

## MANAGEMENT'S DISCUSSION & ANALYSIS

### Year Ended December 31, 2009

This discussion and analysis of Whatcom County's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2009. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to the financial statements.

### Financial Highlights

At the end of 2009 on a government-wide financial statement basis, Whatcom County's net assets totaled \$256,679,052. Net assets are calculated by subtracting the liabilities of the County from its total assets. \$42,886,030 of the County's net assets 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.

During 2009, the County's total long-term debt decreased by \$418,330. No new general obligation or special assessment debt was issued during the year. Under Washington State law, the County is authorized to issue approximately \$376 million in non-voted debt. At the end of 2009, the County's outstanding general obligation debt totaled \$6 million.

The unreserved fund balance for the General Fund was \$6 million at the close of 2009 or 8 percent of total General Fund expenditures.

Whatcom County's total net assets increased by \$11,645,682 resulting primarily from an increase in intergovernmental revenue for county road projects and the purchase of capital assets (including the Central Plaza building for \$1.8 million).

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

In the Statement of Net Assets and the Statement of Activities, we separate the County as follows:

- **Governmental activities:** Most of the County's basic services are reported in this category, including general government, public safety, physical environment, transportation, economic environment, mental and physical health, and culture and recreation. Property and sales taxes, user fees, interest income, and state and federal grants finance most of these activities.
- **Business-type activities:** The County charges a fee to customers to cover all or most of the cost of certain services it provides. The Whatcom County Investment Pool and the Ferry System are reported in this category.

**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 Assets and the Statement of Activities) and governmental funds in reconciliation after the fund financial statements.
- **Proprietary funds:** When the County charges customers for the full 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 Assets and the Statement of Activities. In fact, the County's enterprise funds (one type of proprietary fund) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other type of proprietary fund), such as the County's Administrative Services Fund, to report activities that provide supplies and services to the County's other programs and activities.
- **Fiduciary funds:** The County uses these funds to account for resources held for the benefit of parties outside the government. Fiduciary funds include investment trust funds, used to report investment activity conducted

by the County on behalf of legally separate entities, such as special purpose districts that are not part of the County's reporting entity, and agency funds. Since these are not available to support the County's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is similar to that used for proprietary funds.

## Government-Wide Financial Analysis

The following table reflects a condensed Statement of Net Assets.

**Table MDA1 - Net Assets**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$113,479,366	\$109,100,255	\$1,240,751	\$1,456,381	\$114,720,117	\$110,556,636
Capital assets	167,520,818	162,348,085	11,030	14,607	167,531,848	162,362,692
Total assets	<u>281,000,184</u>	<u>271,448,340</u>	<u>1,251,781</u>	<u>1,470,988</u>	<u>282,251,965</u>	<u>272,919,328</u>
Long-term debt	18,948,292	19,366,622	117,587	119,113	19,065,879	19,485,735
Other liabilities	6,449,394	8,329,673	57,640	70,550	6,507,034	8,400,223
Total liabilities	<u>25,397,686</u>	<u>27,696,295</u>	<u>175,227</u>	<u>189,663</u>	<u>25,572,913</u>	<u>27,885,958</u>
Net assets:						
Invested in capital, net of debt	161,673,277	154,711,058	11,030	-	161,684,307	154,711,058
Restricted	52,108,715	48,763,237	-	-	52,108,715	48,763,237
Unrestricted	41,820,506	40,277,750	1,065,524	1,281,325	42,886,030	41,559,075
Total net assets	<u>\$255,602,498</u>	<u>\$243,752,045</u>	<u>\$1,076,554</u>	<u>\$1,281,325</u>	<u>\$256,679,052</u>	<u>\$245,033,370</u>

*For more detailed information see page 21 of the Statement of Net Assets.*

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Whatcom County's assets exceeded liabilities by \$256,679,052 at the close of the most recent fiscal year. The largest portion of Whatcom County's net assets (63 percent) reflects its investment in capital assets (e.g., land, buildings, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. 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.

An additional portion of Whatcom County's net assets (20 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$42,886,030) may be used to meet the government's ongoing obligations to citizens and creditors.

For 2009, invested in capital assets, net of debt increased net assets by \$7.0 million. Whatcom County spent \$1.8 million to purchase the Central Plaza building, \$8.4 million on infrastructure and \$3.0 million on vehicles and road maintenance equipment.

Restricted net assets increased \$3.3 million. For 2009, \$1.5 million of interest income was allocated from the General Fund to the following restricted funds: Convention Center, Conservation Futures, Real Estate Excise Tax I, Real Estate Excise Tax II. Public Utilities Improvement Fund increased net assets by \$2.1 million. This fund is established to accumulate resources for capital improvements. Restricted net assets increased \$2.2 million due to the implementation of the new chemical dependency/mental health sales tax and \$683,948 for the special assessment tax for the new Birch Bay Sub-Zone. Hannegan/Pole road and Yew Street road construction projects that were financed from Real Estate Excise Tax II Fund decreased restricted net assets by \$1.5 million and \$1.7 million, respectively.

Unrestricted net assets increased \$1.3 million. The Road Fund increased unrestricted net assets by \$4.9 million due to an increase in intergovernmental revenue for county road construction projects. The Yew Street Road Construction Fund was created in 2009 and increased unrestricted net assets by \$1.3 million. Unrestricted net assets were reduced \$3.3 million and \$1.4 million as a result of a decrease in fund balance of the General Fund and the LEOFF I Healthcare Fund. The County Council as part of a plan to maintain critical county services transferred \$1.2 million back to the General Fund from the LEOFF I Healthcare Fund.

The table on the following page reflects a condensed Statement of Changes in Net Assets.

**Table MDA2 - Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenue:						
Charges for services	\$16,944,896	\$15,764,489	\$1,488,534	\$1,551,139	\$18,433,430	\$17,315,628
Operating grants & contributions	22,394,421	20,863,909	-	-	22,394,421	20,863,909
Capital grants & contributions	11,302,265	5,945,726	-	-	11,302,265	5,945,726
General revenue:						
Property taxes	46,380,334	44,559,288	-	-	46,380,334	44,559,288
Timber taxes	184,659	329,173	-	-	184,659	329,173
Retail taxes	22,018,138	21,174,687	-	-	22,018,138	21,174,687
Excise taxes	2,773,961	3,744,369	-	-	2,773,961	3,744,369
Penalties and interest	1,519,426	1,582,257	-	-	1,519,426	1,582,257
Other	5,320,525	8,187,642	-	-	5,320,525	8,187,642
<b>Total revenues</b>	<b>128,838,625</b>	<b>122,151,540</b>	<b>1,488,534</b>	<b>1,551,139</b>	<b>130,327,159</b>	<b>123,702,679</b>
Expenses						
General government	28,168,081	27,997,779	-	-	28,168,081	27,997,779
Public safety	40,222,432	38,232,242	-	-	40,222,432	38,232,242
Physical environment	5,837,464	6,186,344	-	-	5,837,464	6,186,344
Transportation	21,018,834	22,798,444	-	-	21,018,834	22,798,444
Economic environment	3,238,483	2,850,280	-	-	3,238,483	2,850,280
Mental and physical health	12,533,782	12,120,599	-	-	12,533,782	12,120,599
Culture and recreation	4,471,334	4,629,266	-	-	4,471,334	4,629,266
Interest on long-term debt	349,055	386,777	-	-	349,055	386,777
Whatcom Co. Investment Pool	-	-	231,888	210,241	231,888	210,241
Ferry System	-	-	2,610,124	2,122,726	2,610,124	2,122,726
<b>Total expenses</b>	<b>115,839,465</b>	<b>115,201,731</b>	<b>2,842,012</b>	<b>2,332,967</b>	<b>118,681,477</b>	<b>117,534,698</b>
Change in net assets before transfers	12,999,160	6,949,809	(1,353,478)	(781,828)	11,645,682	6,167,981
Transfers	(1,148,707)	(945,138)	1,148,707	945,138	-	-
Change in net assets	11,850,453	6,004,671	(204,771)	163,310	11,645,682	6,167,981
Net assets-beginning	243,752,045	237,747,374	1,281,325	1,118,015	245,033,370	238,865,389
Net assets-ending	<u>\$255,602,498</u>	<u>\$243,752,045</u>	<u>\$1,076,554</u>	<u>\$1,281,325</u>	<u>\$256,679,052</u>	<u>\$245,033,370</u>

For more detailed information see page 22 of the Statement of Activities.

Governmental activities increased Whatcom County's net assets by \$11,850,453, thereby accounting for 102 percent of the growth in the net assets of Whatcom County.

- Property tax revenue is \$1.8 million greater than last year, due to new construction added to the tax roll. Sales tax revenue is up \$843,451. Excise taxes are down \$970,408 from 2008 as a result of Real Estate Excise Tax revenue decreasing because of the decline in volume of real estate transactions.
- Interest income is \$1.8 million less than 2008 due to lower investment interest rates.
- Operating grants and contributions increased \$1.5 million or (7 percent) during 2009. Homeless housing grants increased \$499,352 and Emergency Management grants from the Department of Homeland Security increased \$693,313 over 2008.
- Capital grants and contributions are \$5.4 million or 90 percent, greater than 2008. Revenue received for the Hampton/Mormon Ditch and the Mosquito Lake bridge replacement construction projects account for most of this increase.
- Charges for services increased \$1.2 million. The new Birch Bay Sub-Zone's special assessments contributed \$682,924 to this increase.

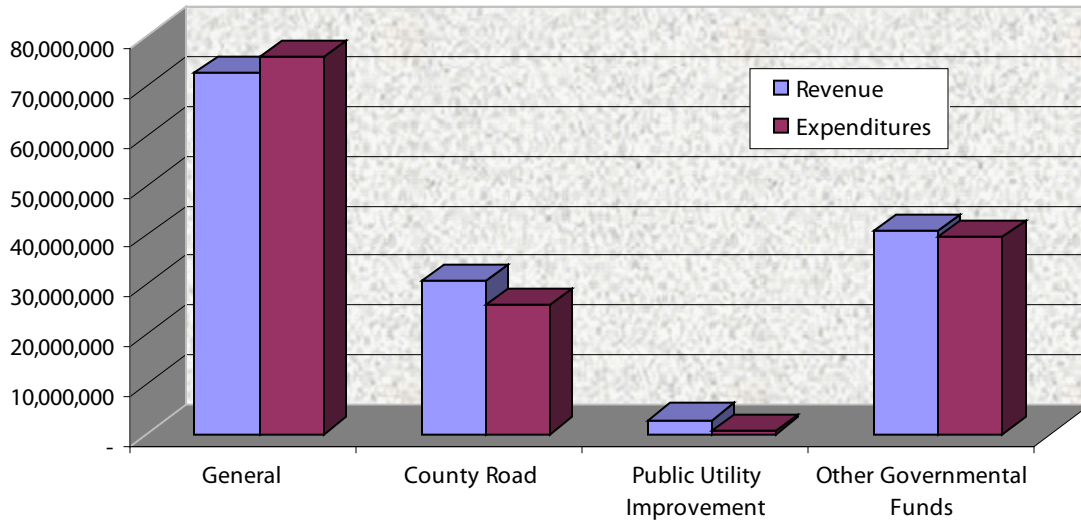
## Financial Analysis of the County's Funds

**Governmental Funds.** The General Fund, County Road Fund, and Public Utilities Improvement Fund are the County's major funds. Together these three funds account for 49 percent of total governmental fund assets and 45 percent of total governmental fund balance.

As of December 31, 2009, the County's governmental funds reported combined fund balances of \$81 million. Of the total amount, nearly \$67 million or 83 percent is unreserved and available for spending within designated funds. Reserved fund balance of \$14 million is not available for new spending because it has already been committed to encumbrances, long-term loans, and debt service.

The chart below compares revenues and expenditures for the major governmental funds and all other governmental funds combined for 2009.

**Table MDA3 - Governmental Fund Revenues and Expenditures**



In the General Fund, the budgeted decrease in fund balance was \$5,904,257. The actual decrease in fund balance was \$3.3 million. Since the current economic recession has resulted in reduced revenue to the County, the administration has taken action and transferred \$2.4 million in one-time resources from other funds into the General Fund. The administration has also reduced expenditures in response to declining revenues. For 2009, the County continues to have a hiring freeze, has implemented a furlough program and is downsizing its workforce through attrition.

The fund balance of the Road Fund increased \$4.9 million. For 2009, intergovernmental revenue for county road construction projects is up \$5.4 million from 2008 and revenue from state timber sales is down \$582,932 from 2008.

In 2009, the fund balance for the Public Utilities Improvement Fund increased \$2.1 million. Rural county sales taxes exceeded expenditures for capital projects.

## 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, 2009.

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

General Fund	Original Budget	Amended Budget	Actual
<b>Revenues:</b>			
Taxes	\$39,418,052	\$39,418,052	\$38,114,068
Intergovernmental	14,722,239	16,099,396	15,398,586
Other	16,871,317	16,967,223	12,675,096
<b>Total revenues</b>	<b>71,011,608</b>	<b>72,484,671</b>	<b>66,187,750</b>
<b>Expenditures:</b>			
Expenditures	74,501,707	78,833,065	69,224,786
Other financing sources (uses)	(128,753)	444,137	(222,042)
<b>Total expenditures</b>	<b>74,630,460</b>	<b>78,388,928</b>	<b>69,446,828</b>
<b>Change to fund balance</b>	<b>\$(3,618,852)</b>	<b>\$(5,904,257)</b>	<b>\$(3,259,078)</b>

*For more detailed information see page 69 for the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual*

**Tax Revenues.** Tax revenues are less than budgeted amounts by \$1.3 million. Property tax collections for 2009 totaled \$24,452,461 and are \$166,568 less than budgeted amounts. Sales tax is less than budgeted revenue by \$973,076 due to less retail sales and construction activity.

**Intergovernmental Revenues.** The budget for intergovernmental revenues was increased \$1.4 million for grant awards that were received during the year. Actual intergovernmental revenue received is 96 percent of budgeted revenue. Federal payments in lieu of taxes are greater than budgeted amounts and federal and state grant revenue received is less than budgeted amounts. Total intergovernmental revenue is \$756,749 greater than 2008.

**Other.** Other revenues are \$4.3 million less than budgeted amounts. Interest earnings totaled \$425,176 and are \$2.9 million less than budgeted revenue. This is a result of declining interest rates and the allocation of \$1.7 million of interest earning to other funds. For 2009, development related revenue is below budget. Building permit and fee review revenues are below budget by \$320,606 and \$206,468, respectively.

**Expenditures.** Overall expenditures for the General Fund are 88 percent of the approved budget at year-end. Continuing appropriations will carry over \$1.8 million of spending authority into 2010 to complete contract obligations that span fiscal reporting periods.

## Capital Assets

The County's capital assets for its governmental activities as of December 31, 2009, totaled \$168 million (net of accumulated depreciation). This includes land, buildings, improvements, machinery and equipment, and infrastructure.

New investment in capital assets for 2009 was \$14.2 million. Depreciation expense in 2009 totaled \$9.0 million, resulting in \$5.2 million increase in net assets.

The County invested \$8.4 million in infrastructure, which includes roads, bridges and road-related improvements.

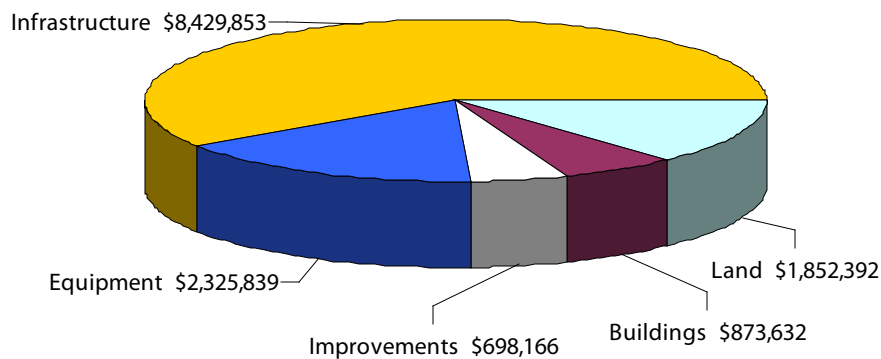
Whatcom County purchased the Central Plaza building for \$1.8 million. Other land purchases included \$311,153 for conservation easements and \$579,478 for road right of way. Improvements totaled \$638,407, of which \$422,346 was spent on improvements to County parks. The County's investment in new equipment, including vehicles and road maintenance equipment, increased capital assets by \$2.3 million.

**Table MDA5 - Capital Assets**

	Governmental Activities	
	2009	2008
Land	\$35,589,340	\$33,736,948
Buildings	44,945,010	45,195,493
Improvements	2,459,217	1,900,376
Equipment	10,922,006	10,430,449
Infrastructure	73,605,248	71,084,819
<b>Totals</b>	<b>\$167,520,821</b>	<b>\$162,348,085</b>

*For more detailed information see page 47 for Capital Asset Activity.*

**Table MDA6 - Change in Capital Assets**



## Debt Administration

At year-end, the County had \$18,948,292 in outstanding debt compared to \$19,366,622 last year. That is a decrease of \$418,330.

**Table MDA7 - Outstanding Debt**

	Governmental Activities	
	2009	2008
General Obligation Bonds	\$5,571,882	\$7,182,181
Capital Leases	302,541	454,846
Estimated Self-Insurance Claims	4,320,149	4,245,560
Other Postemployment Benefits Payable	1,158,357	813,759
Compensated Absences	7,180,897	6,218,976
Other Long-term Liabilities	414,466	451,300
	\$18,948,292	\$19,366,622

*For more detailed information see page 61 for Changes in Long-Term Debt.*

## Economic Factors and Next Year's Budgets and Rates

The local economy of Whatcom County is suffering from the effects of the global recession. Retail sales have consistently grown over recent years, averaging approximately 7.4 percent annual growth, however retail sales for the County are down for 2008 and 2009, 2.4 percent and 9.5 percent, respectively. Unemployment in Whatcom County grew from 7.4 percent in January 2009 to 8.3 percent in December 2009. The population of Whatcom County has grown at an average rate of 1.66 percent during the past five years. Per capita income of Whatcom County had been growing in recent years at approximately 6.5 percent; however, in 2008 per capita income only increased 1.7 percent. Whatcom County is a very desirable place to live. This is reflected in the assessed valuations of property, which grew at an average rate of approximately 9 percent in 2009.

## 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
<b>Assets</b>			
Cash and cash equivalents	\$96,502,148	\$664,585	\$97,166,733
Cash with fiscal agent	16,057	-	16,057
Investments	129,611	-	129,611
Receivables, net	2,416,652	646,824	3,063,476
Receivables-Court, net	1,076,563	-	1,076,563
Due from other governments	11,278,981	-	11,278,981
Internal balances	70,658	(70,658)	-
Inventories	1,988,696	-	1,988,696
Capital assets:			
Non-depreciable	35,589,340	-	35,589,340
Depreciable, net	131,931,478	11,030	131,942,508
<b>Total assets</b>	<b>281,000,184</b>	<b>1,251,781</b>	<b>282,251,965</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses	4,394,197	54,206	4,448,403
Due to other governments	408,822	3,434	412,256
Unearned revenue	1,646,375	-	1,646,375
Noncurrent liabilities (Note 8):			
Due within one year	12,027,221	117,587	12,144,808
Due in more than one year	6,921,071	-	6,921,071
<b>Total liabilities</b>	<b>25,397,686</b>	<b>175,227</b>	<b>25,572,913</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	161,673,277	11,030	161,684,307
Restricted for:			
General government	1,081,051	-	1,081,051
Public safety	8,328,769	-	8,328,769
Physical environment	10,302,469	-	10,302,469
Transportation	395,390	-	395,390
Economic environment	4,789,299	-	4,789,299
Mental and physical health	2,190,467	-	2,190,467
Culture and recreation	894,482	-	894,482
Debt service	150,944	-	150,944
Capital projects	23,975,844	-	23,975,844
Unrestricted (deficit)	41,820,506	1,065,524	42,886,030
<b>Total net assets</b>	<b>\$255,602,498</b>	<b>\$1,076,554</b>	<b>\$256,679,052</b>

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

Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets - Primary Government		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
<b>Functions/Programs</b>						
<b>Primary government:</b>						
Governmental activities:						
General government	\$28,168,081	\$4,943,476	\$7,408,320	\$-	\$(15,816,285)	\$- \$(15,816,285)
Public safety	40,222,432	4,304,219	4,915,691	-	(31,002,522)	- (31,002,522)
Physical environment	5,837,464	765,824	1,189,220	-	(3,882,420)	- (3,882,420)
Transportation	21,018,834	2,898,710	-	11,302,265	(6,817,859)	- (6,817,859)
Economic environment	3,238,483	1,046,421	1,115,670	-	(1,076,392)	- (1,076,392)
Mental and physical health	12,533,782	2,603,941	7,715,849	-	(2,213,992)	- (2,213,992)
Culture and recreation	4,471,334	382,305	49,671	-	(4,039,358)	- (4,039,358)
Interest on long-term debt	349,055	-	-	-	(349,055)	- (349,055)
<b>Total government activities</b>	<b>115,839,465</b>	<b>16,944,896</b>	<b>22,394,421</b>	<b>11,302,265</b>	<b>(65,197,883)</b>	<b>- (65,197,883)</b>
Business-type activities:						
Whatcom Co Investment Pool	231,888	228,638	-	-	(3,250)	(3,250)
Ferry System	2,610,124	1,259,896	-	-	(1,350,228)	(1,350,228)
<b>Total business-type activities</b>	<b>2,842,012</b>	<b>1,488,534</b>	<b>-</b>	<b>-</b>	<b>(1,353,478)</b>	<b>(1,353,478)</b>
<b>Total primary government</b>	<b>\$118,681,477</b>	<b>\$18,433,430</b>	<b>\$22,394,421</b>	<b>\$11,302,265</b>	<b>(65,197,883)</b>	<b>(1,353,478)</b>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property taxes				46,380,334	-	46,380,334
Timber taxes				184,659	-	184,659
Retail taxes				22,018,138	-	22,018,138
Excise taxes				2,773,961	-	2,773,961
Penalties and interest				1,519,426	-	1,519,426
Unrestricted investment earnings				2,610,935	-	2,610,935
Gain/loss on sale of capital assets				902,804	-	902,804
Miscellaneous				1,806,786	-	1,806,786
Transfers				(1,148,707)	1,148,707	-
<b>Total general revenues &amp; transfers</b>				<b>77,048,336</b>	<b>1,148,707</b>	<b>78,197,043</b>
Change in net assets				11,850,453	(204,771)	11,645,682
Net assets-beginning				243,752,045	1,281,325	245,033,370
<b>Net assets-ending</b>				<b>\$255,602,498</b>	<b>\$1,076,554</b>	<b>\$256,679,052</b>

