

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended December 31, 2003

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, 2003. 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 2003 on a government-wide financial statement basis, Whatcom County's net assets totaled \$192,603,398. Net assets are calculated by subtracting the liabilities of the County from its total assets. \$45,321,002 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.

The County's total long-term debt decreased by \$1,904,962 during 2003. Whatcom County issued general obligation bonds in the amount of \$3,385,000 in 2003 to refinance the 1993 issue of bonds for the addition to the Whatcom County courthouse. Under Washington State law, the County is authorized to issue approximately \$196 million in non-voted debt. At the end of 2003, the County's outstanding general obligation debt totaled \$14 million.

Whatcom County's total net assets increased by \$8,089,961, resulting primarily from a net increase of 5.4 million in cash and receivables and the reduction of long-term debt by 1.9 million. The balance of the net increase was a decrease in accounts payables.

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, building, 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 is 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 a reconciliation beside 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 fund (one type of proprietary fund) is 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 are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. 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.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2003	2002	2003	2002	2003	2002
	Current and other assets	\$ 82,026,073	\$ 76,596,541	\$ 20,842	\$ 14,024	\$ 82,046,915
Capital assets	136,197,886	136,288,158	-	-	136,197,886	136,288,158
Total assets	218,223,959	212,884,699	20,842	14,024	218,244,801	212,898,723
Long-term debt	15,110,384	17,015,346	-	-	15,110,384	17,015,346
Other liabilities	10,514,334	11,358,004	16,685	11,936	10,531,019	11,369,940
Total liabilities	25,624,718	28,373,350	16,685	11,936	25,641,403	28,385,286
Net assets:						
Invested in capital, net of debt	122,122,886	120,458,158	-	-	122,122,886	120,458,158
Restricted	25,159,510	22,531,548	-	-	25,159,510	22,531,548
Unrestricted	45,316,845	41,521,643	4,157	2,088	45,321,002	41,523,731
Total net assets	\$ 192,599,241	\$ 184,511,349	\$ 4,157	\$ 2,088	\$ 192,603,398	\$ 184,513,437

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 \$192,603,398 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 (13 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$45,321,002) may be used to meet the government's ongoing obligations to citizens and creditors.

There was an increase of \$2,627,962 in restricted net assets reported in connection with Whatcom County's governmental activities. Most of this increase relates to the Public Utilities Improvement fund. Rural County Sales Tax collections exceeded expenditures for public facility improvement projects by \$1,626,911.

The County's net assets increased by \$8,089,961 during the current fiscal year. This increase results primarily from an increase in cash and receivables and a reduction of long-term debt.

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

Table MDA2 - Changes in Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2003	2002	2003	2002	2003	2002
Revenues						
Program revenue:						
Charges for services	\$ 14,499,905	\$ 12,454,797	\$ -	\$ -	\$ 14,499,905	\$ 12,454,797
Operating grants & contributions	13,876,354	14,394,509	-	-	13,876,354	14,394,509
Capital grants & contributions	5,544,945	6,600,775	-	-	5,544,945	6,600,775
General revenue:						
Property taxes	32,197,138	32,594,343	-	-	32,197,138	32,594,343
Timber taxes	417,291	263,688	-	-	417,291	263,688
Retail taxes	10,924,526	10,158,252	-	-	10,924,526	10,158,252
Excise taxes	6,250,210	5,752,026	-	-	6,250,210	5,752,026
Penalties and interest	1,929,056	1,665,074	-	-	1,929,056	1,665,074
Other	5,894,311	5,731,672	194,225	188,851	6,088,536	5,920,523
Total revenues	91,533,736	89,615,136	194,225	188,851	91,727,961	89,803,987
Expenses						
General government	19,215,312	17,983,238	-	-	19,215,312	17,983,238
Public Safety	24,030,011	22,976,236	-	-	24,030,011	22,976,236
Physical environment	5,897,760	6,538,602	-	-	5,897,760	6,538,602
Transportation	19,011,206	18,049,900	-	-	19,011,206	18,049,900
Economic environment	1,430,023	1,320,929	-	-	1,430,023	1,320,929
Mental and physical health	9,236,054	9,217,719	-	-	9,236,054	9,217,719
Culture and recreation	3,800,758	3,490,177	-	-	3,800,758	3,490,177
Interest on long-term debt	824,720	909,179	-	-	824,720	909,179
Whatcom Co. Investment Pool	-	-	192,156	186,763	192,156	186,763
Total Expenses	83,445,844	80,485,980	192,156	186,763	83,638,000	80,672,743
Change in net assets	8,087,892	9,129,156	2,069	2,088	8,089,961	9,131,244
Net assets-beginning	184,511,349	175,382,193	2,088	-	184,513,437	175,382,193
Net assets-ending	\$192,599,241	\$ 184,511,349	\$ 4,157	\$ 2,088	\$192,603,398	\$184,513,437

