	\$131,441,839
Cash with fiscal agent	15,554	18,650	34,204
Investments	14,540,638	-	14,540,638
Receivables, net	2,379,925	59,811	2,439,736
Receivables-court, net	2,508,467	-	2,508,467
Due from other governments	10,466,419	-	10,466,419
Internal balances	(392,555)	392,555	-
Inventories	1,382,084	-	1,382,084
Capital assets:			
Non-depreciable	101,049,212	-	101,049,212
Depreciable, net	139,204,391	3,584	139,207,975
Total assets	400,563,694	2,506,880	403,070,574
Liabilities			
Accounts payable and accrued expenses	7,905,505	54,122	7,959,627
Due to other governments	230,243	-	230,243
Unearned revenue	2,631,151	-	2,631,151
Noncurrent liabilities (Note 9):			
Due within one year	11,081,049	108,908	11,189,957
Due in more than one year	6,989,541	38,804	7,028,345
Total liabilities	28,837,489	201,834	29,039,323
Deferred inflows of resources			
Grants received in advance	178,210	-	178,210
Total deferred inflows of resources	178,210	-	178,210
Net position			
Net investment in capital assets	237,208,328	3,584	237,211,912
Restricted for:			
General government	889,014	-	889,014
Public safety	1,881,909	-	1,881,909
Utilities	2,159,614	-	2,159,614
Transportation	28,535,222	-	28,535,222
Natural and economic environment	17,767,579	-	17,767,579
Social services	6,718,694	-	6,718,694
Culture and recreation	2,865,448	-	2,865,448
Debt service	1,562	-	1,562
Capital projects	43,783,115	-	43,783,115
Unrestricted (deficit)	29,737,510	2,301,462	32,038,972
Total net position	\$371,547,995	\$2,305,046	\$373,853,041

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

Functions/ Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position - Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Primary government:							
Governmental activities:							
General government	\$27,929,915	\$7,604,267	\$6,303,162	\$-	\$(14,022,486)	\$-	\$(14,022,486)
Public safety	44,827,618	10,706,721	2,427,469	-	(31,693,428)	-	(31,693,428)
Utilities	1,065,930	-	322,668	-	(743,262)	-	(743,262)
Transportation	22,594,861	2,315,887	-	12,285,684	(7,993,290)	-	(7,993,290)
Natural and economic environment	7,978,742	923,215	3,150,391	-	(3,905,136)	-	(3,905,136)
Social services	19,161,487	2,399,275	9,120,593	-	(7,641,619)	-	(7,641,619)
Culture and recreation	4,317,013	294,734	75,545	-	(3,946,734)	-	(3,946,734)
Interest on long-term debt	152,606	-	-	-	(152,606)	-	(152,606)
Total governmental activities	128,028,172	24,244,099	21,399,828	12,285,684	(70,098,561)	-	(70,098,561)
Business-type activities:							
Whatcom Co Investment Pool	265,862	214,157	-	-	-	(51,705)	(51,705)
Ferry System	2,397,874	1,703,116	-	-	-	(694,758)	(694,758)
Total business-type activities	2,663,736	1,917,273	-	-	-	(746,463)	(746,463)
Total primary government	\$130,691,908	\$26,161,372	\$21,399,828	\$12,285,684	(70,098,561)	(746,463)	(70,845,024)
General Revenues:							
Taxes:							
Property taxes					50,107,903	-	50,107,903
Retail taxes					26,485,109	-	26,485,109
Business and occupation taxes					31,211	-	31,211
Excise taxes					4,126,810	-	4,126,810
Unrestricted investment earnings and unrealized gains/ (losses)					911,649	4,278	915,927
Gain/loss on sale of capital assets					530,863	-	530,863
Miscellaneous					4,860,753	-	4,860,753
Special item-capital contribution					44,220,000	-	44,220,000
Transfers					(1,104,502)	1,104,502	-
Total general revenues, special items and transfers					130,169,796	1,108,780	131,278,576
Change in net position					60,071,235	362,317	60,433,552
Net position-beginning					311,476,760	1,942,729	313,419,489
Net position-ending					\$371,547,995	\$2,305,046	\$373,853,041

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

	General	County Road	Public Utilities Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Cash, cash equivalents and pooled investments	\$14,642,392	\$25,492,843	\$16,766,375	\$48,364,063	\$105,265,673
Deposits with fiscal agent	9,554	-	-	-	9,554
Investments	-	-	-	14,540,638	14,540,638
Taxes receivable, net	759,177	613,378	-	134,483	1,507,038
Accounts receivable, net	360,296	47,019	-	203,098	610,413
Accounts receivable-court, net	2,416,550	-	-	91,917	2,508,467
Special assessments, net	-	-	-	61,186	61,186
Interest receivable, net	60,825	-	-	6,387	67,212
Notes receivable, net	-	-	-	108,373	108,373
Interfund receivable	171,230	168,542	-	565,889	905,661
Interfund loan receivable	-	3,000,000	-	100,000	3,100,000
Due from other governments	1,760,258	46,420	4,186,056	4,464,147	10,456,881
Employee advances	1,052	96	-	-	1,148
Prepayments	4,892	-	-	-	4,892
Total assets	\$20,186,226	\$29,368,298	\$20,952,431	\$68,640,181	\$139,147,136
Liabilities, deferred inflows of resources and fund balances					
Liabilities					
Accounts payable	\$1,529,522	\$659,206	\$63,016	\$4,397,736	\$6,649,480
Interfund payable	142,475	139,912	-	791,130	1,073,517
Interfund loans payable	1,673,344	-	-	3,100,000	4,773,344
Revenue collected in advance	30,141	-	-	-	30,141
Due to other governments	211,755	-	-	18,488	230,243
Other accrued liabilities	135,775	100,164	-	2,324	238,263
Other current liabilities	10,840	27,289	-	-	38,129
Unearned revenue	2,430,872	15,066	-	261,466	2,707,404
Deferred credits	46,625	61,287	-	1,037	108,949
Total liabilities	6,211,349	1,002,924	63,016	8,572,181	15,849,470
Deferred inflows of resources	937,376	613,378	-	134,493	1,685,247
Fund balances:					
Restricted	685,011	27,751,996	20,889,415	49,220,869	98,547,291
Committed	-	-	-	7,873,940	7,873,940
Assigned	-	-	-	2,838,698	2,838,698
Unassigned	12,352,490	-	-	-	12,352,490
Total fund balances	13,037,501	27,751,996	20,889,415	59,933,507	121,612,419
Total liabilities, deferred inflows of resources and fund balances	\$20,186,226	\$29,368,298	\$20,952,431	\$68,640,181	\$139,147,136

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, 2014

Fund balance - total governmental funds	\$121,612,419
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	231,579,683
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.	30,006,893
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,583,290
Liabilities, including \$4,031,005 of bonds/ loans payable, \$6,765,792 of compensated absences and \$2,437,493 of other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	<u>(13,234,290)</u>
Net position of governmental activities	<u>\$371,547,995</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, 2014

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

	General	County Road	Public Utilities Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$41,246,226	\$17,702,546	\$3,325,481	\$19,600,886	\$81,875,139
Licenses and permits	2,276,621	142,867	-	-	2,419,488
Intergovernmental	14,854,804	5,032,633	-	13,561,011	33,448,448
Charges for service	8,007,422	1,215,297	-	9,063,789	18,286,508
Fines and penalties	2,379,101	-	-	200,076	2,579,177
Miscellaneous	3,707,354	262,974	101,130	1,649,394	5,720,852
Total revenues	72,471,528	24,356,317	3,426,611	44,075,156	144,329,612
Expenditures					
Current:					
General government	24,198,258	477,156	115,845	1,664,062	26,455,321
Public safety	22,386,188	-	-	21,452,087	43,838,275
Utilities	-	-	-	963,733	963,733
Transportation	-	16,613,988	-	32,547	16,646,535
Natural and economic environment	1,987,533	-	-	5,973,638	7,961,171
Social services	12,935,197	-	-	6,243,283	19,178,480
Culture and recreation	3,537,036	-	-	574,119	4,111,155
Capital outlay	28,068	1,390,898	22,768	17,437,456	18,879,190
Debt service:					
Principal	-	-	-	310,000	310,000
Interest	17,903	-	-	158,066	175,969
Total expenditures	65,090,183	18,482,042	138,613	54,808,991	138,519,829
Excess (deficiency) of revenues over expenditures	7,381,345	5,874,275	3,287,998	(10,733,835)	5,809,783
Other financing sources (uses)					
Sales of capital assets	222,931	270,564	-	37,368	530,863
Transfers in	3,426,982	50,000	-	17,144,065	20,621,047
Transfers out	(10,354,557)	(3,443,758)	(127,075)	(6,124,148)	(20,049,538)
Capital lease proceeds	8,840	-	-	-	8,840
Total other financing sources (uses)	(6,695,804)	(3,123,194)	(127,075)	11,057,285	1,111,212
Net change in fund balances	685,541	2,751,081	3,160,923	323,450	6,920,995
Fund balances-beginning	12,351,960	25,000,915	17,728,492	59,610,057	114,691,424
Fund balances-ending	\$13,037,501	\$27,751,996	\$20,889,415	\$59,933,507	\$121,612,419

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, 2014

Net change in fund balances-total governmental funds	\$6,920,995
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 (\$63,242,385) exceeded depreciation expense (\$9,285,324) in the current period.	53,957,061
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.	(451,393)
Revenues in the funds that are related to prior periods are not revenues in the statement of activities.	(175,238)
In the statement of activities, certain operating expenses-compensated absences are measured by the amount earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.	(490,190)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	<u>310,000</u>
Change in net position of governmental activities	<u>\$60,071,235</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	\$2,032,280	\$24,143,886
Deposits with fiscal agent	18,650	6,000
Receivables, net	-	5,402
Interfund receivable	23,694	233,172
Due from other governments	-	9,538
Interfund loan receivable	-	1,673,344
Inventories	-	1,382,084
Prepayments	36,117	-
Total current assets	<u>2,110,741</u>	<u>27,453,426</u>
Noncurrent assets		
Capital assets:		
Land	-	440,614
Building and structures, net	-	1,170,935
Capital leases, net	-	15,161
Other improvements, net	-	318,733
Machinery and equipment, net	3,584	6,678,077
Intangible assets, net	-	50,400
Total capital assets, net	<u>3,584</u>	<u>8,673,920</u>
Total noncurrent assets	<u>3,584</u>	<u>8,673,920</u>
Total assets	<u>2,114,325</u>	<u>36,127,346</u>
Liabilities		
Current liabilities		
Accounts payable	18,253	836,591
Claims cost payable	-	3,987,681
Interfund payable	35,869	53,143
Compensated absences	147,712	655,348
Total current liabilities	<u>201,834</u>	<u>5,532,763</u>
Noncurrent liabilities		
Other noncurrent liabilities	-	197,223
Total noncurrent liabilities	<u>-</u>	<u>197,223</u>
Total liabilities	<u>201,834</u>	<u>5,729,986</u>
Net position		
Net investment in capital assets	3,584	8,673,920
Unrestricted	1,908,907	21,723,440
Total net position	<u>1,912,491</u>	<u>\$30,397,360</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.	392,555	
Net position of business-type activities	<u>\$2,305,046</u>	

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

Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2014

Whatcom County

W A S H I N G T O N

	Enterprise Funds	Internal Service Funds
Operating revenues		
Intergovernmental	\$211,515	\$46,771
Charges for service	1,481,783	13,776,289
Rents and parking	-	4,963,552
Fines and forfeits	-	1,120
Insurance premiums	-	9,084,780
Miscellaneous	223,975	82,703
Total operating revenues	1,917,273	27,955,215
Operating expenses		
General operations	2,490,511	24,949,717
General administration	229,841	702,234
Depreciation	642	1,377,657
Total operating expenses	2,720,994	27,029,608
Operating income (loss)	(803,721)	925,607
Non-operating revenues (expenses)		
Gain (loss) on sale of capital assets	-	112,955
Interest revenue	-	17,903
Interest expense	-	(342)
Unrealized gain (loss) on investments	4,278	78,896
Insurance recoveries	-	146,857
Total non-operating revenues (expenses)	4,278	356,269
Income (loss) before transfers	(799,443)	1,281,876
Transfers in	1,104,502	406,883
Transfers out	-	(2,082,894)
Changes in net position	305,059	(394,135)
Total net position-beginning		30,791,495
Total net position-ending		\$30,397,360
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.	57,258	
Change in net position of business-type activities	\$362,317	

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	\$1,906,209	\$28,131,110
Payments for goods and services	(1,326,656)	(19,303,422)
Payments to employees	(1,386,563)	(6,825,409)
Net cash provided (used) by operating activities	(807,010)	2,002,279
Cash flows from non-capital financing activities:		
Transfers in	1,104,502	346,858
Transfers out	-	(2,082,894)
Interest revenue	-	17,903
Insurance recoveries	-	146,857
Net cash provided (used) by non-capital financing activities	1,104,502	(1,571,276)
Cash flows from capital financing activities:		
Interest paid on capital debt	-	(342)
Transfers in	-	60,025
Proceeds from sale of assets	-	231,496
Purchases of capital assets	-	(2,638,930)
Net cash provided (used) by capital financing activities	-	(2,347,751)
Cash flows from investing activities:		
Unrealized gain (loss) on investments	4,278	78,896
Net cash provided (used) by investing activities	4,278	78,896
Net increase (decrease) in cash and cash equivalents	301,770	(1,837,852)
Balances - beginning of the year	1,730,510	25,981,738
Balances - end of the year	\$2,032,280	\$24,143,886
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$(803,721)	\$925,607
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	642	1,377,657
Change in assets and liabilities:		
Receivables, net	(59,436)	(58,033)
Inventories	-	(96,541)
Accounts and other payables	38,619	(140,816)
Accrued expenses	16,886	(5,595)
Net cash provided by operating activities	\$(807,010)	\$2,002,279

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

	Investment Trust Fund	Agency Funds
Assets		
Cash and cash equivalents	\$-	\$15,612,096
Deposits with fiscal agent	-	169,754
Assets held in trust-external investment pool	-	186,767,802
Investments	186,767,802	-
Accounts receivable, net	-	10,062
Due From Other Governments	-	56,925
Total assets	186,767,802	202,616,639
Liabilities		
Warrants payable	-	7,362,601
Accounts payable	-	268,257
Matured interest payable	-	5,000
Other accrued liabilities	-	87,569
Revenue collected in advance	-	188,005
Custodial accounts	-	194,705,207
Total liabilities	-	202,616,639
Net position		
Held in trust for pool participants	\$186,767,802	\$-

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, 2014

	Investment Trust Fund
Additions	
Contributions	\$153,673,523
Investment earnings:	
Interest	864,382
Net increase (decrease) in fair value of investments	322,657
Total additions	154,860,562
Deductions	
Distributions	158,698,001
Total deductions	158,698,001
Change in net position	(3,837,439)
Net position-beginning	190,605,241
Net position-ending	\$186,767,802

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



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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

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

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

These statements are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the County's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position and demonstrates the degree to which the direct expenses of a given function are offset by

program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Under the accrual basis of accounting, revenues are recognized in the period which they are earned while expenses are recognized in the period in which the liability is incurred.

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

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

The County reports the following major governmental funds:

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

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

as under accrual accounting. However, capital assets are reported as expenditures when purchased and debt service and compensated absences are recorded as expenditures when paid.

PROPRIETARY FUND FINANCIAL STATEMENTS

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

The County reports the following non-major proprietary funds:

- **Enterprise funds:** These funds are used to report any activity for which a fee is charged to external users for goods or services. The Whatcom County Investment Pool and the Ferry System are the County's enterprise funds.
- **Internal service funds:** These funds account for operations that provide goods or services to other departments or funds of the County on a cost reimbursement basis. The County's internal service funds are Equipment Rental and Revolving and Administrative Services.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

FIDUCIARY FUND FINANCIAL STATEMENTS

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Net Position (for Investment Trust Funds). Fiduciary funds are accounted for using the accrual basis of accounting, as are proprietary funds explained above. Whatcom County has two types of fiduciary funds: investment trust funds and agency funds.

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

C. BUDGETARY INFORMATION

Annual appropriated budgets are adopted on the modified accrual basis of accounting for all funds except the following special revenue funds: Tax Refund, REET Technology and Emergency Communications; debt service funds: CRID No. 9 General Debt and 2003 Ltd. Tax General Obligation Bond; and capital project fund: Lummi Nation Lease, which are not budgeted. For governmental funds, there are no differences between the budgetary basis and generally accepted accounting principles.

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

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

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

Amending the Budget: The County Executive is authorized to approve transfers between accounts. 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, Chemical Dependency/Mental Health Fund, Countywide Emergency Medical Services Fund, Flood Control Zone District Fund, Sub-Zone Funds, County Park Improvement Fund and 2010 Jail Improvement Fund. Investments are shown on the balance sheet at fair value.

Temporary Investments: See Note 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 revenue and therefore are not reported as revenue on Whatcom County's Statement of Activities or on Whatcom County's Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds.

Notes receivable primarily consist of amounts due from private individuals for home improvement loans granted through the Federal Community Development Block Grant Program. Repayment of these loans is due upon sale or exchange of the improved property. Notes receivable also include amounts due from private individuals for on-site sewage system repairs. These loans are funded through Washington State Department of Ecology. Both of these loans are secured by a lien on the benefited properties and all are considered ultimately collectible.

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

Amounts Due to and from Other Funds; Interfund Loans: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "interfund loans receivable/payable." All other outstanding balances between funds are reported as "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.

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

Compensated Absences: The County records all accumulated unused vacation and sick leave. Vacation pay, which may be accumulated up to 30 days (employees with paid time off may accumulate up to 41 days), is payable upon resignation, retirement or death. Sick leave may accumulate up to 120 days. Employees hired before May 15, 1984 can receive a cash payout of 50 percent of their accrued sick leave balance. An employee hired after that date with three years of service can receive 25 percent of their accrued sick leave. The amount reported for the employee leave benefit accrual includes 100 percent of the vacation leave accrual as of December 31, 2014 and 2013. 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*- amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- *Restricted fund balance*- amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- *Committed fund balance*- amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- *Assigned fund balance*- amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- *Unassigned fund balance*- amounts that are available for any purpose; positive amounts are reported only in the General Fund.

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

Table FN2 - Fund Balance Details

	General	County Road	Public Utilities Improvement	Other Govt'l Funds	Total
Fund balances:					
Restricted for:					
Boating safety	104,650				104,650
Historical document preservation	229,667				229,667
Developmental disability mileage	350,694				350,694
County roads		27,751,996			27,751,996
Public facilities projects			20,889,415		20,889,415
Debt service				1,562	1,562
Capital projects				17,611,532	17,611,532
Parks and recreation				143,213	143,213
Chemical dependency/ mental health				5,707,678	5,707,678
Emergency medical/ criminal justice				1,737,443	1,737,443
Flood control/ stormwater				16,023,444	16,023,444
Land purchases				1,672,953	1,672,953
Social services				1,082,198	1,082,198
Solid waste				2,159,614	2,159,614
Tourism promotion				1,264,526	1,264,526
Other purposes				1,816,706	1,816,706
Committed to:					
Elections				568,436	568,436
Parks and recreation				1,493,579	1,493,579
Capital projects				5,811,925	5,811,925
Assigned to:					
Corrections				2,640,514	2,640,514
Parks and recreation				50,373	50,373
Emergency management				147,811	147,811
Unassigned:	<u>12,352,490</u>				<u>12,352,490</u>
Total fund balances	<u>\$13,037,501</u>	<u>\$27,751,996</u>	<u>\$20,889,415</u>	<u>\$59,933,507</u>	<u>\$121,612,419</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

For 2014, the Point Roberts Transportation Benefit District is reported as a blended component unit of the County. Since established the District has been reported incorrectly as part of the County. This change has no effect on beginning net assets or fund net assets.

During 2014, the following funds were added: Parks Special Revenue Fund, Slater Road Intersections Project Fund, Dakota Creek Bridge No. 500 Project Fund and Telecommunications System Replacement Fund.

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

There have been no material violations of finance-related legal or contractual provisions in any of the funds of the County. At December 31, 2014 the Nessel Farm Restoration Fund reported a deficit in fund balance of \$181. The Nessel Farm Restoration is fully funded by a private foundation, the Nessel Foundation. At year end 2014 the Nessel Farm Restoration Fund's negative fund balance is principally the result of an unrealized loss on investments allocated to the fund based on pooled investments.

NOTE 4 – DEPOSITS AND INVESTMENTS

Whatcom County is authorized by RCW's 36.29.020, 39.58, 39.59.020, 39.59.030, 39.60.010, 39.60.050 and 43.84.080 to invest in the following types of securities: U.S. Treasury Obligations, U.S. Government Agency Obligations and U.S. Government Sponsored Enterprises (GSE's), Banker's Acceptances (BA's) purchased through State of Washington Financial Institutions and authorized broker/dealers, Commercial Paper, Non-negotiable Certificates of Deposit, Deposit Notes of Financial Institutions, Repurchase Agreements, Bonds of the State of Washington and any local government in the State of Washington, General obligation bonds of a state other than the State of Washington and general obligation bonds of a local government of a state other than the State of Washington, registered warrants and notes for Whatcom County and those districts in Whatcom County for which the Treasurer is the ex-officio Treasurer (subject to compliance with RCW 39.56.030), the Washington State Local Government Investment Pool (LGIP) and as defined in RCW 39.59.030, mutual bond funds as and subject to the arbitrage provisions of Section 148 of the Federal Internal Revenue Code (if bond covenants permit investment in mutual funds).

RCW 39.58.130 authorizes the investment of municipal funds in deposits in qualified public depositories provided that the total in public deposits does not exceed the total net worth of the bank. As of December 31, 2014 the carrying amount of the county's cash demand deposits was \$147,054,016.

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

Custodial Credit Risk of Bank Deposits: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. Whatcom County's deposits and certificates of deposit are entirely covered by the Federal Deposit Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington State Public Deposit Protection Commission (WPDPC). State statute permits additional amounts to be assessed on a pro rata basis to members of the WPDPC pool in the event the pool's collateral should be insufficient to cover a loss.

Custodial Credit Risk of Investments: Custodial credit risk of investments is the risk that, in the event of the failure of a counterparty, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The county investment policy requires that all deliverable securities will be settled delivery versus payment (DVP), which ensures that securities are deposited at a third party, such as a safekeeping and custodian bank acting as an agent for the county. A signed safekeeping and custodial agreement(s) shall be entered into with a federally-regulated financial institution, currently BNY Mellon. The custodian institution shall hold the securities as evidenced by a safekeeping receipt. Non-negotiable CD's, public funds deposit accounts and investments in the LGIP are not handled on a DVP basis, and therefore are exempt from this process. In addition, BA's and repurchase agreements (provided a signed master repurchase agreement is on file) shall be held in the Trust safekeeping department of the financial institution in the name of Whatcom County. Certificates of deposit in the County Treasurer's name, or a copy thereof, will be delivered to and held by the Treasurer's Office.

The Local Government Investment Pool (LGIP) operates in a manner consistent with SEC Rule 2a7. Participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. Per GASB 40 guidelines the balances are also not subject to custodial credit risk. The credit risk of the LGIP is limited, as most investments are either obligations of the US government, government sponsored enterprises, or insured demand deposit accounts and certificates of deposit. There is no statutory regulatory oversight of the LGIP other than annual audits through the Washington State Auditor's Office. As a 2a7-like pool, investments in the LGIP are reported at amortized cost. The fair value of County shares in the LGIP is dollar for dollar equal to the value of pool shares.

As of December 31, 2014, the county had the following investments and maturities:

Table FN3 - Investment Maturities

Investment Type	Investments and Maturities (In Years)*		
	Fair Value	Less Than 1	1 to 5
LGIP	\$30,354,369	\$30,354,369	\$-
Money Market Savings Account	3,222	3,222	-
US Treasury	10,055,650	5,045,900	5,009,750
Federal Farm Credit Bank	33,876,626	13,007,740	20,868,886
Federal Home Loan Bank	60,791,695	12,063,620	48,728,075
Federal Home Loan Mortgage Corp	79,523,312	10,059,844	69,463,468
Federal National Mortgage Assoc.	65,169,819	5,002,200	60,167,619
General Obligation Municipal Bonds	21,673,737	7,622,370	14,051,366
Certificates of Deposit	35,147,097	25,057,498	10,089,600
Total	\$336,595,526	\$108,216,762	\$228,378,764

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

Interest Rate Risk: As a means of limiting its exposure to interest rate risk, the county diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The county coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term

to five years from the purchase date unless matched to a specific cash flow. In the case of collateralized mortgage obligations, the average expected life at time of purchase must be less than five years. The portfolio is structured so that securities mature to meet cash requirements thereby avoiding the need to sell securities prior to maturity. The County does not have a specific interest rate risk policy, however, it is cognizant of this risk and addresses it in the Whatcom County Treasurer's Office Investment Policy, of which the WCIP is in compliance with as of December 31, 2014.

Credit Risk: State law and county policy limit investments to those authorized by state statute. Allowable investments must have, at the time of investment, one of the three highest credit ratings of a nationally recognized rating agency. The county allows 100 percent investment in US Treasuries or the LGIP. The county limits its holdings in US Government operated and sponsored entities to 90 percent of the portfolio; certificates of deposit, public funds deposit accounts and repurchase agreements to 40 percent of the portfolio; bankers acceptances to 25 percent of the portfolio; commercial paper to 25 percent of the portfolio; WA state and local government bonds to 20 percent, general obligation bonds outside the state of WA to 15 percent and deposit notes of financial institutions and reverse repurchase agreements to 10 percent of the portfolio. At December 31, 2014 the county held no investments in banker's acceptances, repurchase agreements or commercial paper.

As of year-end, the credit quality ratings of debt securities (other than US government and US government guaranteed) are as follows:

Table FN4 - Credit Quality Distribution for Securities

Investment Type	Moody's Rating	S & P's Rating	Percentage of Portfolio
Federal Farm Credit Bank	Aaa		10%
Federal Home Loan Bank	Aaa		18%
Federal Home Loan Mortgage Corp	Aaa		24%
Federal National Mortgage Assn	Aaa		19%
General Obligation Municipal Bonds	-	A	1%
General Obligation Municipal Bonds	Aa1		4%
General Obligation Municipal Bonds	Aaa		1%
General Obligation Municipal Bonds	Aa2		0%
US Treasury	Aaa		3%
LGIP	Not Rated		9%

Concentration Risk: The County allows 100 percent investment in US Treasuries and the LGIP. The County limits its holdings in US Government operated and sponsored entities to 90 percent of the portfolio and 35 percent per issuer; certificates of deposit, public funds deposit accounts and repurchase agreements to 40 percent of the portfolio and 10 percent per issuer; bankers acceptances to 25 percent of the portfolio and 10 percent per issuer; commercial paper to 25 percent of the portfolio and 5 percent per issuer; WA state and local government bonds to 20 percent, general obligation bonds outside the state of WA to 15 percent, and deposit notes of financial institutions and reverse repurchase agreements to 10 percent of the portfolio.

EXTERNAL INVESTMENT POOL

The Whatcom County Investment Pool (WCIP) operates on an amortized cost-book value basis. The County Finance Committee performs oversight of the pool’s performance. There are no legally binding guarantees for the WCIP. Authorized investments for the WCIP are the same as investments held outside of the pool and are defined in the Whatcom County Treasurer’s Office Investment Policy.