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

	General	County Road	Public Utilities Improvement	Other Govt'l Funds	Total Govt'l Funds
<b>Assets</b>					
Cash and cash equivalents	\$10,335,471	\$13,778,753	\$9,416,489	\$43,203,989	\$76,734,702
Deposits with fiscal agent	16,057	-	-	-	16,057
Investments at cost	-	-	-	129,611	129,611
Taxes receivable, net	1,035,185	800,910	-	220,027	2,056,122
Accounts receivable, net	324,084	27,077	-	219,009	570,170
Accounts receivable-Court, net	897,186	-	-	179,377	1,076,563
Special assessments, net	-	-	-	106,506	106,506
Interest receivable, net	165,734	-	-	195	165,929
Notes receivable, net	3,958	-	-	83,735	87,693
Due from other funds	896,192	21,477	-	1,590,756	2,508,425
Due from other governments	2,405,684	2,320,830	4,339,047	2,087,659	11,153,220
Employee advances	2,780	2,829	-	21	5,630
Prepayments	6,917	-	-	41,400	48,317
<b>Total assets</b>	<b>\$16,089,248</b>	<b>\$16,951,876</b>	<b>\$13,755,536</b>	<b>\$47,862,285</b>	<b>\$94,658,945</b>
<b>Liabilities and fund balance</b>					
<b>Liabilities</b>					
Accounts payable	\$1,363,162	\$405,403	\$36,300	\$1,510,335	\$3,315,200
Due to other funds	2,208,541	636,680	-	1,009,948	3,855,169
Interfund loans payable	2,050,000	-	-	-	2,050,000
Revenue collected in advance	-	2,046	-	51	2,097
Due to other governments	337,029	28,856	231	25,770	391,886
Other accrued liabilities	91,635	92,117	-	-	183,752
Custodial accounts	-	-	-	33,504	33,504
Other current liabilities	-	67,749	-	-	67,749
Deferred revenue	2,310,035	827,582	-	599,044	3,736,661
Deferred credits	42,641	39,214	-	-	81,855
<b>Total liabilities</b>	<b>8,403,043</b>	<b>2,099,647</b>	<b>36,531</b>	<b>3,178,652</b>	<b>13,717,873</b>
<b>Fund balances</b>					
Reserved for:					
Encumbrances	1,790,389	799,139	299,361	4,574,198	7,463,087
Boating reserve	115,206	-	-	-	115,206
Noncurrent loans	-	-	4,339,006	-	6,289,006
Debt service	-	-	-	221,412	221,412
Unreserved	5,780,610	14,053,090	9,080,638	-	26,964,338
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	31,499,062	31,499,062
Capital projects funds	-	-	-	8,388,961	8,388,961
<b>Total fund balance</b>	<b>7,686,205</b>	<b>14,852,229</b>	<b>13,719,005</b>	<b>44,683,633</b>	<b>80,941,072</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$16,089,248</b>	<b>\$16,951,876</b>	<b>\$13,755,536</b>	<b>\$47,862,285</b>	<b>\$94,658,945</b>

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

Reconciliation of the Governmental Funds  
Balance Sheet  
to the Statement of Net Assets  
December 31, 2009

Fund balance - total governmental funds	\$80,941,072
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	155,774,887
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.	30,484,004
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,139,786
Liabilities, including \$5,986,347 of bonds/loans payable, \$6,592,547 of compensated absences and \$1,158,357 of other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	<u>(13,737,251)</u>
Net assets of governmental activities	<u><u>\$255,602,498</u></u>

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

Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Governmental Funds  
Year Ended December 31, 2009

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

	General	County Road	Public Utilities Improvement	Other Gov't Funds	Total Gov't Funds
<b>Revenues</b>					
Taxes	\$38,114,068	\$15,925,347	\$2,771,621	\$16,281,537	\$73,092,573
Licenses and permits	2,193,021	125,013	-	-	2,318,034
Intergovernmental	15,398,586	11,302,265	-	6,868,435	33,569,286
Charges for service	6,826,350	1,290,180	-	3,603,447	11,719,977
Fines and forfeits	1,810,481	-	-	186,402	1,996,883
Miscellaneous	1,845,244	73,708	68,369	1,830,757	3,818,078
<b>Total revenues</b>	<b>66,187,750</b>	<b>28,716,513</b>	<b>2,839,990</b>	<b>28,770,578</b>	<b>126,514,831</b>
<b>Expenditures</b>					
Current:					
General government	24,679,585	519,205	45,000	1,221,689	26,465,479
Public safety	24,044,037	-	-	15,281,367	39,325,404
Physical environment	576,371	-	-	5,310,255	5,886,626
Transportation	-	15,248,985	-	29,107	15,278,092
Economic environment	1,320,669	-	-	1,903,381	3,224,050
Mental and physical health	12,011,925	-	-	421,550	12,433,475
Culture and recreation	3,848,923	-	-	488,867	4,337,790
Capital outlay	2,684,806	8,860,462	213,917	1,744,410	13,503,595
Debt service:					
Principal	36,834	-	-	1,600,000	1,636,834
Interest	21,636	-	-	319,079	340,715
<b>Total expenditures</b>	<b>69,224,786</b>	<b>24,628,652</b>	<b>258,917</b>	<b>28,319,705</b>	<b>122,432,060</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,037,036)</b>	<b>4,087,861</b>	<b>2,581,073</b>	<b>450,873</b>	<b>4,082,771</b>
<b>Other financing sources (uses)</b>					
Sales of capital assets	370,234	451,492	-	81,078	902,804
Transfers in	6,016,364	1,701,413	-	11,854,895	19,572,672
Transfers out	(6,608,640)	(1,329,520)	(450,000)	(11,159,176)	(19,547,336)
<b>Total other financing sources (uses)</b>	<b>(222,042)</b>	<b>823,385</b>	<b>(450,000)</b>	<b>776,797</b>	<b>928,140</b>
<b>Net change in fund balances</b>	<b>(3,259,078)</b>	<b>4,911,246</b>	<b>2,131,073</b>	<b>1,227,670</b>	<b>5,010,911</b>
Fund balance as of January 1	10,945,283	9,940,983	11,587,932	43,455,963	75,930,161
<b>Fund balance as of December 31</b>	<b>\$7,686,205</b>	<b>\$14,852,229</b>	<b>\$13,719,005</b>	<b>\$44,683,633</b>	<b>\$80,941,072</b>

*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, 2009



Net change in fund balances-total governmental funds	\$5,010,911
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$12,900,642) exceeded depreciation expense (\$7,736,448) in the current period.</p>	
	5,164,194
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.</p>	
	603,766
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	679,535
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
	(1,244,787)
<p>Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	
	1,636,834
Change in net assets of governmental activities	\$11,850,453

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

Statement of Net Assets  
Proprietary Funds  
December 31, 2009

# Whatcom County

W A S H I N G T O N

	Enterprise Funds	Internal Service Funds
<b>Assets</b>		
Current assets		
Cash & cash equivalents	\$664,585	\$19,767,446
Deposits with fiscal agent	-	1,000
Accounts receivable, net	-	153,517
Due from other funds	646,824	783,812
Due from other governments	-	125,761
Interfund loan receivable	-	100,000
Inventory	-	1,988,696
<b>Total current assets</b>	<b>1,311,409</b>	<b>22,920,232</b>
Noncurrent assets		
Interfund loan-long-term	-	1,950,000
Land	-	750,381
Building & structures, net	-	1,392,836
Capital leases, net	-	308,690
Other improvements, net	-	233,390
Machinery & equipment, net	11,030	9,060,634
<b>Total noncurrent assets</b>	<b>11,030</b>	<b>13,695,931</b>
<b>Total assets</b>	<b>1,322,439</b>	<b>36,616,163</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	47,853	689,351
Claims cost payable	-	4,293,411
Due to other funds	6,353	77,540
Due to other governments	3,434	16,936
Compensated absences	117,587	588,350
Other accrued liabilities	-	523
Unearned revenue	-	99,000
<b>Total current liabilities</b>	<b>175,227</b>	<b>5,765,111</b>
Noncurrent liabilities		
Other noncurrent liabilities	-	349,445
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>349,445</b>
<b>Total liabilities</b>	<b>175,227</b>	<b>6,114,556</b>
<b>Net assets</b>		
Net assets, invested in capital assets	11,030	11,688,858
Unrestricted	1,136,182	18,812,749
<b>Total net assets</b>	<b>1,147,212</b>	<b>\$30,501,607</b>
Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.	(70,658)	
<b>Net assets of business-type activities</b>	<b>\$1,076,554</b>	

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

Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
Year Ended December 31, 2009

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

	Enterprise Funds	Internal Service Funds
<b>Operating revenues</b>		
Intergovernmental	\$97,655	\$116,767
Charges for service	1,145,977	11,751,400
Rents and parking	-	6,289,361
Fines & foreits	-	2,295
Insurance premiums	-	8,609,289
Other miscellaneous revenues	244,902	50,235
<b>Total operating revenues</b>	1,488,534	26,819,347
<b>Operating expenses</b>		
General operations	2,547,159	22,754,562
General administration	221,352	669,690
Depreciation	3,577	2,142,982
<b>Total operating expenses</b>	2,772,088	25,567,234
<b>Operating income (loss)</b>	(1,283,554)	1,252,113
<b>Non-operating revenues (expenses)</b>		
Gain (loss) on sale of capital assets	-	72,822
Interest revenue	-	541,437
Interest expense	-	(18,639)
<b>Total non-operating revenues (expenses)</b>	-	595,620
<b>Income (loss) before contributions and transfers</b>	(1,283,554)	1,847,733
Transfers in	1,152,957	690,642
Transfers out	(4,250)	(1,864,685)
<b>Changes in net assets</b>	(134,847)	673,690
<b>Total net assets-beginning</b>		29,827,917
<b>Total net assets-ending</b>		\$30,501,607
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.		
	(69,924)	
<b>Change in net assets of business-type activities</b>	\$(204,771)	

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

	Enterprise Funds	Internal Service Funds
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$1,404,026	\$24,838,976
Cash payments for goods and services	(1,608,750)	(18,166,055)
Cash payments to employees	(1,174,197)	(6,591,762)
<b>Net cash provided by operating activities</b>	(1,378,921)	81,159
<b>Cash flows from non-capital financing activities:</b>		
Transfers in	1,152,957	690,642
Transfers out	(4,250)	(1,864,685)
<b>Net cash provided by non-capital financing activities</b>	1,148,707	(1,174,043)
<b>Cash flows from capital financing activities:</b>		
Interest paid on lease purchase	-	(18,639)
Proceeds from sale of assets	-	145,384
Payments for capital assets	-	(2,376,386)
<b>Net cash used by capital financing activities</b>	-	(2,249,641)
Net increase (decrease) in cash and cash equivalents	(230,214)	(3,342,525)
Balances - beginning of the year	894,799	23,109,971
Balances - end of the year	\$664,585	\$19,767,446
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$(1,283,554)	\$1,252,113
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation expense	3,577	2,142,982
Change in assets and liabilities:		
Receivables, net	(84,508)	(1,980,372)
Inventories	-	(682,302)
Accounts and other payables	(12,909)	(573,260)
Accrued expenses	(1,527)	(78,002)
<b>Net cash provided by operating activities</b>	\$(1,378,921)	\$81,159

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

	Investment Trust Fund	Agency Funds
<b>Assets</b>		
Cash & cash equivalents	\$-	\$14,877,861
Assets held in trust-external investment pool	-	113,033,604
Investments at cost	113,033,604	-
Accounts receivable (net)	-	622
	-	622
<b>Total assets</b>	\$113,033,604	\$127,912,087
<b>Liabilities</b>		
Warrants payable	\$-	\$8,622,924
Accounts payable	-	377,426
Other accrued liabilities	-	72,751
Revenue collected in advance	-	117,705
Custodial accounts	-	118,721,281
	-	118,721,281
<b>Total liabilities</b>	-	\$127,912,087
<b>Net Assets</b>		
Held in trust for pool participants	\$113,033,604	

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

Statement of Changes in Fiduciary Net Assets  
 Fiduciary Funds  
 Year Ended December 31, 2009

	Investment Trust Fund
<b>Additions</b>	
Contributions	\$145,340,888
Net investment earnings (losses)	
Interest	2,925,089
<b>Total additions</b>	148,265,977
<b>Deductions</b>	
Distributions	152,621,688
Change in net assets	(4,355,711)
Net assets - January 1, 2009	117,389,315
Net assets - December 31, 2009	\$113,033,604

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



## NOTES TO THE FINANCIAL STATEMENTS

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### A. REPORTING ENTITY

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

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

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

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

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

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The County Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. 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 Assets. The Statement of Activities presents changes in net assets 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 Assets 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 assets and changes in net assets 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.

**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 Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, 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, Whatcom County Supplemental Retirement 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 Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

The County has elected not to apply to its enterprise funds FASB Statements and interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

## **FIDUCIARY FUND FINANCIAL STATEMENTS**

Fiduciary Fund Financial Statements include a Statement of Net Assets and a Statement of Changes in Net Assets (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, Park ORV, CERB, Emergency Contingency, Drug Task Force, Imminent Threat Grant, Emergency Communications and Sumas Sub-Flood Control Zone District; debt service funds: 1977 Fair General Obligation Bond, 1978 Ltd. Tax General Obligation Bond, 1981 Ltd. Tax General Obligation Bond, 1982 Ltd. Tax General Obligation Bond, 1983 Ltd. Tax General Obligation Bond, CRID No. 4 General Debt, CRID No. 5 General Debt, LRID No. 10 General Debt, 1991 Ltd. Tax General Obligation Bond, and 1993 Ltd. Tax General Obligation Bond; and capital project funds: 1983 Sewer Construction, Courthouse Expansion Construction, Road Improvement District No. 10 Construction and Civic Center Building Improvement, which are not budgeted. For governmental funds, there are no differences between the budgetary basis and generally accepted accounting principles.

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

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

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

**Amending the Budget:** The County Executive is authorized to approve transfers between accounts and between departments in the General Fund. However, any revisions that alter total expenditures of a fund or that affect the number of authorized employee positions must be approved by the County Council.

When the County Council determines that it is in the best interest of the county to increase or decrease the appropriations for a particular fund or department, it may do so by ordinance approved by a simple majority.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by legally authorized supplemental appropriations.

**D. ASSETS, LIABILITIES AND EQUITIES**

**Cash and Cash Equivalents:** Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The County follows the practice of pooling cash and investments of all funds held by the County Treasurer, except when otherwise requested, in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Balances in cash and pooled investments are available on a demand basis to each fund. Earnings on cash and cash equivalents accrue to the county's General Fund, with the exception of the Veterans' Relief Fund, Whatcom County Trial Court Improvement Fund, Drug Fund, Ferry System Fund, Chemical Dependency/Mental Health Fund, Countywide Emergency Medical Services Fund, Flood Control Zone District Fund, the Sub-Zone Funds, Whatcom County Jail Fund, Real Estate Excise Tax I Fund, Real Estate Excise Tax II Fund, Convention Center Fund, and Conservation Futures Fund. Investments are shown on the balance sheet at cost, net of amortized premium or discount.

**Temporary Investments:** See Note 3.

**Receivables:** Taxes receivable consist of property taxes due as of December 31 (See Note 4). Accrued interest receivable consists of amounts earned on investments, notes and contracts at the end of the year.

Accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared.

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. 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 are referred to as "interfund loans receivable/payable." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." A separate schedule of interfund loans receivable and payable is furnished in Note 11 (Interfund Balances and Transfers).

**Inventories:** Inventories are stated at cost. Inventories in proprietary funds are valued at First In First Out inventory basis.

**Capital Assets and Depreciation:** See Note 5. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets purchased or acquired are valued at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

**Table FN1 - Capital Assets and Depreciation**

<u>Capital Asset</u>	<u>Useful Life</u>	<u>Capitalization Threshold</u>
Buildings	50 years	\$5,000
Capital Leases	3-30 years	\$5,000
Improvements	5-30 years	\$5,000
Machinery & 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.

**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, 2009 and 2008. 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.

**Unearned Revenues:** This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met (See Note 1B).

**Long-Term Debt:** See Note 8.

**Fund Reserves:** In the fund financial statements, governmental funds report reservations of fund balance for amounts that are legally committed for specific future uses such as continuing appropriations and where assets are not available for appropriation because they have been advanced to another fund, or because they are non-current receivables.

## NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions in any of the funds of the county.

## NOTE 3 – DEPOSITS AND INVESTMENTS

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

RCW 39.58.130 authorizes the investment of municipal funds in deposits in qualified public depositories provided that the total in public deposits does not exceed the total net worth of the bank. As of December 31, 2009 the carrying amount of the county's cash demand deposits was \$112,044,594.

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 federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington State Public Deposit Protection Commission (WPDPC). The FDIC insures the first \$250,000 of the county's deposits. The deposit balances over \$250,000 are insured by the 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 Union Bank of

California. 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, 2009, the county had the following investments and maturities:

**Table FN2 - Investment Maturities**

<b>Investments and Maturities (In Years)*</b>			
<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than 1</b>	<b>1 to 5</b>
LGIP	35,080,797	35,080,797	-
Federal Farm Credit Bank	15,235,900	10,021,850	5,214,050
Federal Home Loan Bank	53,749,764	24,693,561	29,056,202
Federal Home Loan Mortgage	45,037,750	35,049,800	9,987,950
Federal National Mortgage Assoc.	50,335,107	35,325,707	15,009,400
Government National Mortgage Assoc.	4,073,749	-	4,073,749
General Obligation Municipal Bonds	6,523,944	4,315,304	2,208,640
Promissory Notes	2,187	2,187	-
Certificates of Deposit	10,201,345	10,201,345	-
<b>Total</b>	<b>\$220,240,542</b>	<b>\$154,690,551</b>	<b>\$65,549,991</b>

\*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 County does not have a specific interest rate 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 12/31/09.

**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, 2009 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 FN3 - Credit Quality Distribution for Securities**

Investment Type	Moody's Rating	Percentage of Portfolio
Federal Farm Credit Bank	AAA	7%
Federal Home Loan Bank	AAA	24%
Federal Home Loan Mortgage Corp	AAA	20%
Federal National Mortgage Assn	AAA	23%
Government National Mortgage Assn	AAA	2%
General Obligation Municipal Bonds	Aa1	1%
General Obligation Municipal Bonds	Aa2	1%
General Obligation Municipal Bonds	Aa3	0%
General Obligation Municipal Bonds	Baa1	1%
LGIP	Not Rated	16%

**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.

GASB statement 31 requires adjustments be made to the financial statements to reflect the difference between amortized cost and fair value of investments. Fair value of investments has been determined using quoted market prices and is equivalent to market value. In 2009, the difference between amortized cost and fair value was not material. Therefore, no adjustments have been made. Investments are shown on the balance sheet at cost, net of amortized premium or discount. Gains or losses on investments sold or exchanged are recognized at the time the transactions are completed.

### **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.

All funds deposited in the WCIP are available to the participant at full face value without regard to current market values. 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 cash handled by other than the County Treasurer.

At December 31, 2009, the market value of investments in the WCIP was \$1,487,819 less than the amortized cost. These unrealized losses will not be recognized in the various funds as management intends to hold these investments to maturity.

Fair value of the WCIP is reviewed by the County Finance Committee quarterly. Fair value is determined using information from our safekeeping agent, Union Bank of California, 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.

The Whatcom County Investment Pool's Condensed Statement of Net Assets and Changes in Net Assets as of December 31, 2009, are as follows:

**Table FN4 - Condensed Statement of Net Assets**

Assets	\$219,927,904
Less: Liabilities	-
Net assets held in trust for pool participants	<u>\$219,927,904</u>
Equity of internal pool participants	\$106,894,300
Equity of external pool participants	<u>113,033,604</u>
Total equity	<u>\$219,927,904</u>

**Table FN5 - Condensed Statement of Changes in Net Assets**

Net assets - January 1, 2009	\$230,512,212
Net change in investments by pool participants	<u>(10,584,308)</u>
Net assets - December 31, 2009	<u>\$219,927,904</u>

## NOTE 4 – PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each month.

### 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 FN6 - Tax Collection Record**

Collection Year	Regular Assessed Valuation (1)	Ad Valorem Tax Levy (2)	Year of Levy Tax Collection
2009	\$24,264,823,547	\$24,671,502	97.3%
2008	22,199,664,766	24,171,883	97.9%
2007	20,279,044,466	23,277,301	97.3%
2006	16,740,749,814	22,187,688	97.7%
2005	14,531,776,570	21,301,986	97.7%
2004	13,069,729,631	20,261,087	97.5%
2003	12,616,676,560	18,328,751	96.6%

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

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

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

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

The County's regular levy for 2009 was \$1.01676 per \$1,000 on an assessed valuation of \$24.3 billion for a regular levy of \$24,671,502. This levy was used for general governmental purposes.

The Road Fund levied \$1.34181 per \$1,000 on an assessed value of \$12.5 billion in 2009. This resulted in a total levy of \$16,806,308 to be used for county road maintenance and construction.

## NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2009 was as follows:

**Table FN7 - Capital Assets Activity**

Governmental activities	January 1	Increases	Decreases	December 31
Not being depreciated:				
Land	\$33,736,948	\$1,852,642	\$(250)	\$35,589,340
Subtotal	33,736,948	1,852,642	(250)	35,589,340
Other capital assets:				
Buildings	66,134,847	1,167,142	(293,510)	67,008,479
Improvements	5,955,384	703,809	(5,643)	6,653,550
Equipment	34,989,726	3,001,444	(675,605)	37,315,565
Infrastructure	131,446,422	8,429,853	-	139,876,275
Subtotal	238,526,379	13,302,248	(974,758)	250,853,869
Accumulated depreciation				
Buildings	(20,939,354)	(1,306,090)	181,975	(22,063,469)
Improvements	(4,055,008)	(171,256)	31,931	(4,194,333)
Equipment	(24,559,277)	(2,492,660)	658,378	(26,393,559)
Infrastructure	(60,361,603)	(5,909,424)	-	(66,271,027)
Subtotal	(109,915,242)	(9,879,430)	872,284	(118,922,388)
Net other capital assets	128,611,137	3,422,818	(102,474)	131,931,481
Net capital assets	\$162,348,085	\$5,275,460	\$(102,724)	\$167,520,821
<b>Business-Type Activities</b>				
Other capital assets:				
Equipment	\$17,886	\$-	\$-	\$17,886
Subtotal	17,886	-	-	17,886
Accumulated depreciation				
Equipment	(3,279)	(3,577)	-	(6,856)
Subtotal	(3,279)	(3,577)	-	(6,856)
Net other capital assets	14,607	(3,577)	-	11,030
Net capital assets	\$14,607	\$(3,577)	\$-	\$11,030

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

**Table FN8 - Depreciation Expense**

Governmental activities:	
General governments	\$1,515,479
Public safety	499,634
Physical environment	29,857
Transportation	7,658,316
Mental & physical health	55,624
Culture & recreation	120,520
Total depreciation expense	\$9,879,430

## NOTE 6 – PENSION PLANS

Substantially all county full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution 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](http://www.drs.wa.gov). The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

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

#### Plan Description

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.

Membership in the system includes: elected officials, state employees, employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS participants 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 exercise an option to transfer their membership to Plan 3. PERS participants 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 PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at age 60 with five years of service, or at age 55 with 25 years of service. The annual benefit is 2 percent of the average final compensation (AFC) per year of service, capped at 60 percent. (The AFC is based on the greatest compensation during any 24 eligible consecutive compensation months.) This annual benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members who retire from inactive status prior to age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of-living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased by 3 percent annually. Plan 1 members may also 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 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age 65 with five years of service with an allowance of 2 percent of the AFC per year of service. (The AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Plan 2 members who retire prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced 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 Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the AFC per year of service. (The AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Effective June 7, 2006, 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 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65, or they may retire at age 55 with 10 years of service. PERS Plan 3 members who retire prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service,

a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Employee Retirement Benefits Board.

## JUDICIAL BENEFIT MULTIPLIER

Beginning January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to participate in the Judicial Benefit Multiplier Program (JBM) enacted in 2006. Justices or judges in PERS Plan 1 and 2 were able to make a one-time 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 can elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of average compensation.

Members who chose to participate in JBM would: accrue service credit at the higher multiplier beginning with the date of their election, be subject to the benefit cap of 75 percent of AFC, pay higher contributions, stop contributing to the Judicial Retirement Account (JRA), and be given the option to increase the multiplier on past judicial service. Members who did not choose to participate would: continue to accrue service credit at the regular multiplier; continue to participate in JRA, if applicable; never be a participant in JBM Program; and continue to pay contributions at the regular PERS rate.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who have not previously opted into PERS membership, were required to participate in the JBM Program. Members required into the JBM program would: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

There are 1,192 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2008:

**Table FN9 - PERS Membership**

Retirees and Beneficiaries Receiving Benefits	73,122
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	27,267
Active Plan Members Vested	105,212
Active Plan Members Non-vested	56,456
<b>TOTAL</b>	<b>262,057</b>

The County covered payroll for the year ended December 31, 2009 was \$48,828,098. The County’s total payroll for all employees was \$58,200,817.