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

Governmental activities increased Whatcom County's net assets by \$8,087,892, thereby accounting for almost 100 percent of the total growth in the net assets of Whatcom County.

- Charges for services increased \$2,045,108 or (16 percent) during the year. Building permit revenues were \$406,400, or 33 percent higher than 2002 and Plan check and review fees increased \$575,400, or 42 percent over 2002. Both of these increases were due to continuing strong building industry activity. The county received almost \$700,000 from three confiscated property transactions during the last two months of the year. The last major increase in charges for services over 2002 was Auditor filing and recording fees. These fees were \$429,900 greater than 2002 due to continuing low interest rates that have resulted in more mortgages being refinanced, and therefore greater recording fee revenues.
- Capital grants decreased \$1,055,830 or (16 percent) mostly as a result of less road construction projects.
- Sales tax collections were \$766,274 greater than last year. Criminal Justice Sales Tax revenue of \$1,281,111 was collected in 2003. This is 9.7% higher than 2002. Rural County Sales Tax increased \$174,867 over 2002.
- Excise taxes increased \$498,184. This increase is due to a strong real estate and refinancing market brought on by low interest rates.

Financial Analysis of the County's Funds

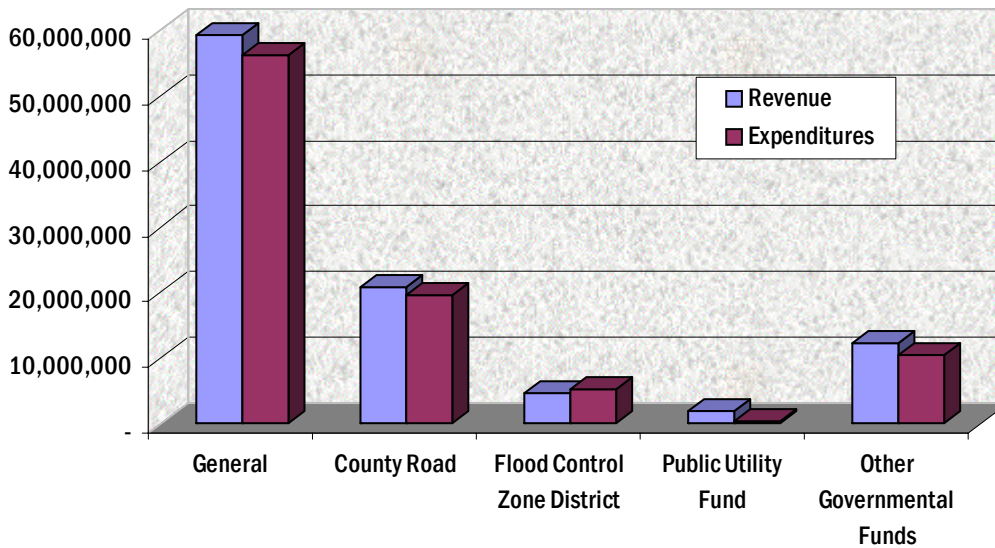
Governmental Funds Balance Sheet Analysis. The General Fund, County Road Fund, Flood Control Zone District Fund and Public Utilities Improvement Fund are the County's major funds. Together these four funds account for 81% of total governmental fund assets and 80% of total governmental fund balance.