Earnings distributions, including any realized transactions in the pool, are distributed monthly, calculated on the average daily balance of the participant’s account. The Whatcom County Treasurer, by law, is the treasurer of most governments within the county, including schools, fire and library districts. These districts do not have a legal option to have their investments handled by other than the County Treasurer.

The County reported investments at fair value in accordance with GASB No. 31, “Accounting and Financial Reporting for Certain Investments and External Investment Pools”. At December 31, 2014, the fair value of investments in the WCIP was \$473,706 less than the amortized cost.

Fair value of the WCIP is reviewed by the County Finance Committee quarterly, and by the County Treasurer monthly. Fair value is determined using quoted market prices from our safekeeping agent, BNY Mellon, and with Bloomberg, an on-line financial services system.

There is no involuntary participation in the WCIP. Districts can have the County Treasurer manage their cash invested outside of the WCIP if they meet the criteria specified by WCIP policy 200. There were no investments purchased by districts not invested in the WCIP for 2014.

The Whatcom County Investment Pool’s Condensed Statement of Net Position and Changes in Net Position as of December 31, 2014 are shown on the tables below.

Table FN5 - Condensed Statement of Net Position

Assets	\$337,054,648
Less: Liabilities	-
Net assets held in trust for pool participants	\$337,054,648
Equity of internal pool participants	\$150,286,846
Equity of external pool participants	186,767,802
<u>Total equity</u>	\$337,054,648

Table FN6 - Condensed Statement of Changes in Net Position

Net position-beginning	\$333,772,462
Net change in investments by pool participants	3,282,186
Net position-ending	\$337,054,648

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 on below:

PROPERTY TAX CALENDAR

January 1	Taxes are levied and become an enforceable lien against properties.
February 14	Tax bills are mailed.
April 30	First of two equal installment payments is due.
May 31	Assessed value of property established for next year's levy at 100 percent of market value.
October 31	Second installment is due.

Property taxes are recorded as a receivable when levied, offset by unearned revenue. During the year, property tax revenues are recognized when cash is collected. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

The tax collection record for Whatcom County is as follows:

Table FN7 - Tax Collection Record

Collection Year	Regular Assessed Valuation (1)	Ad Valorem Tax Levy (2)	Year of Levy Tax Collection
2014	\$23,679,456,188	\$27,579,208	98.3%
2013	23,484,411,003	27,113,497	98.2%
2012	23,531,575,782	26,693,838	97.9%
2011	23,729,066,124	26,393,783	97.8%
2010	25,077,540,196	25,592,633	96.9%
2009	24,264,823,547	24,671,502	97.3%
2008	22,199,664,766	24,171,883	97.9%

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

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

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

1. Washington State law in RCW 84.55.010 limits the growth of regular property taxes to 101 percent of the previous year's levy, adjusted for new construction.
2. Chapter 84.52 RCW establishes a limitation on the levies for ports, public utilities, state school, emergency medical services, counties, roads, and cities and towns. All other regular levies are reduced by a priority schedule if a composite rate of \$5.55 per thousand is exceeded.
3. The Washington State Constitution limits the total regular property taxes to 1 percent of assessed valuation or \$10 per \$1000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced

until the total is at or below the 1 percent limit, with the exception of port districts, public utility districts, and new state school construction.

The County's regular levy for 2014 was \$1.1646892593 per \$1,000 on an assessed valuation of \$23.7 billion for a regular levy of \$27,579,208. This levy was used for general governmental purposes.

The Road Fund levied \$1.5783522411 per \$1,000 on an assessed value of \$11.6 billion in 2014. This resulted in a total levy of \$18,263,117 to be used for county road maintenance and construction.

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2014 was as follows:

Table FN8 - Capital Assets Activity

Governmental activities	Beginning Balance 01/01/2014	Increases	Decreases	Ending Balance 12/31/2014
Capital assets, not being depreciated				
Land	\$52,538,339	\$48,510,873	\$-	\$101,049,212
Construction in progress	1,613,880	1,092,654	(16,202)	2,690,332
Intangible assets	50,400	-	-	50,400
Total capital assets, not being depreciated	<u>54,202,619</u>	<u>49,603,527</u>	<u>(16,202)</u>	<u>103,789,944</u>
Capital assets, being depreciated				
Buildings	74,397,275	2,903,179	-	77,300,454
Improvements	13,451,659	724,002	(2,446,144)	11,729,517
Equipment	37,676,994	2,688,842	(2,808,958)	37,556,878
Infrastructure	159,122,769	12,409,899	-	171,532,668
Total capital assets being depreciated	<u>284,648,697</u>	<u>18,725,922</u>	<u>(5,255,102)</u>	<u>298,119,517</u>
Less accumulated depreciation for:				
Buildings	(28,200,104)	(1,935,326)	-	(30,135,430)
Improvements	(5,361,765)	(536,784)	260,130	(5,638,419)
Equipment	(29,470,045)	(1,922,151)	2,694,593	(28,697,603)
Infrastructure	(90,655,556)	(6,528,850)	-	(97,184,406)
Total accumulated depreciation*	<u>(153,687,470)</u>	<u>(10,923,111)</u>	<u>2,954,723</u>	<u>(161,655,858)</u>
Total capital assets, being depreciated, net	<u>130,961,227</u>	<u>7,802,811</u>	<u>(2,300,379)</u>	<u>136,463,659</u>
Governmental activities capital assets, net	<u>\$185,163,846</u>	<u>\$57,406,338</u>	<u>\$(2,316,581)</u>	<u>\$240,253,603</u>
Business-type activities				
Capital assets, being depreciated				
Equipment	\$24,305	\$-	\$-	\$24,305
Total capital assets being depreciated	<u>24,305</u>	<u>-</u>	<u>-</u>	<u>24,305</u>
Less accumulated depreciation for:				
Equipment	(20,079)	(642)	-	(20,721)
Total accumulated depreciation	<u>(20,079)</u>	<u>(642)</u>	<u>-</u>	<u>(20,721)</u>
Total capital assets, being depreciated, net	<u>4,226</u>	<u>(642)</u>	<u>-</u>	<u>3,584</u>
Business-type activities capital assets, net	<u>\$4,226</u>	<u>\$(642)</u>	<u>\$-</u>	<u>\$3,584</u>

* See footnote on Table FN9 for details.

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

Table FN9 - Depreciation Expense

Governmental activities:	
General governments	\$1,890,857
Public safety	714,094
Utilities	114,889
Transportation	7,535,571
Natural and Economic environment	83,225
Social services	64,171
Culture & recreation	260,173
Total depreciation expense*	<u>\$10,662,980</u>
Business-type activities:	
Transportation	<u>\$642</u>
Total depreciation expense	<u>\$642</u>

* Total depreciation expense (Table FN9) does not balance to total accumulated depreciation (Table FN8) by \$260,131 because stormwater improvements were reclassified from improvements to infrastructure.

NOTE 7 – PENSION PLANS

Substantially all Whatcom County full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) PLANS 1, 2, AND 3

Plan Description

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts; employees of legislative committees; employees of district and municipal courts; and employees of local governments. Membership also includes higher education employees not participating in higher education retirement programs. Approximately 49 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to Plan 3.

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

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

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

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

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

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

Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity. The benefit amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60, at which time the benefit is converted to the

member's service retirement amount.

A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

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

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions, if hired prior to May 1, 2013:

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

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

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

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

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

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

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

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, and were hired before May 1, 2013, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5 percent for each year before age 65.

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

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

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

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

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect

participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

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

There are 1,176 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2013:

Retirees and Beneficiaries Receiving Benefits	85,328
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	31,047
Active Plan Members Vested	150,706
Terminated Plan Members Nonvested	101,191
TOTAL	<u>368,272</u>

The County covered payroll for the year ended December 31, 2014 was \$49,162,242. The County's total payroll for all employees was \$60,031,335.

Funding Policy

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent.

As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2014, are shown on the following page.

Table FN11 - PERS Contribution Rates

Members Not Participating in JBM:

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

* The employer rates include the employer administrative expense fee currently set at 0.18%
 ** Plan 3 defined benefit portion only.
 *** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Members participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer-Local Government*	9.21%	9.21%	9.21%**
Employee-Local Government	12.26%	12.30%	7.50%***

* The employer rates include the employer administrative expense fee currently set at 0.18%.
 ** Plan 3 defined benefit portion only.
 *** Minimum rate.

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

Table FN12 - County Contribution to PERS

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2014	\$ 160,457	\$ 2,936,304	\$ 1,431,082
2013	\$ 147,723	\$ 2,590,698	\$ 1,255,038
2012	\$ 145,541	\$ 2,330,188	\$ 1,087,769

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

Plan Description

LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included effective July 27, 2003, being an exception. LEOFF retirement benefit provisions are established in chapter 41.26 RCW and may be amended only by the State Legislature.

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

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature.

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

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50.

The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

Table FN13 - LEOFF Plan 1 Benefit Calculation

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

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

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

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

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

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

Plan 2 members are eligible for retirement at the age of 53 with five years of service, or at age 50 with 20 years of

service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service (the FAS is based on the highest consecutive 60 months), actuarially reduced to reflect the choice of a survivor option. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 benefit amount is 2 percent of the FAS for each year of service. Benefits are reduced to reflect the choice of survivor option and for each year that the member's age is less than 53, unless the disability is duty-related. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53.

A disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are catastrophically disabled in the line of duty and incapable of future substantial gainful employment in any capacity. Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

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

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

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

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of eligible health care insurance premiums.

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

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

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest

actuarial valuation date for the plans of June 30, 2013:

Table FN14 - LEOFF Membership

Retirees and Beneficiaries Receiving Benefits	10,511
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	699
Active Plan Members Vested	16,830
Terminated Plan Members Nonvested	1,600
TOTAL	29,640

Funding Policy

Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plans. Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For DRS' Fiscal Year 2014, the state contributed \$55.6 million to LEOFF Plan 2.

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

The County covered payroll for the year ended December 31, 2014 was \$7,011,338. The County's total payroll for all employees was \$60,031,335.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2014, are as follows:

Table FN15 - LEOFF Contribution Rates

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

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

Both Whatcom County and the employees made the required contributions. The County's required contributions for the years ending December 31 are shown on the following page.

Table FN16 - County Contribution to LEOFF

	LEOFF Plan 1	LEOFF Plan 2
2014	\$ 170	\$ 361,754
2013	\$ 151	\$ 356,579
2012	\$ 149	\$ 367,447

PUBLIC SAFETY EMPLOYEES' RETIREMENT SYSTEM (PSERS) PLAN 2

Plan Description

PSERS was created by the 2004 Legislature and became effective July 1, 2006. PSERS retirement benefit provisions have been established by Chapter 41.37 RCW and may be amended only by the State Legislature.

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

PSERS membership includes:

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

Covered employers include:

- State of Washington agencies: Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol;
- Washington State counties;
- Washington State cities except for Seattle, Spokane and Tacoma; and
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

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

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

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

contributions. Employee contributions to the plan accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2014, the rate was five and one-half percent compounded quarterly. Members in PSERS Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PSERS-covered employment.

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

PSERS members may retire with a monthly benefit of 2 percent of the average final compensation (AFC) at the age of 65 with five years of service, or at the age of 60 with at least 10 years of PSERS service credit, or at age 53 with 20 years of service. The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3 percent per year reduction for each year between the age at retirement and age 60 applies.

PSERS Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The monthly benefit is 2 percent of the AFC for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

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

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

There are 75 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2013:

Table FN17 - PSERS Membership

Retirees and Beneficiaries Receiving Benefits	43
Terminated Plan Members Entitled to but not yet Receiving Benefits	119
Active Plan Members Vested	4,513
Terminated Plan Members Nonvested	1,383
TOTAL	6,058

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.37 and 41.45 RCW.

The County's covered payroll for the year ended December 31, 2014 was \$3,857,755. The County's total payroll for all employees was \$60,031,335.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2014, are as follows:

Table FN18 - PSERS Required Contribution Rates

Employer*	10.54%
Employee	6.36%

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

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

Table FN19 - County Contribution to PSERS

	PSERS Plan 2
2014	\$ 406,607
2013	\$ 341,566
2012	\$ 294,615

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, 2014, the amount of these liabilities was \$4,169,744. Changes in the balances of claims liabilities during 2013 and 2014 are shown on the following page.

Table FN20 - Claims Liability Balance Changes

	Beginning of Year Claims Liability	Claims Paid During the Year	Estimated Additional Liability Incurred	Balance at Year End
2013	\$4,087,788	\$(6,113,100)	\$6,527,655	\$4,502,343
2014	\$4,502,343	\$(5,982,075)	\$5,649,476	\$4,169,744

In 2004, Whatcom County settled a claim that requires the county to pay medical coverage for a former employee from January 2004 to the employee's 65th birthday in March of 2015. As of December 31, 2014, the estimate of the present value of the future cash payments totals \$3,269.

In 2011, Whatcom County received an Order and Notice from the Washington State Department of Labor and Industries stating the requirement to fund a pension for the spouse of a former employee. The former employee died of causes unrelated to his open worker's compensation claim with Whatcom County, however, because he was totally and permanently disabled at the time of his death, the State has determined his surviving spouse is entitled to a spouse's pension. The total amount of the pension is \$317,910. The monthly pension benefit is \$2,470 and as of December 31, 2014, the balance of the pension is \$211,701.

Whatcom County remains one of several Washington counties that are members of the Washington Counties Risk Pool ("Pool" or "WCRP"). The others include: Adams, Benton and Chelan, Clallam, Columbia, Cowlitz and Douglas, Franklin, Garfield, Grays Harbor and Island, Jefferson, Kittitas, Lewis and Mason, Okanogan, Pacific, Pend Oreille and San Juan, Skagit, Skamania, Spokane and Thurston, Walla Walla and Yakima Counties.

Clark, Kitsap, Klickitat and Whitman Counties were Pool members. Clark had its membership cancelled by the Pool's Board of Directors effective April 29, 2014. The others voluntarily terminated their memberships effective October 1st of 2010, 2002 and 2003 respectively.

Background: The Pool was "Created by Counties for Counties" in August 1988 as an association of member counties independent of all other associations of which the counties are members. WCRP's foundational agreement authorized its creation pursuant to Chapters 48.62 and 39.34, Revised Code of Washington ("RCW"), "to provide member counties programs of joint self-insurance, joint purchasing of insurance, and joint contracting for or hiring of personnel to provide risk management, claims handling, and administrative services."

Noteworthy is the definition of "insurer" in RCW 48.01.050 as it pertains to the application of the Washington Insurance Code (Title 48). The statutory definition reads:

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

WCRP is not an "insurer" and thus not an insurance company or subject to the special laws and rules that govern insurers and insurance companies. Washington's pools operate under the state's "pooling" laws and regulations, specifically Chapters 48.62 RCW and 200-100 Washington Administrative Code ("WAC"). Pools are risk-sharing entities

that initially must be approved by then annually report to and are overseen by the State Risk Manager – they are not regulated by the Office of the Insurance Commissioner. In addition, as public entities, pools are subject to annual audits by the State Auditor’s Office.

The mission for the Pool as determined by the members’ directors and alternate directors is to:

- Provide comprehensive and economical risk coverage;
- Reduce the frequency and severity of losses;
- Decrease costs incurred in the managing and litigation of claims.

The core values adopted by the Pool’s Board of Directors include: being committed to learn, understand and respond to the member counties’ insurance needs; being committed to establish working relationships with all members that identify business issues and jointly develop solutions; member counties commit to allocate necessary resources to risk management in their own operations; the Pool’s Board and professional staff share a commitment to manage the organization based on sound business principles, benchmarked industry standards and measurable outcomes; and being committed to continuous planning and innovation in product development and service delivery.

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

New members may be asked to pay modest fees to cover the costs to analyze their loss data and risk profiles. In recent years, new members have only been required to contribute 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 county 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.

Joint Self-Insurance Liability Program (“JSILP”): The Washington Counties Risk Pool has since its beginning administered the membership’s 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 per occurrence have grown from the \$1 million existing during the Pool’s initial two months to \$5 million, then to \$10 million and onto \$15 million before reaching the \$20 million limit that has existed since October 2003. (Note: Additional \$5 million limits were available as individual county-by-county options during many recent years, including the 2013-14 and 2014-15 coverage years.)

Since the 2003-04 coverage year, the initial \$10 million per occurrence, subject to the member-reimbursed deductible, has been provided as jointly self-insured coverage that is “risk shared” amongst the membership. 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.

The Board of Directors has decided for years now to acquire reinsurance as further protection from larger losses, direct protection for the Pool and indirect for the member counties due to the contingent liabilities they would otherwise incur from risk-sharing those losses. The reinsurance agreements are written with self-insured retentions (“SIRs”) equal to the greater of the deductible for the member with the claim or \$100,000. More recent years’ reinsurance programs have included “corridor deductibles” with aggregated stop losses which have the effect of increasing the Pool’s SIR. For 2013-14, there were two (2) such corridors – the first raising the occurrence SIR to \$1 million, but with an aggregated stop loss of \$2.975 million (later reduced with Clark County’s termination to \$2,900,625), and the second increasing the SIR further, to \$2 million, but with an aggregated stop loss of \$650,000 (also reduced with Clark County’s departure to \$596,875). Other reinsurance agreements respond to the remaining \$8 million – one for the \$3 million excess of the \$2 million SIR, and another for the \$5 million excess of \$5 million.

The remaining \$10 million (or \$15 million) of JSILP occurrence coverage has been acquired as “following form” excess insurance. And while there are no aggregate limits to the payments that the Pool makes for any member county or for all member counties, the reinsurance agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$40 million (lowest reinsured layer), \$20 million, (second layer), \$30 million (third layer) and \$50 million (final reinsured layer).

584 third-party liability claims (and lawsuits) were reported by member counties to the Pool during the 2013-14 coverage year, a 5.5 percent reduction in year-over-year filings and a continuation of the decline in filings experienced the past several years. The new filings raised the to-date (October 1988 – September 2014) total to 19,820. Yet only 359 remained classified as ‘open’ at year-end. Projections from the required independent actuary retained by the Pool’s Board of Directors suggest another 283 cases from all years as being incurred but not yet reported (“IBNR”) and raise the Pool’s estimated ultimate case count (as of September 30, 2014) to 20,103. Total incurred losses (payments made plus estimates for open claims) increased \$14.6 million during the year to \$264.6 million. And while that represents a significant increase from recent years’ corresponding amounts, it is less than the several earlier years’ amounts of \$16.0M (2010-11), \$17.8M (2009-10), and the \$20.8M (average for 2006-07 through 2008-09).

Claims reserves for the JSILP coverage are determined annually, and the actuary’s estimates of net reserves as of September 30, 2014 totaled \$14.68 million, a modest year-over-year increase of \$0.06 million (0.4 percent), and included \$2.69 million for losses in the basic SIR, \$10.84 million for the increased SIRs from the “corridor” programs, \$0.13 million for losses in the quota-shared (10 percent) upper reinsured layer retained by the Pool during 2012-13, and \$1.02 million for unallocated loss adjustment expenses (ULAE). NOTE: Estimates for gross reserves declined \$1.10 million (3.3 percent) to \$32.67 million, with \$17.99 million ceded to the commercial insurers.

Washington Counties Property Program (“WCPP”): The Board of Directors agreed to add property insurance, beginning with the 2005-06 coverage year, as a county-by-county option. This optional coverage is jointly-purchased

from a consortium of higher rated commercial carriers. Both participation and the total values of covered properties have nearly doubled since the WCPP was added. Twenty six counties participated in the WCPP during 2013-14 with covered properties totaling in excess of \$2.7 billion.

Losses are covered under the WCPP to the participating counties' buildings and contents, vehicles, mobile/contractors 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. Coverage also includes sublimited items, e.g. Equipment Breakdown / Boiler & Machinery (\$100 million), Special Flood Hazard Areas (\$25 million), and endorsements for LEED (Green Construction) Upgrades, optional Reproduction Coverage for historic structures, and Terrorism (\$20 million).

AOP occurrence deductibles, which each participating county confirms each year and is solely responsible for paying, range between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Cyber Risk and Other Coverages: Beginning this coverage year (2014-15), the Board agreed to add jointly-purchased cyber risk and security coverage from a higher-rated commercial insurer.

Other Insurances: Several member counties use the producer (broker) retained by the Board on behalf of the Pool to secure other (specialty) coverages. Examples include public officials bonds and insurance coverages for crime (and fidelity), special events/concessionaires, UST and other environmental hazards, as well as airport, ferry, and railroad operations.

Governance / Oversight: The Pool is governed by a board of directors that consists of one director (and at least one alternate director) representing each member county and appointed by the county's legislative authority. The Board of Directors, which includes both elected and appointed officials, meets three times each year with the Annual Meeting of the Pool being held mid-summer. The Board a) determines the extent of risk-sharing from the 3rd-party self-insured liability coverage by approving the JSILP Coverage Form, b) selects the reinsurance(s) to acquire and the excess insurance(s) to jointly-purchase or offer for "member option" purchase, c) approves the Pool's annual operating budget(s) and work program(s), and d) approves the formulas used for computing members' deposit assessments and, when necessary, reassessments.

Ongoing oversight of the Pool is furnished by an 11-person executive committee that is elected by and from the WCRP Board for staggered, 3-year terms. The membership of the 2014-15 committee averages more than nine years with the Pool. The committee meets throughout the year and a) approves all disbursements and reviews the Pool's financial health, b) approves case settlements exceeding the applicable member's deductible by at least \$50,000, c) reviews all claims with incurred loss estimates exceeding \$100,000, and d) evaluates the Pool's operations and 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.

Staffing and Support Teams: Six of the Pool's 11-person staff handle and/or manage the several hundred liability cases filed annually upon the member counties and submitted for risk-shared coverage consideration. This includes determining coverage, establishing reserves for covered events by estimating future payments for the losses and their related claims adjustment expenses. The claims staff have 115 years of combined claims handling experience.

The remaining staff support the Pool's administrative needs and provide member services that include, but are not limited to assessing the memberships' risks, coordinating trainings, performing compliance audits, and developing and presenting/promoting coverages.

There are also the professionals from some of the most respected organizations worldwide which are retained by the Board to address specific needs of the Pool – PricewaterhouseCoopers, LLP furnishes independent actuarial services; Strategic Claims Direction, LLC conducts independent claims auditing; Arthur J. Gallagher Risk Management Services, Inc. provides insurance producer (broker) and advanced loss control services; and J. William Ashbaugh of Hackett Beecher & Hart serves as coverage counsel. NOTE: Claims audits are occasionally performed by commercial insurers. The numerous attorneys retained and assigned to defend covered claims as well as the State Risk Manager and State Auditor's Offices cannot be overlooked.

Financial Summary: During fiscal 2014, WCRP assets grew 1 percent (\$0.48 million) to \$47.41 million while its liabilities decreased 7 percent (\$2.17 million) to \$28.04 million. That produced a (assets to liabilities) ratio of 1.69:1. For comparison, the fiscal 2004 ratio was 0.94:1 which, except for the members' reassessments receivables ("retroactive assessments") that were included, would have been 0.74:1.

Net Position, which is frequently referred to as "Net Assets" or "Owners' Equity", improved 16 percent (\$2.65 million) to \$19.37 million as of September 30, 2014. And since 2004 ended "negative" \$0.69 million, Net Position improved by more than \$20 million over the course of the past decade. \$1.07 million of Net Position were held in Capital Assets (net of debt), leaving \$18.30 million to both satisfy the State Risk Manager's solvency provisions (WAC 200.100.03001(3)) and substantially fulfill WCRP's own sufficiency requirements in section D.2 of the Board of Directors' Underwriting Policy.

Operating Income of \$2.38 million was realized in fiscal 2014. And though a 37 percent decrease from 2013, the 2014 amount was the third greatest in recent years and 55 percent more than the annual average from 2004 through 2013. Revenues grew \$1.05 million (7 percent) while Expenses increased \$2.42 million (22 percent), primarily due to the \$2.54 million in independent actuary adjustments to the Pool's claims-related reserves and \$0.58 million in premium increases for the reinsurance and excess liability and property insurance policies acquired.

Contingent Liability: The Pool is a cooperative program with joint liability amongst its participating members. Contingent liabilities occur when assets are not sufficient to cover liabilities. Deficits of the Pool resulting from any fiscal year are financed by reassessments (aka retroactive assessments) 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, 2014 was ZERO (\$0). As such, there are 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 Administrative Services Fund revenues. As of December 31, 2014, outstanding bonds totaled \$3,350,000.

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

Table FN21 - GO Bonds

Year Ending December 31	General Obligation Bonds	
	Principal	Interest
2015	\$325,000	\$146,613
2016	330,000	133,612
2017	355,000	120,413
2018	355,000	110,825
2019	140,000	98,725
2020	145,000	94,525
2021 - 2025	795,000	360,875
2026 - 2030	905,000	145,687
Total	<u>\$3,350,000</u>	<u>\$1,211,275</u>

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

At December 31, 2014, the County had \$1,562 available in debt service funds to service the general bonded debt.

CHANGES IN LONG-TERM DEBT

The changes that occurred in long-term liabilities, during the year ended December 31, 2014, are shown on the following page.

Table FN22 - Changes in Long-Term Debt

	January 1	Additions	Reductions	December 31	Due Within One Year
Governmental Activities					
Bonds payable					
General obligation debt	\$3,660,000	\$-	\$310,000	\$3,350,000	\$325,000
Discounts/premiums	158,596	-	27,658	130,938	-
Total bonds payable	3,818,596	-	337,658	3,480,938	325,000
Capital leases	441,338	7,809	137,872	311,275	129,274
Claims	4,502,343	5,649,476	5,982,075	4,169,744	3,987,682
OPEB obligations	1,902,009	535,484	-	2,437,493	-
Compensated absences	7,315,932	6,550,929	6,445,721	7,421,140	6,639,093
Landfill post-closure costs	250,000	-	-	250,000	-
Total Governmental Activities	<u>\$18,230,218</u>	<u>\$12,743,698</u>	<u>\$12,903,326</u>	<u>\$18,070,590</u>	<u>\$11,081,049</u>
Business-Type Activities					
Compensated absences	\$130,826	\$122,623	\$105,737	\$147,712	\$108,908
Total Business-Type Activities	<u>\$130,826</u>	<u>\$122,623</u>	<u>\$105,737</u>	<u>\$147,712</u>	<u>\$108,908</u>

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

COMPENSATED ABSENCES

For governmental activities, the compensated absences liability will be paid from the General Fund, County Road, Election Reserve, Whatcom County Jail, Chemical Dependency/Mental Health, Solid Waste, Victim Witness Assistance, and Emergency Management special revenue funds and Equipment Rental and Revolving and Administrative Services internal service funds.