**FUNDING POLICY**

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and 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 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. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee’s age. 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, 2009, were as follows:

**Table FN10 - PERS Contribution Rates**

**Members not participating in JBM:**

	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
Employer*	5.31%	5.31%	5.31%**
Employee	6.00%	3.90%	***

\*The employer rates include the employer administrative expense fee currently set at 0.16%.

\*\*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:**

	<b>PERS Plan 1</b>	<b>PERS Plan 2</b>	<b>PERS Plan 3</b>
Employer-Local Govt*	5.31%	5.31%	5.31%**
Employee-Local Govt	12.26%	9.75%	7.50%***

\*The employer rates include the employer administrative expense fee currently set at 0.16%.

\*\*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 FN11 - County Contribution to PERS**

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2009	\$ 189,749	\$ 2,191,720	\$ 942,097
2008	\$ 224,281	\$ 2,338,533	\$ 971,834
2007	\$ 200,375	\$ 1,750,066	\$ 689,115

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

### Plan Description

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF participants 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. Membership in the system includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003 being an exception.

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 for the LEOFF Plan 2 retirement plan.

LEOFF defined benefit 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 the state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended by the State Legislature.

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 FN12 - 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 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the FAS per year of service. The FAS is based on the highest consecutive 60 months. Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. 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. 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.

There are 375 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2008:

**Table FN13 - LEOFF Membership**

Retirees and Beneficiaries Receiving Benefits	9,268
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	650
Active Plan Members Vested	13,120
Active Plan Members Non-vested	<u>3,927</u>
<b>TOTAL</b>	<b>26,965</b>

**Funding Policy**

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of LEOFF Plan 2 in accordance with the requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute.

The County's covered payroll for the year ended December 31, 2009 was \$6,267,427. The County's total payroll for all employees was \$58,200,817.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2009, were as follows:

**Table FN14 - LEOFF Contribution Rates**

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.16%	5.24%
Employee	0.00%	8.46%
State	N/A	3.38%

*\*The employer rates include the employer administrative expense fee currently set at 0.16%.*

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 FN15 - County Contribution to LEOFF**

	LEOFF Plan 1	LEOFF Plan 2
2009	\$ 96	\$ 332,003
2008	\$ 131	\$ 330,794
2007	\$ 135	\$ 295,486

## **PUBLIC SAFETY EMPLOYEES' RETIREMENT SYSTEM (PSERS) PLAN 2**

### **Plan Description**

PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2. PSERS was created by the 2004 legislature and became effective July 1, 2006.

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

A covered employer is one that participates in PSERS. Covered employers include: State of Washington agencies: Department of Corrections, Department of Natural Resources, Parks and Recreation Commission, Gambling Commission, Washington State Patrol, Liquor Control Board; Washington state counties; and Washington state cities except for Seattle, Tacoma and Spokane.

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 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PSERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

PSERS Plan 2 members are vested after the completion of five years of eligible service. PSERS Plan 2 members may retire 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, with an allowance of 2 percent of the average final compensation (AFC) per year of service. The AFC is the monthly average of the member’s 60 consecutive highest-paid service credit months, excluding any severance pay such as lump-sum payments for deferred sick leave, vacation or annual leave. Plan 2 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. 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.

There are 73 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2008:

**Table FN16 - PSERS Membership**

Retirees and Beneficiaries Receiving Benefits	1
Terminated Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members Vested	0
Active Plan Members Non-vested	<u>3,981</u>
<b>TOTAL</b>	<b>3,982</b>

**Funding Policy**

Each biennium, the state Pension Funding Council adopts PSERS 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. All Employers are required to contribute at the level established by the Legislature. 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, 2009 was \$3,105,292. The County’s total payroll for all employees was \$58,200,817.

The required contributions rates expressed as a percentage of current-year covered payroll, as of December 31, 2009, were as follows:

**Table FN17 - PSERS Required Contribution Rates**

	<b>PSERS Plan 2</b>
Employer*	7.85%
Employee	6.55%

*\*The employer rates include the employer administrative expense fee at 0.16%.*

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

**Table FN18 - County Contribution to PSERS**

	<b>PSERS Plan 2</b>
2009	\$ 268,246
2008	\$ 240,246
2007	\$ 118,628

## NOTE 7 – RISK MANAGEMENT

The County maintains insurance against most normal hazards except for unemployment insurance, workers' compensation, medical insurance, and dental insurance where it has elected to become self-insured. Claims for these risks are processed by independent claims managers. Interfund premiums are assessed on the basis of claims experience and are reported as revenues in the Administrative Services Fund (an internal service fund) and expenses or expenditures in the paying fund. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At December 31, 2009, the amount of these liabilities was \$4,320,149. Changes in the balances of claims liabilities during 2008 and 2009 were as follows:

**Table FN19 - Claims Liability Balance Changes**

	Beginning of Year Claims Liability	Claims Paid During the Year	Estimated Additional Liability Incurred	Balance at Year End
2008	\$3,859,665	\$(5,581,629)	\$5,967,524	\$4,245,560
2009	\$4,245,560	\$(6,137,176)	\$6,211,765	\$4,320,149

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, 2009, the estimate of the present value of the future cash payments totals \$57,500.

Whatcom County was one of the twenty-eight members of the Washington Counties Risk Pool ("Pool") during 2009. Other members included: Adams, Benton, Chelan, Clallam, Clark, Columbia, Cowlitz, Douglas, Franklin, Garfield, Grays Harbor, Island, Jefferson, Kitsap, Kittitas, Lewis, Mason, Okanogan, Pacific, Pend Oreille, San Juan, Skagit, Skamania, Spokane, Thurston, Walla Walla, and Yakima Counties. Klickitat and Whitman Counties were former Pool members, but terminated their memberships effective October 2002 and 2003 respectively.

The Pool was formed August 18, 1988 when several Washington counties signed an Interlocal (Cooperative) Agreement. It was established to provide its member counties with "joint" programs and services including self-insurance, purchasing of insurance, and contracting for or hiring of personnel to provide administrative services, claims handling and risk management. The Pool operates under Washington's "pooling" laws, more specifically Chapters 48.62 RCW and 82.60 WAC and implemented via Chapter 39.34 RCW. It is overseen by the State Risk Manager and is subject to fiscal audits performed annually by the State Auditor.

The enabling Interlocal Agreement was amended once in 2000 to add the Membership Compact, a commitment to strengthen the Pool by helping its member counties implement and/or enhance local risk management efforts to reduce losses and support the best management of the Pool and its resources. The Compact established obligations to support these goals through three major elements; membership involvement, risk control practices, and a targeted risk management program.

The Pool's mission is: To provide comprehensive and economical risk coverage; to reduce the frequency and severity of losses; and to decrease costs incurred in the managing and litigation of claims. The Pool's core values include: being committed to learn, understand and respond to the member counties' insurance needs; being committed to establish working relationships with all members that identify business issues and jointly develop solutions; member counties commit to allocate necessary resources to risk management in their own operations; the Pool's board of directors and professional staff share a commitment to manage the organization based on sound business principles, benchmarked industry standards and measurable outcomes; and being committed to continuous planning and innovation in product development and service delivery.

New members are required to pay the Pool modest admittance fees to cover the members' share of organizational expenses and the costs to analyze their loss data and risk profile. Members contract initially to remain in the Pool for at least five years. Counties may terminate their memberships at the conclusion of any Pool fiscal year following the initial term if the county timely files its required advance written notice. Otherwise, the Interlocal Agreement is renewed automatically for another year. Even after termination, a former member remains responsible for reassessments from the Pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The Pool is governed by a board of directors consisting of one director (and at least one alternate director) designated by each member county. The Pool's board of directors, made up of both elected and appointed county officials, meets three times each year with the summer meeting being the Annual Meeting. The board of directors is responsible for determining the 3<sup>rd</sup>-party liability coverage to be offered (approving the insuring agreement or coverage document), the reinsurance program to acquire, the excess insurances to be jointly purchased or offered for optional purchase, and approving the Pool's annual operating budgets and work programs, and the member deposit assessment formulas.

Regular oversight of the Pool's operations is furnished by an 11-person executive committee. The committee members are elected by the Pool's board of directors from its membership to staggered 3-year terms during each Annual Meeting. The committee meets several times throughout the year to approve all Pool disbursements and examine the Pool's financial health; to approve case settlements exceeding the members' deductibles by at least \$50,000 and to review all claims with incurred loss estimates exceeding \$100,000; to evaluate the Executive Director and the Pool's operations and program deliverables; and to participate in the board's standing committees (finance, personnel, risk management, and underwriting) for development or review/revision of the organization's policies and coverage documents.

The following constitute the highlights from the Pool's most recently completed Policy (Fiscal) Year (October 2008 through September 2009):

- *Operating Income* was experienced during the year of \$1.15 million, a 40% increase from FY-2008.
- *Interest Income* slipped to just \$0.22 million (-65%) due to the nearly non-existent interest rates associated with the national and worldwide recession.
- *Total Assets* grew by \$4.64 million (15%) to more than \$35.71 million. Specifically, current assets increased \$4.69 million (16%) while non-current assets decreased \$0.05 million (-4%).
- 966 cases were added to the Risk Pool's claims-related database during the year which raised the to-date (Oct. 1988 – Sep. 2009) total of third-party liability claims and lawsuits submitted by WCRP member counties to 16,470. Only 492 cases remained classified as "open" at year's end. Independent actuarial estimates suggest another 553 claims may be filed for covered occurrences from all years-to-date through September 2009.
- *Net Assets* (also referred to as *Members' Equity*) increased nearly \$1.38 million to more than \$8.16 million at September 30, 2009. \$6.35 million is classified as 'Restricted' to satisfy the Section D provisions of the WCRP Underwriting Policy that were enhanced by the Board of Directors in March 2007. Another \$1.06 million is invested in *Capital Assets* (net of debt). The remaining \$0.76 million is listed as 'Non-Restricted' and is available. The WCRP Board of Directors is the authority to decide if, how much, and when distributions of any (Non-Restricted) *Net Assets* are to be made.

Professionals from some of the most respected organizations worldwide are called upon regularly to address

specific needs of the Pool. For example, independent actuarial services are furnished by PricewaterhouseCoopers, LLP; insurance brokerage and advanced loss control services are provided by Arthur J. Gallagher Risk Management Services, Inc.; coverage counsel is provided by Stafford Frey Cooper; and special claims audits are frequently performed by the Pool's insurers and re-insurers. These professionals are in addition to the many contracted and in-county counselors assigned to defend Pool cases, as well as the ongoing oversight provided by the State Risk Manager and the annual financial audits performed by the State Auditor.

Over half of the Pool's 9-person staff handles and/or manages the several hundred liability cases filed upon and submitted by the Pool's member counties each year. These claims professionals have more than eighty years combined claims-handling experience. The Pool's "open" file count remains fairly constant between 400 and 500 cases. Other staffers provide various member services including conducting risk assessments and compliance audits, coordinating numerous trainings, researching other coverages and marketing, with some simply supporting the organization's administrative needs.

Pool member counties presently acquire \$20 million (with another \$5 million optional) of joint liability coverage on a "per occurrence" basis for 3rd-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury, and includes public officials' errors and omissions. Annually, members select a per occurrence deductible amount of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. The initial \$10 million of coverage, less the retention (the greater of the member's deductible or \$100,000), is fully reinsured by superior-rated commercial carriers. The remaining insurance, up to \$15 million, is acquired from superior-rated commercial carriers as "following form" excess insurance. There are no aggregate limits to the payments made for any one member county or all member counties combined.

Property insurance, with composite limits of \$500 million for normal ("All Other Perils") coverage and \$250 million for catastrophe coverage and participant deductibles between \$5,000 and \$50,000, was added to the Pool coverage lines a few years ago as an individual county option. Coverage is for structures, vehicles, mobile equipment, EDP equipment, and equipment breakdown, etc. Participants are responsible for their claims' deductibles. The commercial insurers are responsible for covered losses exceeding the participant deductibles to the maximum limits of the policy. Twenty-six counties purchased this program during 2009.

Additionally, many members use the Pool's producer (broker) services for other insurance placements, e.g. public officials bonds, and crime and fidelity, special events/concessionaires, and environmental hazards coverages.

The Washington Counties Risk Pool is a cooperative program, so there is joint liability amongst its participating members. Contingent liabilities are established when assets are not sufficient to cover liabilities. Pool member counties are required to timely submit their 3rd-party liability claims which are handled by the Pool's staff. This includes establishing reserves for both reported and unreported covered events, as well as estimates of the undiscounted future cash payments for losses and related claims adjustment expenses. Deficits resulting from any Pool fiscal year are financed by proportional reassessments against that year's membership. The Pool's reassessments receivable balance at December 31, 2009 remains at ZERO.

## NOTE 8 – LONG-TERM DEBT AND CAPITAL LEASES

### GENERAL OBLIGATION BONDS

The county issued general obligation bonds in the amount of \$9,990,000 in 1997 to refinance the 1991 issue of bonds for the remodeling of the County courthouse and to pay off interfund loans for the remodeling of the County courthouse. Interest on these bond issues are fixed at 4.0-5.5 percent (depending on maturity date) with final maturity in 2012. These bonds will be repaid from General Fund revenues. As of December 31, 2009, bonds outstanding total \$2,465,000.

In 1998, the county issued \$3,360,000 in general obligation bonds to pay off an interfund loan for the purchase of the Civic Center Building. Interest rate on these bonds is fixed at 3.75-4.7 percent (depending on maturity date) with final maturity in 2018. Repayment will be made from General Fund revenues. As of December 31, 2009, outstanding bonds totaled \$1,850,000.

Whatcom County issued general obligation bonds in the amount of \$3,385,000 (interest rate 2.0 percent - 3.35 percent) in 2003 to refinance the 1993 issue of bonds for the addition to the Whatcom County courthouse. This debt issue matures in full in 2012. As of December 31, 2009, outstanding bonds totaled \$1,230,000. Repayment will be made from General Fund revenues.

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

**Table FN20 - GO Bonds**

Year Ending December 31	General Obligation Bonds	
	Principal	Interest
2010	\$1,685,000	\$220,913
2011	1,750,000	142,725
2012	795,000	87,031
2013	200,000	60,075
2014	200,000	51,375
2015 - 2019	915,000	109,550
Total	\$5,545,000	\$671,669

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, 2009, the County had \$70,468 available in debt service funds to service the general bonded debt.

## CHANGES IN LONG-TERM DEBT

During the year ended December 31, 2009, the following changes occurred in long-term liabilities:

**Table FN21 - Changes in Long-Term Debt**

Governmental Activities	January 1	Additions	Reductions	December 31	Due Within One Year
Bonds payable					
General obligation debt	\$7,145,000	\$-	\$1,600,000	\$5,545,000	\$1,685,000
Less deferred amounts for issuance discounts/premiums	37,181	-	10,299	26,882	-
Total bonds payable	7,182,181	-	1,610,299	5,571,882	1,685,000
Capital leases	454,846	-	152,305	302,541	125,175
Claims and judgements (see Note 7)	4,245,560	6,211,765	6,137,176	4,320,149	4,273,245
Other postemployment benefits payable	813,759	344,598	-	1,158,357	-
Compensated absences	6,218,976	6,694,159	5,732,238	7,180,897	5,904,205
Loans payable	201,300	-	36,834	164,466	39,596
Landfill post-closure costs	250,000	-	-	250,000	-
<b>Total Governmental Activities</b>	<b>\$19,366,622</b>	<b>\$13,250,522</b>	<b>\$13,668,852</b>	<b>\$18,948,292</b>	<b>\$12,027,221</b>
<b>Business-Type Activities</b>					
Compensated absences	\$119,113	\$157,723	\$159,249	\$117,587	\$117,587
<b>Total Business-Type Activities</b>	<b>\$119,113</b>	<b>\$157,723</b>	<b>\$159,249</b>	<b>\$117,587</b>	<b>\$117,587</b>

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

### 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, Public Utilities Improvement capital projects fund, and Equipment Rental and Revolving and Administrative Services internal service funds.

**CAPITAL LEASES**

Whatcom County has entered into a lease agreement for copiers that qualifies as a capital lease for accounting purposes. The leased copiers and related obligations are accounted for in the Proprietary Fund, Administrative Services. The assets acquired through capital leases are as follows:

**Table FN22 - Capital Lease Assets**

	Governmental Activities
Asset:	
Machinery and equipment	\$819,688
Less: Accumulated depreciation	(510,997)
Total	\$308,690

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2009 are as follows:

**Table FN23 - Future Minimum Lease Obligations**

	Governmental Activities
2010	\$140,394
2011	115,577
2012	58,561
2013	24,139
2014	-
2015 and Beyond	-
Total Minimum Lease Payments	338,671
Less: Interest	36,130
Present Value of Minimum Lease Payments	\$302,541

**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 FN24 - Long-Term Debt Capacity*

<u>Purpose of Indebtedness</u>	<u>Remaining Capacity</u>
General Government (No vote required)	\$ 361,043,661
General Government (With 3/5 majority vote)	\$ 611,819,063

**NOTE 9 – CONTINGENCIES**

Whatcom County has claims and lawsuits pending at this time. All these claims and lawsuits were forwarded to the Washington Counties Risk Pool (see Note 7) and will not have a material adverse effect on the financial condition of the County.

The County participates in a number of federal and state assisted programs. These grants are subject to audit by the grantors or their representative. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. County management believes that such disallowances, if any, will be immaterial.

**NOTE 10 – COMMITMENTS**

The City of Bellingham provides countywide emergency medical care and transportation services. These services are funded by a combination of sales taxes, user fees and contributions from Whatcom County’s General Fund and the City of Bellingham’s General Fund. In 2009, Whatcom County contributed \$1,376,688 and the City of Bellingham contributed \$1,026,111. Both the City and the County contributions will increase by 1 percent per year. If revenues and contributions are inadequate to fund emergency medical services, the City and the County have agreed to split the deficit equally.

**NOTE 11 – INTERFUND BALANCES AND TRANSFERS**

**INTERFUND BALANCES**

Interfund receivables and payables are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, and are

similarly treated when they involve other funds of the county. At December 31, 2009, due to and from other funds balances were as follows:

**Table FN25 - Due To/From Other Funds**

Due To	Due From				Total
	General Fund	County Road	Internal Service	All Others	
General Fund	\$-	\$2,356	\$59,036	\$834,800	\$896,192
County Road	196	-	1,100	20,181	21,477
Internal Service	608,822	21,288	-	153,702	783,812
All Others	1,599,523	613,036	17,404	7,617	2,237,580
<b>Total</b>	<b>\$2,208,541</b>	<b>\$636,680</b>	<b>\$77,540</b>	<b>\$1,016,300</b>	<b>\$3,939,061</b>

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, 2009 were as follows:

**Table FN26 - Interfund Loans Receivable/Payable**

	Interfund Loan Payable
<b>Interfund Loan Receivable</b>	General Fund
Equipment Rental & Revolving	\$2,050,000
<b>Total</b>	<b>\$2,050,000</b>

## 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, 2009, consisted of the following:

*Table FN27 - Interfund Transfers*

Transfer To	Transfers From					Total
	General Fund	County Road	Public Utilities Improvement	Internal Service	All Others	
General Fund	\$8,328	\$-	\$-	\$1,565,800	\$4,442,236	\$6,016,364
County Road	70,000	-	-	-	1,631,413	1,701,413
Internal Service	450,713	66,930	-	4,300	168,699	690,642
All Others	6,079,599	1,262,590	450,000	294,585	4,921,078	13,007,852
<b>Total</b>	<b>\$6,608,640</b>	<b>\$1,329,520</b>	<b>\$450,000</b>	<b>\$1,864,685</b>	<b>\$11,163,426</b>	<b>\$21,416,271</b>

## NOTE 12 – JOINT VENTURES

Whatcom County participates with the City of Bellingham and other local governmental jurisdictions to provide a law enforcement, fire and emergency medical communications dispatching service (What-Comm Communications Center). The governing board of What-Comm consists of three members from the county, three from the city, one representing county fire districts and one elected official to be selected by the other members. The board is responsible for establishing the budget for What-Comm and for establishing the annual financial contributions to be made by the member jurisdictions. Whatcom County and the City of Bellingham share the expenditures equally. Whatcom County contributed \$681,960 as its share of operations in 2009. Whatcom County did not have an equity interest in What-Comm in 2009. Financial statements for What-Comm Communications Center can be obtained from the City of Bellingham, 210 Lottie Street, Bellingham, Washington 98225.

## NOTE 13 – OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

### PLAN DESCRIPTION

As required by the Revised Code of Washington (RCW) Chapter 41.26, the County provides lifetime medical, dental and vision care for members of the Law Enforcement Officers and Fire Fighters (LEOFF) retirement system hired on or before September 30, 1977 under a defined benefit healthcare plan administered by the County. Medical coverage for eligible pre-Medicare retirees is provided by one of the County's employee medical insurance programs. The County also pays a fixed amount of \$217 - \$235 per month for a Medicare supplement for each retiree eligible for Medicare. There is currently 1 active LEOFF I member and 25 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, 2007. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB. The net OPEB obligation of \$1,158,357 is included as a noncurrent liability on the Statement of Net Assets.

**Table FN28 - Annual OPEB Cost**

	12/31/09
<b>Net OPEB Obligation:</b>	
Annual Required Contribution	\$644,495
Interest on Prior Year Net OPEB Obligation	36,619
Annual OPEB Cost	681,114
Contributions Made	(336,516)
Increase in Net OPEB Obligation	344,598
Net OPEB Obligation-Beginning of Year	813,759
Net OPEB Obligation-End of Year	\$1,158,357

The County's OPEB cost, the percentage of OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

**Table FN29 - Net OPEB Obligation**

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
12/31/07	\$ 624,871	30.2%	\$ 436,088
12/31/08	\$ 644,495	41.4%	\$ 813,759
12/31/09	\$ 681,114	49.4%	\$ 1,158,357

**FUNDED STATUS AND FUNDING PROGRESS**

As of January 1, 2007, the most recent actuarial valuation date, the plan was 0 percent funded. The accrued liability for benefits was \$6,610,086 and the actuarial value of the assets was 0 percent resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$6,610,086.

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 56.22 was assumed for all active members for the purpose of determining the actuarial accrued liability. Termination and mortality rates were assumed to follow the LEOFF I termination and mortality rates used in the September 30, 2006 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 2007. 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.

**OTHER INFORMATION**

In 2007, the County created a fund to provide for LEOFF I postemployment benefits (LEOFF I Healthcare Fund). \$3.5 million was transferred from the General Fund to the LEOFF I Healthcare Fund to fund future health care costs. In 2009, Whatcom County's revenues declined as a result of the economic recession. The County Council as part of a plan to maintain critical county services transferred \$1.2 million back to the General Fund from the LEOFF I Healthcare Fund. Additionally, \$200,000 from the LEOFF I Healthcare Fund was used to pay LEOFF I post employment benefits during the year.

## **NOTE 14 – POSTCLOSURE CARE COST**

Whatcom County owns four closed solid waste landfills. These are Birch-Bay Lynden, Y Road, and Pt. Roberts, which were closed in the 1980's and Cedarville, which was closed in 1992. Whatcom County is required by the Department of Ecology to perform postclosure monitoring of the landfills for a minimum of 30 years. The County complies with this requirement by monitoring ground water of all the landfills and disposal of leachate from the Cedarville landfill. In 2001, an addition of a sheet-pile cut-off wall at Cedarville reduced the quantity of leachate collected, reducing the treatment and disposal costs in half (an estimated reduction of \$37,000 per year). Other than the project at Cedarville, no further capital improvements are anticipated at this time. However, the actual cost of postclosure care may change due to inflation or deflation, technology, or applicable laws or regulations. A reserve of \$250,000 was established in the Solid Waste Fund in 1992 to cover postclosure care costs.

As of 1999, the Solid Waste Fund was reclassified from an enterprise fund to a special revenue fund.