As of December 31, 2003, the County's governmental funds reported combined fund balances of \$59 million. Of the total amount, nearly \$53 million or 91% is unreserved and available for spending within designated funds. Reserved fund balance of \$6 million is not available for new spending because it has already been committed to encumbrances, petty cash, and debt service.

Governmental Funds Revenue/Expenditure Analysis. The chart below compares revenues and expenditures for the major governmental funds and all other governmental funds combined for 2003.

Table MDA3 - Governmental Fund Revenues & Expenditures

Governmental Fund Revenues & Expenditures



For the fiscal year ended December 31, 2003, governmental funds revenues totaled \$99.1 million and expenditures totaled \$92.2 million. The General Fund, County Road Fund, Flood Control Zone District Fund and Public Utilities Improvement Fund account for 88% of all governmental fund revenue and 89% of expenditures.

The net change in fund balance for all governmental funds for 2003 was an increase of \$6.9 million.

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, 2003.

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

General Fund	Original Budget	Amended Budget	Actual
Revenues:			
Taxes	\$ 27,868,927	\$ 27,868,927	\$ 29,883,542
Intergovernmental	12,004,588	12,338,863	12,712,994
Other	12,938,454	13,091,848	14,379,101
Total revenues	52,811,969	53,299,638	56,975,637
Expenditures:			
Expenditures	55,790,765	57,583,003	54,903,015
Other financing sources (uses)	(99,063)	(24,472)	925,096
Total expenditures	55,889,828	57,607,475	53,977,919
Change to fund balance	\$ (3,077,859)	\$ (4,307,837)	\$ 2,997,718

For more detailed information see page 57 for the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual.

Tax Revenues. Tax revenues exceeded budgeted amounts by \$2,014,615, or than 7.2 percent. Property tax collections in 2003 totaled \$18,621,681 and were \$752,000 greater than 2002 collections. Delinquent tax collections were \$187,000 higher than last year. Interest and penalty collections on delinquent property taxes were 16 percent higher than 2002 for a total of \$1,893,154. Increased delinquent tax, interest and penalty collections can be attributed to substantial delinquency payments made as a result of the currently active real estate and refinancing market in Whatcom County.

Intergovernmental Revenues. The budget for intergovernmental revenues was increased \$334,275 for grant awards that were received during the year. Total intergovernmental revenue decreased \$502,000 from 2002 to 2003. Actual revenue exceeded budgeted revenue by \$374,131.

Other. Interest earnings were \$333,000 less than 2002 figures, and were only 88 percent of budget expectations. This was due to low interest rates. Contributions were \$321,500 greater than last year due to revenue from Alcoa grants. State timber sales revenue was \$255,000 greater than 2002 figures and was 53 percent over budget. This revenue source fluctuates significantly from year to year.

Expenditures. Overall expenditures for the General Fund were 95 percent of the approved budget at year end. Continuing appropriations will carry over approximately \$230,000 of spending authority into 2004 for incomplete projects and contracts.

Whatcom County ended 2003 in a financial position better than what was anticipated in the 2003 budget. This is the result of better than projected sales tax revenue, increased revenue related to development and refinancing activities, and a larger than projected lapse of appropriation at year end. The amended budget anticipated a decrease in fund balance of \$4,307,837. The actual result was an increase in fund balance of \$2,997,718. Whatcom County's General Fund fund balance is \$19,493,154 at year end. This is 36 percent of annual General Fund expenditures.

Capital Assets

The County's capital assets for its governmental activities as of December 31, 2003, totalled \$136.2 million (net of accumulated depreciation). This includes land, buildings, improvements, machinery and equipment, and infrastructure.

New investment in capital assets for 2003 was \$7.3. Depreciation expense in 2003 totalled 7.4 million, resulting in a small net decrease in net assets.