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 \$67,623 for the year ended December 31, 2014. The future minimum lease payments for this lease are as follows:

Table FN23 - Operating Leases

Year Ending December 31	Amount
2015	\$67,106
2016	67,106
2017	69,119
2018	71,193
2019	73,329
2020-2023	315,986
Total	<u>\$663,839</u>

*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 FN24 - Capital Lease Assets

	Governmental Activities
Asset:	
Machinery and equipment	\$698,203
Less: Accumulated depreciation	(386,928)
Total	\$311,275

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2014, are shown as follows:

Table FN25 - Future Minimum Lease Obligations

	Governmental Activities
2015	\$133,114
2016	103,003
2017	67,338
2018	15,742
2019	752
Total Minimum Lease Payments	319,949
Less: Interest	8,674
Present Value of Minimum Lease Payments	\$311,275

DEBT LIMITATIONS

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

Table FN26 - Long-Term Debt Capacity

Purpose of Indebtedness	Remaining Capacity
General Government (No vote required)	\$349,819,279
General Government (With 3/5 majority vote)	\$592,860,479

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

The County has active capital projects as of December 31, 2014. The projects include: Sheriff's record management system, new jail building and telecommunications system replacement.

Effective January 1, 2014 Whatcom County entered into interlocal agreements with the City of Bellingham and Whatcom County Fire Protection District #7 to provide county wide emergency medical advanced life support services. These agreements replace an expired interlocal agreement with the City of Bellingham. The new interlocal agreements are for the period January 1, 2014 through December 31, 2016. The agreements automatically extend for one year each January 1st provided no parties to the agreements provide a notice of termination. Payments for services for 2014 to the City of Bellingham and Whatcom County Fire Protection District #7 totaled \$5,602,997 and \$970,961 respectively. Whatcom County's agreement with the City of Bellingham provides for payments for services of \$4,792,189 in 2015 and \$4,976,678 in 2016. Whatcom County's agreement with Whatcom County Fire Protection District #7 provides for payments for services of \$1,502,675 in 2015 and \$1,555,269 in 2016.

These services are funded by a combination of sales tax, user fees, and transfers from the Whatcom County General 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, 2014, interfund receivable and interfund payable balances are as follows:

Table FN27 - Interfund Receivable/Payable

Due To	Due From				Total
	General Fund	County Road	Internal Service	All Others	
General Fund	\$-	\$-	\$12,814	\$158,416	\$171,230
County Road	-	-	40,329	128,213	168,542
Internal Service	26,077	123,633	-	83,462	233,172
All Others	116,398	16,279	-	456,906	589,583
Total	\$142,475	\$139,912	\$53,143	\$826,997	\$1,162,527

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

Interfund loans outstanding as of December 31, 2014 were as follows:

Table FN28 - Interfund Loans Receivable/Payable

Interfund Loan Receivable	Interfund Loan Payable		
	General Fund	All Others	Total
County Road	\$-	\$3,000,000	\$3,000,000
Internal Service	1,673,344	-	1,673,344
All Others	-	100,000	100,000
Total	\$1,673,344	\$3,100,000	\$4,773,344

INTERFUND TRANSFERS

Transfers provide funding for capital projects, debt service, reallocations of special revenues, and to support the operations of other funds. Interfund transfers for the year ended December 31, 2014, are shown below:

Table FN29 - Interfund Transfers

Transfer To	Transfers From						Total
	General Fund	County Road	Public Utilities Improvement	Internal Service	All Others		
General Fund	\$25,425	\$-	\$-	\$182,894	\$3,218,663	\$3,426,982	
County Road	50,000	-	-	-	-	50,000	
Internal Service	263,140	53,980	-	-	89,763	406,883	
All Others	10,015,992	3,389,778	127,075	1,900,000	2,815,722	18,248,567	
Total	\$10,354,557	\$3,443,758	\$127,075	\$2,082,894	\$6,124,148	\$22,132,432	

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 \$721,320 as its share of operations in 2014. Whatcom County did not have an equity interest in What-Comm in 2014. Financial statements for What-Comm Communications Center can be obtained from the City of Bellingham, 210 Lottie Street, Bellingham, Washington 98225.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

PLAN DESCRIPTION

As required by the Revised Code of Washington (RCW) Chapter 41.26, the County provides lifetime medical, dental and vision care for members of the Law Enforcement Officers and Fire Fighters (LEOFF) retirement system hired on or before September 30, 1977 under a defined benefit healthcare plan administered by the County. Medical coverage for eligible pre-Medicare retirees is provided by one of the County's employee medical insurance programs. There is currently 1 active LEOFF I member and 19 retired LEOFF I members who are receiving benefits. Financial reporting for the LEOFF retiree healthcare plan is included in the County's Comprehensive Annual Financial Report.

FUNDING POLICY

Funding for LEOFF retiree healthcare costs is provided entirely by the County as required by RCW. The County's contributions are financed on a pay-as-you-go basis.

ANNUAL OPEB COST AND NET OPEB OBLIGATION

Whatcom County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The County has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period of fifteen years as of January 1, 2013. The table below shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB. The net OPEB obligation of \$2,437,493 is included as a noncurrent liability on the Statement of Net Position.

The County's OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2014 are shown on the following page.

Table FN30 - Annual OPEB Cost

	12/31/14
Annual Required Contribution:	
Normal Cost at Year End	\$11,810
Amortization of UAAL*	632,873
Annual Required Contribution	\$644,683
Net OPEB Obligation:	
Annual Required Contribution	\$644,683
Interest on Net OPEB Obligation	142,835
Amortization of Net OPEB Obligation	(150,099)
Annual OPEB Cost	637,419
Contributions Made	(101,935)
Increase in Net OPEB Obligation	535,484
Net OPEB Obligation-Beginning of Year	1,902,009
Net OPEB Obligation-End of Year	\$2,437,493

* Unfunded Actuarial Accrued Liability (UAAL)

Table FN31 - Net OPEB Obligation

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
12/31/12	\$583,843	48.3%	\$1,668,862
12/31/13	\$561,338	58.5%	\$1,902,009
12/31/14	\$637,419	16.0%	\$2,437,493

FUNDED STATUS AND FUNDING PROGRESS

As of January 1, 2013, the most recent actuarial valuation date, the plan was 0 percent funded. The accrued liability for benefits was \$7,036,527 and the actuarial value of the assets was 0 percent resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$7,036,527.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

METHOD AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

The following assumptions were made:

A single retirement age of 56.24 was assumed for all active members for the purpose of determining the actuarial accrued liability and normal cost. Retirement, disablement, termination, and mortality rates were assumed to follow the LEOFF I rates used in the June 30, 2011 actuarial valuation report issued by the Office of the State Actuary (OSA). Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF I medical study performed in 2013. The results were based on grouped data with 4 active groupings and 4 inactive groupings. The actuarial cost method used to determine the actuarial accrued liability was Projected Unit Credit. The actuarial accrued liability and net OPEB obligation are amortized on an open basis as a level dollar over 15 years.

NOTE 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 – SPECIAL ITEMS

In 2014, Washington State Department of Natural Resources transferred to Whatcom County 8,844 acres of land and timber for public park purposes. The fair value of the land was estimated to be \$44,220,000. On the government-wide Statement of Activities, a special item was reported under governmental activities for \$44,220,000.

NOTE 17 – SUBSEQUENT EVENTS

In 2006 Whatcom County entered into an interlocal agreement with the City of Bellingham to provide county wide

emergency medical services. This agreement continued until December 31, 2013. The interlocal agreement provided that if the City of Bellingham no longer contracts with the county for provision of emergency medical services that City of Bellingham's Medic One net assets and liabilities would be divided equally between the city and the county. The city and the county are working on an agreement to divide Medic One assets and liabilities; however the agreement was not complete at year end. Whatcom County anticipates receiving assets with approximate value of \$500,000.



Required Supplemental Information
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
General Fund
Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$40,516,215	\$40,841,215	\$41,246,226	\$405,011
Licenses and permits	1,976,150	2,160,900	2,276,621	115,721
Intergovernmental	14,066,740	16,049,679	14,854,804	(1,194,875)
Charges for service	7,813,266	8,327,738	8,007,422	(320,316)
Fines and penalties	2,841,400	2,711,400	2,379,101	(332,299)
Miscellaneous	3,126,437	2,982,437	3,707,354	724,917
Total revenues	70,340,208	73,073,369	72,471,528	(601,841)
Expenditures				
Current:				
General government	25,691,546	26,112,968	24,198,258	1,914,710
Public safety	24,198,553	24,485,416	22,386,188	2,099,228
Utilities	500	500	-	500
Natural and economic environment	1,948,385	2,386,993	1,987,533	399,460
Social services	12,708,720	14,129,205	12,935,197	1,194,008
Culture and recreation	4,091,971	4,184,225	3,537,036	647,189
Capital outlay	-	275,681	28,068	247,613
Debt service:				
Interest	26,926	57,047	17,903	39,144
Total expenditures	68,666,601	71,632,035	65,090,183	6,541,852
Excess (deficiency) of revenues over expenditures	1,673,607	1,441,334	7,381,345	5,940,011
Other financing sources (uses)				
Sales of capital assets	379,000	385,258	222,931	(162,327)
Transfers in	3,278,982	3,502,829	3,426,982	(75,847)
Transfers out	(6,924,661)	(10,329,858)	(10,354,557)	(24,699)
Capital lease proceeds	-	-	8,840	8,840
Total other financing sources (uses)	(3,266,679)	(6,441,771)	(6,695,804)	(254,033)
Net change in fund balances	(1,593,072)	(5,000,437)	685,541	5,685,978
Fund balances-beginning	-	-	12,351,960	12,351,960
Fund balances-ending	\$(1,593,072)	\$(5,000,437)	\$13,037,501	\$18,037,938

Required Supplemental Information
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
County Road Fund
Year Ended December 31, 2014

Whatcom County
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	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$17,135,000	\$17,135,000	\$17,702,546	\$567,546
Licenses and permits	100,000	100,000	142,867	42,867
Intergovernmental	4,906,342	4,938,652	5,032,633	93,981
Charges for service	1,323,977	1,323,977	1,215,297	(108,680)
Miscellaneous	14,000	14,000	262,974	248,974
Total revenues	23,479,319	23,511,629	24,356,317	844,688
Expenditures				
Current:				
General government	322,288	353,526	477,156	(123,630)
Transportation	19,774,566	19,227,163	16,613,988	2,613,175
Capital outlay	10,000	2,224,523	1,390,898	833,625
Total expenditures	20,106,854	21,805,212	18,482,042	3,323,170
Excess (deficiency) of revenues over expenditures	3,372,465	1,706,417	5,874,275	4,167,858
Other financing sources (uses)				
Sales of capital assets	450,000	450,000	270,564	(179,436)
Transfers in	51,082	51,082	50,000	(1,082)
Transfers out	(1,147,024)	(3,449,300)	(3,443,758)	5,542
Total other financing sources (uses)	(645,942)	(2,948,218)	(3,123,194)	(174,976)
Net change in fund balances	2,726,523	(1,241,801)	2,751,081	3,992,882
Fund balances-beginning	-	-	25,000,915	25,000,915
Fund balances-ending	\$2,726,523	\$(1,241,801)	\$27,751,996	\$28,993,797

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 2014.

Required Supplemental Information
 LEOFF I Retiree Medical Benefits
 Schedule of Funding Progress
 Year Ended December 31, 2014

Fiscal Year Ended	Actuarial Value of Assets	Actuarial Accrued Liability Entry Age	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/12	\$-	\$5,515,156	\$5,515,156	0%	\$94,023	5865.75%
12/31/13	\$-	\$7,036,527	\$7,036,527	0%	\$98,593	7136.94%
12/31/14	\$-	\$7,036,527	\$7,036,527	0%	\$104,976	6702.99%

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

Tax Refund - A fund is used for administrative refunds such as errors, appeals and senior citizen petition as per RCW 84.69.

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

Whatcom County Jail - A fund to finance the operations of the Whatcom County Jail.

REET Electronic Technology - A fund to account for a fee collected through the real estate excise tax. The funds are to be used to develop, implement, and maintain an electronic processing and reporting system for real estate excise tax affidavits.

Low-Income Housing - A fund used to collect a ten dollar surcharge on each recorded document. The amount collected provides funding for low-income housing.

Homeless Housing - A fund used to collect a ten dollar surcharge on each recorded document. The amount collected provides funding for homeless housing programs.

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

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

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

Countywide Emergency Medical Services - A fund to account for an additional sales and use tax in the amount

of one-tenth of one percent. Two-thirds of the tax is to be used solely for costs associated with the provisions of countywide emergency medical services, and one-third is to be used for criminal justice purposes, as authorized by RCW 82.14.450.

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

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

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

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

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

Emergency Communication - A fund established for collection of the excise tax of \$.50 per month per telephone access line, approved by the voters of Whatcom County.

Whatcom County Drug - Moneys from convicted drug offenders have been placed into this fund by court order and will be used to fight the battle against drugs in Whatcom County.

Auditor's Operation and Maintenance - A fund created with a state mandated \$2 surcharge on all instruments recorded by Auditor. Expenditures from this fund shall be used for installation and maintenance of an improved system for copying, reserving, and indexing documents recorded in the county.

Emergency Management - A fund created to carry out federal and state mandated programs to prepare the community (emergency services systems and the public) to respond to emergency disasters beyond the capacity of regular emergency services.

Flood Control Zone District - A fund used to finance the maintenance and operations of flood control projects.

Point Roberts Transportation Benefit District - A fund created to address the transportation needs of the Point Roberts area.

Conservation Futures - A fund to account for a special tax levy to be used to purchase land within Whatcom County for conservation purposes.

Road Improvement Districts - A fund financed by special assessments to account for maintenance and operation of road and street lighting improvement districts.

Lynden/Everson Sub-Zone - A fund established to account for charges to those who are receiving or will receive benefit from flood control work in the Lynden/Everson Sub-Zone.

Sumas/Nooksack/Everson Sub-Zone - A fund established to account for charges to those who are receiving or will receive benefit from flood control work in the Sumas/Nooksack/Everson Sub-Zone.

Acme/Van Zandt Sub-Zone - A fund established to account for charges to those who are receiving or will receive benefit from flood control work in the Acme/Van Zandt Sub-Zone.

Samish Watershed Sub-Zone - A fund established to account for charges to those who are receiving or will receive benefit from flood control work in the Samish Watershed Sub-Zone.

Birch Bay Sub-Zone - A fund established to account for charges to those who are receiving or will receive benefit from flood control work in the Birch Bay Sub-Zone.

DEBT SERVICE FUNDS

Debt Service funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, assessment debt, interest, and related costs. Whatcom County appropriates current year expenditures and anticipated revenue. The modified accrual basis of accounting is applied. A description of each type of fund follows:

General Obligation Bond - A fund to account for redemption of bonds which are general obligations of the county. The county has ten general obligation bond funds.

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

CAPITAL PROJECT FUNDS

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

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

Real Estate Excise Tax I - A fund to account for an excise tax on each sale of real property, imposed on the unincorporated areas of the County.

County Park Improvement - A fund established to account for repair, replacement, improvements and maintenance of existing facilities and equipment for parks, recreation equipment, and senior centers. The funding for expenditure

was approved by a vote of the people, authorizing a one year excess property tax levy in the amount of \$2,500,000.

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

East Whatcom Regional Resource Center Construction - A fund established to finance the construction of a community facility in eastern Whatcom County for the provision of early childhood education, family support and health services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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	\$22,913,813	\$1,562	\$25,448,688	\$48,364,063
Investments	13,601,256	-	939,382	14,540,638
Taxes receivable, net	134,483	-	-	134,483
Accounts receivable, net	203,098	-	-	203,098
Accounts receivable-court, net	91,917	-	-	91,917
Special assessments, net	61,186	-	-	61,186
Interest receivable, net	5,974	-	413	6,387
Notes receivable, net	108,373	-	-	108,373
Interfund receivable	565,504	-	385	565,889
Interfund loan receivable	-	-	100,000	100,000
Due from other governments	2,183,354	-	2,280,793	4,464,147
Total assets	\$39,868,958	\$1,562	\$28,769,661	\$68,640,181
Liabilities, deferred inflows of resources and fund balances				
Liabilities				
Accounts payable	\$2,439,563	\$-	\$1,958,173	\$4,397,736
Interfund payable	589,342	-	201,788	791,130
Interfund loans payable	-	-	3,100,000	3,100,000
Due to other governments	18,488	-	-	18,488
Other accrued liabilities	2,324	-	-	2,324
Unearned revenue	261,466	-	-	261,466
Deferred credits	1,037	-	-	1,037
Total liabilities	3,312,220	-	5,259,961	8,572,181
Deferred inflows of resources	134,493	-	-	134,493
Fund balances:				
Restricted	31,521,532	1,562	17,697,775	49,220,869
Committed	2,062,015	-	5,811,925	7,873,940
Assigned	2,838,698	-	-	2,838,698
Total fund balances	36,422,245	1,562	23,509,700	59,933,507
Total liabilities, deferred inflows of resources and fund balances	\$39,868,958	\$1,562	\$28,769,661	\$68,640,181

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Governmental Funds
Year Ended December 31, 2014

Whatcom County
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	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
Revenues				
Taxes	\$15,855,340	\$-	\$3,745,546	\$19,600,886
Intergovernmental	6,233,594	-	7,327,417	13,561,011
Charges for service	9,063,789	-	-	9,063,789
Fines and penalties	200,076	-	-	200,076
Miscellaneous	1,582,801	7	66,586	1,649,394
Total revenues	32,935,600	7	11,139,549	44,075,156
Expenditures				
Current:				
General government	1,283,833	-	380,229	1,664,062
Public safety	21,452,087	-	-	21,452,087
Utilities	963,733	-	-	963,733
Transportation	32,547	-	-	32,547
Natural and economic environment	5,973,638	-	-	5,973,638
Social services	6,237,364	-	5,919	6,243,283
Culture and recreation	526,765	-	47,354	574,119
Capital outlay	3,966,902	-	13,470,554	17,437,456
Debt service:				
Principal	-	310,000	-	310,000
Interest	-	158,066	-	158,066
Total expenditures	40,436,869	468,066	13,904,056	54,808,991
Excess (deficiency) of revenues over expenditures	(7,501,269)	(468,059)	(2,764,507)	(10,733,835)
Other financing sources (uses)				
Sales of capital assets	37,368	-	-	37,368
Transfers in	9,617,977	467,464	7,058,624	17,144,065
Transfers out	(4,407,730)	-	(1,716,418)	(6,124,148)
Total other financing sources (uses)	5,247,615	467,464	5,342,206	11,057,285
Net change in fund balances	(2,253,654)	(595)	2,577,699	323,450
Fund balances-beginning	38,675,899	2,157	20,932,001	59,610,057
Fund balances-ending	\$36,422,245	\$1,562	\$23,509,700	\$59,933,507

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Whatcom County Jail	REET Electronic Tech.	Low-Income Housing
Assets							
Cash, cash equivalents and pooled investments	\$349,884	\$632,199	\$244	\$396,420	\$2,505,050	\$-	\$109,973
Investments	-	-	-	-	-	-	-
Taxes receivable, net	9,890	7,298	-	-	-	-	-
Accounts receivable, net	-	-	-	-	34,195	-	-
Accounts receivable-court, net	-	-	-	-	-	-	-
Special assessments, net	-	-	-	-	-	-	-
Interest receivable, net	-	-	-	-	-	-	-
Notes receivable, net	-	-	-	-	-	-	-
Interfund receivable	-	2,995	-	-	32,804	-	-
Due from other governments	241,115	-	-	-	444,517	-	-
Total assets	\$600,889	\$642,492	\$244	\$396,420	\$3,016,566	\$-	\$109,973
Liabilities, deferred inflows of resources and fund balances							
Liabilities							
Accounts payable	\$22,563	\$40,587	\$-	\$4	\$375,606	\$-	\$38,791
Interfund payable	-	27,370	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Other accrued liabilities	-	612	-	-	446	-	-
Unearned revenue	-	-	-	-	-	-	-
Deferred credits	-	141	-	-	-	-	-
Total liabilities	22,563	68,710	-	4	376,052	-	38,791
Deferred inflows of resources	9,890	7,298	-	-	-	-	-
Fund balances:							
Restricted	-	566,484	244	396,416	-	-	71,182
Committed	568,436	-	-	-	-	-	-
Assigned	-	-	-	-	2,640,514	-	-
Total fund balances	568,436	566,484	244	396,416	2,640,514	-	71,182
Total liabilities, deferred inflows of resources and fund balances	\$600,889	\$642,492	\$244	\$396,420	\$3,016,566	\$-	\$109,973

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2014

Homeless Housing	Stormwater	Chemical Dependency/ Mental Health	Parks Special Revenue	Countywide Emergency Medical Services	WC Trial Court Impr	Solid Waste	Convention Center	Victim/ Witness Assist.
\$434,469	\$255,992	\$6,342,809	\$1,646,794	\$1,140,557	\$191,396	\$1,980,634	\$1,310,404	\$15,145
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	168,903	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
139,769	193,104	35,119	-	8,903	845	-	-	-
344,953	102,619	-	-	587,983	-	66,043	-	3,247
<u>\$919,191</u>	<u>\$551,715</u>	<u>\$6,377,928</u>	<u>\$1,646,794</u>	<u>\$1,737,443</u>	<u>\$192,241</u>	<u>\$2,215,580</u>	<u>\$1,310,404</u>	<u>\$18,392</u>
\$460,440	\$62,467	\$439,115	\$1,534	\$-	\$84,816	\$50,920	\$45,878	\$1,105
14,219	32,084	228,973	43,025	-	9,758	5,046	-	-
-	-	-	1,313	-	-	-	-	-
-	-	1,266	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	896	-	-	-	-	-	-
<u>474,659</u>	<u>94,551</u>	<u>670,250</u>	<u>45,872</u>	<u>-</u>	<u>94,574</u>	<u>55,966</u>	<u>45,878</u>	<u>1,105</u>
-	-	-	-	-	-	-	-	-
444,532	457,164	5,707,678	56,970	1,737,443	97,667	2,159,614	1,264,526	17,287
-	-	-	1,493,579	-	-	-	-	-
-	-	-	50,373	-	-	-	-	-
<u>444,532</u>	<u>457,164</u>	<u>5,707,678</u>	<u>1,600,922</u>	<u>1,737,443</u>	<u>97,667</u>	<u>2,159,614</u>	<u>1,264,526</u>	<u>17,287</u>
<u>\$919,191</u>	<u>\$551,715</u>	<u>\$6,377,928</u>	<u>\$1,646,794</u>	<u>\$1,737,443</u>	<u>\$192,241</u>	<u>\$2,215,580</u>	<u>\$1,310,404</u>	<u>\$18,392</u>

	Community Development	Emergency Communica- tions	Whatcom County Drug	Auditor's O & M	Emergency Management	Flood Control Zone District	Point Roberts Transportation Benefit District
Assets							
Cash, cash equivalents and pooled investments	\$-	\$-	\$147,307	\$378,637	\$116,800	\$1,983,124	\$754,101
Investments	-	-	-	-	-	10,782,780	-
Taxes receivable, net	-	-	-	-	-	89,600	-
Accounts receivable, net	-	-	-	-	-	-	-
Accounts receivable-court, net	-	-	91,917	-	-	-	-
Special assessments, net	-	-	-	-	-	10	-
Interest receivable, net	-	-	-	-	-	4,736	-
Notes receivable, net	108,373	-	-	-	-	-	-
Interfund receivable	-	-	693	-	-	151,272	-
Due from other governments	-	-	-	-	44,222	348,655	-
Total assets	\$108,373	\$-	\$239,917	\$378,637	\$161,022	\$13,360,177	\$754,101
Liabilities, deferred inflows of resources and fund balances							
Liabilities							
Accounts payable	\$-	\$-	\$3,534	\$1,237	\$13,211	\$586,548	\$-
Interfund payable	-	-	-	-	-	49,889	-
Due to other governments	-	-	-	-	-	17,175	-
Other accrued liabilities	-	-	-	-	-	-	-
Unearned revenue	108,373	-	91,917	-	-	-	-
Deferred credits	-	-	-	-	-	-	-
Total liabilities	108,373	-	95,451	1,237	13,211	653,612	-
Deferred inflows of resources	-	-	-	-	-	89,610	-
Fund balances:							
Restricted	-	-	144,466	377,400	-	12,616,955	754,101
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	147,811	-	-
Total fund balances	-	-	144,466	377,400	147,811	12,616,955	754,101
Total liabilities, deferred inflows of resources and fund balances	\$108,373	\$-	\$239,917	\$378,637	\$161,022	\$13,360,177	\$754,101

Conservation Futures	Road Improvement Districts	Lynden/ Everson Sub-Zone	Sumas/ Nooksack/ Everson Sub-Zone	Acme/ Van Zandt Sub-Zone	Samish Watershed Sub-Zone	Birch Bay Sub-Zone	Total Non Major Special Revenue Funds
\$1,684,256	\$31,733	\$34,501	\$250,214	\$50,926	\$23,582	\$146,662	\$22,913,813
-	-	259,669	891,111	194,824	68,144	1,404,728	13,601,256
27,695	-	-	-	-	-	-	134,483
-	-	-	-	-	-	-	203,098
-	-	-	-	-	-	-	91,917
-	2,867	811	6,172	1,261	297	49,768	61,186
-	-	114	391	86	30	617	5,974
-	-	-	-	-	-	-	108,373
-	-	-	-	-	-	-	565,504
-	-	-	-	-	-	-	2,183,354
<u>\$1,711,951</u>	<u>\$34,600</u>	<u>\$295,095</u>	<u>\$1,147,888</u>	<u>\$247,097</u>	<u>\$92,053</u>	<u>\$1,601,775</u>	<u>\$39,868,958</u>
\$11,303	\$2,608	\$-	\$-	\$3,580	\$1,749	\$191,967	\$2,439,563
-	-	-	151,272	-	-	27,706	589,342
-	-	-	-	-	-	-	18,488
-	-	-	-	-	-	-	2,324
-	2,867	811	6,172	1,261	297	49,768	261,466
-	-	-	-	-	-	-	1,037
<u>11,303</u>	<u>5,475</u>	<u>811</u>	<u>157,444</u>	<u>4,841</u>	<u>2,046</u>	<u>269,441</u>	<u>3,312,220</u>
<u>27,695</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,493</u>
1,672,953	29,125	294,284	990,444	242,256	90,007	1,332,334	31,521,532
-	-	-	-	-	-	-	2,062,015
-	-	-	-	-	-	-	2,838,698
<u>1,672,953</u>	<u>29,125</u>	<u>294,284</u>	<u>990,444</u>	<u>242,256</u>	<u>90,007</u>	<u>1,332,334</u>	<u>36,422,245</u>
<u>\$1,711,951</u>	<u>\$34,600</u>	<u>\$295,095</u>	<u>\$1,147,888</u>	<u>\$247,097</u>	<u>\$92,053</u>	<u>\$1,601,775</u>	<u>\$39,868,958</u>