## **NOTE 15 – OTHER DISCLOSURES**

### **ACCOUNTING AND REPORTING CHANGES**

- During 2009, the following funds were added: Stormwater Fund, Chemical Dependency/Mental Health Fund, Yew Street Road Construction Fund and Birch Bay Sub-Zone Fund.
- We have recorded an interfund liability in the General Fund and interfund receivables in Real Estate Excise Tax I Fund, Real Estate Excise Tax II Fund, Convention Center Fund, Conservation Futures Fund and Equipment Rental and Revolving Fund. We do this solely because the Washington State Auditor's Office believes state law requires that these funds must receive interest on investment of their cash balances. The Washington State Auditor's Office has requested a legal opinion from the Washington State Attorney General on this matter.

Whatcom County does not agree with the Washington State Auditor's interpretation of state law and has provided detailed justification for its position to the State Auditor and to the State Attorney General. Whatcom County does not invest the cash balances of these funds for the funds' benefit.

- For 2009, court receivables were recorded on Whatcom County's financial statements. Court receivables are 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.

Required Supplemental Information  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual  
General Fund  
Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$39,418,052	\$39,418,052	\$38,114,068	\$(1,303,984)
Licenses and permits	2,622,870	2,630,870	2,193,021	(437,849)
Intergovernmental	14,722,239	16,099,396	15,398,586	(700,810)
Charges for service	7,704,430	7,728,758	6,826,350	(902,408)
Fines and forfeits	1,951,430	1,951,430	1,810,481	(140,949)
Miscellaneous	4,592,587	4,656,165	1,845,244	(2,810,921)
<b>Total revenues</b>	<u>71,011,608</u>	<u>72,484,671</u>	<u>66,187,750</u>	<u>(6,296,921)</u>
<b>Expenditures</b>				
Current:				
General government	26,217,191	28,965,669	24,679,585	4,286,084
Public safety	25,373,768	24,716,566	24,044,037	672,529
Physical environment	607,473	607,473	576,371	31,102
Economic environment	1,352,019	1,541,674	1,320,669	221,005
Mental and physical health	13,475,076	13,675,508	12,011,925	1,663,583
Culture and recreation	4,148,938	4,055,956	3,848,923	207,033
Capital outlay	3,327,242	5,270,219	2,684,806	2,585,413
Debt service:				
Principal	-	-	36,834	(36,834)
Interest	-	-	21,636	(21,636)
<b>Total expenditures</b>	<u>74,501,707</u>	<u>78,833,065</u>	<u>69,224,786</u>	<u>9,608,279</u>
Excess (deficiency) of revenues over expenditures	<u>(3,490,099)</u>	<u>(6,348,394)</u>	<u>(3,037,036)</u>	<u>3,311,358</u>
<b>Other financing sources (uses)</b>				
Sales of capital assets	749,000	749,000	370,234	(378,766)
Transfers in	6,180,937	6,888,964	6,016,364	(872,600)
Transfers out	(7,058,690)	(7,193,827)	(6,608,640)	585,187
<b>Total other financing sources (uses)</b>	<u>(128,753)</u>	<u>444,137</u>	<u>(222,042)</u>	<u>(666,179)</u>
Net change in fund balances	<u>(3,618,852)</u>	<u>(5,904,257)</u>	<u>(3,259,078)</u>	<u>2,645,179</u>
Fund balance as of January 1	-	2,285,406	10,945,283	8,659,877
<b>Fund balance as of December 31</b>	<u>\$(3,618,852)</u>	<u>\$(3,618,851)</u>	<u>\$7,686,205</u>	<u>\$11,305,056</u>

Required Supplemental Information  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual  
County Road Fund  
Year Ended December 31, 2009

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

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$15,761,000	\$15,761,000	\$15,925,347	\$164,347
Licenses and permits	75,100	75,100	125,013	49,913
Intergovernmental	15,879,405	15,879,405	11,302,265	(4,577,140)
Charges for service	1,113,306	1,113,306	1,290,180	176,874
Miscellaneous	13,000	13,000	73,708	60,708
<b>Total revenues</b>	<b>32,841,811</b>	<b>32,841,811</b>	<b>28,716,513</b>	<b>(4,125,298)</b>
<b>Expenditures</b>				
Current:				
General government	300,000	300,000	519,205	(219,205)
Transportation	32,196,098	32,244,691	15,248,985	16,995,706
Capital outlay	440,000	1,769,169	8,860,462	(7,091,293)
<b>Total expenditures</b>	<b>32,936,098</b>	<b>34,313,860</b>	<b>24,628,652</b>	<b>9,685,208</b>
Excess (deficiency) of revenues over expenditures	(94,287)	(1,472,049)	4,087,861	5,559,910
<b>Other financing sources (uses)</b>				
Sales of capital assets	600,000	600,000	451,492	(148,508)
Transfers in	1,701,417	1,701,417	1,701,413	(4)
Transfers out	(1,237,944)	(1,235,523)	(1,329,520)	(93,997)
<b>Total other financing sources (uses)</b>	<b>1,063,473</b>	<b>1,065,894</b>	<b>823,385</b>	<b>(242,509)</b>
Net change in fund balances	969,186	(406,155)	4,911,246	5,317,401
Fund balance as of January 1	-	1,375,341	9,940,983	8,565,642
<b>Fund balance as of December 31</b>	<b>\$969,186</b>	<b>\$969,186</b>	<b>\$14,852,229</b>	<b>\$13,883,043</b>

## **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 2009.

Required Supplemental Information  
 LEOFF I Retiree Medical Benefits  
 Schedule of Funding Progress  
 Year Ended December 31, 2009

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
12/31/07	\$-	\$6,610,086	\$6,610,086	0%	\$77,809	8495.27%
12/31/08	\$-	\$6,610,086	\$6,610,086	0%	\$82,439	8018.15%
12/31/09	\$-	\$6,610,086	\$6,610,086	0%	\$84,194	7851.02%

## **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.

**Water Resources** - A fund established to administer and coordinate the water related activities of the county.

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

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

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

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

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

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

**Countywide Emergency Medical Services** - A fund to account for an additional sales and use tax in the amount of one-tenth of one percent. Two-thirds of the tax is to be used solely for costs associated with the provisions of

countywide emergency medical services, and one-third is to be used for criminal justice purposes, as authorized by RCW 82.14.450.

**Park Off Road Vehicle** - A fund to finance the planning, acquisition, development and management of off road vehicle trails and areas.

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

**LEOFF I Healthcare** - A fund established to account for the post-employment healthcare costs of LEOFF I retirees.

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

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

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

**Community Economic Revitalization Board (CERB)** - A fund to finance and account for the loans proceeds from the State CERB Fund and the repayment of the loan.

**Emergency Contingency** - A fund to finance emergency expenditures due to disaster or other unanticipated emergency.

**Drug Task Force** - A fund to finance and account for the multi-jurisdictional function of drug enforcement.

**Community Development** - A fund to finance and account for delayed payment loans to low and moderate income single family home owners. The fund was originally established with a Federal Community Development Block Grant.

**Imminent Threat Grant** - A fund established by an Emergency Imminent Threat Grant from the Washington Department of Community Development. An emergency occurred in the community of Acme, Washington which threatened their water supply. The grant funds were used to dig a new well and provide the community with a safe water source.

**Sewer Improvement District No. 1** - A fund to finance maintenance of the sewers in the Birchwood District, that are outside of the City of Bellingham limits.

**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.

**Sumas Sub-Flood Control Zone District** - A fund created as a result of voters approving a one year excess levy in 1990 authorizing matching funds to conduct flood control work on the Sumas River.

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

**Point Roberts Fuel Tax** - A fund created to address the transportation needs of the Point Roberts area.

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

**Lake Management District No. 1** - A fund used to account for special assessments collected and used to manage water issues in the Lake Samish area.

**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.

**1983 Sewer Construction** - A fund to account for acquisition, construction and installation of sewerage facilities in the Nor-Bell Care area.

**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.

**Courthouse Expansion Construction** - A reserve fund set up for remodeling of the Courthouse.

**Road Improvement District No. 10 Construction** - A fund supported by special assessments for construction of infrastructure improvements to the Horton Road area.

**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.

**Jail Construction Project** - A fund established to finance the construction of the minimum security jail.

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

**Yew Street Road Construction** - A fund established to account for construction of roadway improvements to a

portion of Yew Street Road from Kingmill to Tacoma.

## **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.

**Whatcom County Supplemental Retirement** - A fund to account for Whatcom County's Supplemental Retirement.

**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
<b>Assets</b>				
Cash and cash equivalents	\$32,047,996	\$221,412	\$10,934,581	\$43,203,989
Investments at cost	-	-	129,611	129,611
Taxes receivable, net	220,001	10	16	220,027
Accounts receivable, net	219,009	-	-	219,009
Accounts receivable-Court, net	179,377	-	-	179,377
Special assessments, net	99,223	7,283	-	106,506
Interest receivable, net	-	-	195	195
Notes receivable, net	83,735	-	-	83,735
Due from other funds	840,803	-	749,953	1,590,756
Due from other governments	2,087,659	-	-	2,087,659
Employee advances	21	-	-	21
Prepayments	41,400	-	-	41,400
<b>Total assets</b>	<b>\$35,819,224</b>	<b>\$228,705</b>	<b>\$11,814,356</b>	<b>\$47,862,285</b>
<b>Liabilities and fund balance</b>				
<b>Liabilities</b>				
Accounts payable	\$1,283,804	\$-	\$226,531	\$1,510,335
Due to other funds	985,986	-	23,962	1,009,948
Revenue collected in advance	-	-	51	51
Due to other governments	25,770	-	-	25,770
Custodial accounts	33,504	-	-	33,504
Deferred revenue	591,751	7,293	-	599,044
<b>Total liabilities</b>	<b>2,920,815</b>	<b>7,293</b>	<b>250,544</b>	<b>3,178,652</b>
<b>Fund balances</b>				
Reserved for:				
Encumbrances	1,399,347	-	3,174,851	4,574,198
Debt service	-	221,412	-	221,412
Unreserved, reported in:				
Special revenue funds	31,499,062	-	-	31,499,062
Capital projects funds	-	-	8,388,961	8,388,961
<b>Total fund balance</b>	<b>32,898,409</b>	<b>221,412</b>	<b>11,563,812</b>	<b>44,683,633</b>
<b>Total liabilities and fund balance</b>	<b>\$35,819,224</b>	<b>\$228,705</b>	<b>\$11,814,356</b>	<b>\$47,862,285</b>

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Non-Major Governmental Funds  
Year Ended December 31, 2009

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
<b>Revenues</b>				
Taxes	\$14,154,558	\$-	\$2,126,979	\$16,281,537
Intergovernmental	6,868,435	-	-	6,868,435
Charges for service	3,603,447	-	-	3,603,447
Fines and forfeits	186,402	-	-	186,402
Miscellaneous	1,068,870	-	761,887	1,830,757
<b>Total revenues</b>	<b>25,881,712</b>	<b>-</b>	<b>2,888,866</b>	<b>28,770,578</b>
<b>Expenditures</b>				
Current:				
General government	1,198,091	-	23,598	1,221,689
Public safety	15,236,135	-	45,232	15,281,367
Physical environment	5,163,945	-	146,310	5,310,255
Transportation	29,107	-	-	29,107
Economic environment	1,903,381	-	-	1,903,381
Mental and physical health	421,550	-	-	421,550
Culture and recreation	319,659	-	169,208	488,867
Capital outlay	481,874	-	1,262,536	1,744,410
Debt service:				
Principal	-	1,600,000	-	1,600,000
Interest	2,051	294,528	22,500	319,079
<b>Total expenditures</b>	<b>24,755,793</b>	<b>1,894,528</b>	<b>1,669,384</b>	<b>28,319,705</b>
Excess (deficiency) of revenues over expenditures	1,125,919	(1,894,528)	1,219,482	450,873
<b>Other financing sources (uses)</b>				
Sales of capital assets	81,078	-	-	81,078
Transfers in	7,839,277	1,893,618	2,122,000	11,854,895
Transfers out	(6,140,854)	(7,736)	(5,010,586)	(11,159,176)
<b>Total other financing sources (uses)</b>	<b>1,779,501</b>	<b>1,885,882</b>	<b>(2,888,586)</b>	<b>776,797</b>
Net change in fund balances	2,905,420	(8,646)	(1,669,104)	1,227,670
Fund balance as of January 1	29,992,989	230,058	13,232,916	43,455,963
<b>Fund balance as of December 31</b>	<b>\$32,898,409</b>	<b>\$221,412</b>	<b>\$11,563,812</b>	<b>\$44,683,633</b>

	Election Reserve	Veterans' Relief	Tax Refund	Treasurer's O & M	Water Resources	Whatcom County Jail	REET Electronic Tech.
<b>Assets</b>							
Cash and cash equivalents	\$152,938	\$750,701	\$64	\$248,176	\$-	\$4,164,118	\$163,345
Taxes receivable, net	15,198	11,017	7	-	-	-	-
Accounts receivable, net	-	-	-	-	-	23,879	-
Accounts receivable-Court, net	-	-	-	-	-	-	-
Special assessments, net	-	-	-	-	-	-	-
Notes receivable, net	-	-	-	-	-	-	-
Due from other funds	-	16,052	-	-	-	234,628	-
Due from other governments	356,382	-	-	-	-	316,531	-
Employee advances	-	-	-	-	-	21	-
Prepayments	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$524,518</b>	<b>\$777,770</b>	<b>\$71</b>	<b>\$248,176</b>	<b>\$-</b>	<b>\$4,739,177</b>	<b>\$163,345</b>
<b>Liabilities and fund balance</b>							
<b>Liabilities</b>							
Accounts payable	\$30,053	\$3,938	\$-	\$7	\$-	\$272,426	\$-
Due to other funds	299	-	-	-	-	449,828	-
Due to other governments	1,313	-	-	-	-	22,717	-
Custodial accounts	-	-	-	-	-	-	-
Deferred revenue	15,198	11,017	7	-	-	9,414	-
<b>Total liabilities</b>	<b>46,863</b>	<b>14,955</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>754,385</b>	<b>-</b>
<b>Fund balances</b>							
Reserved for:							
Encumbrances	-	-	-	-	-	137,794	-
Unreserved, reported in:							
Special revenue funds	477,655	762,815	64	248,169	-	3,846,998	163,345
<b>Total fund balance</b>	<b>477,655</b>	<b>762,815</b>	<b>64</b>	<b>248,169</b>	<b>-</b>	<b>3,984,792</b>	<b>163,345</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$524,518</b>	<b>\$777,770</b>	<b>\$71</b>	<b>\$248,176</b>	<b>\$-</b>	<b>\$4,739,177</b>	<b>\$163,345</b>

Low-Income Housing	Homeless Housing	Stormwater	Chemical Dependency/ Mental Health	Countywide Emergency Medical Services	Park ORV	WC Trial Court Improvement	LEOFF I Healthcare
\$379,284	\$1,254,964	\$845,307	\$2,166,105	\$3,498,582	\$-	\$63,338	\$2,070,909
-	-	-	-	-	-	-	-
-	1,145	-	-	-	-	-	-
-	-	-	50,926	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	32,362	86,336	-	1,353	29,091
-	95,311	-	8,291	446,679	-	12,356	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$379,284</u>	<u>\$1,351,420</u>	<u>\$845,307</u>	<u>\$2,257,684</u>	<u>\$4,031,597</u>	<u>\$-</u>	<u>\$77,047</u>	<u>\$2,100,000</u>
\$37,546	\$191,851	\$64,760	\$15,666	\$-	\$-	\$-	\$-
-	46,720	8,326	-	-	-	19,714	-
-	-	-	625	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	50,926	-	-	-	-
<u>37,546</u>	<u>238,571</u>	<u>73,086</u>	<u>67,217</u>	<u>-</u>	<u>-</u>	<u>19,714</u>	<u>-</u>
-	-	724,197	30,120	-	-	-	-
341,738	1,112,849	48,024	2,160,347	4,031,597	-	57,333	2,100,000
341,738	1,112,849	772,221	2,190,467	4,031,597	-	57,333	2,100,000
<u>\$379,284</u>	<u>\$1,351,420</u>	<u>\$845,307</u>	<u>\$2,257,684</u>	<u>\$4,031,597</u>	<u>\$-</u>	<u>\$77,047</u>	<u>\$2,100,000</u>

	Solid Waste Mgmt	Convention Center	Victim/ Witness Assist.	CERB	Emerg. Contin- gency	Drug Task Force	Community Development
<b>Assets</b>							
Cash and cash equivalents	\$1,316,183	\$822,779	\$62,418	\$-	\$5,250	\$16,170	\$16,237
Taxes receivable, net	-	-	-	-	-	-	-
Accounts receivable, net	193,985	-	-	-	-	-	-
Accounts receivable-Court, net	-	-	59,528	-	-	-	-
Special assessments, net	-	-	-	-	-	-	-
Notes receivable, net	-	-	-	-	-	-	83,735
Due from other funds	-	35,188	8,097	-	-	-	-
Due from other governments	63,586	-	-	-	-	-	-
Employee advances	-	-	-	-	-	-	-
Prepayments	-	41,400	-	-	-	-	-
<b>Total assets</b>	<b>\$1,573,754</b>	<b>\$899,367</b>	<b>\$130,043</b>	<b>\$-</b>	<b>\$5,250</b>	<b>\$16,170</b>	<b>\$99,972</b>
<b>Liabilities and fund balance</b>							
<b>Liabilities</b>							
Accounts payable	\$80,034	\$4,885	\$1,036	\$-	\$-	\$-	\$-
Due to other funds	52,093	-	-	-	-	-	-
Due to other governments	430	-	176	-	-	-	-
Custodial accounts	-	-	-	-	-	-	-
Deferred revenue	-	-	59,528	-	-	-	83,735
<b>Total liabilities</b>	<b>132,557</b>	<b>4,885</b>	<b>60,740</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,735</b>
<b>Fund balances</b>							
Reserved for:							
Encumbrances	4,163	-	-	-	-	-	-
Unreserved, reported in:							
Special revenue funds	1,437,034	894,482	69,303	-	5,250	16,170	16,237
<b>Total fund balance</b>	<b>1,441,197</b>	<b>894,482</b>	<b>69,303</b>	<b>-</b>	<b>5,250</b>	<b>16,170</b>	<b>16,237</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$1,573,754</b>	<b>\$899,367</b>	<b>\$130,043</b>	<b>\$-</b>	<b>\$5,250</b>	<b>\$16,170</b>	<b>\$99,972</b>

Imminent Threat Grant	Sewer Imp Dist No. 1	Emergency Communications	Whatcom County Drug	Auditor's O & M	Emergency Management	Sumas Sub-Flood Control Zone Dist	Flood Control Zone District	Point Roberts Fuel Tax
\$3	\$-	\$33,504	\$577,842	\$617,128	\$88,657	\$-	\$7,666,114	\$347,660
-	-	-	-	-	-	-	153,868	-
-	-	-	-	-	-	-	-	-
-	-	-	68,923	-	-	-	-	-
-	-	-	-	-	-	-	53	-
-	-	-	-	-	-	-	-	-
-	-	-	15,113	-	-	-	182,707	-
-	-	-	-	-	410,986	-	200,342	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$3</u>	<u>\$-</u>	<u>\$33,504</u>	<u>\$661,878</u>	<u>\$617,128</u>	<u>\$499,643</u>	<u>\$-</u>	<u>\$8,203,084</u>	<u>\$347,660</u>
\$-	\$-	\$-	\$9,487	\$-	\$363,846	\$-	\$151,285	\$-
-	-	-	271,088	74,227	24,960	-	31,112	-
-	-	-	-	-	509	-	-	-
-	-	33,504	-	-	-	-	-	-
-	-	-	68,923	-	-	-	153,920	-
-	-	33,504	349,498	74,227	389,315	-	336,317	-
-	-	-	-	-	-	-	474,492	-
3	-	-	312,380	542,901	110,328	-	7,392,275	347,660
3	-	-	312,380	542,901	110,328	-	7,866,767	347,660
<u>\$3</u>	<u>\$-</u>	<u>\$33,504</u>	<u>\$661,878</u>	<u>\$617,128</u>	<u>\$499,643</u>	<u>\$-</u>	<u>\$8,203,084</u>	<u>\$347,660</u>

	Conservation Futures	Lake Mgmt District No. 1	Road Improvement Districts	Lynden/Everson Sub-Zone	Sumas/Nooksack/ Everson Sub-Zone
<b>Assets</b>					
Cash and cash equivalents	\$3,007,202	\$-	\$50,155	\$207,237	\$603,492
Taxes receivable, net	39,911	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Accounts receivable-Court, net	-	-	-	-	-
Special assessments, net	-	-	3,097	1,715	7,648
Notes receivable, net	-	-	-	-	-
Due from other funds	169,427	-	-	5,353	12,954
Due from other governments	177,195	-	-	-	-
Employee advances	-	-	-	-	-
Prepayments	-	-	-	-	-
<b>Total assets</b>	<b>\$3,393,735</b>	<b>\$-</b>	<b>\$53,252</b>	<b>\$214,305</b>	<b>\$624,094</b>
<b>Liabilities and fund balance</b>					
<b>Liabilities</b>					
Accounts payable	\$35,349	\$-	\$2,425	\$710	\$-
Due to other funds	-	-	-	2,521	5,098
Due to other governments	-	-	-	-	-
Custodial accounts	-	-	-	-	-
Deferred revenue	39,911	-	3,097	1,715	7,649
<b>Total liabilities</b>	<b>75,260</b>	<b>-</b>	<b>5,522</b>	<b>4,946</b>	<b>12,747</b>
<b>Fund balances</b>					
Reserved for:					
Encumbrances	3,570	-	-	-	-
Unreserved, reported in:					
Special revenue funds	3,314,905	-	47,730	209,359	611,347
<b>Total fund balance</b>	<b>3,318,475</b>	<b>-</b>	<b>47,730</b>	<b>209,359</b>	<b>611,347</b>
<b>Total liabilities &amp; fund balance</b>	<b>\$3,393,735</b>	<b>\$-</b>	<b>\$53,252</b>	<b>\$214,305</b>	<b>\$624,094</b>

Acme/Van Zandt Sub- Zone	Samish Watershed Sub- Zone	Birch Bay Sub- Zone	Total Non-Major Special Revenue Funds
\$141,510	\$45,324	\$665,300	\$32,047,996
-	-	-	220,001
-	-	-	219,009
-	-	-	179,377
1,879	-	84,831	99,223
-	-	-	83,735
3,206	899	8,037	840,803
-	-	-	2,087,659
-	-	-	21
-	-	-	41,400
<u>\$146,595</u>	<u>\$46,223</u>	<u>\$758,168</u>	<u>\$35,819,224</u>
\$-	\$-	\$18,500	\$1,283,804
-	-	-	985,986
-	-	-	25,770
-	-	-	33,504
1,879	-	84,832	591,751
<u>1,879</u>	<u>-</u>	<u>103,332</u>	<u>2,920,815</u>
-	-	25,011	1,399,347
144,716	46,223	629,825	31,499,062
<u>144,716</u>	<u>46,223</u>	<u>654,836</u>	<u>32,898,409</u>
<u>\$146,595</u>	<u>\$46,223</u>	<u>\$758,168</u>	<u>\$35,819,224</u>

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Non-Major Special Revenue Funds  
December 31, 2009