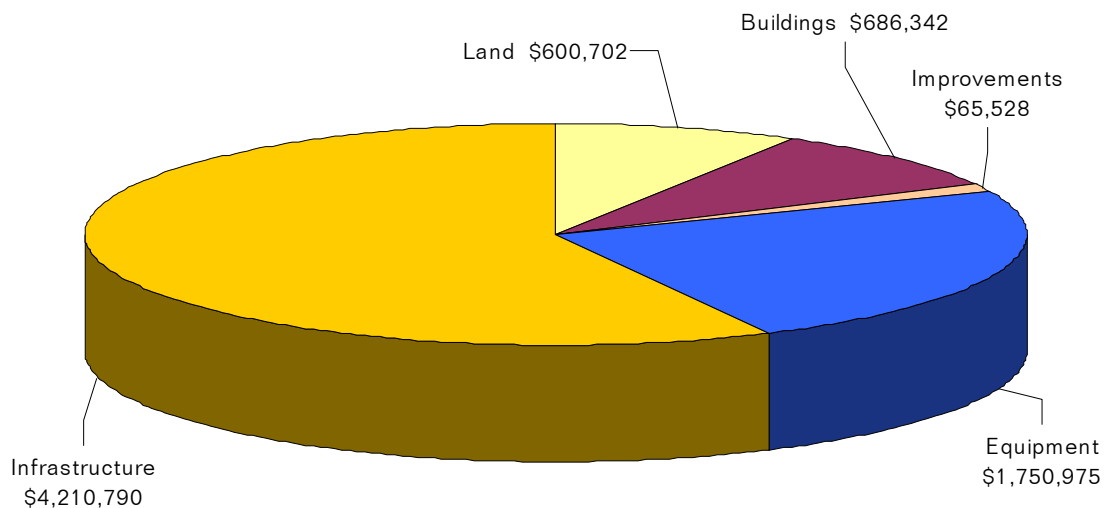
Table MDA7 - Capital Assets

	Governmental Activities	Governmental Activities
	2003	2002
Land	\$21,849,559	\$21,248,857
Buildings	39,506,805	40,018,574
Improvements	831,848	929,244
Equipment	7,909,963	7,628,961
Infrastructure	66,099,710	66,462,522
TOTALS	\$136,197,885	\$136,288,158

For more detailed information see page 41 for Capital Asset Activity.

Table MDA8 - Change in Capital Assets

Change in Capital Assets



The County invested 4.2 million dollars in infrastructure, which includes roads, bridges and road-related improvements. Whatcom County purchased \$601,000 of land, including \$336,919 under a grant from the Washington State Military Department. The purpose of the grant was to purchase properties within the Canyon Creek high-risk area, remove all structures from the properties and place restrictive covenants on the titles prohibiting future development. In addition, \$210,619 of land was purchased adjacent to the Central Shop on West Smith Road. Whatcom County invested \$686,000 in buildings for 2003. \$390,199 was spent for Courthouse remodels and \$184,452 was spent for the Jail booking area remodel. The County's investment in new equipment, including vehicles and road maintenance equipment increased capital assets by 1.8 million.

Debt Administration

At year-end, the County had \$21.8 million in outstanding debt compared to \$23.6 million last year. That is a decrease of \$1.8 million, or 7.6%.

Economic Factors and Next Year's Budgets and Rates

The local economy of Whatcom County remains strong. The population of Whatcom County has grown at an average rate of 1.84 percent during the past five years. Per capita income of Whatcom County is growing at approximately 3.9 percent. Unemployment has remained consistent, averaging 6.2 percent over the past five years. The two largest employers in the community, Western Washington University and St. Joseph Hospital, are growing steadily and have both recently made significant investments to expand their facilities. Retail sales have consistently grown over the past five years, averaging approximately four percent annual growth. Whatcom County is a very desirable place to live. This is reflected in the assessed valuations of property, which are growing at an average rate of approximately four percent.

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.

Table MDA9 - Outstanding Debt

	Governmental Activities	
	2003	2002
General Obligation Bonds	\$ 14,161,418	\$ 16,008,261
Special Assessment	282,538	422,150
Capital Leases	416,428	334,935
Estimated Self-Insurance Claims	2,633,418	2,655,310
Compensated Absences	4,082,063	3,944,731
Other Long-term Liabilities	250,000	250,000
	<u>\$ 21,825,865</u>	<u>\$ 23,615,387</u>