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2014

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O&M	Whatcom County Jail	REET Electronic Technology	Low-Income Housing
Revenues							
Taxes	\$365,012	\$270,067	\$-	\$-	\$3,675,438	\$-	\$-
Intergovernmental	75	56	-	-	144,871	-	-
Charges for service	387,468	-	-	174,655	4,160,785	-	164,012
Fines and penalties	-	-	-	-	-	-	-
Miscellaneous	7,010	5,115	1	1,004	298,273	-	347
Total revenues	759,565	275,238	1	175,659	8,279,367	-	164,359
Expenditures							
Current:							
General government	1,073,603	-	-	47,795	-	-	-
Public safety	-	-	-	-	12,874,886	-	-
Utilities	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Natural and economic environment	-	-	-	-	-	-	174,128
Social services	-	346,365	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	17,772	-	-	-	-	-	-
Total expenditures	1,091,375	346,365	-	47,795	12,874,886	-	174,128
Excess (deficiency) of revenues over expenditures	(331,810)	(71,127)	1	127,864	(4,595,519)	-	(9,769)
Other financing sources (uses)							
Sales of capital assets	2,725	2,017	-	-	-	-	-
Transfers in	312,000	-	-	-	5,117,229	-	-
Transfers out	-	-	-	(88,941)	(241,126)	-	-
Total other financing sources (uses)	314,725	2,017	-	(88,941)	4,876,103	-	-
Net change in fund balances	(17,085)	(69,110)	1	38,923	280,584	-	(9,769)
Fund balances-Beginning	585,521	635,594	243	357,493	2,359,930	-	80,951
Fund balances-ending	\$568,436	\$566,484	\$244	\$396,416	\$2,640,514	\$-	\$71,182

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2014

Homeless Housing	Stormwater	Chemical Dependency/ Mental Health	Parks Special Revenue	Countywide Emergency Medical Services	Whatcom Co Trial Court Improvement	Solid Waste	Convention Center	Victim/ Witness Assistance
\$-	\$-	\$3,672,919	\$-	\$2,044,204	\$-	\$750,110	\$612,648	\$-
1,802,748	125,456	151,964	-	275,931	47,845	256,725	-	6,493
859,265	35,043	13,599	2,100	3,008,191	-	-	-	64,850
-	-	-	-	-	-	-	-	34,586
1,500	1,991	45,380	75,235	20,943	1,260	16,046	3,429	77
<u>2,663,513</u>	<u>162,490</u>	<u>3,883,862</u>	<u>77,335</u>	<u>5,349,269</u>	<u>49,105</u>	<u>1,022,881</u>	<u>616,077</u>	<u>106,006</u>
-	-	-	-	-	-	-	-	83,522
-	-	-	-	7,609,143	-	-	-	-
-	-	-	-	-	-	615,412	-	-
-	-	-	-	-	-	-	-	-
-	1,185,350	-	-	-	-	-	-	-
2,676,605	-	3,214,394	-	-	-	-	-	-
-	-	-	-	-	-	-	526,765	-
-	233,126	-	27,647	-	84,816	-	-	-
<u>2,676,605</u>	<u>1,418,476</u>	<u>3,214,394</u>	<u>27,647</u>	<u>7,609,143</u>	<u>84,816</u>	<u>615,412</u>	<u>526,765</u>	<u>83,522</u>
(13,092)	(1,255,986)	669,468	49,688	(2,259,874)	(35,711)	407,469	89,312	22,484
-	-	-	-	-	-	-	-	-
-	973,741	-	1,600,855	1,433,000	-	-	-	-
-	-	(373,282)	(49,621)	(700,000)	(18,018)	(138,985)	-	(23,398)
-	973,741	(373,282)	1,551,234	733,000	(18,018)	(138,985)	-	(23,398)
(13,092)	(282,245)	296,186	1,600,922	(1,526,874)	(53,729)	268,484	89,312	(914)
457,624	739,409	5,411,492	-	3,264,317	151,396	1,891,130	1,175,214	18,201
<u>\$444,532</u>	<u>\$457,164</u>	<u>\$5,707,678</u>	<u>\$1,600,922</u>	<u>\$1,737,443</u>	<u>\$97,667</u>	<u>\$2,159,614</u>	<u>\$1,264,526</u>	<u>\$17,287</u>

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2014

	Community Development	Emergency Communica- tions	Whatcom County Drug	Auditor's O&M	Emergency Management	Flood Control Zone District	Point Roberts Transportation Benefit District
Revenues							
Taxes	\$-	\$-	\$-	\$-	\$-	\$3,332,092	\$98,208
Intergovernmental	-	-	-	84,769	662,033	2,586,238	-
Charges for service	-	-	-	74,931	83,484	35,406	-
Fines and penalties	-	-	162,351	-	-	-	-
Miscellaneous	-	-	7,700	1,199	4,286	89,858	1,798
Total revenues	-	-	170,051	160,899	749,803	6,043,594	100,006
Expenditures							
Current:							
General government	-	-	-	78,913	-	-	-
Public safety	-	-	41,856	-	926,202	-	-
Utilities	-	-	-	-	-	348,321	-
Transportation	-	-	-	-	-	-	-
Natural and economic environment	-	-	-	-	-	3,664,259	-
Social services	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	352,287	-
Total expenditures	-	-	41,856	78,913	926,202	4,364,867	-
Excess (deficiency) of revenues over expenditures	-	-	128,195	81,986	(176,399)	1,678,727	100,006
Other financing sources (uses)							
Sales of capital assets	-	-	-	-	-	24,893	-
Transfers in	-	-	-	-	181,152	-	-
Transfers out	-	-	(127,992)	(101,374)	(13,956)	(574,144)	-
Total other financing sources (uses)	-	-	(127,992)	(101,374)	167,196	(549,251)	-
Net change in fund balances	-	-	203	(19,388)	(9,203)	1,129,476	100,006
Fund balances-Beginning	-	-	144,263	396,788	157,014	11,487,479	654,095
Fund balances-ending	\$-	\$-	\$144,466	\$377,400	\$147,811	\$12,616,955	\$754,101

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Special Revenue Funds
December 31, 2014

Conservation Futures	Road Improvement Districts	Lynden/ Everson Sub-Zone	Sumas/ Nooksack/ Everson Sub-Zone	Acme/ Van Zandt Sub-Zone	Samish Watershed Sub-Zone	Birch Bay Sub-Zone	Total Non Major Special Revenue Funds
\$1,034,642	\$-	\$-	\$-	\$-	\$-	\$-	\$15,855,340
67,714	-	-	-	-	-	20,676	6,233,594
-	-	-	-	-	-	-	9,063,789
-	15	61	367	151	36	2,509	200,076
20,929	27,897	37,673	116,353	25,060	18,396	754,041	1,582,801
<u>1,123,285</u>	<u>27,912</u>	<u>37,734</u>	<u>116,720</u>	<u>25,211</u>	<u>18,432</u>	<u>777,226</u>	<u>32,935,600</u>
-	-	-	-	-	-	-	1,283,833
-	-	-	-	-	-	-	21,452,087
-	-	-	-	-	-	-	963,733
-	32,547	-	-	-	-	-	32,547
132,507	-	18,244	156,312	5,920	12,341	624,577	5,973,638
-	-	-	-	-	-	-	6,237,364
-	-	-	-	-	-	-	526,765
2,821,522	-	-	-	-	-	429,732	3,966,902
<u>2,954,029</u>	<u>32,547</u>	<u>18,244</u>	<u>156,312</u>	<u>5,920</u>	<u>12,341</u>	<u>1,054,309</u>	<u>40,436,869</u>
<u>(1,830,744)</u>	<u>(4,635)</u>	<u>19,490</u>	<u>(39,592)</u>	<u>19,291</u>	<u>6,091</u>	<u>(277,083)</u>	<u>(7,501,269)</u>
7,733	-	-	-	-	-	-	37,368
-	-	-	-	-	-	-	9,617,977
<u>(1,956,893)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,407,730)</u>
<u>(1,949,160)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,247,615</u>
<u>(3,779,904)</u>	<u>(4,635)</u>	<u>19,490</u>	<u>(39,592)</u>	<u>19,291</u>	<u>6,091</u>	<u>(277,083)</u>	<u>(2,253,654)</u>
5,452,857	33,760	274,794	1,030,036	222,965	83,916	1,609,417	38,675,899
<u>\$1,672,953</u>	<u>\$29,125</u>	<u>\$294,284</u>	<u>\$990,444</u>	<u>\$242,256</u>	<u>\$90,007</u>	<u>\$1,332,334</u>	<u>\$36,422,245</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Election Reserve
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$363,700	\$365,012	\$1,312	\$365,063
Intergovernmental	4,000	75	(3,925)	11,163
Charges for service	500,000	387,468	(112,532)	743,818
Miscellaneous	-	7,010	7,010	(508)
Total revenues	867,700	759,565	(108,135)	1,119,536
Expenditures				
Current:				
General government	1,331,509	1,073,603	257,906	978,586
Capital outlay	17,772	17,772	-	-
Total expenditures	1,349,281	1,091,375	257,906	978,586
Excess (deficiency) of revenues over expenditures	(481,581)	(331,810)	149,771	140,950
Other financing sources (uses)				
Sales of capital assets	6,000	2,725	(3,275)	4,738
Transfers in	312,000	312,000	-	78,000
Total other financing sources (uses)	318,000	314,725	(3,275)	82,738
Net changes in fund balances	(163,581)	(17,085)	146,496	223,688
Fund balances-beginning	-	585,521	585,521	361,694
Prior period adjustments	-	-	-	139
Fund balances-beginning (restated)	-	585,521	585,521	361,833
Fund balances-ending	\$(163,581)	\$568,436	\$732,017	\$585,521

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Veterans' Relief
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$271,600	\$270,067	\$(1,533)	\$267,963
Intergovernmental	10	56	46	36
Miscellaneous	5,397	5,115	(282)	(623)
Total revenues	<u>277,007</u>	<u>275,238</u>	<u>(1,769)</u>	<u>267,376</u>
Expenditures				
Current:				
Social services	416,965	346,365	70,600	369,114
Total expenditures	<u>416,965</u>	<u>346,365</u>	<u>70,600</u>	<u>369,114</u>
Excess (deficiency) of revenues over expenditures	<u>(139,958)</u>	<u>(71,127)</u>	<u>68,831</u>	<u>(101,738)</u>
Other financing sources (uses)				
Sales of capital assets	5,000	2,017	(2,983)	3,477
Total other financing sources (uses)	<u>5,000</u>	<u>2,017</u>	<u>(2,983)</u>	<u>3,477</u>
Net changes in fund balances	<u>(134,958)</u>	<u>(69,110)</u>	<u>65,848</u>	<u>(98,261)</u>
Fund balances-beginning	-	635,594	635,594	733,350
Prior period adjustments	-	-	-	505
Fund balances-beginning (restated)	-	635,594	635,594	733,855
Fund balances-ending	<u>\$(134,958)</u>	<u>\$566,484</u>	<u>\$701,442</u>	<u>\$635,594</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Treasurer's O & M
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for service	\$218,693	\$174,655	\$(44,038)	\$171,089
Miscellaneous	-	1,004	1,004	(1,732)
Total revenues	<u>218,693</u>	<u>175,659</u>	<u>(43,034)</u>	<u>169,357</u>
Expenditures				
Current:				
General government	137,872	47,795	90,077	46,634
Capital outlay	4,939	-	4,939	-
Total expenditures	<u>142,811</u>	<u>47,795</u>	<u>95,016</u>	<u>46,634</u>
Excess (deficiency) of revenues over expenditures	<u>75,882</u>	<u>127,864</u>	<u>51,982</u>	<u>122,723</u>
Other financing sources (uses)				
Transfers out	(75,000)	(88,941)	(13,941)	(87,139)
Total other financing sources (uses)	<u>(75,000)</u>	<u>(88,941)</u>	<u>(13,941)</u>	<u>(87,139)</u>
Net changes in fund balances	<u>882</u>	<u>38,923</u>	<u>38,041</u>	<u>35,584</u>
Fund balances-beginning	-	357,493	357,493	321,701
Prior period adjustments	-	-	-	208
Fund balances-beginning (restated)	-	357,493	357,493	321,909
Fund balances-ending	<u>\$882</u>	<u>\$396,416</u>	<u>\$395,534</u>	<u>\$357,493</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Jail
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

Whatcom County

WASHINGTON

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$3,548,377	\$3,675,438	\$127,061	\$3,580,099
Intergovernmental	202,422	144,871	(57,551)	128,124
Charges for service	3,405,793	4,160,785	754,992	3,979,893
Miscellaneous	317,000	298,273	(18,727)	489,496
Total revenues	7,473,592	8,279,367	805,775	8,177,612
Expenditures				
Current:				
Public safety	13,399,034	12,874,886	524,148	12,298,860
Capital outlay	-	-	-	22,707
Total expenditures	13,399,034	12,874,886	524,148	12,321,567
Excess (deficiency) of revenues over expenditures	(5,925,442)	(4,595,519)	1,329,923	(4,143,955)
Other financing sources (uses)				
Transfers in	5,197,529	5,117,229	(80,300)	5,117,229
Transfers out	(241,126)	(241,126)	-	(2,939,576)
Capital lease proceeds	-	-	-	12,712
Total other financing sources (uses)	4,956,403	4,876,103	(80,300)	2,190,365
Net changes in fund balances	(969,039)	280,584	1,249,623	(1,953,590)
Fund balances-beginning	-	2,359,930	2,359,930	4,310,808
Prior period adjustments	-	-	-	2,712
Fund balances-beginning (restated)	-	2,359,930	2,359,930	4,313,520
Fund balances-ending	\$(969,039)	\$2,640,514	\$3,609,553	\$2,359,930

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Low-Income Housing
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for service	\$239,200	\$164,012	\$(75,188)	\$213,026
Miscellaneous	-	347	347	(600)
Total revenues	<u>239,200</u>	<u>164,359</u>	<u>(74,841)</u>	<u>212,426</u>
Expenditures				
Current:				
Natural and economic environment	274,000	174,128	99,872	242,871
Total expenditures	<u>274,000</u>	<u>174,128</u>	<u>99,872</u>	<u>242,871</u>
Excess (deficiency) of revenues over expenditures	<u>(34,800)</u>	<u>(9,769)</u>	<u>25,031</u>	<u>(30,445)</u>
Fund balances-beginning	-	80,951	80,951	111,287
Prior period adjustments	-	-	-	109
Fund balances-beginning (restated)	-	80,951	80,951	111,396
Fund balances-ending	<u>\$(34,800)</u>	<u>\$71,182</u>	<u>\$105,982</u>	<u>\$80,951</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Homeless Housing
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$2,019,706	\$1,802,748	\$(216,958)	\$1,597,306
Charges for service	1,253,100	859,265	(393,835)	1,102,211
Miscellaneous	-	1,500	1,500	(2,585)
Total revenues	3,272,806	2,663,513	(609,293)	2,696,932
Expenditures				
Current:				
Social services	3,301,406	2,676,605	624,801	2,770,548
Total expenditures	3,301,406	2,676,605	624,801	2,770,548
Excess (deficiency) of revenues over expenditures	(28,600)	(13,092)	15,508	(73,616)
Fund balances-beginning	-	457,624	457,624	530,725
Prior period adjustments	-	-	-	515
Fund balances-beginning (restated)	-	457,624	457,624	531,240
Fund balances-ending	\$(28,600)	\$444,532	\$473,132	\$457,624

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Stormwater
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$273,546	\$125,456	\$(148,090)	\$586,726
Charges for service	30,586	35,043	4,457	55,469
Miscellaneous	-	1,991	1,991	(2,130)
Total revenues	<u>304,132</u>	<u>162,490</u>	<u>(141,642)</u>	<u>640,065</u>
Expenditures				
Current:				
Natural and economic environment	1,994,434	1,185,350	809,084	1,069,769
Capital outlay	13,560	233,126	(219,566)	582,112
Total expenditures	<u>2,007,995</u>	<u>1,418,476</u>	<u>589,519</u>	<u>1,651,881</u>
Excess (deficiency) of revenues over expenditures	<u>(1,703,863)</u>	<u>(1,255,986)</u>	<u>447,877</u>	<u>(1,011,816)</u>
Other financing sources (uses)				
Transfers in	1,499,105	973,741	(525,364)	910,555
Transfers out	(37,024)	-	37,024	-
Total other financing sources (uses)	<u>1,462,081</u>	<u>973,741</u>	<u>(488,340)</u>	<u>910,555</u>
Net changes in fund balances	<u>(241,782)</u>	<u>(282,245)</u>	<u>(40,463)</u>	<u>(101,261)</u>
Fund balances-beginning	-	739,409	739,409	840,492
Prior period adjustments	-	-	-	178
Fund balances-beginning (restated)	-	739,409	739,409	840,670
Fund balances-ending	<u>\$(241,782)</u>	<u>\$457,164</u>	<u>\$698,946</u>	<u>\$739,409</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Chemical Dependency/Mental Health
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

Whatcom County

W A S H I N G T O N

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$3,606,843	\$3,672,919	\$66,076	\$3,576,258
Licenses and permits	-	-	-	200,846
Intergovernmental	80,000	151,964	71,964	-
Charges for service	40,000	13,599	(26,401)	26,717
Miscellaneous	68,161	45,380	(22,781)	(6,394)
Total revenues	<u>3,795,004</u>	<u>3,883,862</u>	<u>88,858</u>	<u>3,797,427</u>
Expenditures				
Current:				
Social services	4,270,870	3,214,394	1,056,476	3,558,078
Total expenditures	<u>4,270,870</u>	<u>3,214,394</u>	<u>1,056,476</u>	<u>3,558,078</u>
Excess (deficiency) of revenues over expenditures	<u>(475,866)</u>	<u>669,468</u>	<u>1,145,334</u>	<u>239,349</u>
Other financing sources (uses)				
Transfers out	(80,300)	(373,282)	(292,982)	(6,835)
Total other financing sources (uses)	<u>(80,300)</u>	<u>(373,282)</u>	<u>(292,982)</u>	<u>(6,835)</u>
Net changes in fund balances	<u>(556,166)</u>	<u>296,186</u>	<u>852,352</u>	<u>232,514</u>
Fund balances-beginning	-	5,411,492	5,411,492	5,175,267
Prior period adjustments	-	-	-	3,711
Fund balances-beginning (restated)	-	5,411,492	5,411,492	5,178,978
Fund balances-ending	<u>\$ (556,166)</u>	<u>\$5,707,678</u>	<u>\$6,263,844</u>	<u>\$5,411,492</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Parks Special Revenue
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for service	\$-	\$2,100	\$2,100	\$-
Miscellaneous	-	75,235	75,235	-
Total revenues	-	77,335	77,335	-
Expenditures				
Current:				
Capital outlay	32,000	27,647	4,353	-
Total expenditures	32,000	27,647	4,353	-
Excess (deficiency) of revenues over expenditures	(32,000)	49,688	81,688	-
Other financing sources (uses)				
Transfers in	1,600,755	1,600,855	100	-
Transfers out	(155,326)	(49,621)	105,705	-
Total other financing sources (uses)	1,445,429	1,551,234	105,805	-
Net changes in fund balances	1,413,429	1,600,922	187,493	-
Fund balances-Beginning	-	-	-	-
Fund balances-ending	\$1,413,429	\$1,600,922	\$187,493	\$-

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Countywide Emergency Medical Services
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$2,908,578	\$2,044,204	\$(864,374)	\$2,008,792
Intergovernmental	293,000	275,931	(17,069)	-
Charges for service	2,490,000	3,008,191	518,191	892,780
Miscellaneous	31,749	20,943	(10,806)	(2,145)
Total revenues	<u>5,723,327</u>	<u>5,349,269</u>	<u>(374,058)</u>	<u>2,899,427</u>
Expenditures				
Current:				
Public safety	7,666,712	7,609,143	57,569	3,030,539
Total expenditures	<u>7,666,712</u>	<u>7,609,143</u>	<u>57,569</u>	<u>3,030,539</u>
Excess (deficiency) of revenues over expenditures	<u>(1,943,385)</u>	<u>(2,259,874)</u>	<u>(316,489)</u>	<u>(131,112)</u>
Other financing sources (uses)				
Transfers in	1,433,000	1,433,000	-	-
Transfers out	(700,000)	(700,000)	-	(675,000)
Total other financing sources (uses)	<u>733,000</u>	<u>733,000</u>	<u>-</u>	<u>(675,000)</u>
Net changes in fund balances	<u>(1,210,385)</u>	<u>(1,526,874)</u>	<u>(316,489)</u>	<u>(806,112)</u>
Fund balances-beginning	-	3,264,317	3,264,317	4,067,886
Prior period adjustments	-	-	-	2,543
Fund balances-beginning (restated)	-	3,264,317	3,264,317	4,070,429
Fund balances-ending	<u>\$(1,210,385)</u>	<u>\$1,737,443</u>	<u>\$2,947,828</u>	<u>\$3,264,317</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Whatcom County Trial Court Improvement
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$47,500	\$47,845	\$345	\$47,988
Miscellaneous	1,171	1,260	89	(232)
Total revenues	<u>48,671</u>	<u>49,105</u>	<u>434</u>	<u>47,756</u>
Expenditures				
Current:				
Capital outlay	125,236	84,816	40,420	-
Total expenditures	<u>125,236</u>	<u>84,816</u>	<u>40,420</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(76,565)</u>	<u>(35,711)</u>	<u>40,854</u>	<u>47,756</u>
Other financing sources (uses)				
Transfers out	(23,735)	(18,018)	5,717	(5,500)
Total other financing sources (uses)	<u>(23,735)</u>	<u>(18,018)</u>	<u>5,717</u>	<u>(5,500)</u>
Net changes in fund balances	<u>(100,300)</u>	<u>(53,729)</u>	<u>46,571</u>	<u>42,256</u>
Fund balances-beginning	-	151,396	151,396	109,041
Prior period adjustments	-	-	-	99
Fund balances-beginning (restated)	-	151,396	151,396	109,140
Fund balances-ending	<u>\$(100,300)</u>	<u>\$97,667</u>	<u>\$197,967</u>	<u>\$151,396</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Solid Waste
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$740,000	\$750,110	\$10,110	\$-
Intergovernmental	299,604	256,725	(42,879)	241,203
Charges for service	-	-	-	758,431
Miscellaneous	10,200	16,046	5,846	2,233
Total revenues	1,049,804	1,022,881	(26,923)	1,001,867
Expenditures				
Current:				
Utilities	887,655	615,412	272,243	627,269
Total expenditures	887,655	615,412	272,243	627,269
Excess (deficiency) of revenues over expenditures	162,149	407,469	245,320	374,598
Other financing sources (uses)				
Transfers out	(143,150)	(138,985)	4,165	(95,583)
Total other financing sources (uses)	(143,150)	(138,985)	4,165	(95,583)
Net changes in fund balances	18,999	268,484	249,485	279,015
Fund balances-beginning	-	1,891,130	1,891,130	1,611,205
Prior period adjustments	-	-	-	910
Fund balances-beginning (restated)	-	1,891,130	1,891,130	1,612,115
Fund balances-ending	\$18,999	\$2,159,614	\$2,140,615	\$1,891,130

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Convention Center
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$516,000	\$612,648	\$96,648	\$580,489
Miscellaneous	-	3,429	3,429	(5,862)
Total revenues	<u>516,000</u>	<u>616,077</u>	<u>100,077</u>	<u>574,627</u>
Expenditures				
Current:				
Culture and recreation	558,980	526,765	32,215	492,195
Total expenditures	<u>558,980</u>	<u>526,765</u>	<u>32,215</u>	<u>492,195</u>
Excess (deficiency) of revenues over expenditures	<u>(42,980)</u>	<u>89,312</u>	<u>132,292</u>	<u>82,432</u>
Fund balances-beginning	-	1,175,214	1,175,214	1,092,069
Prior period adjustments	-	-	-	713
Fund balances-beginning (restated)	-	1,175,214	1,175,214	1,092,782
Fund balances-ending	<u>\$(42,980)</u>	<u>\$1,264,526</u>	<u>\$1,307,506</u>	<u>\$1,175,214</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Victim/Witness Assistance
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$11,350	\$6,493	\$(4,857)	\$7,024
Charges for service	84,600	64,850	(19,750)	75,329
Fines and penalties	31,000	34,586	3,586	29,124
Miscellaneous	-	77	77	(117)
Total revenues	<u>126,950</u>	<u>106,006</u>	<u>(20,944)</u>	<u>111,360</u>
Expenditures				
Current:				
General government	82,044	83,522	(1,478)	82,190
Total expenditures	<u>82,044</u>	<u>83,522</u>	<u>(1,478)</u>	<u>82,190</u>
Excess (deficiency) of revenues over expenditures	<u>44,906</u>	<u>22,484</u>	<u>(22,422)</u>	<u>29,170</u>
Other financing sources (uses)				
Transfers out	(60,434)	(23,398)	37,036	(38,840)
Total other financing sources (uses)	<u>(60,434)</u>	<u>(23,398)</u>	<u>37,036</u>	<u>(38,840)</u>
Net changes in fund balances	<u>(15,528)</u>	<u>(914)</u>	<u>14,614</u>	<u>(9,670)</u>
Fund balances-beginning	-	18,201	18,201	27,851
Prior period adjustments	-	-	-	20
Fund balances-beginning (restated)	-	18,201	18,201	27,871
Fund balances-ending	<u>\$(15,528)</u>	<u>\$17,287</u>	<u>\$32,815</u>	<u>\$18,201</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Community Development
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$5,000	\$-	\$(5,000)	\$-
Total revenues	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>	<u>-</u>
Other financing sources (uses)				
Transfers out	(5,000)	-	5,000	(4,104)
Total other financing sources (uses)	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>	<u>(4,104)</u>
Net changes in fund balances	-	-	-	(4,104)
Fund balances-Beginning	-	-	-	4,104
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)
Whatcom County Drug
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$-	\$-	\$-	\$2,174
Fines and penalties	375,000	162,351	(212,649)	166,712
Miscellaneous	1,000	7,700	6,700	4,844
Total revenues	<u>376,000</u>	<u>170,051</u>	<u>(205,949)</u>	<u>173,730</u>
Expenditures				
Current:				
Public safety	82,000	41,856	40,144	93,693
Total expenditures	<u>82,000</u>	<u>41,856</u>	<u>40,144</u>	<u>93,693</u>
Excess (deficiency) of revenues over expenditures	<u>294,000</u>	<u>128,195</u>	<u>(165,805)</u>	<u>80,037</u>
Other financing sources (uses)				
Transfers out	(511,967)	(127,992)	383,975	(255,984)
Total other financing sources (uses)	<u>(511,967)</u>	<u>(127,992)</u>	<u>383,975</u>	<u>(255,984)</u>
Net changes in fund balances	<u>(217,967)</u>	<u>203</u>	<u>218,170</u>	<u>(175,947)</u>
Fund balances-beginning	-	144,263	144,263	320,042
Prior period adjustments	-	-	-	168
Fund balances-beginning (restated)	-	144,263	144,263	320,210
Fund balances-ending	<u>\$(217,967)</u>	<u>\$144,466</u>	<u>\$362,433</u>	<u>\$144,263</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Auditor's O & M
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$80,000	\$84,769	\$4,769	\$105,228
Charges for service	86,500	74,931	(11,569)	100,712
Miscellaneous	-	1,199	1,199	(2,003)
Total revenues	<u>166,500</u>	<u>160,899</u>	<u>(5,601)</u>	<u>203,937</u>
Expenditures				
Current:				
General government	97,004	78,913	18,091	148,516
Total expenditures	<u>97,004</u>	<u>78,913</u>	<u>18,091</u>	<u>148,516</u>
Excess (deficiency) of revenues over expenditures	<u>69,496</u>	<u>81,986</u>	<u>12,490</u>	<u>55,421</u>
Other financing sources (uses)				
Transfers out	(133,960)	(101,374)	32,586	(121,316)
Total other financing sources (uses)	<u>(133,960)</u>	<u>(101,374)</u>	<u>32,586</u>	<u>(121,316)</u>
Net changes in fund balances	<u>(64,464)</u>	<u>(19,388)</u>	<u>45,076</u>	<u>(65,895)</u>
Fund balances-beginning	-	396,788	396,788	462,376
Prior period adjustments	-	-	-	307
Fund balances-beginning (restated)	-	396,788	396,788	462,683
Fund balances-ending	<u>\$(64,464)</u>	<u>\$377,400</u>	<u>\$441,864</u>	<u>\$396,788</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Emergency Management
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$685,255	\$662,033	\$(23,222)	\$1,117,682
Charges for service	83,484	83,484	-	81,362
Miscellaneous	13,975	4,286	(9,689)	9,797
Total revenues	782,714	749,803	(32,911)	1,208,841
Expenditures				
Current:				
Public safety	967,531	926,202	41,329	1,034,067
Capital outlay	-	-	-	84,399
Total expenditures	967,531	926,202	41,329	1,118,466
Excess (deficiency) of revenues over expenditures	(184,817)	(176,399)	8,418	90,375
Other financing sources (uses)				
Transfers in	181,152	181,152	-	202,229
Transfers out	(13,000)	(13,956)	(956)	(289,785)
Total other financing sources (uses)	168,152	167,196	(956)	(87,556)
Net changes in fund balances	(16,665)	(9,203)	7,462	2,819
Fund balances-beginning	-	157,014	157,014	154,175
Prior period adjustments	-	-	-	20
Fund balances-beginning (restated)	-	157,014	157,014	154,195
Fund balances-ending	\$(16,665)	\$147,811	\$164,476	\$157,014