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

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	Election Reserve	Veterans' Relief	Tax Refund	Treasurer's O & M	Water Resources	Whatcom County Jail	REET Electronic Technology
<b>Revenues</b>							
Taxes	\$359,714	\$272,121	\$1	\$-	\$-	\$3,015,059	\$-
Intergovernmental	7,172	16	-	-	-	2,294,944	26,411
Charges for service	611,062	-	-	160,586	-	782,840	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	549	16,152	-	-	-	500,894	-
<b>Total revenues</b>	<b>978,497</b>	<b>288,289</b>	<b>1</b>	<b>160,586</b>	<b>-</b>	<b>6,593,737</b>	<b>26,411</b>
<b>Expenditures</b>							
Current:							
General government	1,030,239	-	-	35,143	-	-	-
Public safety	-	-	-	-	-	11,871,606	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	167,720	-	-	-	-	-
Mental and physical health	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	21,787	-	-	-	-	26,192	-
Debt service:							
Interest	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,052,026</b>	<b>167,720</b>	<b>-</b>	<b>35,143</b>	<b>-</b>	<b>11,897,798</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	(73,529)	120,569	1	125,443	-	(5,304,061)	26,411
<b>Other financing sources (uses)</b>							
Sales of capital assets	5,215	3,947	-	-	-	-	-
Transfers in	120,000	-	-	-	-	5,338,474	-
Transfers out	-	-	-	(75,813)	(424,040)	(187,263)	-
<b>Total other financing sources (uses)</b>	<b>125,215</b>	<b>3,947</b>	<b>-</b>	<b>(75,813)</b>	<b>(424,040)</b>	<b>5,151,211</b>	<b>-</b>
Net change in fund balances	51,686	124,516	1	49,630	(424,040)	(152,850)	26,411
Fund balance as of January 1	425,969	638,299	63	198,539	424,040	4,137,642	136,934
<b>Fund balance as of Dec. 31</b>	<b>\$477,655</b>	<b>\$762,815</b>	<b>\$64</b>	<b>\$248,169</b>	<b>\$-</b>	<b>\$3,984,792</b>	<b>\$163,345</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 December 31, 2009

Low-Income Housing	Homeless Housing	Stormwater	Chemical Dependency/ Mental Health	Countywide Emerg. Medical Srv	Park ORV	WC Trial Court Improvement	LEOFF I Healthcare	Solid Waste Mgmt	Convention Center
\$-	\$-	\$-	\$2,425,300	\$1,699,037	\$-	\$-	\$-	\$-	\$493,274
-	812,068	125,837	118,528	755,143	-	49,551	-	261,332	-
253,701	778,670	4,281	47,254	-	-	-	-	756,822	-
-	-	-	-	-	-	-	-	-	-
-	-	-	22,986	86,336	-	1,353	-	9,400	35,188
253,701	1,590,738	130,118	2,614,068	2,540,516	-	50,904	-	1,027,554	528,462
-	-	-	-	-	-	-	-	-	-
-	-	-	-	1,848,167	-	-	200,000	-	-
-	-	1,024,374	-	-	-	-	-	975,410	-
-	-	-	-	-	-	-	-	-	-
227,785	1,439,328	-	-	-	-	-	-	-	-
-	-	-	421,550	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	319,659
-	-	14,858	-	-	-	-	-	-	-
-	-	-	2,051	-	-	-	-	-	-
227,785	1,439,328	1,039,232	423,601	1,848,167	-	-	200,000	975,410	319,659
25,916	151,410	(909,114)	2,190,467	692,349	-	50,904	(200,000)	52,144	208,803
-	-	-	-	-	-	-	-	-	-
-	-	1,683,335	155,000	139,167	-	-	-	-	-
-	(46,720)	(2,000)	(155,000)	(1,008,740)	-	(44,111)	(1,200,000)	(146,536)	-
-	(46,720)	1,681,335	-	(869,573)	-	(44,111)	(1,200,000)	(146,536)	-
25,916	104,690	772,221	2,190,467	(177,224)	-	6,793	(1,400,000)	(94,392)	208,803
315,822	1,008,159	-	-	4,208,821	-	50,540	3,500,000	1,535,589	685,679
\$341,738	\$1,112,849	\$772,221	\$2,190,467	\$4,031,597	\$-	\$57,333	\$2,100,000	\$1,441,197	\$894,482

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Non-Major Special Revenue Funds  
December 31, 2009

	Victim/ Witness Assistance	CERB	Emergency Contin- gency	Drug Task Force	Community Development	Imminent Threat Grant	Sewer Imp Dist No. 1
<b>Revenues</b>							
Taxes	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Intergovernmental	11,350	-	-	-	-	-	-
Charges for service	84,537	-	-	-	-	-	-
Fines and forfeits	28,641	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>124,528</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>							
Current:							
General government	76,228	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Physical environment	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
Mental and physical health	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service:							
Interest	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>76,228</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	48,300	-	-	-	-	-	-
<b>Other financing sources (uses)</b>							
Sales of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	(66,659)	-	-	-	(5,000)	-	(5,066)
<b>Total other financing sources (uses)</b>	<b>(66,659)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>(5,066)</b>
Net change in fund balances	(18,359)	-	-	-	(5,000)	-	(5,066)
Fund balance as of January 1	87,662	-	5,250	16,170	21,237	3	5,066
<b>Fund balance as of Dec. 31</b>	<b>\$69,303</b>	<b>\$-</b>	<b>\$5,250</b>	<b>\$16,170</b>	<b>\$16,237</b>	<b>\$3</b>	<b>\$-</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Special Revenue Funds  
 December 31, 2009

Emergency Communi- cations	Whatcom County Drug	Auditor's O & M	Emergency Management	Sumas Sub- Flood Control Zone Dist.	Flood Control Zone District	Point Roberts Fuel Tax	Conser- vation Futures	Lake Manage- ment District No. 1	Road Improvement Districts
\$-	\$-	\$-	\$-	\$-	\$4,007,410	\$35,874	\$956,626	\$-	\$26,029
-	-	123,371	1,177,573	-	927,888	-	177,251	-	-
-	-	114,692	-	-	9,002	-	-	-	-
-	157,761	-	-	-	-	-	-	-	-
-	19,647	-	2,105	-	172,984	-	169,779	-	1,048
-	177,408	238,063	1,179,678	-	5,117,284	35,874	1,303,656	-	27,077
-	-	56,481	-	-	-	-	-	-	-
-	102,282	-	1,214,080	-	-	-	-	-	-
-	-	-	-	-	3,044,810	-	-	1,878	-
-	-	-	-	-	-	-	-	-	29,107
-	-	-	-	-	-	-	68,548	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	107,885	-	311,152	-	-
-	-	-	-	-	-	-	-	-	-
-	102,282	56,481	1,214,080	-	3,152,695	-	379,700	1,878	29,107
-	75,126	181,582	(34,402)	-	1,964,589	35,874	923,956	(1,878)	(2,030)
-	-	-	-	-	58,043	-	13,873	-	-
-	-	-	177,024	-	218,541	-	-	-	7,736
-	(511,967)	(140,586)	(115,122)	-	(1,796,783)	-	(83,102)	-	(126,346)
-	(511,967)	(140,586)	61,902	-	(1,520,199)	-	(69,229)	-	(118,610)
-	(436,841)	40,996	27,500	-	444,390	35,874	854,727	(1,878)	(120,640)
-	749,221	501,905	82,828	-	7,422,377	311,786	2,463,748	1,878	168,370
\$-	\$312,380	\$542,901	\$110,328	\$-	\$7,866,767	\$347,660	\$3,318,475	\$-	\$47,730

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Non-Major Special Revenue Funds  
December 31, 2009

	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
<b>Revenues</b>						
Taxes	\$33,299	\$106,041	\$23,495	\$17,330	\$683,948	\$14,154,558
Intergovernmental	-	-	-	-	-	6,868,435
Charges for service	-	-	-	-	-	3,603,447
Fines and forfeits	-	-	-	-	-	186,402
Miscellaneous	5,353	12,954	3,206	899	8,037	1,068,870
<b>Total revenues</b>	<b>38,652</b>	<b>118,995</b>	<b>26,701</b>	<b>18,229</b>	<b>691,985</b>	<b>25,881,712</b>
<b>Expenditures</b>						
Current:						
General government	-	-	-	-	-	1,198,091
Public safety	-	-	-	-	-	15,236,135
Physical environment	55,624	13,406	9,419	1,875	37,149	5,163,945
Transportation	-	-	-	-	-	29,107
Economic environment	-	-	-	-	-	1,903,381
Mental and physical health	-	-	-	-	-	421,550
Culture and recreation	-	-	-	-	-	319,659
Capital outlay	-	-	-	-	-	481,874
Debt service:						
Interest	-	-	-	-	-	2,051
<b>Total expenditures</b>	<b>55,624</b>	<b>13,406</b>	<b>9,419</b>	<b>1,875</b>	<b>37,149</b>	<b>24,755,793</b>
Excess (deficiency) of revenues over expenditures	(16,972)	105,589	17,282	16,354	654,836	1,125,919
<b>Other financing sources (uses)</b>						
Sales of capital assets	-	-	-	-	-	81,078
Transfers in	-	-	-	-	-	7,839,277
Transfers out	-	-	-	-	-	(6,140,854)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,779,501</b>
Net change in fund balances	(16,972)	105,589	17,282	16,354	654,836	2,905,420
Fund balance as of January 1	226,331	505,758	127,434	29,869	-	29,992,989
<b>Fund balance as of Dec. 31</b>	<b>\$209,359</b>	<b>\$611,347</b>	<b>\$144,716</b>	<b>\$46,223</b>	<b>\$654,836</b>	<b>\$32,898,409</b>



Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Election Reserve  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

# Whatcom County

W A S H I N G T O N

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$361,200	\$359,714	\$(1,486)	\$364,744
Intergovernmental	7,151	7,172	21	171,234
Charges for service	648,522	611,062	(37,460)	689,220
Miscellaneous	-	549	549	221
<b>Total revenues</b>	<u>1,016,873</u>	<u>978,497</u>	<u>(38,376)</u>	<u>1,225,419</u>
<b>Expenditures</b>				
Current:				
General government	1,203,896	1,030,239	173,657	1,456,742
Capital outlay	25,704	21,787	3,917	-
<b>Total expenditures</b>	<u>1,229,600</u>	<u>1,052,026</u>	<u>177,574</u>	<u>1,456,742</u>
Excess (deficiency) of revenues over expenditures	<u>(212,727)</u>	<u>(73,529)</u>	<u>139,198</u>	<u>(231,323)</u>
<b>Other financing sources (uses)</b>				
Sales of capital assets	12,000	5,215	(6,785)	12,328
Transfers in	240,000	120,000	(120,000)	528,087
Transfer out	-	-	-	(171,216)
<b>Total other financing sources (uses)</b>	<u>252,000</u>	<u>125,215</u>	<u>(126,785)</u>	<u>369,199</u>
Net change in fund balances	<u>39,273</u>	<u>51,686</u>	<u>12,413</u>	<u>137,876</u>
Fund balance as of January 1	-	425,969	425,969	288,093
<b>Fund balance as of December 31</b>	<u>\$39,273</u>	<u>\$477,655</u>	<u>\$438,382</u>	<u>\$425,969</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Veterans' Relief  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$259,987	\$272,121	\$12,134	\$252,285
Intergovernmental	-	16	16	11
Miscellaneous	120	16,152	16,032	22,062
<b>Total revenues</b>	<u>260,107</u>	<u>288,289</u>	<u>28,182</u>	<u>274,358</u>
<b>Expenditures</b>				
Current:				
Economic environment	282,033	167,720	114,313	121,357
<b>Total expenditures</b>	<u>282,033</u>	<u>167,720</u>	<u>114,313</u>	<u>121,357</u>
Excess (deficiency) of revenues over expenditures	<u>(21,926)</u>	<u>120,569</u>	<u>142,495</u>	<u>153,001</u>
<b>Other financing sources (uses)</b>				
Sales of capital assets	5,127	3,947	(1,180)	8,501
<b>Total other financing sources (uses)</b>	<u>5,127</u>	<u>3,947</u>	<u>(1,180)</u>	<u>8,501</u>
Net change in fund balances	<u>(16,799)</u>	<u>124,516</u>	<u>141,315</u>	<u>161,502</u>
Fund balance as of January 1	-	638,299	638,299	476,797
<b>Fund balance as of December 31</b>	<u><u>\$(16,799)</u></u>	<u><u>\$762,815</u></u>	<u><u>\$779,614</u></u>	<u><u>\$638,299</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Treasurer's O & M  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Charges for service	\$218,693	\$160,586	\$(58,107)	\$103,966
<b>Total revenues</b>	<u>218,693</u>	<u>160,586</u>	<u>(58,107)</u>	<u>103,966</u>
<b>Expenditures</b>				
Current:				
General government	132,667	35,143	97,524	31,647
Capital outlay	4,939	-	4,939	-
<b>Total expenditures</b>	<u>137,606</u>	<u>35,143</u>	<u>102,463</u>	<u>31,647</u>
Excess (deficiency) of revenues over expenditures	<u>81,087</u>	<u>125,443</u>	<u>44,356</u>	<u>72,319</u>
<b>Other financing sources (uses)</b>				
Transfers out	(65,000)	(75,813)	(10,813)	(68,059)
<b>Total other financing sources (uses)</b>	<u>(65,000)</u>	<u>(75,813)</u>	<u>(10,813)</u>	<u>(68,059)</u>
Net change in fund balances	<u>16,087</u>	<u>49,630</u>	<u>33,543</u>	<u>4,260</u>
Fund balance as of January 1	-	198,539	198,539	194,279
<b>Fund balance as of December 31</b>	<u>\$16,087</u>	<u>\$248,169</u>	<u>\$232,082</u>	<u>\$198,539</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Water Resources  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental		\$-	\$-	\$-
<b>Total Revenues</b>		-	-	17,661
<b>Expenditures</b>				
Current:				
Physical environment		-	-	585,668
<b>Total expenditures</b>		-	-	585,668
Excess (deficiency) of revenues over expenditures		-	-	(568,007)
<b>Other financing sources (uses)</b>				
Transfers in		-	-	500,000
Transfers out	(424,040)	(424,040)	-	-
<b>Total other financing sources (uses)</b>	(424,040)	(424,040)	-	500,000
Net change in fund balances	(424,040)	(424,040)	-	(68,007)
Fund balance as of January 1	424,040	424,040	-	492,047
<b>Fund balance as of December 31</b>	\$-	\$-	\$-	\$424,040

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Whatcom County Jail  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$3,666,564	\$3,015,059	\$(651,505)	\$3,406,458
Intergovernmental	2,617,541	2,294,944	(322,597)	2,471,335
Charges for service	868,753	782,840	(85,913)	708,261
Miscellaneous	212,678	266,266	53,588	203,013
<b>Total revenues</b>	<u>7,365,536</u>	<u>6,359,109</u>	<u>(1,006,427)</u>	<u>6,789,067</u>
<b>Expenditures</b>				
Current:				
Public safety	12,033,960	11,871,606	162,354	11,277,454
Capital outlay	90,443	26,192	64,251	15,019
<b>Total expenditures</b>	<u>12,124,403</u>	<u>11,897,798</u>	<u>226,605</u>	<u>11,292,473</u>
Excess (deficiency) of revenues over expenditures	<u>(4,758,867)</u>	<u>(5,538,689)</u>	<u>(779,822)</u>	<u>(4,503,406)</u>
<b>Other financing sources (uses)</b>				
Transfers in	5,661,829	5,573,102	(88,727)	6,288,359
Transfers out	(269,678)	(187,263)	82,415	(81,954)
<b>Total other financing sources (uses)</b>	<u>5,392,151</u>	<u>5,385,839</u>	<u>(6,312)</u>	<u>6,206,405</u>
Net change in fund balances	<u>633,284</u>	<u>(152,850)</u>	<u>(786,134)</u>	<u>1,702,999</u>
Fund balance as of January 1	324,144	4,137,642	3,813,498	2,434,643
<b>Fund balance as of December 31</b>	<u>\$957,428</u>	<u>\$3,984,792</u>	<u>\$3,027,364</u>	<u>\$4,137,642</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
REET Technology  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$28,000	\$26,411	\$(1,589)	\$29,007
<b>Total revenues</b>	<u>28,000</u>	<u>26,411</u>	<u>(1,589)</u>	<u>29,007</u>
Excess (deficiency) of revenues over expenditures	<u>28,000</u>	<u>26,411</u>	<u>(1,589)</u>	<u>29,007</u>
Fund balance as of January 1	-	136,934	136,934	107,927
<b>Fund balance as of December 31</b>	<u>\$28,000</u>	<u>\$163,345</u>	<u>\$135,345</u>	<u>\$136,934</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Low-Income Housing  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

# Whatcom County

W A S H I N G T O N

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Charges for service	\$240,000	\$253,701	\$13,701	\$230,588
<b>Total revenues</b>	<u>240,000</u>	<u>253,701</u>	<u>13,701</u>	<u>230,588</u>
<b>Expenditures</b>				
Current:				
Economic environment	265,000	227,785	37,215	271,298
<b>Total expenditures</b>	<u>265,000</u>	<u>227,785</u>	<u>37,215</u>	<u>271,298</u>
Excess (deficiency) of revenues over expenditures	<u>(25,000)</u>	<u>25,916</u>	<u>50,916</u>	<u>(40,710)</u>
Fund balance as of January 1	-	315,822	315,822	356,532
<b>Fund balance as of December 31</b>	<u>\$(25,000)</u>	<u>\$341,738</u>	<u>\$366,738</u>	<u>\$315,822</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Homeless Housing  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$953,897	\$812,068	\$(141,829)	\$312,716
Charges for service	783,000	778,670	(4,330)	528,938
<b>Total revenues</b>	<u>1,736,897</u>	<u>1,590,738</u>	<u>(146,159)</u>	<u>841,654</u>
<b>Expenditures</b>				
Current:				
Economic environment	1,784,410	1,439,328	345,082	648,309
<b>Total expenditures</b>	<u>1,784,410</u>	<u>1,439,328</u>	<u>345,082</u>	<u>648,309</u>
Excess (deficiency) of revenues over expenditures	<u>(47,513)</u>	<u>151,410</u>	<u>198,923</u>	<u>193,345</u>
<b>Other financing sources (uses)</b>				
Transfers out	(44,980)	(46,720)	(1,740)	(20,000)
<b>Total other financing sources (uses)</b>	<u>(44,980)</u>	<u>(46,720)</u>	<u>(1,740)</u>	<u>(20,000)</u>
Net change in fund balances	<u>(92,493)</u>	<u>104,690</u>	<u>197,183</u>	<u>173,345</u>
Fund balance as of January 1	<u>(56,200)</u>	<u>1,008,159</u>	<u>1,064,359</u>	<u>834,814</u>
<b>Fund balance as of December 31</b>	<u><u>\$(148,693)</u></u>	<u><u>\$1,112,849</u></u>	<u><u>\$1,261,542</u></u>	<u><u>\$1,008,159</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Stormwater  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$96,670	\$125,837	\$29,167	\$-
Charges for service	29,628	4,281	(25,347)	-
<b>Total revenues</b>	<u>126,298</u>	<u>130,118</u>	<u>3,820</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Physical environment	2,292,874	1,024,374	1,268,500	-
Capital Outlay	12,000	14,858	(2,858)	-
<b>Total expenditures</b>	<u>2,304,874</u>	<u>1,039,232</u>	<u>1,265,642</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,178,576)</u>	<u>(909,114)</u>	<u>1,269,462</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfer in	2,183,338	1,683,335	(500,003)	-
Transfers out	(2,000)	(2,000)	-	-
<b>Total other financing sources (uses)</b>	<u>2,181,338</u>	<u>1,681,335</u>	<u>(500,003)</u>	<u>-</u>
Net change in fund balances	<u>2,762</u>	<u>772,221</u>	<u>769,459</u>	<u>-</u>
Fund balance as of January 1	-	-	-	-
<b>Fund balance as of December 31</b>	<u>\$2,762</u>	<u>\$772,221</u>	<u>\$769,459</u>	<u>\$-</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Chemical Dependency/Mental Health  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$2,800,000	\$2,425,300	\$(374,700)	\$-
Intergovernmental	182,118	118,528	(63,590)	-
Charges for service	45,000	47,254	2,254	-
Miscellaneous	-	22,986	22,986	-
<b>Total revenues</b>	<u>3,027,118</u>	<u>2,614,068</u>	<u>(413,050)</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Mental and physical health	509,532	421,550	87,982	-
Debt service:				
Interest	1,000	2,051	(1,051)	-
<b>Total expenditures</b>	<u>510,532</u>	<u>423,601</u>	<u>86,931</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,516,586</u>	<u>2,190,467</u>	<u>(326,119)</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfer in	155,000	155,000	-	-
Transfers out	(155,000)	(155,000)	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>2,516,586</u>	<u>2,190,467</u>	<u>(326,119)</u>	<u>-</u>
Fund balance as of January 1	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>
<b>Fund balance as of December 31</b>	<u><u>\$2,536,586</u></u>	<u><u>\$2,190,467</u></u>	<u><u>\$(346,119)</u></u>	<u><u>\$-</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Countywide Emergency Medical Services  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

# Whatcom County

WASHINGTON

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$2,976,271	\$1,699,037	\$(1,277,234)	\$1,920,837
Intergovernmental	-	755,143	755,143	926,717
Miscellaneous	-	86,336	86,336	-
<b>Total revenues</b>	<u>2,976,271</u>	<u>2,540,516</u>	<u>(435,755)</u>	<u>2,847,554</u>
<b>Expenditures</b>				
Current:				
Public safety	2,233,786	1,848,167	385,619	748,093
<b>Total Expenditures</b>	<u>2,233,786</u>	<u>1,848,167</u>	<u>385,619</u>	<u>748,093</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>742,485</u>	<u>692,349</u>	<u>(50,136)</u>	<u>2,099,461</u>
<b>Other financing sources (uses)</b>				
Transfer In	-	139,167	139,167	-
Transfers out	(1,008,740)	(1,008,740)	-	(658,740)
<b>Total other financing sources (uses)</b>	<u>(1,008,740)</u>	<u>(869,573)</u>	<u>139,167</u>	<u>(658,740)</u>
Net change in fund balances	<u>(266,255)</u>	<u>(177,224)</u>	<u>89,031</u>	<u>1,440,721</u>
Fund balance as of January 1	<u>350,000</u>	<u>4,208,821</u>	<u>3,858,821</u>	<u>2,768,100</u>
<b>Fund balance as of December 31</b>	<u>\$83,745</u>	<u>\$4,031,597</u>	<u>\$3,947,852</u>	<u>\$4,208,821</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Whatcom County Trial Court Improvement  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$52,000	\$49,551	\$(2,449)	\$51,258
Miscellaneous	-	1,353	1,353	1,530
<b>Total revenues</b>	<u>52,000</u>	<u>50,904</u>	<u>(1,096)</u>	<u>52,788</u>
Excess (deficiency) of revenues over expenditures	<u>52,000</u>	<u>50,904</u>	<u>(1,096)</u>	<u>52,788</u>
<b>Other financing sources (uses)</b>				
Transfers out	(99,016)	(44,111)	54,905	(25,959)
<b>Total other financing sources (uses)</b>	<u>(99,016)</u>	<u>(44,111)</u>	<u>54,905</u>	<u>(25,959)</u>
Net change in fund balances	<u>(47,016)</u>	<u>6,793</u>	<u>53,809</u>	<u>26,829</u>
Fund balance as of January 1	<u>59,928</u>	<u>50,540</u>	<u>(9,388)</u>	<u>23,711</u>
<b>Fund balance as of December 31</b>	<u>\$12,912</u>	<u>\$57,333</u>	<u>\$44,421</u>	<u>\$50,540</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
LEOFF I Healthcare  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Current:				
Public safety	\$200,000	\$200,000	\$-	\$-
<b>Total Expenditures</b>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers out	(1,200,000)	(1,200,000)	-	-
<b>Total other financing sources (uses)</b>	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>-</u>	<u>-</u>
Fund balance as of January 1	1,200,000	3,500,000	2,300,000	3,500,000
<b>Fund balance as of December 31</b>	<u><u>\$(200,000)</u></u>	<u><u>\$2,100,000</u></u>	<u><u>\$2,300,000</u></u>	<u><u>\$3,500,000</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Solid Waste  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$250,050	\$261,332	\$11,282	\$264,553
Charges for service	850,000	756,822	(93,178)	814,650
Miscellaneous	1,800	9,400	7,600	2,161
<b>Total revenues</b>	<u>1,101,850</u>	<u>1,027,554</u>	<u>(74,296)</u>	<u>1,081,364</u>
<b>Expenditures</b>				
Current:				
Physical environment	1,185,491	975,410	210,081	1,089,450
Capital outlay	90,000	-	90,000	-
<b>Total expenditures</b>	<u>1,275,491</u>	<u>975,410</u>	<u>300,081</u>	<u>1,089,450</u>
Excess (deficiency) of revenues over expenditures	<u>(173,641)</u>	<u>52,144</u>	<u>225,785</u>	<u>(8,086)</u>
<b>Other financing sources (uses)</b>				
Transfers out	(151,760)	(146,536)	5,224	(51,032)
<b>Total other financing sources (uses)</b>	<u>(151,760)</u>	<u>(146,536)</u>	<u>5,224</u>	<u>(51,032)</u>
Net change in fund balances	<u>(325,401)</u>	<u>(94,392)</u>	<u>231,009</u>	<u>(59,118)</u>
Fund balance as of January 1	9,104	1,535,589	1,526,485	1,594,707
<b>Fund balance as of December 31</b>	<u><u>\$(316,297)</u></u>	<u><u>\$1,441,197</u></u>	<u><u>\$1,757,494</u></u>	<u><u>\$1,535,589</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Convention Center  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