For more detailed information see page 51 for Changes in Long-Term Debt.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 74,002,901	\$ 18,519	\$ 74,021,420
Investments	1,478,430	-	1,478,430
Receivables	2,667,906	59	2,667,965
Due from other governments	2,939,994	-	2,939,994
Internal balances	(2,264)	2,264	-
Inventories	898,337	-	898,337
Investment in joint ventures	40,769	-	40,769
Capital assets:			
Non-depreciable	21,849,560	-	21,849,560
Depreciable, net	114,348,326	-	114,348,326
Total Assets	218,223,959	20,842	218,244,801
Liabilities			
Accounts Payable and accrued expenses	2,787,698	1,416	2,789,114
Due to other governments	478,452	119	478,571
Deferred revenue	532,703	-	532,703
Compensated absences	4,082,063	15,150	4,097,213
Estimated claims	2,633,418	-	2,633,418
Long-term liabilities (Note 8):			
Due within one year	1,526,984	-	1,526,984
Due in more than one year	13,583,400	-	13,583,400
Total Liabilities	25,624,718	16,685	25,641,403
Net Assets			
Invested in capital assets, net of related debt	122,122,886	-	122,122,886
Restricted for:			
Special Revenue	15,742,130	-	15,742,130
Debt Service	68,282	-	68,282
Capital Projects	9,349,098	-	9,349,098
Unrestricted (deficit)	45,316,845	4,157	45,321,002
Total net assets	\$ 192,599,241	\$ 4,157	\$ 192,603,398

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

Functions/ Programs	Program Revenues				Net (Expense) Revenue & Changes in Net Assets - Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 19,215,312	\$ 3,031,848	\$ 4,495,759	\$ -	\$ (11,687,705)		\$ (11,687,705)
Public Safety	24,030,011	5,745,448	2,866,487	-	(15,418,076)		(15,418,076)
Physical environment	5,897,760	794,036	883,305	-	(4,220,419)		(4,220,419)
Transportation	19,011,206	2,310,752	-	5,544,945	(11,155,509)		(11,155,509)
Economic	1,430,023	446,854	66,586	-	(916,583)		(916,583)
Mental and physical health	9,236,054	1,830,631	5,558,217	-	(1,847,206)		(1,847,206)
Culture and Interest on long-term debt	3,800,758	340,336	6,000	-	(3,454,422)		(3,454,422)
	824,720	-	-	-	(824,720)		(824,720)
Total government	83,445,844	14,499,905	13,876,354	5,544,945	(49,524,640)		(49,524,640)
Business-type activities:							
Whatcom County Investment Pool	192,156	194,225	-	-		\$ 2,069	2,069
Total business-type activities	192,156	194,225	-	-		2,069	2,069
Total primary government	\$83,638,000	\$14,694,130	\$ 13,876,354	\$ 5,544,945	(49,524,640)	2,069	(49,522,571)
General Revenues:							
Taxes:							
Property taxes					32,197,138	-	32,197,138
Timber taxes					417,291	-	417,291
Retail taxes					10,924,526	-	10,924,526
Excise taxes					6,250,210	-	6,250,210
Penalties and interest					1,929,056	-	1,929,056
Unrestricted investment earnings					2,371,918	-	2,371,918
Gain/loss on sale of capital assets					1,948,251	-	1,948,251
Miscellaneous					1,574,142	-	1,574,142
Transfers					-	-	-
Total general revenues, special items & transfers					57,612,532	-	57,612,532
Change in net assets					8,087,892	2,069	8,089,961
Net assets-beginning					184,511,349	2,088	184,513,437
Net assets-ending					\$192,599,241	\$ 4,157	\$192,603,398