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Flood Control Zone District
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$3,267,331	\$3,332,092	\$64,761	\$3,277,508
Intergovernmental	1,993,130	2,586,238	593,108	1,746,606
Charges for service	131,916	35,406	(96,510)	17,524
Miscellaneous	63,600	89,858	26,258	(7,709)
Total revenues	<u>5,455,978</u>	<u>6,043,594</u>	<u>587,616</u>	<u>5,033,929</u>
Expenditures				
Current:				
Utilities	820,000	348,321	471,679	-
Natural and economic environment	5,964,574	3,664,259	2,300,315	4,751,615
Capital outlay	512,500	352,287	160,213	224,765
Total expenditures	<u>7,297,074</u>	<u>4,364,867</u>	<u>2,932,207</u>	<u>4,976,380</u>
Excess (deficiency) of revenues over expenditures	<u>(1,841,097)</u>	<u>1,678,727</u>	<u>3,519,824</u>	<u>57,549</u>
Other financing sources (uses)				
Sales of capital assets	50,000	24,893	(25,107)	42,512
Transfers out	(537,164)	(574,144)	(36,980)	(537,956)
Total other financing sources (uses)	<u>(487,164)</u>	<u>(549,251)</u>	<u>(62,087)</u>	<u>(495,444)</u>
Net changes in fund balances	<u>(2,328,261)</u>	<u>1,129,476</u>	<u>3,457,737</u>	<u>(437,895)</u>
Fund balances-beginning	-	11,487,479	11,487,479	11,917,813
Prior period adjustments	-	-	-	7,561
Fund balances-beginning (restated)	-	11,487,479	11,487,479	11,925,374
Fund balances-ending	<u>\$(2,328,261)</u>	<u>\$12,616,955</u>	<u>\$14,945,216</u>	<u>\$11,487,479</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Point Roberts Transportation Benefit District
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$60,000	\$98,208	\$38,208	\$96,674
Miscellaneous	-	1,798	1,798	(3,154)
Total revenues	<u>60,000</u>	<u>100,006</u>	<u>40,006</u>	<u>93,520</u>
Expenditures				
Current:				
Transportation	-	-	-	20,623
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,623</u>
Excess (deficiency) of revenues over expenditures	<u>60,000</u>	<u>100,006</u>	<u>40,006</u>	<u>72,897</u>
Fund balances-beginning	-	654,095	654,095	580,832
Prior period adjustments	-	-	-	366
Fund balances-beginning (restated)	-	654,095	654,095	581,198
Fund balances-ending	<u>\$60,000</u>	<u>\$754,101</u>	<u>\$694,101</u>	<u>\$654,095</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Conservation Futures
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$1,010,886	\$1,034,642	\$23,756	\$1,016,895
Intergovernmental	77,545	67,714	(9,831)	110,137
Miscellaneous	160	20,929	20,769	(24,769)
Total revenues	<u>1,088,591</u>	<u>1,123,285</u>	<u>34,694</u>	<u>1,102,263</u>
Expenditures				
Current:				
Natural and economic environment	210,000	132,507	77,493	22,829
Capital outlay	2,900,600	2,821,522	79,078	449,602
Total expenditures	<u>3,110,600</u>	<u>2,954,029</u>	<u>156,571</u>	<u>472,431</u>
Excess (deficiency) of revenues over expenditures	<u>(2,022,009)</u>	<u>(1,830,744)</u>	<u>191,265</u>	<u>629,832</u>
Other financing sources (uses)				
Sales of capital assets	10,000	7,733	(2,267)	13,223
Transfers out	(1,977,225)	(1,956,893)	20,332	(130,171)
Total other financing sources (uses)	<u>(1,967,225)</u>	<u>(1,949,160)</u>	<u>18,065</u>	<u>(116,948)</u>
Net changes in fund balances	<u>(3,989,234)</u>	<u>(3,779,904)</u>	<u>209,330</u>	<u>512,884</u>
Fund balances-beginning	-	5,452,857	5,452,857	4,937,796
Prior period adjustments	-	-	-	2,177
Fund balances-beginning (restated)	-	5,452,857	5,452,857	4,939,973
Fund balances-ending	<u>\$(3,989,234)</u>	<u>\$1,672,953</u>	<u>\$5,662,187</u>	<u>\$5,452,857</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Road Improvement Districts
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$-	\$-	\$-	\$26,828
Fines and penalties	-	15	15	28
Miscellaneous	28,157	27,897	(260)	961
Total revenues	<u>28,157</u>	<u>27,912</u>	<u>(245)</u>	<u>27,817</u>
Expenditures				
Current:				
Transportation	30,300	32,547	(2,247)	31,206
Total expenditures	<u>30,300</u>	<u>32,547</u>	<u>(2,247)</u>	<u>31,206</u>
Excess (deficiency) of revenues over expenditures	<u>(2,143)</u>	<u>(4,635)</u>	<u>(2,492)</u>	<u>(3,389)</u>
Other financing sources (uses)				
Transfers out	(1,082)	-	1,082	-
Total other financing sources (uses)	<u>(1,082)</u>	<u>-</u>	<u>1,082</u>	<u>-</u>
Net changes in fund balances	<u>(3,225)</u>	<u>(4,635)</u>	<u>(1,410)</u>	<u>(3,389)</u>
Fund balances-beginning	-	33,760	33,760	37,129
Prior period adjustments	-	-	-	20
Fund balances-beginning (restated)	-	33,760	33,760	37,149
Fund balances-ending	<u>\$ (3,225)</u>	<u>\$ 29,125</u>	<u>\$ 32,350</u>	<u>\$ 33,760</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Lynden/Everson Sub-Zone
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Fines and penalties	\$-	\$61	\$61	\$62
Miscellaneous	37,881	37,673	(208)	34,962
Total revenues	<u>37,881</u>	<u>37,734</u>	<u>(147)</u>	<u>35,024</u>
Expenditures				
Current:				
Natural and economic environment	121,078	18,244	102,834	21,175
Total expenditures	<u>121,078</u>	<u>18,244</u>	<u>102,834</u>	<u>21,175</u>
Excess (deficiency) of revenues over expenditures	<u>(83,197)</u>	<u>19,490</u>	<u>102,687</u>	<u>13,849</u>
Fund balances-beginning	-	274,794	274,794	260,777
Prior period adjustments	-	-	-	168
Fund balances-beginning (restated)	-	274,794	274,794	260,945
Fund balances-ending	<u>\$(83,197)</u>	<u>\$294,284</u>	<u>\$377,481</u>	<u>\$274,794</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Sumas/Nooksack/Everson Sub-Zone
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

Whatcom County

WASHINGTON

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Fines and penalties	\$-	\$367	\$367	\$378
Miscellaneous	114,643	116,353	1,710	107,464
Total revenues	<u>114,643</u>	<u>116,720</u>	<u>2,077</u>	<u>107,842</u>
Expenditures				
Current:				
Natural and economic environment	192,500	156,312	36,188	5,641
Total expenditures	<u>192,500</u>	<u>156,312</u>	<u>36,188</u>	<u>5,641</u>
Excess (deficiency) of revenues over expenditures	<u>(77,857)</u>	<u>(39,592)</u>	<u>38,265</u>	<u>102,201</u>
Fund balances-beginning	-	1,030,036	1,030,036	927,241
Prior period adjustments	-	-	-	594
Fund balances-beginning (restated)	-	1,030,036	1,030,036	927,835
Fund balances-ending	<u>\$(77,857)</u>	<u>\$990,444</u>	<u>\$1,068,301</u>	<u>\$1,030,036</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Acme/Van Zandt Sub-Zone
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Fines and penalties	\$-	\$151	\$151	\$113
Miscellaneous	23,891	25,060	1,169	22,548
Total revenues	<u>23,891</u>	<u>25,211</u>	<u>1,320</u>	<u>22,661</u>
Expenditures				
Current:				
Natural and economic environment	32,580	5,920	26,660	2,291
Total expenditures	<u>32,580</u>	<u>5,920</u>	<u>26,660</u>	<u>2,291</u>
Excess (deficiency) of revenues over expenditures	<u>(8,689)</u>	<u>19,291</u>	<u>27,980</u>	<u>20,370</u>
Fund balances-beginning	-	222,965	222,965	202,466
Prior period adjustments	-	-	-	129
Fund balances-beginning (restated)	-	222,965	222,965	202,595
Fund balances-ending	<u>\$(8,689)</u>	<u>\$242,256</u>	<u>\$250,945</u>	<u>\$222,965</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Samish Watershed Sub-Zone
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Fines and penalties	\$-	\$36	\$36	\$49
Miscellaneous	18,290	18,396	106	17,879
Total revenues	<u>18,290</u>	<u>18,432</u>	<u>142</u>	<u>17,928</u>
Expenditures				
Current:				
Natural and economic environment	18,836	12,341	6,495	12,648
Total expenditures	<u>18,836</u>	<u>12,341</u>	<u>6,495</u>	<u>12,648</u>
Excess (deficiency) of revenues over expenditures	<u>(546)</u>	<u>6,091</u>	<u>6,637</u>	<u>5,280</u>
Fund balances-beginning	-	83,916	83,916	78,587
Prior period adjustments	-	-	-	49
Fund balances-beginning (restated)	-	83,916	83,916	78,636
Fund balances-ending	<u>\$(546)</u>	<u>\$90,007</u>	<u>\$90,553</u>	<u>\$83,916</u>

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual (GAAP Basis)
Birch Bay Sub-Zone
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$-	\$20,676	\$20,676	\$99,684
Fines and penalties	-	2,509	2,509	1,394
Miscellaneous	735,000	754,041	19,041	722,388
Total revenues	<u>735,000</u>	<u>777,226</u>	<u>42,226</u>	<u>823,466</u>
Expenditures				
Current:				
Natural and economic environment	850,513	624,577	225,936	598,160
Capital outlay	655,543	429,732	225,811	385,532
Total expenditures	<u>1,506,056</u>	<u>1,054,309</u>	<u>451,747</u>	<u>983,692</u>
Excess (deficiency) of revenues over expenditures	<u>(771,056)</u>	<u>(277,083)</u>	<u>493,973</u>	<u>(160,226)</u>
Fund balances-beginning	-	1,609,417	1,609,417	1,768,495
Prior period adjustments	-	-	-	1,148
Fund balances-beginning (restated)	-	1,609,417	1,609,417	1,769,643
Fund balances-ending	<u>\$(771,056)</u>	<u>\$1,332,334</u>	<u>\$2,103,390</u>	<u>\$1,609,417</u>

	CRID No. 9 General Debt	2003 Ltd. Tax GO Bond	2010 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
Assets				
Cash, cash equivalents and pooled investments	\$-	\$-	\$1,562	\$1,562
Total assets	<u>\$-</u>	<u>\$-</u>	<u>\$1,562</u>	<u>\$1,562</u>
Fund balances:				
Restricted	\$-	\$-	\$1,562	\$1,562
Total fund balances	<u>-</u>	<u>-</u>	<u>1,562</u>	<u>1,562</u>
Total liabilities and fund balances	<u>\$-</u>	<u>\$-</u>	<u>\$1,562</u>	<u>\$1,562</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2014

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

	CRID No. 9 General Debt	2003 Ltd. Tax GO Bond	2010 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
Revenues				
Miscellaneous	\$-	\$-	\$7	\$7
Total revenues	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
Expenditures				
Debt service:				
Principal	-	-	310,000	310,000
Interest	-	-	158,066	158,066
Total expenditures	<u>-</u>	<u>-</u>	<u>468,066</u>	<u>468,066</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(468,059)</u>	<u>(468,059)</u>
Other financing sources (uses)				
Transfers in	-	-	467,464	467,464
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>467,464</u>	<u>467,464</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(595)</u>	<u>(595)</u>
Fund balances-beginning	<u>-</u>	<u>-</u>	<u>2,157</u>	<u>2,157</u>
Fund balances-ending	<u>\$-</u>	<u>\$-</u>	<u>\$1,562</u>	<u>\$1,562</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
2010 Ltd Tax GO Bond
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$7	\$7	\$(9)
Total revenues	<u>-</u>	<u>7</u>	<u>7</u>	<u>\$(9)</u>
Expenditures				
Debt service:				
Principal	310,000	310,000	-	305,000
Interest	158,068	158,066	2	167,214
Total expenditures	<u>468,068</u>	<u>468,066</u>	<u>2</u>	<u>472,214</u>
Excess (deficiency) of revenues over expenditures	<u>(468,068)</u>	<u>(468,059)</u>	<u>9</u>	<u>(472,223)</u>
Other financing sources (uses)				
Transfers in	467,464	467,464	-	471,614
Total other financing sources (uses)	<u>467,464</u>	<u>467,464</u>	<u>-</u>	<u>471,614</u>
Net changes in fund balances	<u>(604)</u>	<u>(595)</u>	<u>9</u>	<u>(609)</u>
Fund balances-beginning	-	2,157	-	2,766
Fund balances-ending	<u>\$(604)</u>	<u>\$1,562</u>	<u>\$9</u>	<u>\$2,157</u>

	Real Estate Excise Tax II	Real Estate Excise Tax I	County Park Improvement	Civic Center Building Improvement	East Whatcom Regional Resource Ctr Construction	2010 Jail Improvement
Assets						
Cash, cash equivalents and pooled investments	\$5,757,991	\$2,580,160	\$-	\$2,525,722	\$112,743	\$-
Investments	-	-	86,205	-	-	853,177
Interest receivable, net	-	-	38	-	-	375
Interfund receivable	-	-	-	-	385	-
Interfund loan receivable	100,000	-	-	-	-	-
Due from other governments	74,366	-	-	-	-	-
Total assets	\$5,932,357	\$2,580,160	\$86,243	\$2,525,722	\$113,128	\$853,552
Liabilities and fund balances						
Liabilities						
Accounts payable	\$53,080	\$117,674	\$-	\$61	\$-	\$118,036
Interfund payable	165,398	-	-	-	-	-
Interfund loans payable	-	-	-	-	-	-
Total liabilities	218,478	117,674	-	61	-	118,036
Fund balances:						
Restricted	5,713,879	2,462,486	86,243	2,525,661	113,128	735,516
Committed	-	-	-	-	-	-
Total fund balances	5,713,879	2,462,486	86,243	2,525,661	113,128	735,516
Total liabilities and fund balances	\$5,932,357	\$2,580,160	\$86,243	\$2,525,722	\$113,128	\$853,552

Lummi Nation Lease	Birch Bay Dr & Pedestrian Facility Project	Birch Bay-Lynden Rd/ Portal Way Signl/Imp Prj	Potter Rd-S Fork Bridge Rplcmnt Prjt	Rural Rd Safety Program Project	Sheriff's Record Management System Prjt	New Jail Project	Sup Ct Fourth Judge Courtroom Renovation	Nesset Farm Restoration
\$1,997,378	\$408,559	\$839,617	\$144,976	\$1,038,257	\$279,303	\$1,374,503	\$852,630	\$99,819
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	504,564	515,697	1,112,943	-	-	-	-	-
<u>\$1,997,378</u>	<u>\$913,123</u>	<u>\$1,355,314</u>	<u>\$1,257,919</u>	<u>\$1,038,257</u>	<u>\$279,303</u>	<u>\$1,374,503</u>	<u>\$852,630</u>	<u>\$99,819</u>
\$-	\$119,180	\$215,289	\$318,987	\$-	\$-	\$279,609	\$371,005	\$-
-	-	-	-	-	385	-	36,005	-
-	-	1,000,000	-	1,000,000	-	-	-	100,000
-	119,180	1,215,289	318,987	1,000,000	385	279,609	407,010	100,000
1,997,378	793,943	140,025	938,932	38,257	-	-	-	(181)
-	-	-	-	-	278,918	1,094,894	445,620	-
<u>1,997,378</u>	<u>793,943</u>	<u>140,025</u>	<u>938,932</u>	<u>38,257</u>	<u>278,918</u>	<u>1,094,894</u>	<u>445,620</u>	<u>(181)</u>
<u>\$1,997,378</u>	<u>\$913,123</u>	<u>\$1,355,314</u>	<u>\$1,257,919</u>	<u>\$1,038,257</u>	<u>\$279,303</u>	<u>\$1,374,503</u>	<u>\$852,630</u>	<u>\$99,819</u>

	State St Building Acquisition & Improvement	Slater Rd Intersections Project	Dakota Cr Bridge No.500 Project	Telecomm- unications System Replacement	Total Non Major Capital Project Funds
Assets					
Cash, cash equivalents and pooled investments	\$2,367,815	\$1,468,706	\$1,631,779	\$1,968,730	\$25,448,688
Investments	-	-	-	-	939,382
Interest receivable, net	-	-	-	-	413
Interfund receivable	-	-	-	-	385
Interfund loan receivable	-	-	-	-	100,000
Due from other governments	-	44,300	28,923	-	2,280,793
Total assets	\$2,367,815	\$1,513,006	\$1,660,702	\$1,968,730	\$28,769,661
Liabilities and fund balances					
Liabilities					
Accounts payable	\$18,084	\$5,852	\$15,348	\$325,968	\$1,958,173
Interfund payable	-	-	-	-	201,788
Interfund loans payable	-	-	1,000,000	-	3,100,000
Total liabilities	18,084	5,852	1,015,348	325,968	5,259,961
Fund balances:					
Restricted	-	1,507,154	645,354	-	17,697,775
Committed	2,349,731	-	-	1,642,762	5,811,925
Total fund balances	2,349,731	1,507,154	645,354	1,642,762	23,509,700
Total liabilities and fund balances	\$2,367,815	\$1,513,006	\$1,660,702	\$1,968,730	\$28,769,661

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2014

	Real Estate Excise Tax II	Real Estate Excise Tax I	County Park Improvement	Civic Center Building Improvement	East Whatcom Regional Resource Ctr Construction	2010 Jail Improvement
Revenues						
Taxes	\$1,872,773	\$1,872,773	\$-	\$-	\$-	\$-
Intergovernmental	74,366	-	-	-	-	-
Miscellaneous	16,343	1,326	1,280	7,439	178	7,803
Total revenues	<u>1,963,482</u>	<u>1,874,099</u>	<u>1,280</u>	<u>7,439</u>	<u>178</u>	<u>7,803</u>
Expenditures						
Current:						
General government	-	380,229	-	-	-	-
Social services	-	5,919	-	-	-	-
Culture and recreation	47,354	-	-	-	-	-
Capital outlay	264,266	51,436	-	3,974	9,970	285,541
Total expenditures	<u>311,620</u>	<u>437,584</u>	<u>-</u>	<u>3,974</u>	<u>9,970</u>	<u>285,541</u>
Excess (deficiency) of revenues over expenditures	<u>1,651,862</u>	<u>1,436,515</u>	<u>1,280</u>	<u>3,465</u>	<u>(9,792)</u>	<u>(277,738)</u>
Other financing sources (uses)						
Transfers in	-	80,607	-	-	46,468	-
Transfers out	(1,512,788)	(124,000)	(79,630)	-	-	-
Total other financing sources (uses)	<u>(1,512,788)</u>	<u>(43,393)</u>	<u>(79,630)</u>	<u>-</u>	<u>46,468</u>	<u>-</u>
Net changes in fund balances	<u>139,074</u>	<u>1,393,122</u>	<u>(78,350)</u>	<u>3,465</u>	<u>36,676</u>	<u>(277,738)</u>
Fund balances-beginning	<u>5,574,805</u>	<u>1,069,364</u>	<u>164,593</u>	<u>2,522,196</u>	<u>76,452</u>	<u>1,013,254</u>
Fund balances-ending	<u>\$5,713,879</u>	<u>\$2,462,486</u>	<u>\$86,243</u>	<u>\$2,525,661</u>	<u>\$113,128</u>	<u>\$735,516</u>

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2014

Whatcom County

W A S H I N G T O N

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	Lummi Nation Lease	Birch Bay Dr and Pedestrian Facility Project	Birch Bay- Lynden Rd/ Portal Way Signl/Imp Prj	Potter Rd-S Fork Bridge Rplcmnt Prjt	Rural Rd Safety Program Project	Sheriff's Record Management System Prjt
Revenues						
Taxes	\$-	\$-	\$-	\$-	\$-	\$-
Intergovernmental	-	512,053	3,029,255	2,880,298	658,070	-
Miscellaneous	5,866	2,288	27	6,833	1,281	2,639
Total revenues	<u>5,866</u>	<u>514,341</u>	<u>3,029,282</u>	<u>2,887,131</u>	<u>659,351</u>	<u>2,639</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	382,776	3,039,682	3,595,586	635,052	20,597
Total expenditures	<u>-</u>	<u>382,776</u>	<u>3,039,682</u>	<u>3,595,586</u>	<u>635,052</u>	<u>20,597</u>
Excess (deficiency) of revenues over expenditures	<u>5,866</u>	<u>131,565</u>	<u>(10,400)</u>	<u>(708,455)</u>	<u>24,299</u>	<u>(17,958)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>5,866</u>	<u>131,565</u>	<u>(10,400)</u>	<u>(708,455)</u>	<u>24,299</u>	<u>(17,958)</u>
Fund balances-beginning	<u>1,991,512</u>	<u>662,378</u>	<u>150,425</u>	<u>1,647,387</u>	<u>13,958</u>	<u>296,876</u>
Fund balances-ending	<u>\$1,997,378</u>	<u>\$793,943</u>	<u>\$140,025</u>	<u>\$938,932</u>	<u>\$38,257</u>	<u>\$278,918</u>

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major Capital Project Funds
Year Ended December 31, 2014

New Jail Project	Sup Ct Fourth Judge Courtroom Renovation	Nesset Farm Restoration	State St Building Acquisition & Improvement	Slater Rd Intersections Project	Dakota Cr Bridge No.500 Project	Telecommunications System Replacement	Total Non Major Capital Project Funds
\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$3,745,546
-	-	-	-	106,123	67,252	-	7,327,417
701	(504)	(131)	18,292	(348)	(2,143)	(2,584)	66,586
701	(504)	(131)	18,292	105,775	65,109	(2,584)	11,139,549
-	-	-	-	-	-	-	380,229
-	-	-	-	-	-	-	5,919
-	-	-	-	-	-	-	47,354
493,594	1,116,072	50	2,689,843	218,621	85,031	578,463	13,470,554
493,594	1,116,072	50	2,689,843	218,621	85,031	578,463	13,904,056
(492,893)	(1,116,576)	(181)	(2,671,551)	(112,846)	(19,922)	(581,047)	(2,764,507)
1,000,000	1,422,464	-	-	1,620,000	665,276	2,223,809	7,058,624
-	-	-	-	-	-	-	(1,716,418)
1,000,000	1,422,464	-	-	1,620,000	665,276	2,223,809	5,342,206
507,107	305,888	(181)	(2,671,551)	1,507,154	645,354	1,642,762	2,577,699
587,787	139,732	-	5,021,282	-	-	-	20,932,001
\$1,094,894	\$445,620	\$(181)	\$2,349,731	\$1,507,154	\$645,354	\$1,642,762	\$23,509,700

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Real Estate Excise Tax II
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$1,226,000	\$1,872,773	\$646,773	\$1,423,327
Intergovernmental	124,926	74,366	(50,560)	51,134
Miscellaneous	-	16,343	16,343	(19,973)
Total revenues	<u>1,350,926</u>	<u>1,963,482</u>	<u>612,556</u>	<u>1,454,488</u>
Expenditures				
Current:				
Culture and recreation	73,170	47,354	25,816	82,300
Capital outlay	456,518	264,266	192,252	789,689
Total expenditures	<u>529,688</u>	<u>311,620</u>	<u>218,068</u>	<u>871,989</u>
Excess (deficiency) of revenues over expenditures	<u>821,238</u>	<u>1,651,862</u>	<u>830,624</u>	<u>582,499</u>
Other financing sources (uses)				
Transfers in	4,000	-	(4,000)	14,286
Transfers out	(2,038,152)	(1,512,788)	525,364	(2,230,606)
Total other financing sources (uses)	<u>(2,034,152)</u>	<u>(1,512,788)</u>	<u>521,364</u>	<u>(2,216,320)</u>
Net changes in fund balances	<u>(1,212,914)</u>	<u>139,074</u>	<u>1,351,988</u>	<u>(1,633,821)</u>
Fund balances-beginning	-	5,574,805	5,574,805	7,204,054
Prior period adjustments	-	-	-	4,572
Fund balance-beginning (restated)	-	5,574,805	5,574,805	7,208,626
Fund balances-ending	<u>\$(1,212,914)</u>	<u>\$5,713,879</u>	<u>\$6,926,793</u>	<u>\$5,574,805</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Real Estate Excise Tax I
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

Whatcom County

WASHINGTON

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$1,226,000	\$1,872,773	\$646,773	\$1,423,328
Miscellaneous	-	1,326	1,326	(6,065)
Total revenues	<u>1,226,000</u>	<u>1,874,099</u>	<u>648,099</u>	<u>1,417,263</u>
Expenditures				
Current:				
General government	776,148	380,229	395,919	63,690
Social services	8,000	5,919	2,081	111
Capital outlay	55,236	51,436	3,800	76,965
Total expenditures	<u>839,384</u>	<u>437,584</u>	<u>401,800</u>	<u>140,766</u>
Excess (deficiency) of revenues over expenditures	<u>386,616</u>	<u>1,436,515</u>	<u>1,049,899</u>	<u>1,276,497</u>
Other financing sources (uses)				
Transfers in	191,607	80,607	(111,000)	-
Transfers out	(124,000)	(124,000)	-	(2,424,000)
Total other financing sources (uses)	<u>67,607</u>	<u>(43,393)</u>	<u>(111,000)</u>	<u>(2,424,000)</u>
Net changes in fund balances	<u>454,223</u>	<u>1,393,122</u>	<u>938,899</u>	<u>(1,147,503)</u>
Fund balances-beginning	-	1,069,364	1,069,364	2,215,462
Prior period adjustments	-	-	-	1,405
Fund balance-beginning (restated)	-	1,069,364	1,069,364	2,216,867
Fund balances-ending	<u>\$454,223</u>	<u>\$2,462,486</u>	<u>\$2,008,263</u>	<u>\$1,069,364</u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 County Park Improvement
 Year Ended December 31, 2014
 (With comparative totals for December 31, 2013)