# Whatcom County

W A S H I N G T O N

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$421,320	\$493,274	\$71,954	\$603,457
Miscellaneous	-	35,188	35,188	-
<b>Total revenues</b>	<u>421,320</u>	<u>528,462</u>	<u>107,142</u>	<u>603,457</u>
<b>Expenditures</b>				
Current:				
Culture & recreation	<u>328,980</u>	<u>319,659</u>	<u>9,321</u>	<u>213,558</u>
<b>Total expenditures</b>	<u>328,980</u>	<u>319,659</u>	<u>9,321</u>	<u>213,558</u>
Excess (deficiency) of revenues over expenditures	<u>92,340</u>	<u>208,803</u>	<u>116,463</u>	<u>389,899</u>
Fund balance as of January 1	-	685,679	685,679	295,780
<b>Fund balance as of December 31</b>	<u>\$92,340</u>	<u>\$894,482</u>	<u>\$802,142</u>	<u>\$685,679</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Victim/Witness Assistance  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$11,328	\$11,350	\$22	\$11,326
Charges for service	96,150	84,537	(11,613)	94,696
Fines & forfeits	30,000	28,641	(1,359)	26,099
<b>Total revenues</b>	<u>137,478</u>	<u>124,528</u>	<u>(12,950)</u>	<u>132,121</u>
<b>Expenditures</b>				
Current:				
General government	78,403	76,228	2,175	73,525
<b>Total expenditures</b>	<u>78,403</u>	<u>76,228</u>	<u>2,175</u>	<u>73,525</u>
Excess (deficiency) of revenues over expenditures	<u>59,075</u>	<u>48,300</u>	<u>(10,775)</u>	<u>58,596</u>
<b>Other financing sources (uses)</b>				
Transfers out	(74,756)	(66,659)	8,097	(59,132)
<b>Total other financing sources (uses)</b>	<u>(74,756)</u>	<u>(66,659)</u>	<u>8,097</u>	<u>(59,132)</u>
Net change in fund balances	<u>(15,681)</u>	<u>(18,359)</u>	<u>(2,678)</u>	<u>(536)</u>
Fund balance as of January 1	-	87,662	87,662	88,198
<b>Fund balance as of December 31</b>	<u><u>\$(15,681)</u></u>	<u><u>\$69,303</u></u>	<u><u>\$84,984</u></u>	<u><u>\$87,662</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Community Development  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other financing sources (uses)</b>				
Transfers out	\$(5,000)	\$(5,000)	\$-	\$(5,000)
<b>Total other financing sources (uses)</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
Net change in fund balances	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
Fund balance as of January 1	<u>-</u>	<u>21,237</u>	<u>21,237</u>	<u>26,237</u>
<b>Fund balance as of December 31</b>	<u><u>\$(5,000)</u></u>	<u><u>\$16,237</u></u>	<u><u>\$21,237</u></u>	<u><u>\$21,237</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Sewer Improvement District I  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

	2009		2008	
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other Financing Sources (Uses)</b>				
Transfer out	\$ (5,066)	\$ (5,066)	\$ -	\$ -
<b>Total Other Financing Sources (Uses)</b>	(5,066)	(5,066)	-	-
Net change in fund balances	(5,066)	(5,066)	-	-
Fund balance as of January 1	-	5,066	5,066	5,066
<b>Fund balance as of December 31</b>	<b>\$ (5,066)</b>	<b>\$ -</b>	<b>\$ 5,066</b>	<b>\$ 5,066</b>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Whatcom County Drug  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Fines & forfeits	\$271,200	\$157,761	\$(113,439)	\$538,497
Miscellaneous	30,000	19,647	(10,353)	39,400
<b>Total revenues</b>	<u>301,200</u>	<u>177,408</u>	<u>(123,792)</u>	<u>577,897</u>
<b>Expenditures</b>				
Current:				
Public safety	149,000	102,282	46,718	187,193
<b>Total expenditures</b>	<u>149,000</u>	<u>102,282</u>	<u>46,718</u>	<u>187,193</u>
Excess (deficiency) of revenues over expenditures	<u>152,200</u>	<u>75,126</u>	<u>(77,074)</u>	<u>390,704</u>
<b>Other financing sources (uses)</b>				
Transfers out	(511,967)	(511,967)	-	(537,467)
<b>Total other financing sources (uses)</b>	<u>(511,967)</u>	<u>(511,967)</u>	<u>-</u>	<u>(537,467)</u>
Net change in fund balances	<u>(359,767)</u>	<u>(436,841)</u>	<u>(77,074)</u>	<u>(146,763)</u>
Fund balance as of January 1	-	749,221	749,221	895,984
<b>Fund balance as of December 31</b>	<u><u>\$(359,767)</u></u>	<u><u>\$312,380</u></u>	<u><u>\$672,147</u></u>	<u><u>\$749,221</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Auditor's O & M  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$113,000	\$123,371	\$10,371	\$98,594
Charges for service	124,350	114,692	(9,658)	100,652
<b>Total revenues</b>	<u>237,350</u>	<u>238,063</u>	<u>713</u>	<u>199,246</u>
<b>Expenditures</b>				
Current:				
General government	108,395	56,481	51,914	63,033
Capital outlay	-	-	-	34,160
<b>Total expenditures</b>	<u>108,395</u>	<u>56,481</u>	<u>51,914</u>	<u>97,193</u>
Excess (deficiency) of revenues over expenditures	<u>128,955</u>	<u>181,582</u>	<u>52,627</u>	<u>102,053</u>
<b>Other financing sources (uses)</b>				
Transfers out	(147,811)	(140,586)	7,225	(90,146)
<b>Total other financing sources (uses)</b>	<u>(147,811)</u>	<u>(140,586)</u>	<u>7,225</u>	<u>(90,146)</u>
Net change in fund balances	<u>(18,856)</u>	<u>40,996</u>	<u>59,852</u>	<u>11,907</u>
Fund balance as of January 1	-	501,905	501,905	489,998
<b>Fund balance as of December 31</b>	<u><u>\$(18,856)</u></u>	<u><u>\$542,901</u></u>	<u><u>\$561,757</u></u>	<u><u>\$501,905</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Emergency Management  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental	\$1,581,065	\$1,177,573	\$(403,492)	\$484,260
Miscellaneous	3,004	2,105	(899)	3,777
<b>Total revenues</b>	<u>1,584,069</u>	<u>1,179,678</u>	<u>(404,391)</u>	<u>488,037</u>
<b>Expenditures</b>				
Current:				
Public safety	1,587,893	1,214,080	373,813	645,864
Capital outlay	57,000	-	57,000	9,139
<b>Total expenditures</b>	<u>1,644,893</u>	<u>1,214,080</u>	<u>430,813</u>	<u>655,003</u>
Excess (deficiency) of revenues over expenditures	<u>(60,824)</u>	<u>(34,402)</u>	<u>26,422</u>	<u>(166,966)</u>
<b>Other financing sources (uses)</b>				
Transfers in	177,024	177,024	-	160,355
Transfers out	(118,357)	(115,122)	3,235	(56,296)
<b>Total other financing sources (uses)</b>	<u>58,667</u>	<u>61,902</u>	<u>3,235</u>	<u>104,059</u>
Net change in fund balances	<u>(2,157)</u>	<u>27,500</u>	<u>29,657</u>	<u>(62,907)</u>
Fund balance as of January 1	<u>4,326</u>	<u>82,828</u>	<u>78,502</u>	<u>145,735</u>
<b>Fund balance as of December 31</b>	<u><u>\$2,169</u></u>	<u><u>\$110,328</u></u>	<u><u>\$108,159</u></u>	<u><u>\$82,828</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Flood Control Zone District  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$4,040,000	\$4,007,410	\$(32,590)	\$3,060,967
Intergovernmental	2,562,574	927,888	(1,634,686)	792,192
Charges for service	90,144	9,002	(81,142)	60
Miscellaneous	150,000	172,984	22,984	4,742
<b>Total revenues</b>	<u>6,842,718</u>	<u>5,117,284</u>	<u>(1,725,434)</u>	<u>3,857,961</u>
<b>Expenditures</b>				
Current:				
Physical environment	6,018,430	3,044,810	2,973,620	3,178,111
Capital outlay	632,031	107,885	524,146	40,002
<b>Total expenditures</b>	<u>6,650,461</u>	<u>3,152,695</u>	<u>3,497,766</u>	<u>3,218,113</u>
Excess (deficiency) of revenues over expenditures	<u>192,257</u>	<u>1,964,589</u>	<u>1,772,332</u>	<u>639,848</u>
<b>Other financing sources (uses)</b>				
Sales of capital assets	80,000	58,043	(21,957)	103,298
Transfer In	85,124	218,541	133,417	-
Transfers out	(1,865,949)	(1,796,783)	69,166	(404,105)
<b>Total other financing sources (uses)</b>	<u>(1,700,825)</u>	<u>(1,520,199)</u>	<u>180,626</u>	<u>(300,807)</u>
Net change in fund balances	<u>(1,508,568)</u>	<u>444,390</u>	<u>1,952,958</u>	<u>339,041</u>
Fund balance as of January 1	1,670,330	7,422,377	5,752,047	7,083,336
<b>Fund balance as of December 31</b>	<u>\$161,762</u>	<u>\$7,866,767</u>	<u>\$7,705,005</u>	<u>\$7,422,377</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Point Roberts Fuel Tax  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$50,000	\$35,874	\$(14,126)	\$51,245
<b>Total revenues</b>	<u>50,000</u>	<u>35,874</u>	<u>(14,126)</u>	<u>51,245</u>
Excess (deficiency) of revenues over expenditures	<u>50,000</u>	<u>35,874</u>	<u>(14,126)</u>	<u>51,245</u>
Fund balance as of January 1	-	311,786	311,786	260,541
<b>Fund balance as of December 31</b>	<u><u>\$50,000</u></u>	<u><u>\$347,660</u></u>	<u><u>\$297,660</u></u>	<u><u>\$311,786</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Conservation Futures  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$995,016	\$956,626	\$(38,390)	\$949,971
Intergovernmental	1,239,383	177,251	(1,062,132)	457,952
Miscellaneous	366	169,779	169,413	575
<b>Total revenues</b>	<u>2,234,765</u>	<u>1,303,656</u>	<u>(931,109)</u>	<u>1,408,498</u>
<b>Expenditures</b>				
Current:				
Economic environment	25,000	68,548	(43,548)	64,860
Capital outlay	1,414,237	311,152	1,103,085	1,545,361
<b>Total expenditures</b>	<u>1,439,237</u>	<u>379,700</u>	<u>1,059,537</u>	<u>1,610,221</u>
Excess (deficiency) of revenues over expenditures	<u>795,528</u>	<u>923,956</u>	<u>128,428</u>	<u>(201,723)</u>
<b>Other financing sources (uses)</b>				
Sales of capital assets	28,348	13,873	(14,475)	32,061
Transfers out	(136,780)	(83,102)	53,678	-
<b>Total other financing sources (uses)</b>	<u>(108,432)</u>	<u>(69,229)</u>	<u>39,203</u>	<u>32,061</u>
Net change in fund balances	<u>687,096</u>	<u>854,727</u>	<u>167,631</u>	<u>(169,662)</u>
Fund balance as of January 1	<u>(687,096)</u>	<u>2,463,748</u>	<u>3,150,844</u>	<u>2,633,410</u>
<b>Fund balance as of December 31</b>	<u>\$-</u>	<u>\$3,318,475</u>	<u>\$3,318,475</u>	<u>\$2,463,748</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Lake Management District 1  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Current:				
Physical environment	\$1,878	\$1,878	\$-	\$-
<b>Total expenditures</b>	<u>1,878</u>	<u>1,878</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,878)</u>	<u>(1,878)</u>	<u>-</u>	<u>-</u>
Fund balance as of January 1	<u>(1,878)</u>	<u>1,878</u>	<u>3,756</u>	<u>1,878</u>
<b>Fund balance as of December 31</b>	<u><u>\$(3,756)</u></u>	<u><u>\$-</u></u>	<u><u>\$3,756</u></u>	<u><u>\$1,878</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Road Improvement Districts  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$25,151	\$26,029	\$878	\$26,555
Miscellaneous	1,053	1,048	(5)	1,038
<b>Total revenues</b>	<u>26,204</u>	<u>27,077</u>	<u>873</u>	<u>27,593</u>
<b>Expenditures</b>				
Current:				
Transportation	32,914	29,107	3,807	27,314
<b>Total expenditures</b>	<u>32,914</u>	<u>29,107</u>	<u>3,807</u>	<u>27,314</u>
Excess (deficiency) of revenues over expenditures	<u>(6,710)</u>	<u>(2,030)</u>	<u>4,680</u>	<u>279</u>
<b>Other financing sources (uses)</b>				
Transfers in	7,736	7,736	-	-
Transfers out	(126,351)	(126,346)	5	(1,038)
<b>Total other financing sources (uses)</b>	<u>(118,615)</u>	<u>(118,610)</u>	<u>5</u>	<u>(1,038)</u>
Net change in fund balances	<u>(125,325)</u>	<u>(120,640)</u>	<u>4,685</u>	<u>(759)</u>
Fund balance as of January 1	49,955	168,370	118,415	169,129
<b>Fund balance as of December 31</b>	<u><u>\$(75,370)</u></u>	<u><u>\$47,730</u></u>	<u><u>\$123,100</u></u>	<u><u>\$168,370</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Lynden/Everson Sub-Zone  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

# Whatcom County

W A S H I N G T O N

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$33,823	\$33,299	\$(524)	\$34,336
Miscellaneous	-	5,353	5,353	-
<b>Total revenues</b>	<u>33,823</u>	<u>38,652</u>	<u>4,829</u>	<u>34,336</u>
<b>Expenditures</b>				
Current:				
Physical environment	115,000	55,624	59,376	25,200
<b>Total expenditures</b>	<u>115,000</u>	<u>55,624</u>	<u>59,376</u>	<u>25,200</u>
Excess (deficiency) of revenues over expenditures	<u>(81,177)</u>	<u>(16,972)</u>	<u>64,205</u>	<u>9,136</u>
Fund balance as of January 1	-	226,331	226,331	217,195
<b>Fund balance as of December 31</b>	<u>\$(81,177)</u>	<u>\$209,359</u>	<u>\$290,536</u>	<u>\$226,331</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Sumas/Nooksack/Everson Sub-Zone  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$105,831	\$106,041	\$210	\$106,226
Miscellaneous	-	12,954	12,954	-
<b>Total revenues</b>	<u>105,831</u>	<u>118,995</u>	<u>13,164</u>	<u>106,226</u>
<b>Expenditures</b>				
Current:				
Physical environment	115,000	13,406	101,594	26,639
<b>Total expenditures</b>	<u>115,000</u>	<u>13,406</u>	<u>101,594</u>	<u>26,639</u>
Excess (deficiency) of revenues over expenditures	<u>(9,169)</u>	<u>105,589</u>	<u>114,758</u>	<u>79,587</u>
Fund balance as of January 1	-	505,758	505,758	426,171
<b>Fund balance as of December 31</b>	<u><u>\$(9,169)</u></u>	<u><u>\$611,347</u></u>	<u><u>\$620,516</u></u>	<u><u>\$505,758</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Acme/Van Zandt Sub-Zone  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

# Whatcom County

W A S H I N G T O N

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$23,798	\$23,495	\$(303)	\$24,362
Miscellaneous	-	3,206	3,206	-
<b>Total revenues</b>	<u>23,798</u>	<u>26,701</u>	<u>2,903</u>	<u>24,362</u>
<b>Expenditures</b>				
Current:				
Physical environment	66,000	9,419	56,581	759
<b>Total expenditures</b>	<u>66,000</u>	<u>9,419</u>	<u>56,581</u>	<u>759</u>
Excess (deficiency) of revenues over expenditures	<u>(42,202)</u>	<u>17,282</u>	<u>59,484</u>	<u>23,603</u>
Fund balance as of January 1	-	127,434	127,434	103,831
<b>Fund balance as of December 31</b>	<u>\$(42,202)</u>	<u>\$144,716</u>	<u>\$186,918</u>	<u>\$127,434</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Samish Watershed Sub-Zone  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$16,972	\$17,330	\$358	\$16,860
Miscellaneous	-	899	899	-
<b>Total revenues</b>	<u>16,972</u>	<u>18,229</u>	<u>1,257</u>	<u>16,860</u>
<b>Expenditures</b>				
Current:				
Physical environment	12,312	1,875	10,437	4,020
<b>Total expenditures</b>	<u>12,312</u>	<u>1,875</u>	<u>10,437</u>	<u>4,020</u>
Excess (deficiency) of revenues over expenditures	<u>4,660</u>	<u>16,354</u>	<u>11,694</u>	<u>12,840</u>
Fund balance as of January 1	<u>3,512</u>	<u>29,869</u>	<u>26,357</u>	<u>17,029</u>
<b>Fund balance as of December 31</b>	<u><u>\$8,172</u></u>	<u><u>\$46,223</u></u>	<u><u>\$38,051</u></u>	<u><u>\$29,869</u></u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual (GAAP Basis)  
Birch Bay Sub-Zone  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$730,000	\$683,948	\$(46,052)	\$-
Miscellaneous	-	8,037	8,037	-
<b>Total revenues</b>	<u>730,000</u>	<u>691,985</u>	<u>(38,015)</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Physical environment	227,322	37,149	190,173	-
Capital outlay	2,200	-	2,200	-
<b>Total expenditures</b>	<u>229,522</u>	<u>37,149</u>	<u>192,373</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>500,478</u>	<u>654,836</u>	<u>154,358</u>	<u>-</u>
Fund balance as of January 1	<u>(500,478)</u>	<u>-</u>	<u>500,478</u>	<u>-</u>
<b>Fund balance as of December 31</b>	<u><u>\$-</u></u>	<u><u>\$654,836</u></u>	<u><u>\$654,836</u></u>	<u><u>\$-</u></u>

	1977 Fair GO Bond	1978 Ltd. Tax GO Bond	1981 Ltd. Tax GO Bond	1982 Ltd. Tax GO Bond	1983 Ltd. Tax GO Bond	CRID No. 4 General Debt	CRID No. 5 General Debt
<b>Assets</b>							
Cash and cash equivalents	\$30,891	\$22,312	\$-	\$8,406	\$5,271	\$219	\$14,602
Taxes receivable	10	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$30,901</b>	<b>\$22,312</b>	<b>\$-</b>	<b>\$8,406</b>	<b>\$5,271</b>	<b>\$219</b>	<b>\$14,602</b>
<b>Liabilities and fund balance</b>							
<b>Liabilities</b>							
Deferred revenue	\$10	\$-	\$-	\$-	\$-	\$-	\$-
<b>Total liabilities</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>							
Reserved for:							
Debt service	30,891	22,312	-	8,406	5,271	219	14,602
<b>Total fund balance</b>	<b>30,891</b>	<b>22,312</b>	<b>-</b>	<b>8,406</b>	<b>5,271</b>	<b>219</b>	<b>14,602</b>
<b>Total liabilities and fund balance</b>	<b>\$30,901</b>	<b>\$22,312</b>	<b>\$-</b>	<b>\$8,406</b>	<b>\$5,271</b>	<b>\$219</b>	<b>\$14,602</b>

CRID No. 9 General Debt	LRID No. 10 General Debt	1991 Ltd. Tax GO Bond	1993 Ltd. Tax GO Bond	1997 Ltd. Tax GO Bond	1998 Ltd. Tax GO Bond	2003 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
\$260	\$135,863	\$1,337	\$188	\$451	\$797	\$815	\$221,412
-	-	-	-	-	-	-	10
7,283	-	-	-	-	-	-	7,283
<u>\$7,543</u>	<u>\$135,863</u>	<u>\$1,337</u>	<u>\$188</u>	<u>\$451</u>	<u>\$797</u>	<u>\$815</u>	<u>\$228,705</u>
\$7,283	\$-	\$-	\$-	\$-	\$-	\$-	\$7,293
<u>7,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,293</u>
260	135,863	1,337	188	451	797	815	221,412
<u>260</u>	<u>135,863</u>	<u>1,337</u>	<u>188</u>	<u>451</u>	<u>797</u>	<u>815</u>	<u>221,412</u>
<u>\$7,543</u>	<u>\$135,863</u>	<u>\$1,337</u>	<u>\$188</u>	<u>\$451</u>	<u>\$797</u>	<u>\$815</u>	<u>\$228,705</u>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Debt Service Funds  
 Year Ended December 31, 2009

	1977 Fair GO Bond	1978 Ltd. Tax GO Bond	1981 Ltd. Tax GO Bond	1982 Ltd. Tax GO Bond	1983 Ltd. Tax GO Bond	CRID No. 4 General Debt
<b>Expenditures</b>						
Debt service:						
Principal	\$-	\$-	\$-	\$-	\$-	\$-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
Fund balance as of January 1	30,891	22,312	-	8,406	5,271	219
<b>Fund balance as of December 31</b>	<b>\$30,891</b>	<b>\$22,312</b>	<b>\$-</b>	<b>\$8,406</b>	<b>\$5,271</b>	<b>\$219</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Debt Service Funds  
 Year Ended December 31, 2009

CRID No. 5 General Debt	CRID No. 9 General Debt	LRID No. 10 General Debt	1991 Ltd. Tax GO Bond	1993 Ltd. Tax GO Bond	1997 Ltd. Tax GO Bond	1998 Ltd. Tax GO Bond	2003 Ltd. Tax GO Bond	Total Non Major Debt Service Funds
\$-	\$-	\$-	\$-	\$-	\$1,050,000	\$165,000	\$385,000	\$1,600,000
-	-	-	-	-	154,343	89,889	50,296	294,528
-	-	-	-	-	1,204,343	254,889	435,296	1,894,528
-	-	-	-	-	(1,204,343)	(254,889)	(435,296)	(1,894,528)
-	-	-	-	-	1,204,040	254,585	434,993	1,893,618
-	(7,736)	-	-	-	-	-	-	(7,736)
-	(7,736)	-	-	-	1,204,040	254,585	434,993	1,885,882
-	(7,736)	-	-	-	(303)	(304)	(303)	(8,646)
14,602	7,996	135,863	1,337	188	754	1,101	1,118	230,058
<u>\$14,602</u>	<u>\$260</u>	<u>\$135,863</u>	<u>\$1,337</u>	<u>\$188</u>	<u>\$451</u>	<u>\$797</u>	<u>\$815</u>	<u>\$221,412</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 CRID No. 9 General Debt  
 Year Ended December 31, 2009  
 (With comparative totals for December 31, 2008)