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

	General	County Road	Flood Control Zone District	Public Utilities Improvement	Other Gov't'l Funds	Total Gov't'l Funds
Assets						
Cash and cash equivalents	\$19,509,667	\$ 11,958,931	\$ 8,962,003	\$ 6,940,613	\$ 11,067,065	\$ 58,438,279
Investments at cost	-	-	-	-	32,742	32,742
Taxes receivable	923,665	730,168	-	-	68,668	1,722,501
Accounts receivable	203,343	77,229	-	-	203,595	484,167
Special assessments	-	-	-	-	4,622	4,622
Interest receivable	175,901	-	-	-	64	175,965
Notes receivable	-	-	-	-	111,407	111,407
Due from other funds	29,652	8,540	10,357	-	500,059	548,608
Due from other governments	2,107,613	312,811	97,663	-	419,175	2,937,262
Employee advances	1,473	-	-	-	260	1,733
Prepayments	50,596	12,706	-	-	1,267	64,569
Long-term assets						
Notes receivable	93,032	-	-	-	-	93,032
Investment in joint ventures	-	-	-	-	40,769	40,769
Total Assets	\$23,094,942	\$ 13,100,385	\$ 9,070,023	\$ 6,940,613	\$ 12,449,693	\$ 64,655,656
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ 1,177,787	\$ 252,042	\$ 48,775	\$ 9,334	\$ 214,302	\$ 1,702,240
Due to other funds	19,787	46,572	500,352	11	39,716	606,438
Revenue collected in advance	-	3,410	-	-	51	3,461
Due to other governments	432,715	22,743	-	-	13,770	469,228
Other accrued liabilities	90,418	134,392	-	-	-	224,810
Other current liabilities	-	3,825	-	-	-	3,825
Deferred revenue	1,826,002	807,398	-	-	203,658	2,837,058
Deferred credits	55,079	62,938	-	-	-	118,017
Total liabilities	3,601,788	1,333,320	549,127	9,345	471,497	5,965,077
Fund balances						
Reserved for:						
Encumbrances	229,891	3,145,951	1,148,800	155,349	376,295	5,056,286
Petty cash	48,875	1,200	-	-	-	50,075
Federal Forest Title III	323,300	-	-	-	-	323,300
Debt service	-	-	-	-	141,504	141,504
Unreserved	18,891,088	8,619,914	7,372,096	6,775,919	-	41,659,017
Unreserved, reported in nonmajor:						
Special revenue funds	-	-	-	-	9,042,524	9,042,524
Capital projects funds	-	-	-	-	2,417,873	2,417,873
Total fund balance	19,493,154	11,767,065	8,520,896	6,931,268	11,978,196	58,690,579
Total liabilities and fund balance	\$23,094,942	\$ 13,100,385	\$ 9,070,023	\$ 6,940,613	\$ 12,449,693	\$ 64,655,656

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

Reconciliation of the Balance Sheet
to the Statement of Net Assets
of Governmental Activities
December 31, 2003



Fund balance - total governmental funds	\$ 58,690,579
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	127,522,211
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.	22,467,841
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	2,304,355
Liabilities, including \$14,693,956 of bonds payable and \$3,691,789 of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(18,385,745)</u>
Net assets of governmental activities.	<u>\$ 192,599,241</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, 2003



	General	County Road	Flood Control Zone Dist	Public Utilities Improvement	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$29,883,542	\$12,676,349	\$ 4,161,740	\$ 2,055,993	\$ 3,094,508	\$ 51,872,132
Licenses and permits	2,192,655	51,139	-	-	-	2,243,794
Intergovernmental	12,712,994	5,544,945	496,397	-	649,997	19,404,333
Charges for service	6,830,294	1,344,797	195	-	1,846,833	10,022,119
Fines and forfeits	1,582,066	-	-	-	1,093,632	2,675,698
Miscellaneous	3,774,086	(10,316)	12,650	-	87,679	3,864,099
Total revenues	56,975,637	19,606,914	4,670,982	2,055,993	6,772,649	90,082,175
Expenditures						
Current:						
General government	17,061,979	176,248	-	332,391	700,240	18,270,858
Public Safety	23,090,318	-	-	-	507,561	23,597,879
Physical environment	342,173	-	2,180,123	-	3,344,302	5,866,598
Transportation	-	14,347,112	-	-	24,544	14,371,656
Economic environment	1,253,882	-	-	-	170,370	1,424,252
Mental and physical health	9,180,782	-	-	-	-	9,180,782
Culture and recreation	3,501,514	-	-	-	138,000	3,639,514
Capital outlay	472,367	4,678,190	347,374	96,691	120,406	5,715,028
Debt service:						
Principal	-	-	-	-	1,339,612	1,339,612
Interest	-	-	-	-	761,804	761,804
Total expenditures	54,903,015	19,201,550	2,527,497	429,082	7,106,839	84,167,983
Excess (deficiency) of revenues over expenditures	2,072,622	405,364	2,143,485	1,626,911	(334,190)	5,914,192
Other financing sources (uses)						
Sales of capital assets	820,430	1,071,473	-	-	56,348	1,948,251
Transfers in	1,479,313	60,070	-	-	5,485,221	7,024,604
Transfers out	(1,374,647)	(383,635)	(2,769,476)	-	(2,788,399)	(7,316,157)
Proceeds of refunding long-term debt	-	-	-	-	4,535	4,535
Payment to refunded debt escrow agent	-	-	-	-	(700,000)	(700,000)
Total other financing sources (uses)	925,096	747,908	(2,769,476)	-	2,057,705	961,233
Net change in fund balances	2,997,718	1,153,272	(625,991)	1,626,911	1,723,515	6,875,425
Fund balance as of January 1	16,495,436	10,613,793	9,146,887	5,304,357	10,254,681	51,815,154
Fund balance as of December 31	\$19,493,154	\$11,767,065	\$ 8,520,896	\$ 6,931,268	\$ 11,978,196	\$ 58,690,579