Whatcom County

W A S H I N G T O N

	2014		2013	
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$11,994	\$1,280	\$(10,714)	\$(116)
Total revenues	<u>11,994</u>	<u>1,280</u>	<u>(10,714)</u>	<u>(116)</u>
Other financing sources (uses)				
Transfers out	(96,826)	(79,630)	17,196	-
Total other financing sources (uses)	<u>(96,826)</u>	<u>(79,630)</u>	<u>17,196</u>	<u>-</u>
Net changes in fund balances	<u>(84,832)</u>	<u>(78,350)</u>	<u>6,482</u>	<u>(116)</u>
Fund balances-beginning	-	164,593	164,593	163,640
Prior period adjustments	-	-	-	1,069
Fund balance-beginning (restated)	-	164,593	164,593	164,709
Fund balances-ending	<u>\$(84,832)</u>	<u>\$86,243</u>	<u>\$171,075</u>	<u>\$164,593</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Civic Center Building Improvement
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

Whatcom County

W A S H I N G T O N

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$7,439	\$7,439	\$(11,744)
Total revenues	<u>-</u>	<u>7,439</u>	<u>7,439</u>	<u>(11,744)</u>
Expenditures				
Current:				
Capital outlay	2,500,000	3,974	2,496,026	1,562,210
Total expenditures	<u>2,500,000</u>	<u>3,974</u>	<u>2,496,026</u>	<u>1,562,210</u>
Excess (deficiency) of revenues over expenditures	<u>(2,500,000)</u>	<u>3,465</u>	<u>2,503,465</u>	<u>(1,573,954)</u>
Other financing sources (uses)				
Transfers in	-	-	-	2,544,100
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,544,100</u>
Net changes in fund balances	<u>(2,500,000)</u>	<u>3,465</u>	<u>2,503,465</u>	<u>970,146</u>
Fund balances-beginning	-	2,522,196	2,522,196	1,551,060
Prior period adjustments	-	-	-	990
Fund balance-beginning (restated)	-	2,522,196	2,522,196	1,552,050
Fund balances-ending	<u>\$(2,500,000)</u>	<u>\$2,525,661</u>	<u>\$5,025,661</u>	<u>\$2,522,196</u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 East Whatcom Regional Resource Ctr Construction
 Year Ended December 31, 2014
 (With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$178	\$178	\$(395)
Total revenues	<u>-</u>	<u>178</u>	<u>178</u>	<u>\$(395)</u>
Expenditures				
Current:				
Capital outlay	123,058	9,970	113,088	-
Total expenditures	<u>123,058</u>	<u>9,970</u>	<u>113,088</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(123,058)</u>	<u>(9,792)</u>	<u>113,266</u>	<u>(395)</u>
Other financing sources (uses)				
Transfers in	46,478	46,468	(10)	-
Total other financing sources (uses)	<u>46,478</u>	<u>46,468</u>	<u>(10)</u>	<u>-</u>
Net changes in fund balances	<u>(76,580)</u>	<u>36,676</u>	<u>113,256</u>	<u>(395)</u>
Fund balances-beginning	-	76,452	76,452	76,778
Prior period adjustments	-	-	-	69
Fund balance-beginning (restated)	-	76,452	76,452	76,847
Fund balances-ending	<u>\$(76,580)</u>	<u>\$113,128</u>	<u>\$189,708</u>	<u>\$76,452</u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 2010 Jail Improvement
 Year Ended December 31, 2014
 (With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$7,803	\$7,803	\$(767)
Total revenues	<u>-</u>	<u>7,803</u>	<u>7,803</u>	<u>(767)</u>
Expenditures				
Current:				
Capital outlay	992,774	285,541	707,233	370,274
Total expenditures	<u>992,774</u>	<u>285,541</u>	<u>707,233</u>	<u>370,274</u>
Excess (deficiency) of revenues over expenditures	<u>(992,774)</u>	<u>(277,738)</u>	<u>715,036</u>	<u>(371,041)</u>
Fund balances-beginning	-	1,013,254	1,013,254	1,383,345
Prior period adjustments	-	-	-	950
Fund balance-beginning (restated)	<u>-</u>	<u>1,013,254</u>	<u>1,013,254</u>	<u>1,384,295</u>
Fund balances-ending	<u>\$(992,774)</u>	<u>\$735,516</u>	<u>\$1,728,290</u>	<u>\$1,013,254</u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Birch Bay Drive & Pedestrian Facility Project
 Year Ended December 31, 2014
 (With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$1,435,342	\$512,053	\$(923,289)	\$19,658
Miscellaneous	-	2,288	2,288	(2,824)
Total revenues	<u>1,435,342</u>	<u>514,341</u>	<u>(921,001)</u>	<u>16,834</u>
Expenditures				
Current:				
Capital outlay	2,100,675	382,776	1,717,899	99,456
Total expenditures	<u>2,100,675</u>	<u>382,776</u>	<u>1,717,899</u>	<u>99,456</u>
Excess (deficiency) of revenues over expenditures	<u>(665,333)</u>	<u>131,565</u>	<u>796,898</u>	<u>(82,622)</u>
Other financing sources (uses)				
Transfers in	-	-	-	745,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>745,000</u>
Net changes in fund balances	<u>(665,333)</u>	<u>131,565</u>	<u>796,898</u>	<u>662,378</u>
Fund balances-beginning	-	662,378	662,378	-
Fund balances-ending	<u>\$(665,333)</u>	<u>\$793,943</u>	<u>\$1,459,276</u>	<u>\$662,378</u>

Whatcom County

W A S H I N G T O N

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Birch Bay Lynden Rd/Portal Way Signalization Improv. Project
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$3,837,590	\$3,029,255	\$(808,335)	\$162,410
Miscellaneous	-	27	27	(604)
Total revenues	<u>3,837,590</u>	<u>3,029,282</u>	<u>(808,308)</u>	<u>161,806</u>
Expenditures				
Current:				
Capital outlay	3,308,620	3,039,682	268,938	311,381
Total expenditures	<u>3,308,620</u>	<u>3,039,682</u>	<u>268,938</u>	<u>311,381</u>
Excess (deficiency) of revenues over expenditures	<u>528,970</u>	<u>(10,400)</u>	<u>(539,370)</u>	<u>(149,575)</u>
Other financing sources (uses)				
Transfers in	-	-	-	300,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
Net changes in fund balances	<u>528,970</u>	<u>(10,400)</u>	<u>(539,370)</u>	<u>150,425</u>
Fund balances-beginning	-	150,425	150,425	-
Fund balances-ending	<u>\$528,970</u>	<u>\$140,025</u>	<u>\$(388,945)</u>	<u>\$150,425</u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Potter Rd-S Fork Bridge Replacement Project
 Year Ended December 31, 2014
 (With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$7,700,000	\$2,880,298	\$(4,819,702)	\$-
Miscellaneous	-	6,833	6,833	(7,023)
Total revenues	<u>7,700,000</u>	<u>2,887,131</u>	<u>(4,812,869)</u>	<u>(7,023)</u>
Expenditures				
Current:				
Capital outlay	8,695,589	3,595,586	5,100,003	245,590
Total expenditures	<u>8,695,589</u>	<u>3,595,586</u>	<u>5,100,003</u>	<u>245,590</u>
Excess (deficiency) of revenues over expenditures	<u>(995,589)</u>	<u>(708,455)</u>	<u>287,134</u>	<u>(252,613)</u>
Other financing sources (uses)				
Transfers in	-	-	-	1,900,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,900,000</u>
Net changes in fund balances	<u>(995,589)</u>	<u>(708,455)</u>	<u>287,134</u>	<u>1,647,387</u>
Fund balances-beginning	-	1,647,387	1,647,387	-
Fund balances-ending	<u>\$(995,589)</u>	<u>\$938,932</u>	<u>\$1,934,521</u>	<u>\$1,647,387</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Rural Rd Safety Program Project
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$950,846	\$658,070	\$(292,776)	\$803,543
Miscellaneous	-	1,281	1,281	(1,970)
Total revenues	<u>950,846</u>	<u>659,351</u>	<u>(291,495)</u>	<u>801,573</u>
Expenditures				
Current:				
Capital outlay	1,759,841	635,052	1,124,789	803,615
Total expenditures	<u>1,759,841</u>	<u>635,052</u>	<u>1,124,789</u>	<u>803,615</u>
Excess (deficiency) of revenues over expenditures	<u>(808,995)</u>	<u>24,299</u>	<u>833,294</u>	<u>(2,042)</u>
Other financing sources (uses)				
Transfers in	-	-	-	16,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,000</u>
Net changes in fund balances	<u>(808,995)</u>	<u>24,299</u>	<u>833,294</u>	<u>13,958</u>
Fund balances-beginning	-	13,958	13,958	-
Fund balances-ending	<u>\$(808,995)</u>	<u>\$38,257</u>	<u>\$847,252</u>	<u>\$13,958</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, 2014
(With comparative totals for December 31, 2013)

Whatcom County

W A S H I N G T O N

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$2,639	\$2,639	\$(3,006)
Total revenues	<u>-</u>	<u>2,639</u>	<u>2,639</u>	<u>(3,006)</u>
Expenditures				
Current:				
Capital outlay	299,882	20,597	279,285	1,140,280
Total expenditures	<u>299,882</u>	<u>20,597</u>	<u>279,285</u>	<u>1,140,280</u>
Excess (deficiency) of revenues over expenditures	<u>(299,882)</u>	<u>(17,958)</u>	<u>281,924</u>	<u>(1,143,286)</u>
Other financing sources (uses)				
Transfers in	-	-	-	1,440,162
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,440,162</u>
Net changes in fund balances	<u>(299,882)</u>	<u>(17,958)</u>	<u>281,924</u>	<u>296,876</u>
Fund balances-beginning	-	296,876	296,876	-
Fund balances-ending	<u>\$(299,882)</u>	<u>\$278,918</u>	<u>\$578,800</u>	<u>\$296,876</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
New Jail Project
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

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

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$701	\$701	\$(2,505)
Total revenues	<u>-</u>	<u>701</u>	<u>701</u>	<u>\$(2,505)</u>
Expenditures				
Current:				
Capital outlay	1,036,081	493,594	542,487	6,503,199
Total expenditures	<u>1,036,081</u>	<u>493,594</u>	<u>542,487</u>	<u>6,503,199</u>
Excess (deficiency) of revenues over expenditures	<u>(1,036,081)</u>	<u>(492,893)</u>	<u>543,188</u>	<u>(6,505,704)</u>
Other financing sources (uses)				
Transfers in	-	1,000,000	1,000,000	7,093,491
Total other financing sources (uses)	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>7,093,491</u>
Net changes in fund balances	<u>(1,036,081)</u>	<u>507,107</u>	<u>1,543,188</u>	<u>587,787</u>
Fund balances-beginning	-	587,787	587,787	-
Fund balances-ending	<u>\$(1,036,081)</u>	<u>\$1,094,894</u>	<u>\$2,130,975</u>	<u>\$587,787</u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Superior Ct 4th Judge Courtroom Renovation
 Year Ended December 31, 2014
 (With comparative totals for December 31, 2013)

Whatcom County
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	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(504)	\$(504)	\$(615)
Total revenues	<u>-</u>	<u>(504)</u>	<u>(504)</u>	<u>(615)</u>
Expenditures				
Current:				
Capital outlay	1,562,811	1,116,072	446,739	59,653
Total expenditures	<u>1,562,811</u>	<u>1,116,072</u>	<u>446,739</u>	<u>59,653</u>
Excess (deficiency) of revenues over expenditures	<u>(1,562,811)</u>	<u>(1,116,576)</u>	<u>446,235</u>	<u>(60,268)</u>
Other financing sources (uses)				
Transfers in	1,422,464	1,422,464	-	200,000
Total other financing sources (uses)	<u>1,422,464</u>	<u>1,422,464</u>	<u>-</u>	<u>200,000</u>
Net changes in fund balances	<u>(140,347)</u>	<u>305,888</u>	<u>446,235</u>	<u>139,732</u>
Fund balances-beginning	-	139,732	139,732	-
Fund balances-ending	<u>\$(140,347)</u>	<u>\$445,620</u>	<u>\$585,967</u>	<u>\$139,732</u>

Whatcom County

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Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Nesset Farm Restoration
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$250,000	\$(131)	\$(250,131)	\$-
Total revenues	<u>250,000</u>	<u>(131)</u>	<u>(250,131)</u>	<u>-</u>
Expenditures				
Current:				
Capital outlay	250,000	50	249,950	-
Total expenditures	<u>250,000</u>	<u>50</u>	<u>249,950</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	(181)	(181)	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	<u>\$-</u>	<u>\$(181)</u>	<u>\$(181)</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, 2014
 (With comparative totals for December 31, 2013)

Whatcom County

W A S H I N G T O N

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$18,292	\$18,292	\$(21,400)
Total revenues	<u>-</u>	<u>18,292</u>	<u>18,292</u>	<u>(21,400)</u>
Expenditures				
Current:				
Capital outlay	4,836,835	2,689,843	2,146,992	16,202
Total expenditures	<u>4,836,835</u>	<u>2,689,843</u>	<u>2,146,992</u>	<u>16,202</u>
Excess (deficiency) of revenues over expenditures	<u>(4,836,835)</u>	<u>(2,671,551)</u>	<u>2,165,284</u>	<u>(37,602)</u>
Other financing sources (uses)				
Transfers in	-	-	-	5,058,884
Transfers out	(205,847)	-	205,847	-
Total other financing sources (uses)	<u>(205,847)</u>	<u>-</u>	<u>205,847</u>	<u>5,058,884</u>
Net changes in fund balances	<u>(5,042,682)</u>	<u>(2,671,551)</u>	<u>2,371,131</u>	<u>5,021,282</u>
Fund balances-beginning	-	5,021,282	5,021,282	-
Fund balances-ending	<u>\$(5,042,682)</u>	<u>\$2,349,731</u>	<u>\$7,392,413</u>	<u>\$5,021,282</u>

Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Slater Rd Intersections Project
 Year Ended December 31, 2014
 (With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$1,120,000	\$106,123	\$(1,013,877)	\$-
Miscellaneous	-	(348)	(348)	-
Total revenues	<u>1,120,000</u>	<u>105,775</u>	<u>(1,014,225)</u>	<u>-</u>
Expenditures				
Current:				
Capital outlay	2,740,000	218,621	2,521,379	-
Total expenditures	<u>2,740,000</u>	<u>218,621</u>	<u>2,521,379</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,620,000)</u>	<u>(112,846)</u>	<u>1,507,154</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	1,620,000	1,620,000	-	-
Total other financing sources (uses)	<u>1,620,000</u>	<u>1,620,000</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>1,507,154</u>	<u>1,507,154</u>	<u>-</u>
Fund balances-beginning	-	-	-	-
Fund balances-ending	<u>\$-</u>	<u>\$1,507,154</u>	<u>\$1,507,154</u>	<u>\$-</u>

Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
Dakota Creek Bridge No. 500 Project
Year Ended December 31, 2014
(With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$2,933,328	\$67,252	\$(2,866,076)	\$-
Miscellaneous	-	(2,143)	(2,143)	-
Total revenues	<u>2,933,328</u>	<u>65,109</u>	<u>(2,868,219)</u>	<u>-</u>
Expenditures				
Current:				
Capital outlay	3,598,604	85,031	3,513,573	-
Total expenditures	<u>3,598,604</u>	<u>85,031</u>	<u>3,513,573</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(665,276)</u>	<u>(19,922)</u>	<u>645,354</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	665,276	665,276	-	-
Total other financing sources (uses)	<u>665,276</u>	<u>665,276</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>645,354</u>	<u>645,354</u>	<u>-</u>
Fund balances-beginning	-	-	-	-
Fund balances-ending	<u>\$-</u>	<u>\$645,354</u>	<u>\$645,354</u>	<u>\$-</u>

Whatcom County

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Schedule of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Telecommunications System Replacement
 Year Ended December 31, 2014
 (With comparative totals for December 31, 2013)

	2014			2013
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$-	\$(2,584)	\$(2,584)	\$-
Total revenues	-	(2,584)	(2,584)	-
Expenditures				
Current:				
Capital outlay	2,223,809	578,463	1,645,346	-
Total expenditures	2,223,809	578,463	1,645,346	-
Excess (deficiency) of revenues over expenditures	(2,223,809)	(581,047)	1,642,762	-
Other financing sources (uses)				
Transfers in	2,223,809	2,223,809	-	-
Total other financing sources (uses)	2,223,809	2,223,809	-	-
Net changes in fund balances	-	1,642,762	1,642,762	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$-	\$1,642,762	\$1,642,762	\$-

Schedule of Revenues, Expenditures and Changes in
Fund Balance
Budget and Actual
Public Utilities Improvement
Year Ended December 31, 2014

	Budgeted Amounts			Variance with Final Budget Positive/ (Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes	\$3,264,767	\$3,264,767	\$3,325,481	\$60,714
Miscellaneous	49,610	49,610	101,130	51,520
Total revenues	<u>3,314,377</u>	<u>3,314,377</u>	<u>3,426,611</u>	<u>112,234</u>
Expenditures				
Current:				
General government	161,516	174,016	115,845	58,171
Capital outlay	306,000	9,586,000	22,768	9,563,232
Total expenditures	<u>467,516</u>	<u>9,760,016</u>	<u>138,613</u>	<u>9,621,403</u>
Excess (deficiency) of revenues over expenditures	<u>2,846,861</u>	<u>(6,445,639)</u>	<u>3,287,998</u>	<u>9,733,637</u>
Other financing sources (uses)				
Transfer out	(111,000)	(238,075)	(127,075)	111,000
Total other financing sources (uses)	<u>(111,000)</u>	<u>(238,075)</u>	<u>(127,075)</u>	<u>111,000</u>
Net changes in fund balances	<u>2,735,861</u>	<u>(6,683,714)</u>	<u>3,160,923</u>	<u>9,844,637</u>
Fund balance as of January 1	-	-	17,728,492	17,728,492
Fund balance as of December 31	<u>\$2,735,861</u>	<u>\$(6,683,714)</u>	<u>\$20,889,415</u>	<u>\$27,573,129</u>

	Equipment Rental	Administrative Services	Total
Assets			
Current assets			
Cash, cash equivalents and pooled investments	\$8,339,130	\$15,804,756	\$24,143,886
Deposits with fiscal agent	-	6,000	6,000
Receivables, net	2,062	3,340	5,402
Interfund receivable	175,456	57,716	233,172
Due from other governments	1,405	8,133	9,538
Interfund loan receivable	1,673,344	-	1,673,344
Inventories	1,349,608	32,476	1,382,084
Total current assets	11,541,005	15,912,421	27,453,426
Noncurrent assets			
Capital assets:			
Land	321,614	119,000	440,614
Building and structures, net	1,116,276	54,659	1,170,935
Capital leases, net	-	15,161	15,161
Other improvements, net	317,592	1,141	318,733
Machinery and equipment, net	6,494,657	183,420	6,678,077
Intangible assets, net	50,400	-	50,400
Total capital assets, net	8,300,539	373,381	8,673,920
Total noncurrent assets	8,300,539	373,381	8,673,920
Total assets	19,841,544	16,285,802	36,127,346
Liabilities			
Current liabilities			
Accounts payable	420,522	416,069	836,591
Claims cost payable	-	3,987,681	3,987,681
Interfund payable	40,328	12,815	53,143
Compensated absences	167,192	488,156	655,348
Total current liabilities	628,042	4,904,721	5,532,763
Noncurrent liabilities			
Other noncurrent liabilities	-	197,223	197,223
Total noncurrent liabilities	-	197,223	197,223
Total liabilities	628,042	5,101,944	5,729,986
Net position			
Net investment in capital assets	8,300,539	373,381	8,673,920
Unrestricted	10,912,963	10,810,477	21,723,440
Total net position	\$19,213,502	\$11,183,858	\$30,397,360

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2014

Whatcom County
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	Equipment Rental	Administrative Services	Total
Operating Revenue			
Intergovernmental	\$-	\$46,771	\$46,771
Charges for service	5,209,995	8,566,294	13,776,289
Rents and parking	4,782,377	181,175	4,963,552
Fines and forfeits	-	1,120	1,120
Insurance premiums	-	9,084,780	9,084,780
Miscellaneous	12,421	70,282	82,703
Total operating revenues	10,004,793	17,950,422	27,955,215
Operating expenses			
General operations	8,093,929	16,855,788	24,949,717
General administration	702,234	-	702,234
Depreciation	1,229,778	147,879	1,377,657
Total operating expenses	10,025,941	17,003,667	27,029,608
Operating income (loss)	(21,148)	946,755	925,607
Non-operating revenues (expenses)			
Gain (loss) on sale of capital assets	112,955	-	112,955
Interest revenue	17,903	-	17,903
Interest expense	-	(342)	(342)
Unrealized gain (loss) on investments	27,806	51,090	78,896
Insurance recoveries	585	146,272	146,857
Total non-operating revenues (expenses)	159,249	197,020	356,269
Income (loss) before transfers	138,101	1,143,775	1,281,876
Transfers in	60,025	346,858	406,883
Transfers out	-	(2,082,894)	(2,082,894)
Changes in net position	198,126	(592,261)	(394,135)
Total net position-beginning	19,015,376	11,776,119	30,791,495
Total net position-ending	\$19,213,502	\$11,183,858	\$30,397,360

	Equipment Rental	Administrative Services	Total
Cash flows from operating activities:			
Receipts from customers	\$10,077,112	\$18,053,998	\$28,131,110
Payments for goods and services	(7,391,590)	(11,911,832)	(19,303,422)
Payments to employees	(1,281,410)	(5,543,999)	(6,825,409)
Net cash provided (used) by operating activities	1,404,112	598,167	2,002,279
Cash flows from non-capital financing activities:			
Transfers in	-	346,858	346,858
Transfers out	-	(2,082,894)	(2,082,894)
Interest revenue	17,903	-	17,903
Insurance recoveries	585	146,272	146,857
Net cash provided (used) by non-capital financing activities	18,488	(1,589,764)	(1,571,276)
Cash flows from capital financing activities:			
Interest paid on capital debt	-	(342)	(342)
Transfers in	60,025	-	60,025
Proceeds from sale of assets	231,496	-	231,496
Purchases of capital assets	(2,495,333)	(143,597)	(2,638,930)
Net cash provided (used) by capital financing activities	(2,203,812)	(143,939)	(2,347,751)
Cash flows from investing activities:			
Unrealized gain (loss) on investments	27,806	51,090	78,896
Net cash provided (used) by investing activities	27,806	51,090	78,896
Net Increase (decrease) in cash and cash equivalents	(753,406)	(1,084,446)	(1,837,852)
Balances - beginning of the year	9,092,536	16,889,202	25,981,738
Balances - end of the year	\$8,339,130	\$15,804,756	\$24,143,886
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$(21,148)	\$946,755	\$925,607
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	1,229,778	147,879	1,377,657
Change in assets and liabilities:			
Receivables, net	(161,609)	103,576	(58,033)
Inventories	(122,168)	25,627	(96,541)
Accounts and other payables	477,493	(618,309)	(140,816)
Accrued expenses	1,766	(7,361)	(5,595)
Net cash provided by operating activities	\$1,404,112	\$598,167	\$2,002,279

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Assets			
Current assets			
Cash, cash equivalents and pooled investments	\$74,418	\$1,957,862	\$2,032,280
Deposits with fiscal agent	-	18,650	18,650
Interfund receivable	-	23,694	23,694
Prepayments	-	36,117	36,117
Total current assets	74,418	2,036,323	2,110,741
Noncurrent assets			
Capital assets:			
Machinery and equipment, net	-	3,584	3,584
Total noncurrent assets	-	3,584	3,584
Total assets	74,418	2,039,907	2,114,325
Liabilities			
Current liabilities			
Accounts payable	8,830	9,423	18,253
Interfund payable	-	35,869	35,869
Compensated absences	30,828	116,884	147,712
Total current liabilities	39,658	162,176	201,834
Total liabilities	39,658	162,176	201,834
Net position			
Net investment in capital assets	-	3,584	3,584
Unrestricted	34,760	1,874,147	1,908,907
Total net position	\$34,760	\$1,877,731	\$1,912,491

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Non-Major Enterprise Funds
Year Ended December 31, 2014

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

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Operating revenues			
Intergovernmental	\$-	\$211,515	\$211,515
Charges for service	-	1,481,783	1,481,783
Miscellaneous	214,157	9,818	223,975
Total operating revenues	214,157	1,703,116	1,917,273
Operating expenses			
General operations	266,546	2,223,965	2,490,511
General administration	-	229,841	229,841
Depreciation	-	642	642
Total operating expenses	266,546	2,454,448	2,720,994
Operating income (loss)	(52,389)	(751,332)	(803,721)
Non-operating revenues (expenses)			
Unrealized gain (loss) on investments	-	4,278	4,278
Total non-operating revenues (expenses)	-	4,278	4,278
Income (loss) before transfers	(52,389)	(747,054)	(799,443)
Transfers in	-	1,104,502	1,104,502
Changes in net position	(52,389)	357,448	305,059
Total net position-beginning	87,149	1,520,283	1,607,432
Total net position-ending	\$34,760	\$1,877,731	\$1,912,491

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
Cash flows from operating activities:			
Receipts from customers	\$262,529	\$1,643,680	\$1,906,209
Payments for goods and services	(54,958)	(1,271,698)	(1,326,656)
Payments to employees	(255,773)	(1,130,790)	(1,386,563)
Net cash provided (used) by operating activities	(48,202)	(758,808)	(807,010)
Cash flows from non-capital financing activities:			
Transfers in	-	1,104,502	1,104,502
Net cash provided (used) by non-capital financing activities	-	1,104,502	1,104,502
Cash flows from investing activities:			
Unrealized gain (loss) on investments	-	4,278	4,278
Net cash provided (used) by investing activities	-	4,278	4,278
Net increase (decrease) in cash and cash equivalents	(48,202)	349,972	301,770
Balances - beginning of the year	122,620	1,607,890	1,730,510
Balances - end of the year	\$74,418	\$1,957,862	\$2,032,280
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$(52,389)	\$(751,332)	\$(803,721)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	-	642	642
Change in assets and liabilities:			
Receivables, net	-	(59,436)	(59,436)
Accounts and other payables	1,006	37,613	38,619
Accrued expenses	3,181	13,705	16,886
Net cash provided by operating activities	\$(48,202)	\$(758,808)	\$(807,010)

	Investment Trust Fund
Assets	
Certificates of deposit and saving accounts	\$19,704,113
Taxable municipal notes	12,010,301
US treasury notes	5,564,745
US agency notes	132,692,369
LGIP	16,796,274
Total assets	186,767,802
Net position	
Held in trust for pool participants	186,767,802
Total net position	\$186,767,802