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Other financing sources (uses)</b>				
Transfers out	\$(7,736)	\$(7,736)	\$-	\$-
<b>Total other financing sources (uses)</b>	<u>(7,736)</u>	<u>(7,736)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(7,736)</u>	<u>(7,736)</u>	<u>-</u>	<u>-</u>
Fund balance as of January 1	-	7,996	7,996	7,996
<b>Fund balance as of December 31</b>	<u><u>\$(7,736)</u></u>	<u><u>\$260</u></u>	<u><u>\$7,996</u></u>	<u><u>\$7,996</u></u>

Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
1997 Ltd Tax GO Bond  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

# Whatcom County

W A S H I N G T O N

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$1,050,000	\$1,050,000	\$-	\$1,000,000
Interest	155,040	154,343	697	205,606
<b>Total expenditures</b>	<u>1,205,040</u>	<u>1,204,343</u>	<u>697</u>	<u>1,205,606</u>
Excess (deficiency) of revenues over expenditures	(1,205,040)	(1,204,343)	697	(1,205,606)
<b>Other financing sources (uses)</b>				
Transfers in	1,204,340	1,204,040	(300)	1,206,300
<b>Total other financing sources (uses)</b>	<u>1,204,340</u>	<u>1,204,040</u>	<u>(300)</u>	<u>1,206,300</u>
Net change in fund balances	(700)	(303)	397	694
Fund balance as of January 1	-	754	754	60
<b>Fund balance as of December 31</b>	<u><u>\$(700)</u></u>	<u><u>\$451</u></u>	<u><u>\$1,151</u></u>	<u><u>\$754</u></u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 1998 Ltd Tax GO Bond  
 Year Ended December 31, 2009  
 (With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$165,000	\$165,000	\$-	\$160,000
Interest	90,585	89,889	696	96,448
<b>Total expenditures</b>	<u>255,585</u>	<u>254,889</u>	<u>696</u>	<u>256,448</u>
Excess (deficiency) of revenues over expenditures	(255,585)	(254,889)	696	(256,448)
<b>Other financing sources (uses)</b>				
Transfers in	254,585	254,585	-	257,145
<b>Total other financing sources (uses)</b>	<u>254,585</u>	<u>254,585</u>	<u>-</u>	<u>257,145</u>
Net change in fund balances	(1,000)	(304)	696	697
Fund balance as of January 1	-	1,101	1,101	404
<b>Fund balance as of December 31</b>	<u>\$ (1,000)</u>	<u>\$ 797</u>	<u>\$ 1,797</u>	<u>\$ 1,101</u>

Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
2003 Ltd Tax GO Bond  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Debt Service:				
Principal	\$385,000	\$385,000	\$-	\$370,000
Interest	50,993	50,296	697	59,361
<b>Total expenditures</b>	<u>435,993</u>	<u>435,296</u>	<u>697</u>	<u>429,361</u>
Excess (deficiency) of revenues over expenditures	(435,993)	(435,296)	697	(429,361)
<b>Other financing sources (uses)</b>				
Transfers in	434,993	434,993	-	430,058
<b>Total other financing sources (uses)</b>	<u>434,993</u>	<u>434,993</u>	<u>-</u>	<u>430,058</u>
Net change in fund balances	(1,000)	(303)	697	697
Fund balance as of January 1	-	1,118	1,118	421
<b>Fund balance as of December 31</b>	<u><u>\$(1,000)</u></u>	<u><u>\$815</u></u>	<u><u>\$1,815</u></u>	<u><u>\$1,118</u></u>

	Real Estate Excise Tax II	1983 Sewer Construction	Real Estate Excise Tax I	Courthouse Expansion Construction	Road Improvement Dist. No. 10 Construction
<b>Assets</b>					
Cash and cash equivalents	\$6,220,627	\$-	\$3,046,494	\$43	\$-
Investments at cost	-	-	-	-	-
Accounts receivable, net	16	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other funds	519,768	-	230,185	-	-
<b>Total assets</b>	<b>\$6,740,411</b>	<b>\$-</b>	<b>\$3,276,679</b>	<b>\$43</b>	<b>\$-</b>
<b>Liabilities and fund balance</b>					
<b>Liabilities</b>					
Accounts payable	\$37,270	\$-	\$112,849	\$-	\$-
Due to other funds	-	-	22,500	-	-
Revenue collected in advance	-	-	-	-	-
<b>Total liabilities</b>	<b>37,270</b>	<b>-</b>	<b>135,349</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>					
Reserved for:					
Encumbrances	536,959	-	1,067,007	-	-
Unreserved, reported in:					
Capital Projects	6,166,182	-	2,074,323	43	-
<b>Total fund balance</b>	<b>6,703,141</b>	<b>-</b>	<b>3,141,330</b>	<b>43</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$6,740,411</b>	<b>\$-</b>	<b>\$3,276,679</b>	<b>\$43</b>	<b>\$-</b>

County Park Improvement	Civic Center Building Improvement	Jail Construction Project	East Whatcom Regional Resource Center Construction	Yew St. Rd. Construction	Total Non Major Capital Project Funds
\$989	\$32,211	\$-	\$289,063	\$1,345,154	\$10,934,581
129,611	-	-	-	-	129,611
-	-	-	-	-	16
195	-	-	-	-	195
-	-	-	-	-	749,953
<u>\$130,795</u>	<u>\$32,211</u>	<u>\$-</u>	<u>\$289,063</u>	<u>\$1,345,154</u>	<u>\$11,814,356</u>
\$-	\$-	\$-	\$38,188	\$38,224	\$226,531
-	-	-	1,462	-	23,962
51	-	-	-	-	51
<u>51</u>	<u>-</u>	<u>-</u>	<u>39,650</u>	<u>38,224</u>	<u>250,544</u>
-	-	-	250,351	1,320,534	3,174,851
130,744	32,211	-	(938)	(13,604)	8,388,961
<u>130,744</u>	<u>32,211</u>	<u>-</u>	<u>249,413</u>	<u>1,306,930</u>	<u>11,563,812</u>
<u>\$130,795</u>	<u>\$32,211</u>	<u>\$-</u>	<u>\$289,063</u>	<u>\$1,345,154</u>	<u>\$11,814,356</u>

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Non-Major Capital Project Funds  
Year Ended December 31, 2009

	Real Estate Excise Tax II	1983 Sewer Construction	Real Estate Excise Tax I	Courthouse Expansion Construction	Road Improvement District No. 10 Construction
<b>Revenues</b>					
Taxes	\$1,041,318	\$-	\$1,085,661	\$-	\$-
Miscellaneous	521,382	-	230,514	-	-
<b>Total revenues</b>	<b>1,562,700</b>	<b>-</b>	<b>1,316,175</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>					
Current:					
General government	23,395	-	203	-	-
Public Safety	-	-	45,232	-	-
Physical environment	-	-	146,310	-	-
Culture and recreation	169,208	-	-	-	-
Capital outlay	427,949	-	179,701	-	-
Debt service:					
Interest	-	-	22,500	-	-
<b>Total expenditures</b>	<b>620,552</b>	<b>-</b>	<b>393,946</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	942,148	-	922,229	-	-
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	(3,236,722)	-	(1,604,040)	-	-
<b>Total other financing sources (uses)</b>	<b>(3,236,722)</b>	<b>-</b>	<b>(1,604,040)</b>	<b>-</b>	<b>-</b>
Net changes in fund balances	(2,294,574)	-	(681,811)	-	-
Fund balance as of January 1	8,997,715	-	3,823,141	43	-
<b>Fund balance as of December 31</b>	<b>\$6,703,141</b>	<b>\$-</b>	<b>\$3,141,330</b>	<b>\$43</b>	<b>\$-</b>

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 Non-Major Capital Project Funds  
 Year Ended December 31, 2009

County Park Improvement	Civic Center Building Improvement	Jail Construction Project	East Whatcom Regional Resource Center Construction	Yew St. Rd. Construction	Total Non Major Capital Project Funds
\$-	\$-	\$-	\$-	\$-	\$2,126,979
2,991	-	-	-	7,000	761,887
2,991	-	-	-	7,000	2,888,866
-	-	-	-	-	23,598
-	-	-	-	-	45,232
-	-	-	-	-	146,310
-	-	-	-	-	169,208
-	-	-	282,816	372,070	1,262,536
-	-	-	-	-	22,500
-	-	-	282,816	372,070	1,669,384
2,991	-	-	(282,816)	(365,070)	1,219,482
-	-	-	450,000	1,672,000	2,122,000
-	-	(169,824)	-	-	(5,010,586)
-	-	(169,824)	450,000	1,672,000	(2,888,586)
2,991	-	(169,824)	167,184	1,306,930	(1,669,104)
127,753	32,211	169,824	82,229	-	13,232,916
\$130,744	\$32,211	\$-	\$249,413	\$1,306,930	\$11,563,812

Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
Real Estate Excise Tax II  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$1,400,000	\$1,041,318	\$(358,682)	\$1,487,931
Intergovernmental	648,578	-	\$(648,578)	-
Miscellaneous	-	521,382	521,382	-
<b>Total revenues</b>	<u>2,048,578</u>	<u>1,562,700</u>	<u>(485,878)</u>	<u>1,487,931</u>
<b>Expenditures</b>				
Current:				
General Government	5,750	23,395	(17,645)	-
Culture and Recreation	114,533	169,208	(54,675)	44,764
Capital outlay	3,563,696	427,949	3,135,747	296,893
<b>Total expenditures</b>	<u>3,683,979</u>	<u>620,552</u>	<u>3,063,427</u>	<u>341,657</u>
Excess (deficiency) of revenues over expenditures	<u>(1,635,401)</u>	<u>942,148</u>	<u>2,577,549</u>	<u>1,146,274</u>
<b>Other financing sources (uses)</b>				
Transfers out	(3,236,722)	(3,236,722)	-	(34,365)
<b>Total other financing sources (uses)</b>	<u>(3,236,722)</u>	<u>(3,236,722)</u>	<u>-</u>	<u>(34,365)</u>
Net changes in fund balances	<u>(4,872,123)</u>	<u>(2,294,574)</u>	<u>2,577,549</u>	<u>1,111,909</u>
Fund balance as of January 1	2,419,268	8,997,715	6,578,447	7,885,806
<b>Fund balance as of December 31</b>	<u><u>\$(2,452,855)</u></u>	<u><u>\$6,703,141</u></u>	<u><u>\$9,155,996</u></u>	<u><u>\$8,997,715</u></u>

Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
Real Estate Excise Tax I  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

# Whatcom County

W A S H I N G T O N

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Taxes	\$1,400,000	\$1,085,661	\$(314,339)	\$1,600,071
Miscellaneous	-	230,514	230,514	9,204
<b>Total revenues</b>	<u>1,400,000</u>	<u>1,316,175</u>	<u>(83,825)</u>	<u>1,609,275</u>
<b>Expenditures</b>				
Current:				
General Government	152,000	203	151,797	-
Public Safety	265,000	45,232	219,768	-
Physical environment	383,791	146,310	237,481	739,513
Culture and Recreation	-	-	-	18,008
Capital outlay	470,000	179,701	290,299	51,263
Debt Service:				
Interest	-	22,500	(22,500)	-
<b>Total expenditures</b>	<u>1,270,791</u>	<u>393,946</u>	<u>876,845</u>	<u>808,784</u>
Excess (deficiency) of revenues over expenditures	<u>129,209</u>	<u>922,229</u>	<u>793,020</u>	<u>800,491</u>
<b>Other financing sources (uses)</b>				
Transfer in	69,305	-	(69,305)	100,000
Transfers out	(2,004,340)	(1,604,040)	400,300	(1,206,300)
<b>Total other financing sources (uses)</b>	<u>(1,935,035)</u>	<u>(1,604,040)</u>	<u>330,995</u>	<u>(1,106,300)</u>
Net changes in fund balances	<u>(1,805,826)</u>	<u>(681,811)</u>	<u>1,124,015</u>	<u>(305,809)</u>
Fund balance as of January 1	<u>861,486</u>	<u>3,823,141</u>	<u>2,961,655</u>	<u>4,128,950</u>
<b>Fund balance as of December 31</b>	<u><u>\$(944,340)</u></u>	<u><u>\$3,141,330</u></u>	<u><u>\$4,085,670</u></u>	<u><u>\$3,823,141</u></u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 County Parks Improvement  
 Year Ended December 31, 2009  
 (With comparative totals for December 31, 2008)

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$1,000	\$2,991	\$1,991	\$5,024
<b>Total revenues</b>	<u>1,000</u>	<u>2,991</u>	<u>1,991</u>	<u>5,024</u>
<b>Expenditures</b>				
Current:				
Capital Outlay	-	-	-	7,181
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,181</u>
Excess (deficiency) of revenues over expenditures	<u>1,000</u>	<u>2,991</u>	<u>1,991</u>	<u>(2,157)</u>
Fund balance as of January 1	-	127,753	127,753	129,910
<b>Fund balance as of December 31</b>	<u>\$1,000</u>	<u>\$130,744</u>	<u>\$129,744</u>	<u>\$127,753</u>

Schedule of Revenues, Expenditures and  
 Changes in Fund Balance  
 Budget and Actual (GAAP Basis)  
 Jail Construction Project  
 Year Ended December 31, 2009  
 (With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Miscellaneous	\$-	\$-	\$-	\$3,054
<b>Total revenues</b>	-	-	-	3,054
<b>Other financing sources (uses)</b>				
Operating Transfer out	(169,824)	(169,824)	-	-
<b>Total other financing sources (uses)</b>	(169,824)	(169,824)	-	-
Net changes in fund balances	(169,824)	(169,824)	-	3,054
Fund balance as of January 1	169,824	169,824	-	166,770
<b>Fund balance as of December 31</b>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$169,824</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, 2009  
 (With comparative totals for December 31, 2008)

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Expenditures</b>				
Current:				
Capital outlay	\$531,706	\$282,816	\$248,890	\$67,771
<b>Total expenditures</b>	<u>531,706</u>	<u>282,816</u>	<u>248,890</u>	<u>67,771</u>
Excess (deficiency) of revenues over expenditures	(531,706)	(282,816)	248,890	(67,771)
<b>Other financing sources (uses)</b>				
Transfers in	450,000	450,000	-	150,000
<b>Total other financing sources (uses)</b>	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>150,000</u>
Net change in fund balances	(81,706)	167,184	248,890	82,229
Fund balance as of January 1	81,706	82,229	523	-
<b>Fund balance as of December 31</b>	<u>\$-</u>	<u>\$249,413</u>	<u>\$249,413</u>	<u>\$82,229</u>

Schedule of Revenues, Expenditures and  
Changes in Fund Balance  
Budget and Actual (GAAP Basis)  
Yew St. Rd. Construction  
Year Ended December 31, 2009  
(With comparative totals for December 31, 2008)

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

	2009			2008
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Intergovernmental revenues	\$2,228,000	\$-	\$(2,228,000)	\$-
Miscellaneous	-	7,000	7,000	-
<b>Total revenues</b>	<u>2,228,000</u>	<u>7,000</u>	<u>(2,221,000)</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Capital outlay	3,900,000	372,070	3,527,930	-
<b>Total expenditures</b>	<u>3,900,000</u>	<u>372,070</u>	<u>3,527,930</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,672,000)</u>	<u>(365,070)</u>	<u>1,306,930</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,672,000	1,672,000	-	-
<b>Total other financing sources (uses)</b>	<u>1,672,000</u>	<u>1,672,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>1,306,930</u>	<u>1,306,930</u>	<u>-</u>
Fund balance as of January 1	-	-	-	-
<b>Fund balance as of December 31</b>	<u>\$-</u>	<u>\$1,306,930</u>	<u>\$1,306,930</u>	<u>\$-</u>

Schedule of Revenues, Expenditures and Changes in  
Fund Balance  
Budget and Actual  
Public Utilities Improvement  
Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$3,200,000	\$3,200,000	\$2,771,621	\$(428,379)
Miscellaneous	66,622	66,622	68,369	1,747
<b>Total revenues</b>	<u>3,266,622</u>	<u>3,266,622</u>	<u>2,839,990</u>	<u>(426,632)</u>
<b>Expenditures</b>				
Current:				
General government	25,000	45,000	45,000	-
Capital outlay	150,943	525,943	213,917	312,026
<b>Total expenditures</b>	<u>175,943</u>	<u>570,943</u>	<u>258,917</u>	<u>312,026</u>
Excess (deficiency) of revenues over expenditures	<u>3,090,679</u>	<u>2,695,679</u>	<u>2,581,073</u>	<u>(114,606)</u>
<b>Other financing sources (uses)</b>				
Transfer out	-	(450,000)	(450,000)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>3,090,679</u>	<u>2,245,679</u>	<u>2,131,073</u>	<u>(114,606)</u>
Fund balance as of January 1	-	845,000	11,587,932	10,742,932
<b>Fund balance as of December 31</b>	<u>\$3,090,679</u>	<u>\$3,090,679</u>	<u>\$13,719,005</u>	<u>\$10,628,326</u>

	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
<b>Assets</b>				
Current assets				
Cash & cash equivalents	\$7,085,386	\$203,193	\$12,478,867	\$19,767,446
Deposits with fiscal agent	-	-	1,000	1,000
Accounts receivable, net	8,151	-	145,366	153,517
Due from other funds	587,815	-	195,997	783,812
Due from other governments	76,145	-	49,616	125,761
Interfund loan receivable	100,000	-	-	100,000
Inventory	1,953,426	-	35,270	1,988,696
<b>Total current assets</b>	<b>9,810,923</b>	<b>203,193</b>	<b>12,906,116</b>	<b>22,920,232</b>
Noncurrent assets				
Interfund loan - long term	1,950,000	-	-	1,950,000
Land	750,381	-	-	750,381
Building & structures, net	1,388,304	-	4,532	1,392,836
Capital leases, net	-	-	308,690	308,690
Other improvements, net	233,390	-	-	233,390
Machinery & equipment, net	8,639,198	-	421,436	9,060,634
<b>Total noncurrent assets</b>	<b>12,961,273</b>	<b>-</b>	<b>734,658</b>	<b>13,695,931</b>
<b>Total assets</b>	<b>22,772,196</b>	<b>203,193</b>	<b>13,640,774</b>	<b>36,616,163</b>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	271,093	-	418,258	689,351
Claims cost payable	20,166	-	4,273,245	4,293,411
Due to other funds	23,660	-	53,880	77,540
Due to other governments	3,015	-	13,921	16,936
Compensated absences	149,413	-	438,937	588,350
Other accrued liabilities	-	-	523	523
Unearned revenue	-	-	99,000	99,000
<b>Total current liabilities</b>	<b>467,347</b>	<b>-</b>	<b>5,297,764</b>	<b>5,765,111</b>
Noncurrent liabilities				
Other liabilities	-	-	349,445	349,445
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>349,445</b>	<b>349,445</b>
<b>Total liabilities</b>	<b>467,347</b>	<b>-</b>	<b>5,647,209</b>	<b>6,114,556</b>
<b>Net assets</b>				
Net assets, Invested in capital assets	10,954,200	-	734,658	11,688,858
Unrestricted	11,350,649	203,193	7,258,907	18,812,749
<b>Total net assets</b>	<b>\$22,304,849</b>	<b>\$203,193</b>	<b>\$7,993,565</b>	<b>\$30,501,607</b>

Combining Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
Internal Service Funds  
Year Ended December 31, 2009

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

	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
<b>Operating Revenue</b>				
Intergovernmental	\$-	\$-	\$116,767	\$116,767
Charges for service	3,633,474	-	8,117,926	11,751,400
Rents and parking	5,523,402	-	765,959	6,289,361
Fines & forfeits	-	-	2,295	2,295
Insurance premiums	-	-	8,609,289	8,609,289
Other miscellaneous revenues	-	-	50,235	50,235
<b>Total operating revenues</b>	<u>9,156,876</u>	<u>-</u>	<u>17,662,471</u>	<u>26,819,347</u>
General operations	5,962,650	-	16,791,912	22,754,562
General administration	669,690	-	-	669,690
Depreciation	1,705,571	-	437,411	2,142,982
<b>Total operating expenses</b>	<u>8,337,911</u>	<u>-</u>	<u>17,229,323</u>	<u>25,567,234</u>
<b>Operating income (loss)</b>	<u>818,965</u>	<u>-</u>	<u>433,148</u>	<u>1,252,113</u>
<b>Non-operating revenues (expenses)</b>				
Gain (loss) on sale of capital assets	72,822	-	-	72,822
Interest revenue	541,437	-	-	541,437
Interest expense	-	-	(18,639)	(18,639)
<b>Total non-operating revenues (expenses)</b>	<u>614,259</u>	<u>-</u>	<u>(18,639)</u>	<u>595,620</u>
<b>Income (loss) before contributions and transfers</b>	<u>1,433,224</u>	<u>-</u>	<u>414,509</u>	<u>1,847,733</u>
Transfers in	-	-	690,642	690,642
Transfers out	(304,300)	-	(1,560,385)	(1,864,685)
<b>Changes in net assets</b>	<u>1,128,924</u>	<u>-</u>	<u>(455,234)</u>	<u>673,690</u>
<b>Total net assets-beginning</b>	<u>21,175,925</u>	<u>203,193</u>	<u>8,448,799</u>	<u>29,827,917</u>
<b>Total net assets-ending</b>	<u>\$22,304,849</u>	<u>\$203,193</u>	<u>\$7,993,565</u>	<u>\$30,501,607</u>

	Equipment Rental	Whatcom Co. Supplemental Retirement	Administrative Services	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$6,994,064	\$-	\$17,844,912	\$24,838,976
Cash payments for goods and services	(6,409,017)	-	(11,757,038)	(18,166,055)
Cash payments to employees	(1,172,663)	-	(5,419,099)	(6,591,762)
<b>Net cash provided by operating activities</b>	<b>(587,616)</b>	<b>-</b>	<b>668,775</b>	<b>81,159</b>
<b>Cash flows from non-capital financing activities:</b>				
Transfers in	-	-	690,642	690,642
Transfers out	(304,300)	-	(1,560,385)	(1,864,685)
<b>Net cash provided by non-capital financing activities</b>	<b>(304,300)</b>	<b>-</b>	<b>(869,743)</b>	<b>(1,174,043)</b>
<b>Cash flows from capital financing activities:</b>				
Interest paid on lease purchase	-	-	(18,639)	(18,639)
Proceeds from sale of assets	145,384	-	-	145,384
Payments for capital assets	(2,146,518)	-	(229,868)	(2,376,386)
<b>Net cash used by capital financing activities</b>	<b>(2,001,134)</b>	<b>-</b>	<b>(248,507)</b>	<b>(2,249,641)</b>
Net Increase (decrease) in cash and cash equivalents	(2,893,050)	-	(449,475)	(3,342,525)
Balances - beginning of the year	9,978,436	203,193	12,928,342	23,109,971
Balances - end of the year	\$7,085,386	\$203,193	\$12,478,867	\$19,767,446
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$818,965	\$-	\$433,148	\$1,252,113
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>				
Depreciation expense	1,705,571	-	437,411	2,142,982
<b>Change in assets and liabilities:</b>				
Receivables	(2,162,813)	-	182,441	(1,980,372)
Inventories	(682,974)	-	672	(682,302)
Accounts and other payables	(242,855)	-	(330,405)	(573,260)
Accrued expenses	(23,510)	-	(54,492)	(78,002)
<b>Net cash provided by operating activities</b>	<b>\$(587,616)</b>	<b>\$-</b>	<b>\$668,775</b>	<b>\$81,159</b>

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
<b>Assets</b>			
Current assets			
Cash & cash equivalents	\$240,242	\$424,343	\$664,585
Due from other funds	-	646,824	646,824
<b>Total current assets</b>	<u>240,242</u>	<u>1,071,167</u>	<u>1,311,409</u>
Noncurrent assets			
Machinery & equipment, net	-	11,030	11,030
<b>Total noncurrent assets</b>	<u>-</u>	<u>11,030</u>	<u>11,030</u>
<b>Total assets</b>	<u>240,242</u>	<u>1,082,197</u>	<u>1,322,439</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	6,570	41,283	47,853
Due to other funds	-	6,353	6,353
Due to other governments	228	3,206	3,434
Compensated absences	25,943	91,644	117,587
<b>Total current liabilities</b>	<u>32,741</u>	<u>142,486</u>	<u>175,227</u>
<b>Total liabilities</b>	<u>32,741</u>	<u>142,486</u>	<u>175,227</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	-	11,030	11,030
Unrestricted	207,501	928,681	1,136,182
<b>Total net assets</b>	<u>\$207,501</u>	<u>\$939,711</u>	<u>\$1,147,212</u>