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 Activities
Year Ended December 31, 2003



Net change in fund balances-total governmental funds	\$ 6,875,425
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense \$(6,530,430) exceeded capital outlays \$(6,019,616) in the current period.	(510,814)
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.	483,681
Revenues in the funds that are related to prior periods are not revenues in the statement of activities.	(623,090)
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.	(172,387)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	<u>2,035,077</u>
Change in net assets of governmental activities	<u><u>\$ 8,087,892</u></u>

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

	Enterprise Funds Whatcom Investment Pool	Internal Service Funds
Assets		
Current Assets		
Cash & Equivalents	\$ 18,519	\$ 15,564,622
Investments At Cost	-	1,445,688
Accounts Receivable	-	100
Interest Receivable	-	2,831
Due From Other Funds	-	66,299
Employee Advances	-	64
Due From Other Governments	-	2,732
Inventory	-	898,337
Prepayments	59	4,827
Total Current Assets	18,578	17,985,500
Noncurrent Assets		
Land	-	755,331
Building & Structures (Net)	-	1,329,621
Capital Leases (Net)	-	419,300
Other Improvements (Net)	-	268,331
Machinery & Equipment (Net)	-	5,903,092
Total Noncurrent Assets	-	8,675,675
Total Assets	18,578	26,661,175
Liabilities		
Current Liabilities		
Accounts Payable	1,416	735,345
Claims Cost Payable	-	2,633,418
Due to Other Funds	-	8,469
Due to Other Governments	119	9,224
Total Current Liabilities	1,535	3,386,456
Noncurrent Liabilities		
Employee Leave Benefits	15,150	390,274
Other Long-Term Liabilities	-	416,428
Total Noncurrent Liabilities	15,150	806,702
Total Liabilities	16,685	4,193,158
Net Assets		
Invested in capital assets, net of related debt	-	8,675,675
Unrestricted	1,893	13,792,342
Total Net Assets	1,893	\$ 22,468,017

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.

Net assets of business-type activities

2,264
\$ 4,157

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, 2003



	Enterprise Funds Whatcom County Investment Pool	Internal Service Funds
Operating Revenue		
Intergovernmental	\$ -	\$ 468
Charges for Service	-	9,138,810
Rents and Parking	-	4,817,841
Interest Income	194,225	-
Insurance Premiums	-	5,183,557
Other Miscellaneous Revenues	-	45,321
Total Operating Revenues	194,225	19,185,997
General Operations	192,332	17,084,489
General Administration	-	486,285
Depreciation	-	1,502,846
Total Operating Expenses	192,332	19,073,620
Operating Income (Loss)	1,893	112,377
Non-Operating Revenues (Expenses)		
Gain (Loss) on Sale of Capital Assets	-	53,797
Interest Revenue	-	37,518
Interest Expense	-	(14,294)
Total Non-Operating Revenues (Expenses)	-	77,021
Income (loss) Before Contributions and Transfers	1,893	189,398
Capital Contributions		2,906
Transfers In	-	664,998
Transfers Out	-	(373,445)
Changes in net assets	1,893	483,857
Total net assets-beginning	-	21,984,160
Total net assets-ending		\$ 22,468,017
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.		176
Change in net assets of business-type activities	\$ 2,069	