Combining Statement of Changes in Net Position
Investment Trust Funds
Year Ended December 31, 2014

	Investment Trust Fund
Additions	
Contributions	\$153,673,523
Investment earnings:	
Interest	864,382
Net Increase (decrease) in fair value of investments	322,657
Total additions	154,860,562
Deductions	
Distributions	158,698,001
Total deductions	158,698,001
Change in net position	(3,837,439)
Net position-beginning	190,605,241
Net position-ending	\$186,767,802

	Cemetery Districts	Drainage, Diking & Flood Cntr Districts	Park & Recreation Districts	Watershed Mngmt Project Joint Board	Rural Library	Northwest Regional Council
Assets						
Cash and cash equivalents	\$792,209	\$441,961	\$173,739	\$294,618	\$414,132	\$363,824
Deposits with fiscal agent	-	-	-	-	-	-
Assets held in trust-external investment pool	1,693,444	152,751	915,836	-	9,441,911	1,539,029
Accounts receivable, net	-	-	-	-	-	-
Due from other governments	-	-	-	56,925	-	-
Total assets	\$2,485,653	\$594,712	\$1,089,575	\$351,543	\$9,856,043	\$1,902,853
Liabilities						
Warrants payable	\$-	\$-	\$-	\$-	\$-	\$-
Accounts payable	42	-	-	58,314	148,663	17,034
Matured long-term debt	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	-
Other accrued liabilities	3,821	-	745	-	-	12,237
Revenue collected in advance	-	-	-	-	-	-
Custodial accounts	2,481,790	594,712	1,088,830	293,229	9,707,380	1,873,582
Total liabilities	\$2,485,653	\$594,712	\$1,089,575	\$351,543	\$9,856,043	\$1,902,853

	Council of Government	Hospital Districts	Port	P.U.D. District	Whatcom Transit	School Districts
Assets						
Cash and cash equivalents	\$44,879	\$4,262	\$86,081	\$386,830	\$-	\$5,482,319
Deposits with fiscal agent	-	-	-	-	-	169,754
Assets held in trust-external investment pool	181,801	253,456	-	8,059,226	29,161,839	113,444,514
Accounts receivable, net	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Total assets	\$226,680	\$257,718	\$86,081	\$8,446,056	\$29,161,839	\$119,096,587
Liabilities						
Warrants payable	\$-	\$-	\$-	\$-	\$-	\$5,270,572
Accounts payable	-	-	-	-	-	-
Matured long-term debt	-	-	-	-	-	-
Matured interest payable	-	-	-	-	-	5,000
Other accrued liabilities	-	100	-	5,441	-	23,271
Revenue collected in advance	-	-	-	-	-	-
Custodial accounts	226,680	257,618	86,081	8,440,615	29,161,839	113,797,744
Total liabilities	\$226,680	\$257,718	\$86,081	\$8,446,056	\$29,161,839	\$119,096,587

Watershed Districts	Fire Districts	Water Districts	Treasurer's Suspense	Inmate Trust Fund	Claims Fund	Total
\$4,508	\$769,016	\$911,330	\$3,326,210	\$24,149	\$2,092,029	\$15,612,096
-	-	-	-	-	-	169,754
-	17,308,228	4,615,767	-	-	-	186,767,802
-	-	-	10,062	-	-	10,062
-	-	-	-	-	-	56,925
<u>\$4,508</u>	<u>\$18,077,244</u>	<u>\$5,527,097</u>	<u>\$3,336,272</u>	<u>\$24,149</u>	<u>\$2,092,029</u>	<u>\$202,616,639</u>
\$-	\$-	\$-	\$-	\$-	\$2,092,029	\$7,362,601
-	38,750	5,454	-	-	-	268,257
-	-	-	-	-	-	-
-	-	-	-	-	-	5,000
-	36,356	5,598	-	-	-	87,569
-	-	-	188,005	-	-	188,005
<u>4,508</u>	<u>18,002,138</u>	<u>5,516,045</u>	<u>3,148,267</u>	<u>24,149</u>	<u>-</u>	<u>194,705,207</u>
<u>\$4,508</u>	<u>\$18,077,244</u>	<u>\$5,527,097</u>	<u>\$3,336,272</u>	<u>\$24,149</u>	<u>\$2,092,029</u>	<u>\$202,616,639</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Cemetery Districts
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$726,972	\$1,793,043	\$1,727,806	\$792,209
Assets held in trust-external investment pool	1,665,142	174,131	145,829	1,693,444
Total assets	\$2,392,114	\$1,967,174	\$1,873,635	\$2,485,653
Liabilities				
Accounts payable	\$298	\$460,047	\$460,303	\$42
Other accrued liabilities	4,044	394,569	394,792	3,821
Custodial accounts	2,387,772	94,018	-	2,481,790
Total liabilities	\$2,392,114	\$948,634	\$855,095	\$2,485,653

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Drainage, Diking and Flood Control Districts
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$396,746	\$1,071,786	\$1,026,571	\$441,961
Assets held in trust-external investment pool	145,902	6,975	126	152,751
Total assets	\$542,648	\$1,078,761	\$1,026,697	\$594,712
Liabilities				
Warrants payable				
Accounts payable	\$2,176	\$271,891	\$274,067	\$-
Custodial accounts	540,472	54,240	-	594,712
Total liabilities	\$542,648	\$326,131	\$274,067	\$594,712

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Park and Recreation Districts
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$308,288	\$1,247,227	\$1,381,776	\$173,739
Assets held in trust-external investment pool	689,673	428,743	202,580	915,836
Total assets	\$997,961	\$1,675,970	\$1,584,356	\$1,089,575
Liabilities				
Accounts payable	\$-	\$260,296	\$260,296	\$-
Other accrued liabilities	628	85,916	85,799	745
Custodial accounts	997,333	91,497	-	1,088,830
Total liabilities	\$997,961	\$437,709	\$346,095	\$1,089,575

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Watershed Management Project Joint Board
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$454,827	\$199,160	\$359,369	\$294,618
Due from other governments	11,315	71,089	25,479	56,925
Total assets	\$466,142	\$270,249	\$384,848	\$351,543
Liabilities				
Accounts payable	\$4,016	\$220,107	\$165,809	\$58,314
Custodial accounts	462,126	-	168,897	293,229
Total liabilities	\$466,142	\$220,107	\$334,706	\$351,543

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Rural Library
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$284,131	\$17,086,850	\$16,956,849	\$414,132
Assets held in trust-external investment pool	9,034,140	4,642,389	4,234,618	9,441,911
Total assets	\$9,318,271	\$21,729,239	\$21,191,467	\$9,856,043
Liabilities				
Accounts payable	\$174,406	\$3,776,788	\$3,802,531	\$148,663
Custodial accounts	9,143,865	563,515	-	9,707,380
Total liabilities	\$9,318,271	\$4,340,303	\$3,802,531	\$9,856,043

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$764,434	\$22,388,506	\$22,789,116	\$363,824
Assets held in trust-external investment pool	1,527,162	13,057	1,190	1,539,029
Total assets	\$2,291,596	\$22,401,563	\$22,790,306	\$1,902,853
Liabilities				
Accounts payable	\$39,353	\$6,210,244	\$6,232,563	\$17,034
Other accrued liabilities	32,128	6,481,615	6,501,506	12,237
Deferred credits	17,319	1,400,813	1,418,132	-
Custodial accounts	2,202,796	-	329,214	1,873,582
Total liabilities	\$2,291,596	\$14,092,672	\$14,481,415	\$1,902,853

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Council of Governments
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$90,752	\$5,324,459	\$5,370,332	\$44,879
Assets held in trust-external investment pool	174	694,205	512,578	181,801
Total assets	\$90,926	\$6,018,664	\$5,882,910	\$226,680
Liabilities				
Accounts payable	\$-	\$1,271,846	\$1,271,846	\$-
Other accrued liabilities	-	1,111,158	1,111,158	-
Custodial accounts	90,926	135,754	-	226,680
Total liabilities	\$90,926	\$2,518,758	\$2,383,004	\$226,680

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Hospital Districts
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$10,061	\$660,717	\$666,516	\$4,262
Assets held in trust-external investment pool	229,238	151,390	127,172	253,456
Total assets	\$239,299	\$812,107	\$793,688	\$257,718
Liabilities				
Accounts payable	\$-	\$194,858	\$194,858	\$-
Other accrued liabilities	105	32,445	32,450	100
Custodial accounts	239,194	18,424	-	257,618
Total liabilities	\$239,299	\$245,727	\$227,308	\$257,718

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Port
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$95,787	\$6,996,101	\$7,005,807	\$86,081
Total assets	\$95,787	\$6,996,101	\$7,005,807	\$86,081
Liabilities				
Custodial accounts	\$95,787	\$-	\$9,706	\$86,081
Total liabilities	\$95,787	\$-	\$9,706	\$86,081

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$29,044	\$61,549,053	\$61,191,267	\$386,830
Assets held in trust-external investment pool	11,402,374	18,404,203	21,747,351	8,059,226
Total assets	\$11,431,418	\$79,953,256	\$82,938,618	\$8,446,056
Liabilities				
Accounts payable	\$-	\$7,295,704	\$7,295,704	\$-
Other accrued liabilities	5,638	2,426,223	2,426,420	5,441
Custodial accounts	11,425,780	-	2,985,165	8,440,615
Total liabilities	\$11,431,418	\$9,721,927	\$12,707,289	\$8,446,056

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Whatcom Transit
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$-	\$46,014,288	\$46,014,288	\$-
Assets held in trust-external investment pool	25,766,560	24,819,162	21,423,883	29,161,839
Total assets	\$25,766,560	\$70,833,450	\$67,438,171	\$29,161,839
Liabilities				
Custodial accounts	\$25,766,560	\$3,395,279	\$-	\$29,161,839
Total liabilities	\$25,766,560	\$3,395,279	\$-	\$29,161,839

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$6,591,762	\$421,501,785	\$422,611,228	\$5,482,319
Deposits with fiscal agent	133,950	23,895,296	23,859,492	169,754
Assets held in trust-external investment pool	120,683,816	93,401,155	100,640,457	113,444,514
Total assets	\$127,409,528	\$538,798,236	\$547,111,177	\$119,096,587
Liabilities				
Warrants payable	\$6,111,980	\$133,731,982	\$134,573,390	\$5,270,572
Matured long-term debt	-	15,773,720	15,773,720	-
Matured interest payable	5,000	8,107,638	8,107,638	5,000
Other accrued liabilities	23,271	-	-	23,271
Custodial accounts	121,269,277	126,524,050	133,995,583	113,797,744
Total liabilities	\$127,409,528	\$284,137,390	\$292,450,331	\$119,096,587

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$11,091	\$33,113	\$39,696	\$4,508
Total assets	\$11,091	\$33,113	\$39,696	\$4,508
Liabilities				
Accounts payable	\$-	\$16,811	\$16,811	\$-
Custodial accounts	11,091	-	6,583	4,508
Total liabilities	\$11,091	\$16,811	\$23,394	\$4,508

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Fire Districts
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$1,368,967	\$59,137,254	\$59,737,205	\$769,016
Assets held in trust-external investment pool	15,458,095	15,143,253	13,293,120	17,308,228
Accounts receivable, net	-	17	17	-
Total assets	\$16,827,062	\$74,280,524	\$73,030,342	\$18,077,244
Liabilities				
Accounts payable	\$209,634	\$8,421,278	\$8,592,162	\$38,750
Other accrued liabilities	27,618	9,122,347	9,113,609	36,356
Custodial accounts	16,589,810	1,412,328	-	18,002,138
Total liabilities	\$16,827,062	\$18,955,953	\$17,705,771	\$18,077,244

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Water Districts
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$692,548	\$12,485,208	\$12,266,426	\$911,330
Assets held in trust-external investment pool	4,002,965	1,002,077	389,275	4,615,767
Total assets	\$4,695,513	\$13,487,285	\$12,655,701	\$5,527,097
Liabilities				
Accounts payable	\$16,834	\$3,757,757	\$3,769,137	\$5,454
Other accrued liabilities	5,554	918,839	918,795	5,598
Custodial accounts	4,673,125	842,920	-	5,516,045
Total liabilities	\$4,695,513	\$5,519,516	\$4,687,932	\$5,527,097

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Treasurer's Suspense
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$3,689,216	\$129,542,158	\$129,905,164	\$3,326,210
Accounts receivable, net	(73)	636,688	626,553	10,062
Total assets	\$3,689,143	\$130,178,846	\$130,531,717	\$3,336,272
Liabilities				
Revenue collected in advance	\$350,457	\$895,524	\$1,057,976	\$188,005
Custodial accounts	3,338,686	-	190,419	3,148,267
Total liabilities	\$3,689,143	\$895,524	\$1,248,395	\$3,336,272

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Inmate Trust Fund
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$42,222	\$1,429,699	\$1,447,772	\$24,149
Total assets	\$42,222	\$1,429,699	\$1,447,772	\$24,149
Liabilities				
Custodial accounts	\$42,222	\$1,429,699	\$1,447,772	\$24,149
Total liabilities	\$42,222	\$1,429,699	\$1,447,772	\$24,149

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Claims Fund
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$2,474,724	\$498,487,737	\$498,870,432	\$2,092,029
Total assets	\$2,474,724	\$498,487,737	\$498,870,432	\$2,092,029
Liabilities				
Warrants payable	\$2,474,724	\$115,694,425	\$116,077,120	\$2,092,029
Total liabilities	\$2,474,724	\$115,694,425	\$116,077,120	\$2,092,029

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Total Agency Funds
 For the Year Ended December 31, 2014



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash and cash equivalents	\$18,031,572	\$1,286,948,144	\$1,289,367,620	\$15,612,096
Deposits with fiscal agent	133,950	23,895,296	23,859,492	169,754
Assets held in trust-external investment pool	190,605,241	158,880,740	162,718,179	186,767,802
Accounts receivable, net	(73)	636,688	626,553	10,062
Due from other governments	11,315	71,089	25,479	56,925
Total assets	\$208,782,005	\$1,470,431,957	\$1,476,597,323	\$202,616,639
Liabilities				
Warrants payable	\$8,586,704	\$249,426,407	\$250,650,510	\$7,362,601
Accounts payable	446,717	32,157,627	32,336,087	268,257
Matured long-term debt	-	15,773,720	15,773,720	-
Matured interest payable	5,000	8,107,638	8,107,638	5,000
Other accrued liabilities	98,986	20,573,112	20,584,529	87,569
Revenue collected in advance	350,457	895,524	1,057,976	188,005
Deferred credits	17,319	1,400,813	1,418,132	-
Custodial accounts	199,276,822	134,561,724	139,133,339	194,705,207
Total liabilities	\$208,782,005	\$462,896,565	\$469,061,931	\$202,616,639

Schedule of Expenditures - Budget and Actual
 General Fund by Department
 Year Ended December 31, 2014



	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Expenditures*				
Assessor	\$2,860,159	\$2,877,801	\$2,721,062	\$156,739
Auditor	1,338,973	1,348,140	1,312,940	35,200
County Council	979,935	1,090,039	1,049,644	40,395
County Executive	553,515	654,874	630,565	24,309
Planning & Development Services	5,004,052	5,201,140	4,713,829	487,311
Treasurer	1,384,372	1,410,861	1,341,868	68,993
Sheriff	13,564,869	14,718,731	13,576,263	1,142,468
District Court	2,058,718	2,129,500	2,033,125	96,375
District Court Probation	1,634,109	1,581,104	1,399,418	181,686
Hearing Examiner	182,551	183,076	182,083	993
Juvenile	4,270,420	4,637,934	4,204,327	433,607
Prosecuting Attorney	5,760,502	5,791,095	5,536,250	254,845
Public Defender	3,394,167	3,447,313	3,352,016	95,297
Superior Court	5,024,898	4,671,534	4,425,605	245,929
Extension	347,324	390,374	390,209	165
Non-Departmental	11,501,310	15,409,700	13,895,500	1,514,200
Park	3,627,401	3,676,005	3,483,093	192,912
Health	12,103,987	12,742,671	11,196,943	1,545,728
Total expenditures	\$75,591,262	\$81,961,892	\$75,444,740	\$6,517,152

* Includes transfers out.

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 LEOFF I Healthcare*
 For the Year Ended December 31, 2014



	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$-	\$-	\$552	\$552
Total revenues	-	-	552	552
Excess (deficiency) of revenues over expenditures	-	-	552	552
Fund balance as of January 1	-	-	187,479	-
Fund balance as of December 31	\$-	\$-	\$188,031	\$552

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

Statistical Section

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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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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

Whatcom County

W A S H I N G T O N

Page 1 of 2

	Fiscal Year			
	2005	2006	2007	2008
Governmental activities				
Invested in capital assets, net of related debt	\$134,873,463	\$147,777,970	\$152,741,995	\$154,711,058
Restricted	35,266,155	37,138,374	42,636,125	48,763,237
Unrestricted	46,612,203	47,089,887	42,369,254	40,277,750
Total governmental activities net position	\$216,751,821	\$232,006,231	\$237,747,374	\$243,752,045
Business-type activities				
Invested in capital assets, net of related debt	\$-	\$-	\$-	\$-
Unrestricted	138,394	1,356,979	1,118,015	1,281,325
Total business-type activities net position	\$138,394	\$1,356,979	\$1,118,015	\$1,281,325
Primary government				
Invested in capital assets, net of related debt	\$134,873,463	\$147,777,970	\$152,741,995	\$154,711,058
Restricted	35,266,155	37,138,374	42,636,125	48,763,237
Unrestricted	46,750,597	48,446,866	43,487,269	41,559,075
Total primary government net position	\$216,890,215	\$233,363,210	\$238,865,389	\$245,033,370

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

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$161,673,277	\$170,627,638	\$177,863,686	\$174,525,706	\$181,963,507	\$237,208,328
52,108,715	55,818,803	82,559,994	93,042,965	98,335,999	104,602,157
41,820,506	48,310,008	30,353,275	33,346,775	31,177,254	29,737,510
<u>\$255,602,498</u>	<u>\$274,756,449</u>	<u>\$290,776,955</u>	<u>\$300,915,446</u>	<u>\$311,476,760</u>	<u>\$371,547,995</u>
\$11,030	\$13,604	\$9,385	\$5,166	\$4,226	\$3,584
1,065,524	717,027	1,074,308	1,720,740	1,938,503	2,301,462
<u>\$1,076,554</u>	<u>\$730,631</u>	<u>\$1,083,693</u>	<u>\$1,725,906</u>	<u>\$1,942,729</u>	<u>\$2,305,046</u>
\$161,684,307	\$170,638,668	\$177,873,071	\$174,530,872	\$181,967,733	\$237,211,912
52,108,715	55,818,803	82,559,994	93,042,965	98,335,999	104,602,157
42,886,030	49,375,532	31,427,583	35,067,515	33,115,757	32,038,972
<u>\$256,679,052</u>	<u>\$275,833,003</u>	<u>\$291,860,648</u>	<u>\$302,641,352</u>	<u>\$313,419,489</u>	<u>\$373,853,041</u>

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

Whatcom County

W A S H I N G T O N

Page 1 of 4

	Fiscal Year			
	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	\$23,079,350	\$25,962,056	\$28,158,688	\$27,997,779
Public safety	30,495,277	32,987,070	37,224,359	38,232,242
Utilities	-	-	-	-
Physical environment	4,735,305	6,834,562	5,347,914	6,186,344
Transportation	21,254,817	20,255,214	22,278,320	22,798,444
Natural and economic environment	2,095,684	1,699,968	3,124,810	2,850,280
Social services	9,893,505	10,391,837	11,434,223	12,120,599
Culture and recreation	3,918,909	4,127,397	4,477,382	4,629,266
Interest on long-term debt	586,099	520,685	455,019	386,777
Total governmental activities expenses	96,058,946	102,778,789	112,500,715	115,201,731
Business-type activities:				
Whatcom County Investment Pool	162,519	166,927	121,904	210,241
Whatcom County Ferry System	-	1,853,340	1,878,616	2,122,726
Total business-type activities expense	162,519	2,020,267	2,000,520	2,332,967
Total primary government expenses	\$96,221,465	\$104,799,056	\$114,501,235	\$117,534,698
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$4,087,134	\$4,465,927	\$4,961,311	\$5,053,605
Public safety	6,318,706	5,438,864	4,493,174	4,792,536
Utilities	-	-	-	-
Physical environment	836,399	861,816	872,539	814,710
Transportation	2,386,724	2,086,524	1,927,735	1,783,013
Natural and economic environment	515,901	619,536	727,247	760,265
Social services	2,092,146	2,200,935	2,172,139	2,113,196
Culture and recreation	334,705	357,967	375,583	447,164
Operating grants and contributions	18,765,699	20,823,563	18,649,931	20,863,909
Capital grants and contributions	7,449,734	8,920,486	6,780,293	5,945,726
Total governmental activities program revenues	42,787,148	45,775,618	40,959,952	42,574,124
Business-type activities:				
Charges for services	238,615	1,085,280	1,352,430	1,551,139
Total business-type activities program revenues	238,615	1,085,280	1,352,430	1,551,139
Total primary government program revenues	\$43,025,763	\$46,860,898	\$42,312,382	\$44,125,263
Net (Expense)/Revenue				
Governmental activities	\$(53,271,798)	\$(57,003,171)	\$(71,540,763)	\$(72,627,607)
Business-type activities	76,096	(934,987)	(648,090)	(781,828)
Total primary government net expense	\$(53,195,702)	\$(57,938,158)	\$(72,188,853)	\$(73,409,435)

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

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$28,168,081	\$28,311,133	\$28,299,947	\$28,215,657	\$27,733,347	\$27,929,915
40,222,432	39,655,473	39,647,081	39,547,247	41,025,695	44,827,618
-	-	-	-	728,915	1,065,930
5,837,464	5,879,096	4,906,672	4,858,695	-	-
21,018,834	20,425,894	21,759,103	21,548,292	22,423,554	22,594,861
3,238,483	3,202,356	3,461,965	3,864,716	8,756,169	7,978,742
12,533,782	12,554,614	12,908,382	13,889,613	19,148,787	19,161,487
4,471,334	4,341,404	4,081,926	4,494,034	4,001,986	4,317,013
349,055	338,326	303,440	232,859	175,929	152,606
<u>115,839,465</u>	<u>114,708,296</u>	<u>115,368,516</u>	<u>116,651,113</u>	<u>123,994,382</u>	<u>128,028,172</u>
231,888	237,051	240,334	246,714	255,269	265,862
<u>2,610,124</u>	<u>2,703,673</u>	<u>2,489,181</u>	<u>2,370,448</u>	<u>2,531,174</u>	<u>2,397,874</u>
<u>2,842,012</u>	<u>2,940,724</u>	<u>2,729,515</u>	<u>2,617,162</u>	<u>2,786,443</u>	<u>2,663,736</u>
<u>\$118,681,477</u>	<u>\$117,649,020</u>	<u>\$118,098,031</u>	<u>\$119,268,275</u>	<u>\$126,780,825</u>	<u>\$130,691,908</u>
\$4,943,476	4,864,383	\$5,104,591	\$5,071,916	\$8,016,016	\$7,604,267
4,304,219	4,255,009	3,623,893	4,045,779	8,161,295	10,706,721
-	-	-	-	758,431	-
765,824	780,925	769,494	776,426	-	-
2,898,710	2,821,648	2,687,479	2,671,800	2,434,042	2,315,887
1,046,421	1,166,884	1,049,701	1,254,669	1,182,061	923,215
2,603,941	2,604,947	2,331,138	2,675,550	2,649,232	2,399,275
382,305	334,926	361,225	365,545	364,486	294,734
22,394,421	25,612,409	26,001,375	22,426,812	21,304,942	21,399,828
11,302,265	10,320,164	8,089,478	6,111,570	7,609,133	12,285,684
<u>50,641,582</u>	<u>52,761,295</u>	<u>50,018,374</u>	<u>45,400,067</u>	<u>52,479,638</u>	<u>57,929,611</u>
1,488,534	1,432,710	1,887,527	1,780,726	1,875,383	1,917,273
<u>1,488,534</u>	<u>1,432,710</u>	<u>1,887,527</u>	<u>1,780,726</u>	<u>1,875,383</u>	<u>1,917,273</u>
<u>\$52,130,116</u>	<u>\$54,194,005</u>	<u>\$51,905,901</u>	<u>\$47,180,793</u>	<u>\$54,355,021</u>	<u>\$59,846,884</u>
\$(65,197,883)	\$(61,947,001)	\$(65,350,142)	\$(71,251,046)	\$(71,514,744)	\$(70,098,561)
<u>(1,353,478)</u>	<u>(1,508,014)</u>	<u>(841,988)</u>	<u>(836,436)</u>	<u>(911,060)</u>	<u>(746,463)</u>
<u>\$(66,551,361)</u>	<u>\$(63,455,015)</u>	<u>\$(66,192,130)</u>	<u>\$(72,087,482)</u>	<u>\$(72,425,804)</u>	<u>\$(70,845,024)</u>

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

	Fiscal Year			
	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes	\$39,217,958	\$40,919,106	\$42,763,435	\$44,559,288
Timber taxes	165,567	198,732	278,895	329,173
Retail taxes	14,343,922	19,145,002	20,126,476	21,174,687
Business and occupation taxes	-	-	-	-
Excise taxes	5,363,992	5,266,333	5,181,286	3,744,369
Penalties and interest	2,016,817	1,603,642	1,659,701	1,582,257
Unrestricted investment earnings	3,004,248	4,618,179	5,648,889	4,397,348
Gain/loss on sale of capital assets	1,887,188	1,070,852	406,285	2,041,760
Miscellaneous	1,803,649	1,589,307	1,626,065	1,748,534
Special item-gain on acquired capital asset	-	-	-	-
Transfers	-	(2,153,572)	(409,126)	(945,138)
Total governmental activities	67,803,341	72,257,581	77,281,906	78,632,278
Business-type activities:				
Unrestricted investment earnings	-	-	-	-
Transfers	-	2,153,572	409,126	945,138
Total business-type activities	-	2,153,572	409,126	945,138
Total primary government	\$67,803,341	\$74,411,153	\$77,691,032	\$79,577,416
Change in Net Assets				
Governmental activities	\$14,531,543	\$15,254,410	\$5,741,143	\$6,004,671
Business-type activities	76,096	1,218,585	(238,964)	163,310
Total primary government	\$14,607,639	\$16,472,995	\$5,502,179	\$6,167,981