Combining Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
Non-Major Enterprise Funds  
Year Ended December 31, 2009

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

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
<b>Operating revenues</b>			
Intergovernmental	\$-	\$97,655	\$97,655
Charges for service	-	1,145,977	1,145,977
Other miscellaneous revenues	228,638	16,264	244,902
<b>Total operating revenues</b>	<b>228,638</b>	<b>1,259,896</b>	<b>1,488,534</b>
<b>Operating expenses</b>			
General operations	230,650	2,316,509	2,547,159
General administration	-	221,352	221,352
Depreciation	-	3,577	3,577
<b>Total operating expenses</b>	<b>230,650</b>	<b>2,541,438</b>	<b>2,772,088</b>
<b>Operating income (loss)</b>	<b>(2,012)</b>	<b>(1,281,542)</b>	<b>(1,283,554)</b>
Transfers in	-	1,152,957	1,152,957
Transfers out	-	(4,250)	(4,250)
<b>Changes in net assets</b>	<b>(2,012)</b>	<b>(132,835)</b>	<b>(134,847)</b>
<b>Total net assets-beginning</b>	<b>209,513</b>	<b>1,072,546</b>	<b>1,282,059</b>
<b>Total net assets-ending</b>	<b>\$207,501</b>	<b>\$939,711</b>	<b>\$1,147,212</b>

	Enterprise Funds		
	Whatcom County Investment Pool	Ferry System	Totals
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$228,647	\$1,175,379	\$1,404,026
Cash payments for goods and services	(57,278)	(1,551,472)	(1,608,750)
Cash payments to employees	(169,742)	(1,004,455)	(1,174,197)
<b>Net cash provided by operating activities</b>	<u>1,627</u>	<u>(1,380,548)</u>	<u>(1,378,921)</u>
<b>Cash flows from non-capital financing activities:</b>			
Transfers in	-	1,152,957	1,152,957
Transfers out	-	(4,250)	(4,250)
<b>Net cash provided by non-capital financing activities</b>	<u>-</u>	<u>1,148,707</u>	<u>1,148,707</u>
Net increase (decrease) in cash and cash equivalents	1,627	(231,841)	(230,214)
Balances - beginning of the year	238,615	656,184	894,799
Balances - end of the year	<u>\$240,242</u>	<u>\$424,343</u>	<u>\$664,585</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$(2,012)	\$(1,281,542)	\$(1,283,554)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>			
Depreciation expense	-	3,577	3,577
Change in assets and liabilities:			
Receivables, net	9	(84,517)	(84,508)
Accounts and other payables	(2,606)	(10,303)	(12,909)
Accrued expenses	6,236	(7,763)	(1,527)
<b>Net cash provided by operating activities</b>	<u>\$1,627</u>	<u>\$(1,380,548)</u>	<u>\$(1,378,921)</u>

Investment Trust Fund
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**Assets**

Certificates of deposit & saving accounts	\$5,433,591
Taxable municipal notes	3,293,674
US agency notes	84,191,084
LGIP	18,030,040
Promissory Notes	1,124
CMO	2,084,091
<b>Total assets</b>	<u>113,033,604</u>
<b>Net assets</b>	
Held in trust for pool participants	<u>113,033,604</u>
<b>Total net assets</b>	<u><u>\$113,033,604</u></u>

Combining Statement of Changes in Net Assets  
Investment Trust Funds  
Year Ended December 31, 2009

	Investment Trust Fund
<b>Additions</b>	
Contributions	\$145,340,888
Net investment earnings (losses)	
Interest	2,925,089
<b>Total additions</b>	<b>148,265,977</b>
<b>Deductions</b>	
Distributions	152,621,688
Change in net assets	(4,355,711)
Net assets - January 1, 2009	117,389,315
Net assets - December 31, 2009	<b>\$113,033,604</b>

	Cemetery Districts	Drainage, Diking & Flood Cntr Districts	Park & Recreation Districts	Watershed Mngmt Project Joint Board	Rural Library	Northwest Regional Council
<b>Assets</b>						
Cash & cash equivalents	\$587,533	\$141,944	\$66,210	\$1,070,882	\$199,064	\$975,302
Assets held in trust-external investment pool	1,521,165	229,941	1,292,142	-	3,998,105	1,484,782
Accounts receivable, net	-	-	-	-	-	-
<b>Total assets</b>	<b>\$2,108,698</b>	<b>\$371,885</b>	<b>\$1,358,352</b>	<b>\$1,070,882</b>	<b>\$4,197,169</b>	<b>\$2,460,084</b>
<b>Liabilities</b>						
Warrants payable	\$-	\$-	\$-	\$-	\$-	\$-
Accounts payable	53	830	-	-	168,650	1,213
Other accrued liabilities	3,186	-	171	-	6,927	4,410
Revenue collected in advance	-	-	-	-	-	-
Custodial accounts	2,105,459	371,055	1,358,181	1,070,882	4,021,592	2,454,461
<b>Total liabilities</b>	<b>\$2,108,698</b>	<b>\$371,885</b>	<b>\$1,358,352</b>	<b>\$1,070,882</b>	<b>\$4,197,169</b>	<b>\$2,460,084</b>

Council of Government	Hospital Districts	Port	P.U.D. District	Whatcom Transit	School Districts	Watershed Districts	Fire Districts	Water Districts
\$7,242	\$5,125	\$85,931	\$9,029	\$-	\$6,857,993	\$(1,059)	\$526,572	\$533,702
423,511	223,588	-	6,912,102	22,547,419	57,868,473	-	13,184,733	3,347,643
-	-	-	-	-	-	-	-	-
<u>\$430,753</u>	<u>\$228,713</u>	<u>\$85,931</u>	<u>\$6,921,131</u>	<u>\$22,547,419</u>	<u>\$64,726,466</u>	<u>\$(1,059)</u>	<u>\$13,711,305</u>	<u>\$3,881,345</u>
\$-	\$-	\$-	\$-	\$-	\$6,648,491	\$-	\$-	\$-
-	13,827	-	(620)	-	-	-	112,293	81,180
-	58	-	7,037	-	23,271	-	20,274	7,417
-	-	-	-	-	-	-	-	-
<u>430,753</u>	<u>214,828</u>	<u>85,931</u>	<u>6,914,714</u>	<u>22,547,419</u>	<u>58,054,704</u>	<u>(1,059)</u>	<u>13,578,738</u>	<u>3,792,748</u>
<u>\$430,753</u>	<u>\$228,713</u>	<u>\$85,931</u>	<u>\$6,921,131</u>	<u>\$22,547,419</u>	<u>\$64,726,466</u>	<u>\$(1,059)</u>	<u>\$13,711,305</u>	<u>\$3,881,345</u>

	Treasurer's Suspense	Inmate Trust Fund	Claims Fund	Salary Fund	Total
<b>Assets</b>					
Cash & cash equivalents	\$1,786,559	\$49,719	\$1,974,433	\$1,680	\$14,877,861
Assets held in trust-external investment pool	-	-	-	-	113,033,604
Accounts receivable, net	622	-	-	-	622
<b>Total assets</b>	<b>\$1,787,181</b>	<b>\$49,719</b>	<b>\$1,974,433</b>	<b>\$1,680</b>	<b>\$127,912,087</b>
<b>Liabilities</b>					
Warrants payable	\$-	\$-	\$1,974,433	\$-	\$8,622,924
Accounts payable	-	-	-	-	377,426
Other accrued liabilities	-	-	-	-	72,751
Revenue collected in advance	117,705	-	-	-	117,705
Custodial accounts	1,669,476	49,719	-	1,680	118,721,281
<b>Total liabilities</b>	<b>\$1,787,181</b>	<b>\$49,719</b>	<b>\$1,974,433</b>	<b>\$1,680</b>	<b>\$127,912,087</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Cemetery Districts  
 For the Year Ended December 31, 2009



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$510,241	\$1,938,208	\$1,860,916	\$587,533
Assets held in trust-external investment pool	1,448,458	132,075	59,368	1,521,165
<b>Total assets</b>	<b>\$1,958,699</b>	<b>\$2,070,283</b>	<b>\$1,920,284</b>	<b>\$2,108,698</b>
<b>Liabilities</b>				
Accounts payable	\$3,206	\$310,561	\$313,714	\$53
Other accrued liabilities	(160)	304,070	300,724	3,186
Custodial accounts	1,955,653	149,893	87	2,105,459
<b>Total liabilities</b>	<b>\$1,958,699</b>	<b>\$764,524</b>	<b>\$614,525</b>	<b>\$2,108,698</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Drainage, Diking and Flood Control Districts  
 For the Year Ended December 31, 2009



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$151,881	\$529,863	\$539,800	\$141,944
Assets held in trust-external investment pool	305,413	7,066	82,538	229,941
<b>Total assets</b>	<b>\$457,294</b>	<b>\$536,929</b>	<b>\$622,338</b>	<b>\$371,885</b>
<b>Liabilities</b>				
Accounts payable	\$2,430	\$216,404	\$218,004	\$830
Custodial accounts	454,864	-	83,809	371,055
<b>Total liabilities</b>	<b>\$457,294</b>	<b>\$216,404</b>	<b>\$301,813</b>	<b>\$371,885</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Park and Recreation Districts  
 For the Year Ended December 31, 2009



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$50,841	\$821,699	\$806,330	\$66,210
Assets held in trust-external investment pool	1,048,791	284,471	41,120	1,292,142
<b>Total assets</b>	<b>\$1,099,632</b>	<b>\$1,106,170</b>	<b>\$847,450</b>	<b>\$1,358,352</b>
<b>Liabilities</b>				
Accounts payable	\$267	\$142,000	\$142,267	\$-
Other accrued liabilities	8	28,020	27,857	171
Custodial accounts	1,099,357	259,158	334	1,358,181
<b>Total liabilities</b>	<b>\$1,099,632</b>	<b>\$429,178</b>	<b>\$170,458</b>	<b>\$1,358,352</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Watershed Management Project Joint Board  
 For the Year Ended December 31, 2009



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$1,070,882	\$157	\$157	\$1,070,882
<b>Total assets</b>	<b>\$1,070,882</b>	<b>\$157</b>	<b>\$157</b>	<b>\$1,070,882</b>
<b>Liabilities</b>				
Custodial accounts	\$1,070,882	\$-	\$-	\$1,070,882
<b>Total liabilities</b>	<b>\$1,070,882</b>	<b>\$-</b>	<b>\$-</b>	<b>\$1,070,882</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Rural Library  
 For the Year Ended December 31, 2009



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$195,340	\$20,904,153	\$20,900,429	\$199,064
Assets held in trust-external investment pool	4,024,199	3,151,189	3,177,283	3,998,105
<b>Total assets</b>	<b>\$4,219,539</b>	<b>\$24,055,342</b>	<b>\$24,077,712</b>	<b>\$4,197,169</b>
<b>Liabilities</b>				
Accounts payable	\$154,664	\$2,644,397	\$2,630,411	\$168,650
Other accrued liabilities	(8,655)	4,400,352	4,384,770	6,927
Custodial accounts	4,073,530	-	51,938	4,021,592
<b>Total liabilities</b>	<b>\$4,219,539</b>	<b>\$7,044,749</b>	<b>\$7,067,119</b>	<b>\$4,197,169</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$1,290,425	\$29,412,405	\$29,727,528	\$975,302
Assets held in trust-external investment pool	665,839	819,899	956	1,484,782
<b>Total assets</b>	<b>\$1,956,264</b>	<b>\$30,232,304</b>	<b>\$29,728,484</b>	<b>\$2,460,084</b>
<b>Liabilities</b>				
Accounts payable	\$54,265	\$7,268,283	\$7,321,335	\$1,213
Other accrued liabilities	(22)	4,061,192	4,056,760	4,410
Custodial accounts	1,902,021	560,201	7,761	2,454,461
<b>Total liabilities</b>	<b>\$1,956,264</b>	<b>\$11,889,676</b>	<b>\$11,385,856</b>	<b>\$2,460,084</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$13,687	\$6,441,078	\$6,447,523	\$7,242
Assets held in trust-external investment pool	350,358	1,455,911	1,382,758	423,511
<b>Total assets</b>	<b>\$364,045</b>	<b>\$7,896,989</b>	<b>\$7,830,281</b>	<b>\$430,753</b>
<b>Liabilities</b>				
Accounts payable	\$151,688	\$706,850	\$858,538	\$-
Other accrued liabilities	-	1,034,923	1,034,923	-
Custodial accounts	212,357	218,396	-	430,753
<b>Total liabilities</b>	<b>\$364,045</b>	<b>\$1,960,169</b>	<b>\$1,893,461</b>	<b>\$430,753</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$6,899	\$696,078	\$697,852	\$5,125
Assets held in trust-external investment pool	186,233	155,541	118,186	223,588
<b>Total assets</b>	<b>\$193,132</b>	<b>\$851,619</b>	<b>\$816,038</b>	<b>\$228,713</b>
<b>Liabilities</b>				
Accounts payable	\$55	\$179,637	\$165,865	\$13,827
Other accrued liabilities	-	29,520	29,462	58
Custodial accounts	193,077	30,358	8,607	214,828
<b>Total liabilities</b>	<b>\$193,132</b>	<b>\$239,515</b>	<b>\$203,934</b>	<b>\$228,713</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Port  
 For the Year Ended December 31, 2009



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$111,610	\$8,131,461	\$8,157,140	\$85,931
<b>Total assets</b>	<b>\$111,610</b>	<b>\$8,131,461</b>	<b>\$8,157,140</b>	<b>\$85,931</b>
<b>Liabilities</b>				
Custodial accounts	\$111,610	\$8,124,419	\$8,150,098	\$85,931
<b>Total liabilities</b>	<b>\$111,610</b>	<b>\$8,124,419</b>	<b>\$8,150,098</b>	<b>\$85,931</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$12,825	\$38,492,822	\$38,496,618	\$9,029
Assets held in trust-external investment pool	5,918,297	14,387,408	13,393,603	6,912,102
<b>Total assets</b>	<u>\$5,931,122</u>	<u>\$52,880,230</u>	<u>\$51,890,221</u>	<u>\$6,921,131</u>
<b>Liabilities</b>				
Accounts payable	\$3,827	\$3,767,852	\$3,772,299	\$(620)
Other accrued liabilities	14	2,084,260	2,077,237	7,037
Custodial accounts	5,927,281	7,387,260	6,399,827	6,914,714
<b>Total liabilities</b>	<u>\$5,931,122</u>	<u>\$13,239,372</u>	<u>\$12,249,363</u>	<u>\$6,921,131</u>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$-	\$49,811,570	\$49,811,570	\$-
Assets held in trust-external investment pool	25,134,779	23,892,317	26,479,677	22,547,419
<b>Total assets</b>	<b>\$25,134,779</b>	<b>\$73,703,887</b>	<b>\$76,291,247</b>	<b>\$22,547,419</b>
<b>Liabilities</b>				
Custodial accounts	\$25,134,779	\$22,986,919	\$25,574,279	\$22,547,419
<b>Total liabilities</b>	<b>\$25,134,779</b>	<b>\$22,986,919</b>	<b>\$25,574,279</b>	<b>\$22,547,419</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$8,037,238	\$402,808,330	\$403,987,575	\$6,857,993
Deposits with fiscal agent	50,000	22,910,142	22,960,142	-
Assets held in trust-external investment pool	61,145,670	94,802,554	98,079,751	57,868,473
<b>Total assets</b>	<b>\$69,232,908</b>	<b>\$520,521,026</b>	<b>\$525,027,468</b>	<b>\$64,726,466</b>
<b>Liabilities</b>				
Warrants payable	\$7,530,539	\$152,211,397	\$153,093,445	\$6,648,491
Matured long-term debt	50,000	18,821,096	18,871,096	-
Matured interest payable	-	8,162,515	8,162,515	-
Other accrued liabilities	23,271	-	-	23,271
Custodial accounts	61,629,098	277,843,358	281,417,752	58,054,704
<b>Total liabilities</b>	<b>\$69,232,908</b>	<b>\$457,038,366</b>	<b>\$461,544,808</b>	<b>\$64,726,466</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$44,701	\$793,036	\$838,796	\$(1,059)
<b>Total assets</b>	<b>\$44,701</b>	<b>\$793,036</b>	<b>\$838,796</b>	<b>\$(1,059)</b>
<b>Liabilities</b>				
Accounts payable	\$-	\$314,185	\$314,185	\$-
Custodial accounts	44,701	-	45,760	(1,059)
<b>Total liabilities</b>	<b>\$44,701</b>	<b>\$314,185</b>	<b>\$359,945</b>	<b>\$(1,059)</b>

	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$750,014	\$61,166,830	\$61,390,272	\$526,572
Assets held in trust-external investment pool	13,686,941	12,437,487	12,939,695	13,184,733
<b>Total assets</b>	<b>\$14,436,955</b>	<b>\$73,604,317</b>	<b>\$74,329,967</b>	<b>\$13,711,305</b>
<b>Liabilities</b>				
Accounts payable	\$125,169	\$8,243,684	\$8,256,560	\$112,293
Other accrued liabilities	661	6,558,853	6,539,240	20,274
Custodial accounts	14,311,125	3,360,227	4,092,614	13,578,738
<b>Total liabilities</b>	<b>\$14,436,955</b>	<b>\$18,162,764</b>	<b>\$18,888,414</b>	<b>\$13,711,305</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Water Districts  
 For the Year Ended December 31, 2009



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$365,774	\$16,061,353	\$15,893,425	\$533,702
Assets held in trust-external investment pool	3,474,337	406,529	533,223	3,347,643
<b>Total assets</b>	<b>\$3,840,111</b>	<b>\$16,467,882</b>	<b>\$16,426,648</b>	<b>\$3,881,345</b>
<b>Liabilities</b>				
Accounts payable	\$124,737	\$4,505,042	\$4,548,599	\$81,180
Other accrued liabilities	2,715	751,003	746,301	7,417
Custodial accounts	3,712,659	96,075	15,986	3,792,748
<b>Total liabilities</b>	<b>\$3,840,111</b>	<b>\$5,352,120</b>	<b>\$5,310,886</b>	<b>\$3,881,345</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Treasurer's Suspense  
 For the Year Ended December 31, 2009



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$2,703,970	\$121,827,959	\$122,745,370	\$1,786,559
Accounts receivable, net	2,532	718,696	720,606	622
<b>Total assets</b>	<b>\$2,706,502</b>	<b>\$122,546,655</b>	<b>\$123,465,976</b>	<b>\$1,787,181</b>
<b>Liabilities</b>				
Revenue collected in advance	\$193,681	\$136,097	\$212,073	\$117,705
Custodial accounts	2,512,821	120,851,311	121,694,656	1,669,476
<b>Total liabilities</b>	<b>\$2,706,502</b>	<b>\$120,987,408</b>	<b>\$121,906,729</b>	<b>\$1,787,181</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Inmate Trust Fund  
 For the Year Ended December 31, 2009



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$49,858	\$1,692,331	\$1,692,470	\$49,719
<b>Total assets</b>	<b>\$49,858</b>	<b>\$1,692,331</b>	<b>\$1,692,470</b>	<b>\$49,719</b>
<b>Liabilities</b>				
Other accrued liabilities	\$49,858	\$-	\$49,858	\$-
Custodial accounts	-	1,742,189	1,692,470	49,719
<b>Total liabilities</b>	<b>\$49,858</b>	<b>\$1,742,189</b>	<b>\$1,742,328</b>	<b>\$49,719</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Claims Fund  
 For the Year Ended December 31, 2009



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$2,280,281	\$550,521,989	\$550,827,837	\$1,974,433
<b>Total assets</b>	<b>\$2,280,281</b>	<b>\$550,521,989</b>	<b>\$550,827,837</b>	<b>\$1,974,433</b>
<b>Liabilities</b>				
Warrants payable	\$2,280,281	\$99,839,573	\$100,145,421	\$1,974,433
<b>Total liabilities</b>	<b>\$2,280,281</b>	<b>\$99,839,573</b>	<b>\$100,145,421</b>	<b>\$1,974,433</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Salary Fund  
 For the Year Ended December 31, 2009



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$1,680	\$-	\$-	\$1,680
<b>Total assets</b>	<b>\$1,680</b>	<b>\$-</b>	<b>\$-</b>	<b>\$1,680</b>
<b>Liabilities</b>				
Custodial accounts	\$1,680	\$-	\$-	\$1,680
<b>Total liabilities</b>	<b>\$1,680</b>	<b>\$-</b>	<b>\$-</b>	<b>\$1,680</b>

Combining Statement of Changes in Assets and Liabilities  
 Agency Funds  
 Total Agency Funds  
 For the Year Ended December 31, 2009



	Balance January 1	Additions	Deletions	Balance December 31
<b>Assets</b>				
Cash & cash equivalents	\$17,648,147	\$1,312,051,322	\$1,314,821,608	\$14,877,861
Deposits with fiscal agent	50,000	22,910,142	22,960,142	-
Assets held in trust-external investment pool	117,389,315	151,932,447	156,288,158	113,033,604
Accounts receivable (net)	2,532	718,696	720,606	622
<b>Total assets</b>	<b>\$135,089,994</b>	<b>\$1,487,612,607</b>	<b>\$1,494,790,514</b>	<b>\$127,912,087</b>
<b>Liabilities</b>				
Warrants payable	\$9,810,820	\$252,050,970	\$253,238,866	\$8,622,924
Accounts payable	620,308	28,298,895	28,541,777	377,426
Matured long-term debt	50,000	18,821,096	18,871,096	-
Matured interest payable	-	8,162,515	8,162,515	-
Other accrued liabilities	67,690	19,252,193	19,247,132	72,751
Revenue collected in advance	193,681	136,097	212,073	117,705
Custodial accounts	124,347,495	443,609,764	449,235,978	118,721,281
<b>Total liabilities</b>	<b>\$135,089,994</b>	<b>\$770,331,530</b>	<b>\$777,509,437</b>	<b>\$127,912,087</b>

Schedule of Expenditures - Budget and Actual  
 General Fund by Department  
 Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Expenditures*</b>				
Assessor	\$2,518,082	\$2,471,918	\$2,439,927	\$31,991
Auditor	1,288,975	1,253,566	1,205,370	48,196
County Council	985,103	1,025,501	981,986	43,515
County Executive	602,027	591,772	581,908	9,864
Planning & Development Services	6,789,629	6,346,329	5,874,976	471,353
Treasurer	1,376,831	1,357,971	1,295,185	62,786
Sheriff	12,788,061	13,200,796	12,788,162	412,634
District Court	2,020,399	1,902,213	1,839,738	62,475
District Court Probation	1,655,640	1,584,930	1,527,340	57,590
Hearing Examiner	173,486	172,004	169,919	2,085
Juvenile	4,518,305	4,153,105	4,078,099	75,006
Prosecuting Attorney	5,671,736	5,496,538	5,437,849	58,689
Public Defender	3,719,096	3,449,502	3,354,449	95,053
Superior Court	4,841,841	5,049,704	5,049,719	(15)
Extension	320,379	317,415	311,429	5,986
Non-Departmental	15,467,893	20,622,747	13,721,680	6,901,067
Park	3,810,913	3,762,654	3,530,845	231,809
Health	13,012,001	13,268,227	11,644,845	1,623,382
<b>Total expenditures</b>	<b>\$81,560,397</b>	<b>\$86,026,892</b>	<b>\$75,833,426</b>	<b>\$10,193,466</b>

\* Includes transfers out.



## **Statistical Section**