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

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$46,380,334	\$47,208,461	\$47,891,011	\$48,366,671	\$49,162,835	\$50,107,903
184,659	183,636	354,707	550,876	-	-
22,018,138	22,368,270	22,887,516	24,049,680	25,757,926	26,485,109
-	-	-	-	31,439	31,211
2,773,961	2,466,037	2,612,122	3,202,538	2,888,689	4,126,810
1,519,426	2,362,264	2,498,709	2,088,649	-	-
2,610,935	1,358,391	1,096,735	717,360	(6,966)	911,649
902,804	698,530	1,013,444	1,453,925	708,201	530,863
1,806,786	2,869,262	1,677,984	2,438,487	4,570,601	4,860,753
-	-	-	-	-	44,220,000
<u>(1,148,707)</u>	<u>(1,162,091)</u>	<u>(1,195,050)</u>	<u>(1,025,137)</u>	<u>(1,134,728)</u>	<u>(1,104,502)</u>
<u>77,048,336</u>	<u>78,352,760</u>	<u>78,837,178</u>	<u>81,843,049</u>	<u>81,977,997</u>	<u>130,169,796</u>
-	-	-	-	(7,746)	4,278
<u>1,148,707</u>	<u>1,162,091</u>	<u>1,195,050</u>	<u>1,025,137</u>	<u>1,134,728</u>	<u>1,104,502</u>
<u>1,148,707</u>	<u>1,162,091</u>	<u>1,195,050</u>	<u>1,025,137</u>	<u>1,126,982</u>	<u>1,108,780</u>
<u>\$78,197,043</u>	<u>\$79,514,851</u>	<u>\$80,032,228</u>	<u>\$82,868,186</u>	<u>\$83,104,979</u>	<u>\$131,278,576</u>
\$11,850,453	\$16,405,759	\$13,487,036	\$10,592,003	\$10,463,253	\$60,071,235
(204,771)	(345,923)	353,062	188,701	215,922	362,317
<u>\$11,645,682</u>	<u>\$16,059,836</u>	<u>\$13,840,098</u>	<u>\$10,780,704</u>	<u>\$10,679,175</u>	<u>\$60,433,552</u>

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

	Fiscal Year				
	2005	2006	2007	2008	2009
General Fund					
Reserved	\$1,533,073	\$1,500,388	\$1,578,146	\$496,119	\$1,905,595
Unreserved	22,074,170	21,264,377	13,946,987	10,449,164	5,780,610
Restricted	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	\$23,607,243	\$22,764,765	\$15,525,133	\$10,945,283	\$7,686,205
All Other Governmental Funds					
Reserved	\$4,649,640	\$3,555,539	\$11,536,525	\$7,462,881	\$10,233,116
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	29,301,974	27,435,371	28,828,111	38,144,944	45,552,152
Capital projects funds	14,534,527	18,986,564	16,861,084	19,377,053	17,469,599
Debt service funds	-	-	-	-	-
Total all other governmental funds	\$48,486,141	\$49,977,474	\$57,225,720	\$64,984,878	\$73,254,867

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

Fiscal Year				
2010	2011	2012	2013	2014
\$349,228	\$-	\$-	\$-	\$-
8,839,368	-	-	-	-
-	158,781	536,962	693,229	334,317
-	10,370,694	10,869,965	11,658,731	12,703,184
<u>\$9,188,596</u>	<u>\$10,529,475</u>	<u>\$11,406,927</u>	<u>\$12,351,960</u>	<u>\$13,037,501</u>
\$10,092,405	\$-	\$-	\$-	\$-
-	85,559,994	94,313,965	94,441,322	97,862,280
-	418,449	361,694	5,381,198	7,873,940
-	4,107,225	4,464,983	2,516,944	2,838,698
51,695,565	-	-	-	-
21,780,998	-	-	-	-
-	-	-	-	-
<u>\$83,568,968</u>	<u>\$90,085,668</u>	<u>\$99,140,642</u>	<u>\$102,339,464</u>	<u>\$108,574,918</u>

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

	Fiscal Year				
	2005	2006	2007	2008	2009
Revenues					
Taxes	\$61,728,366	\$67,370,343	\$70,107,234	\$71,604,169	\$73,092,573
Licenses and permits	2,734,130	2,414,757	2,274,537	2,129,723	2,318,034
Intergovernmental	25,326,753	29,274,897	25,185,457	26,676,379	33,569,286
Charges for services	11,344,374	10,868,913	11,024,720	11,014,729	11,719,977
Fines and forfeits	2,242,373	2,341,077	2,215,230	2,472,025	1,996,883
Miscellaneous	4,874,670	6,255,152	7,252,667	6,091,879	3,818,078
Total Revenues	108,250,666	118,525,139	118,059,845	119,988,904	126,514,831
Expenditures					
General government	21,788,506	23,812,063	24,866,182	26,805,883	26,465,479
Public safety	29,133,971	32,082,423	35,688,892	36,746,100	39,325,404
Utilities	-	-	-	-	-
Physical environment	4,690,061	6,800,424	5,316,908	6,159,485	5,886,626
Transportation	15,371,674	14,265,469	15,626,476	16,678,152	15,278,092
Natural and economic environment	2,112,155	1,686,264	3,106,759	2,852,800	3,224,050
Social services	9,758,671	10,317,834	11,392,901	12,019,930	12,433,475
Culture and recreation	3,822,326	4,023,630	4,412,479	4,494,523	4,337,790
Capital outlay	12,328,740	20,223,545	13,466,397	8,241,819	13,503,595
Debt service:					
Principal	1,454,054	1,487,667	1,471,877	1,564,266	1,636,834
Interest	582,938	513,772	443,708	377,370	340,715
Total expenditures	101,043,096	115,213,091	115,792,579	115,940,328	122,432,060
Excess of revenues over (under) expenditures	7,207,570	3,312,048	2,267,266	4,048,576	4,048,576
Other Financing Sources (Uses)					
Proceeds of refunding long-term debt	-	-	-	-	-
Payments to refunded debt escrow agent	-	-	-	-	-
Sales of capital assets	1,887,188	1,070,852	406,285	2,041,760	902,804
Transfers in	6,308,650	13,664,755	14,419,515	13,070,745	19,572,672
Transfers out	(7,651,960)	(17,398,850)	(17,084,402)	(15,991,306)	(19,547,336)
Insurance recoveries	-	-	-	9,533	-
Capital Lease Proceeds	-	-	-	-	-
Proceeds of refunding long-term debt	-	-	-	-	-
Prior period adjustments	-	-	-	-	-
Total other financing sources (uses)	543,878	(2,663,243)	(2,258,602)	(869,268)	928,140
Net change in fund balance	\$7,751,448	\$648,805	\$8,664	\$3,179,308	\$4,976,716
Debt service as a percentage of noncapital expenditures	2.3%	2.1%	1.9%	1.8%	1.8%

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

Fiscal Year				
2010	2011	2012	2013	2014
\$75,212,285	\$77,746,503	\$79,361,709	\$78,837,505	\$81,875,139
2,314,115	2,091,213	2,005,544	2,395,846	2,419,488
35,734,318	33,678,960	28,279,651	28,898,339	33,448,448
11,240,618	10,738,984	11,173,817	17,488,346	18,286,508
2,314,995	2,157,685	2,735,872	2,732,376	2,579,177
3,187,505	2,991,394	3,261,098	4,404,838	5,720,852
<u>130,003,836</u>	<u>129,404,739</u>	<u>126,817,691</u>	<u>134,757,250</u>	<u>144,329,612</u>
26,796,709	26,560,989	26,509,059	26,332,143	26,455,321
39,352,531	38,991,462	39,015,373	40,077,056	43,838,275
-	-	-	627,269	963,733
5,992,306	4,925,995	4,905,619	-	-
14,881,399	15,744,702	16,065,687	16,712,235	16,646,535
3,202,329	3,461,926	3,871,139	8,775,376	7,962,671
12,522,896	12,859,278	13,958,410	19,153,283	19,176,980
4,201,730	4,003,549	4,347,714	3,889,340	4,111,155
13,908,191	13,058,768	7,765,286	21,880,066	18,879,190
4,984,596	1,912,564	945,754	333,600	310,000
343,889	308,415	236,501	188,140	175,969
<u>126,186,576</u>	<u>121,827,648</u>	<u>117,620,542</u>	<u>137,968,508</u>	<u>138,519,829</u>
4,082,771	7,577,091	9,197,149	(3,211,258)	5,809,783
-	-	-	-	-
-	-	-	-	-
698,530	1,013,444	1,453,925	5,142,165	530,863
20,336,343	18,045,344	11,417,019	32,701,080	20,621,047
(20,060,214)	(19,173,253)	(12,394,872)	(30,988,691)	(20,049,538)
31,395	-	-	216,662	-
152,156	24,916	259,205	202,916	8,840
6,299,585	-	-	-	-
-	-	-	80,981	-
<u>7,457,795</u>	<u>(89,549)</u>	<u>735,277</u>	<u>7,355,113</u>	<u>1,111,212</u>
<u>\$11,540,566</u>	<u>\$7,487,542</u>	<u>\$9,932,426</u>	<u>\$4,143,855</u>	<u>\$6,920,995</u>
4.7%	2.0%	1.1%	0.4%	0.4%

Assessed Value of Taxable Property
Last Ten Fiscal Years
Schedule 5

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Public Utilities and Water Craft	Total Assessed Value	Total Direct Tax Rate
2005	\$15,734,157,180	\$504,068,985	\$502,523,649	\$16,740,749,814	3.72
2006	\$19,234,889,670	\$528,565,020	\$515,589,776	\$20,279,044,466	3.43
2007	\$21,046,543,035	\$578,359,690	\$574,762,041	\$22,199,664,766	2.85
2008	\$23,082,183,045	\$638,899,035	\$543,741,467	\$24,264,823,547	2.69
2009	\$23,880,773,485	\$679,638,800	\$517,127,911	\$25,077,540,196	2.56
2010	\$22,505,099,007	\$677,339,019	\$546,628,098	\$23,729,066,124	2.54
2011	\$22,308,236,281	\$662,811,967	\$560,527,534	\$23,531,575,782	2.75
2012	\$22,244,515,577	\$675,219,121	\$564,676,305	\$23,484,411,003	2.81
2013	\$22,331,901,450	\$683,030,216	\$664,524,522	\$23,679,456,188	2.88
2014	\$22,863,130,493	\$702,320,859	\$738,668,611	\$24,304,119,963	2.93

Source: Whatcom County Assessor.



Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)
 Schedule 6

Fiscal Year	Direct Rates				Overlapping Rates				
	General Fund	Special Revenue Funds	Debt Service	Total Direct	School Districts	Fire Districts	Port Districts	Cities & Towns	State of WA
2005	1.430	2.289	0.000	3.718	3.931	1.229	0.383	2.567	3.219
2006	1.293	2.141	0.000	3.433	3.565	1.167	0.383	2.258	2.979
2007	1.119	1.733	0.000	2.852	3.292	1.078	0.342	2.345	2.698
2008	1.061	1.631	0.000	2.692	3.122	1.053	0.325	2.282	2.427
2009	0.991	1.573	0.000	2.564	3.080	1.005	0.306	2.131	2.219
2010	0.995	1.542	0.000	2.537	3.060	1.106	0.296	2.095	2.198
2011	1.086	1.665	0.000	2.751	3.418	1.078	0.297	2.202	2.456
2012	1.110	1.702	0.000	2.812	3.586	1.110	0.289	2.252	2.508
2013	1.128	1.749	0.000	2.877	2.715	1.203	0.286	2.372	2.670
2014	1.138	1.787	0.000	2.925	2.783	0.853	0.289	2.347	2.616

Source: Whatcom County Assessor.

Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
(rate per \$1,000 of assessed value)
 Schedule 6

Overlapping Rates				
Rural Library	Hospital District	Park & Rec District	Water District	Cemetery Districts
0.486	0.180	0.094	0.447	0.085
0.467	0.846	0.091	0.906	0.086
0.374	0.489	0.071	0.806	0.066
0.350	0.538	0.082	0.465	0.060
0.339	0.564	0.070	0.440	0.060
0.440	0.583	0.083	0.431	0.060
0.486	0.543	0.073	0.511	0.070
0.500	0.564	0.084	0.514	0.069
0.500	0.588	0.084	0.000	0.073
0.500	0.595	0.084	0.000	0.072

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

Taxpayer	2014			2005		
	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)	\$756,184,914	1	3.11%	\$595,562,720	1	3.56%
Phillips 66 Company	434,329,020	2	1.79	267,910,935	2	1.60
Puget Sound Energy	433,840,805	3	1.79	164,496,583	3	-
Alumet Corporation (Intalco)	91,298,113	4	0.38	84,993,205	4	0.51
Northwest Pipeline Corporation	52,039,061	5	0.21	-		-
Trans Mountain Pipeline	48,208,630	6	0.20	-		-
Bellis Fair Partners	43,620,592	7	0.18	32,856,940	7	0.20
IKO Pacific INC	38,644,540	8	0.16	19,572,835	10	-
PK II Sunset Square LLC	34,260,531	9	0.14	-		0.00
Cascade Natural Gas Corporation	32,388,010	10	0.13	-		-
Sumas Cogeneration Co., LP	-		-	63,525,805	5	0.38
Tenaska Washington Partners	-		-	58,750,000	6	0.35
Talbot Real Estate LLC	-		-	-		0.00
Pan Pacific Development	-		-	20,891,450	8	0.12
Nationsbanc Mortgage Corp	-		-	19,643,725	9	0.12
Total	<u>\$1,964,814,216</u>		<u>8.08%</u>	<u>\$1,328,204,198</u>		<u>7.93%</u>

Source: Whatcom County Assessor.

Property Tax Levies and Collections
Last Ten Fiscal Years
Schedule 8



Fiscal Year Ended Dec 31	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$39,257,124	\$38,338,843	97.66%	\$1,145,083	\$39,483,926	100.58%
2006	\$40,938,933	\$40,005,937	97.72%	\$941,230	\$40,947,167	100.02%
2007	\$41,982,591	\$40,855,941	97.32%	\$919,109	\$41,775,050	99.51%
2008	\$44,627,279	\$43,683,039	97.88%	\$872,790	\$44,555,829	99.84%
2009	\$46,463,503	\$45,913,252	98.82%	\$705,064	\$46,618,316	100.33%
2010	\$47,153,892	\$45,685,615	96.89%	\$1,172,306	\$46,857,921	99.37%
2011	\$47,847,922	\$46,776,167	97.76%	\$1,608,502	\$48,384,669	101.12%
2012	\$48,443,499	\$47,404,513	97.86%	\$1,049,012	\$48,453,525	100.02%
2013	\$49,323,113	\$48,426,750	98.18%	\$808,809	\$49,235,559	99.82%
2014	\$49,129,805	\$48,287,204	98.28%	\$939,420	\$49,226,624	100.20%

Source: Whatcom County Assessor and Whatcom County Treasurer.

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

Fiscal Year	Governmental Activities			Total Primary Government Total	Percentage of Personal Income Percentage	Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Leases			
2005	\$11,495,000	\$78,013	\$337,571	\$11,910,584	0.25%	\$66
2006	\$10,115,000	\$-	\$394,926	\$10,509,926	0.31%	\$57
2007	\$8,675,000	\$-	\$418,255	\$9,093,255	0.38%	\$48
2008	\$7,145,000	\$-	\$454,846	\$7,599,846	0.47%	\$40
2009	\$5,545,000	\$-	\$302,541	\$5,847,541	0.61%	\$30
2010	\$6,735,000	\$-	\$387,240	\$7,122,240	0.51%	\$36
2011	\$4,865,000	\$-	\$268,374	\$5,133,374	0.74%	\$25
2012	\$3,965,000	\$-	\$384,412	\$4,349,412	0.90%	\$21
2013	\$3,660,000	\$-	\$441,338	\$4,101,338	1.00%	\$20
2014	\$3,350,000	\$-	\$311,275	\$3,661,275	Not Available	\$18

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
2005	\$11,495,000	0.07%	\$64.83
2006	\$10,115,000	0.05%	\$55.95
2007	\$8,675,000	0.04%	\$47.07
2008	\$7,145,000	0.03%	\$37.94
2009	\$5,545,000	0.02%	\$29.03
2010	\$6,735,000	0.03%	\$34.88
2011	\$4,865,000	0.02%	\$24.88
2012	\$3,965,000	0.02%	\$19.32
2013	\$3,660,000	0.02%	\$17.74
2014	\$3,350,000	0.01%	\$16.14

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

^a See Schedule 5 for property value data.
^b Population data can be found in Schedule 14.

Jurisdiction	Gross Debt Outstanding	Percentage Applicable to Whatcom County	Amount Applicable to Whatcom County
Whatcom County	\$3,350,000	100%	\$3,350,000
Total Direct Bonded Debt	\$3,350,000		\$3,350,000
Fire Districts	\$1,195,000	100%	\$1,195,000
Water Districts	\$723,733	100%	\$723,733
School Districts	\$177,506,764	100%	\$177,506,764
Park Districts	\$3,843,279	100%	\$3,843,279
Total Overlapping Bonded Debt	\$183,268,776		\$183,268,776
Total Direct & Overlapping Bonded Debt	\$186,618,776		\$186,618,776

Source: Whatcom County Treasurer.



	Fiscal Year				
	2005	2006	2007	2008	2009
Debt limit	\$251,111,247	\$304,185,667	\$332,994,971	\$363,972,353	\$376,163,103
Total net debt applicable to limit	20,994,212	18,940,844	17,952,035	16,095,405	15,119,442
Legal debt margin	\$230,117,035	\$285,244,823	\$315,042,936	\$347,876,948	\$361,043,661
Total net debt applicable to the limit as a percentage of debt limit	8.36%	6.23%	5.39%	4.42%	4.02%

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				
2010	2011	2012	2013	2014
\$355,935,992	\$352,973,637	\$352,266,165	\$355,191,843	\$364,561,799
16,587,403	15,087,827	14,852,077	13,476,969	14,742,520
<u>\$339,348,589</u>	<u>\$337,885,810</u>	<u>\$337,414,088</u>	<u>\$341,714,874</u>	<u>\$349,819,279</u>
4.66%	4.27%	4.22%	3.79%	4.04%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	24,304,119,963
Debt limit (1.5% of assessed value without a vote)	364,561,799
Debt applicable to limit:	
Outstanding debt	14,744,082
Less: Amounts set aside for repayment of general obligation debt	<u>(1,562)</u>
Total net debt applicable to limit	<u>14,742,520</u>
Legal debt margin	<u>\$349,819,279</u>

Fiscal Year	Special Assessment Bonds				Coverage
	Assessments Collected	Debt Service			
		Principal	Interest		
2005	\$152,306	\$116,469	\$13,225		1.17
2006	\$73,940	\$78,013	\$5,305		0.89
2007	\$7,952	\$-	\$-		-
2008	\$7,123	\$-	\$-		-
2009	\$-	\$-	\$-		-
2010	\$-	\$-	\$-		-
2011	\$7,283	\$-	\$-		-
2012	\$-	\$-	\$-		-
2013	\$-	\$-	\$-		-
2014	\$-	\$-	\$-		-

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2005	180,800	\$5,420,349	\$29,561	35.23	26,605	5.0%
2006	184,300	\$6,163,453	\$32,639	35.36	26,807	4.5%
2007	188,300	\$6,750,225	\$35,004	35.45	26,755	4.2%
2008	191,000	\$7,010,166	\$35,592	35.53	26,787	5.0%
2009	193,100	\$7,111,092	\$35,478	35.65	26,514	8.3%
2010	195,500	\$7,378,285	\$36,596	35.87	26,711	8.8%
2011	202,100	\$7,759,117	\$38,098	36.89	27,161	8.3%
2012	205,262	\$8,029,146	\$39,117	36.97	27,375	7.1%
2013	206,353	\$8,476,121	\$41,076	37.22	27,369	6.2%
2014	207,600	Not Available	Not Available	37.54	26,039	6.4%

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.

Employer	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
St. Joseph Hospital/Madrona	2,672	1	2.81%	1,800	2	1.86%
Western Washington University	1,462	2	1.54%	1,842	1	1.90%
BP (Cherry Point Refinery)	886	3	0.93%	600	10	0.62%
City of Bellingham	814	4	0.86%	808	4	0.83%
Whatcom County	812	5	0.85%	800	6	0.83%
Haggen Inc.	735	6	0.77%	807	5	0.83%
Bellingham School District	731	7	0.77%	1,244	3	1.28%
Lummi Tribal Office	710	8	0.75%	-		0.00%
The Markets LLC	676	9	0.71%	-		0.00%
Aramark	620	10	0.65%	-		0.00%
Ferndale School District	-		-	742	7	0.77%
Alcoa Intalco Works	-		-	689	8	0.71%
Brown & Cole Stores	-		-	620	9	0.64%
Total	10,118		10.64%	9,952		10.27%

Source: WWU Center for Economic and Business Research.

Full-Time Equivalent County Government Employees
by Function/Program
Last Ten Fiscal Years
Schedule 16

Function/ Program	Full-Time Equivalent Employees as of December 31									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administrative Svcs	72.95	77.55	81.75	81.05	78.45	66.85	61.85	61.15	60.55	60.55
Assessor	30.00	30.00	30.00	30.00	30.00	29.00	28.00	28.00	28.00	28.00
Auditor	22.00	22.00	22.00	22.00	21.00	19.00	19.00	19.00	19.00	18.00
County Council	9.50	9.50	10.50	10.50	10.50	9.50	9.50	9.50	9.50	9.50
County Executive	4.50	4.50	4.50	4.50	4.40	4.00	4.00	4.00	3.70	4.70
District Court Prob.	19.00	20.00	19.50	19.50	18.50	15.70	15.70	15.70	14.00	14.00
District Court	18.00	19.00	21.00	21.00	20.00	18.50	18.50	18.50	18.50	18.50
Prosecuting Attorney	52.60	52.60	54.60	54.60	54.60	50.90	50.90	49.90	49.90	49.90
Public Defender	33.50	34.50	36.80	37.80	36.80	32.80	29.80	29.80	28.80	28.80
Superior Court	37.20	41.50	44.50	44.50	43.50	40.20	40.20	40.20	39.20	39.20
Treasurer	16.00	16.00	16.00	16.00	15.00	13.00	13.00	13.00	13.00	13.00
Public Safety										
Jail	88.00	88.50	91.50	91.50	92.50	88.50	86.50	86.50	86.50	86.50
Juvenile Court Admin	45.80	45.80	45.80	46.80	46.80	38.40	38.40	37.40	37.60	37.60
Planning & Dev't Svcs	69.60	72.60	74.60	73.60	67.60	47.00	47.00	45.00	43.00	44.00
Sheriff	101.80	102.20	106.20	108.20	108.70	106.50	108.50	108.50	107.50	107.50
Transportation										
Public Works	155.50	163.70	173.70	176.20	169.70	153.70	155.70	155.70	154.70	154.70
Economic Environment										
Hearing Examiner	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Mental & Physical Health										
Health	80.50	80.70	84.70	90.70	86.70	75.20	73.15	73.15	71.35	71.35
Culture and Recreation										
Cooperative Extension	2.52	2.52	2.52	2.52	2.42	2.52	2.52	2.52	2.52	2.00
Parks & Recreation	33.55	33.55	34.75	34.75	33.75	25.75	23.00	23.00	23.00	23.00
Total	893.52	917.72	955.92	966.72	941.92	838.02	826.22	821.52	811.32	811.80

Source: Whatcom County Administrative Services.

Function/ Program	Fiscal Year			
	2005	2006	2007	2008
General Government				
General Election (1)				
# of Registered Voters	102,819	102,458	102,458	115,314
# of Votes	69,782	55,059	55,059	101,399
% of Reg. Voters Voting	67.9%	53.7%	53.7%	87.9%
Assessor (2)				
Real Property Parcels	108,076	109,013	109,013	109,507
Building Permits Evaluated	5,521	5,821	5,821	4,083
New Single Family Residences	2,487	2,592	2,592	877
Judicial (3)				
District Court Infractions	19,837	21,062	21,062	21,253
Public Safety (4)				
# of Fire Inspections	163	336	336	337
# Sheriffs - Commissioned	78.00	82.00	82.00	84.00
# Sheriffs - Civilian	24.20	24.20	24.20	24.20
Calls for Service	28,477	29,917	29,917	29,499
Average Daily Jail Population	290	262	262	277
Building Department				
Permits Applications	1,748	1,409	1,409	1,142
Mechanical/Plumbing	496	515	515	420
Physical Environment (5)				
Flood Permits Issued	50	32	32	17
Transportation (6)				
Roads Oiled	668.53	667.15	667.15	667.94
Roads Asphalt	235.07	236.11	236.11	237.83
Roads Gravel	35.24	31.74	31.74	30.46
Roads Misc	15.69	16.04	16.04	15.54
Ferry Passengers	231,111	222,604	222,604	216,838
Ferry Vehicle Trips	137,366	129,552	129,552	123,285
Culture and Recreation (7)				
Number of Parks	12	12	12	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.

Fiscal Year					
2009	2010	2011	2012	2013	2014
114,292	116,581	117,162	125,485	127,002	127,300
61,288	86,993	69,147	104,727	69,709	76,123
53.6%	74.6%	59.0%	83.5%	54.9%	59.8%
110,327	111,567	111,107	111,302	111,453	111,744
5,460	3,186	4,622	2,716	3,099	2,405
496	151	210	314	517	421
17,478	19,142	18,206	18,790	16,802	15,226
325	253	180	168	164	159
84.00	85.00	88.00	88.00	85.50	85.50
24.70	20.50	20.50	20.50	22.00	22.00
27,642	27,230	26,632	25,713	26,313	26,218
283	275	261	278	258	371
855	946	739	722	744	756
433	467	461	512	460	547
22	55	91	118	137	127
663.93	663.55	663.24	661.75	661.34	661.07
233.39	233.94	234.09	235.66	234.45	234.10
30.40	30.40	29.55	29.35	29.37	29.27
15.60	15.60	14.59	14.59	14.59	15.04
207,160	197,980	185,801	182,484	171,317	176,798
119,400	110,405	107,164	109,336	106,594	111,590
20	20	17	17	20	20

Function/ Program	Fiscal Year			
	2005	2006	2007	2008
Function				
Public Safety (1)				
Sheriff Patrol Units	87.50	87.50	91.50	93.50
Transportation (1)				
Miles of Road	954.77	954.54	951.04	951.77
Traffic Signals	4	4	4	3
Ferry Vessel	1	1	1	1
Fire Protection (2)				
No. of Districts	17	16	16	16
No. of Paid Firemen	54	58	58	58
No. of Volunteer Firemen	566	529	528	528
Culture and Recreation (3)				
Regional Parks - Number	11	12	12	20
Community Parks - Number	-	-	-	-
Neighbor Parks - Number	-	-	-	-
Parks - Acres	6,636.69	6,820.35	6,894.88	7,030.38
Senior Centers	8*	8*	8*	8*
Public Schools (4)				
Number of Schools				
Elementary	35	35	35	35
Middle	11	11	11	11
High	10	10	10	10
Alternative or Special	10	15	17	16
Education				
Community Colleges	1	1	1	1
Technical	1	1	1	1

**Two Senior Centers are County Owned.*

(1) Source: Whatcom County Public Works.

(2) Source: Whatcom County Small Taxing Districts.

(3) Source: Whatcom County Parks.

(4) Source: Education Service District #189.

Fiscal Year					
2009	2010	2011	2012	2013	2014
93.5	93.5	93.5	93.5	93	93
943.32	943.49	941.47	941.35	939.75	939.48
3	3	3	3	3	4
1	1	1	1	1	1
12	12	11	11	14	14
53	53	45	45	52	70
448	448	396	396	361	335
20	20	17	17	20	20
-	-	-	-	2	4
-	-	-	-	4	4
7,030.38	7,030.38	7,109.00	7,109.00	7,156.00	16,008.00
8*	8*	8*	8*	8*	8*
35	36	37	36	36	34
11	10	11	11	11	11
11	11	11	11	11	12
13	13	14	13	13	11
1	1	1	1	1	1
1	1	1	1	1	1