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

	Enterprise Funds Whatcom County Investment Pool	Internal Service Funds
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 194,166	\$ 19,271,958
Cash Payments For Goods And Services	(74,152)	(13,161,013)
Cash Payments To Employees	(113,431)	(4,338,042)
Net Cash Provided by Operating Activities	6,583	1,772,903
Cash Flows From Non-Capital Financing Activities:		
Transfers In	-	629,476
Transfers Out	-	(373,445)
Net Cash Provided by Non-Capital Financing Activities:	-	256,031
Cash Flows From Capital Financing Activities:		
Interest Paid on Lease Purchase	-	(14,294)
Contributions From Other Funds	-	2,906
Proceeds From Sale of Assets	-	74,927
Transfer In (Out)	-	35,523
Payments For Capital Assets	-	(1,846,118)
Net Cash Used by Capital Financing Activities:	-	(1,747,056)
Cash Flows From Investing Activities:		
Purchase of Investment Securities	-	(37,518)
Interest on Investments	-	37,518
Total Cash Flows From Investing Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	6,583	281,878
Balances - Beginning of the Year	11,936	15,282,744
Balances - End of the Year	\$ 18,519	\$ 15,564,622
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	\$ 1,893	\$ 112,377
Adjustments To Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	-	1,502,846
Change in Assets and Liabilities:		
Receivables, net	(59)	89,344
Inventories	-	341,373
Accounts and Other Payables	1,394	(269,696)
Accrued Expenses	3,355	(3,341)
Net Cash Provided By Operating Activities	\$ 6,583	\$ 1,772,903
Noncash Investing & Capital Financing Activities:		
Lease Purchases	-	138,549
Total Noncash Investing & Capital Financing Activities:	\$ -	\$ 138,549

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

Agency Funds

Assets

Current Assets

Cash & Equivalents	\$ 18,125,924
Deposits With Fiscal Agent	25,000
Investments At Cost	80,810,765
Accounts Receivable (Net)	(1,943)

Total Assets	\$ 98,959,746
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Liabilities

Current Liabilities

Warrants Payable	\$ 7,179,929
Accounts Payable	1,351,335
Matured Long-Term Debt	25,000
Matured Interest Payable	-
Other Accrued Liabilities	197,150
Revenue Collected in Advance	246,811
Custodial Accounts	89,959,521

Total Liabilities	\$ 98,959,746
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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 an extension of the county road system.

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 the County's policy to use unrestricted resources first, then restricted 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.

Flood Control Zone District Fund: This fund finances the maintenance and operations of flood control projects.

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 ninety days of the end 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 is the County's only enterprise fund.

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.

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 presents 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 proprietary activities 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. The County's Fiduciary funds represent Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for using the accrual basis of accounting as are the proprietary funds explained above.

C. Budgetary Information

Scope of Budget: 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.

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.

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 Equivalents: 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. The total cash, cash equivalent and investment pool at December 31 was \$175 million with \$64 million invested in instruments maturing one year or less.

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.

Special assessments are recorded when levied. Special assessments receivable consist of current and delinquent assessments. (See Note 8.)

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 receivables 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 90 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.”

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 & Depreciation

<u>Capital Asset</u>	<u>Useful Life</u>	<u>Capitalization Threshold</u>
Buildings	50 years	\$1,000
Capital Leases	3-30 years	\$1,000
Improvements	5-30 years	\$1,000
Machinery & Equipment	3-10 years	\$1,000
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, is payable upon resignation, retirement or death. Sick leave may accumulate up to 120 days. Employees hired before May 15, 1984 with three years of service can receive a cash payout of 50% of their accrued sick leave balance. An employee hired after that date with three years of service can receive 25% of their accrued sick leave. The amount reported for the employee leave benefit accrual includes 100% of the vacation leave accrual as of December 31, 2003 and 2002. Sick leave accruals are recorded at 50% if hired prior to May 15, 1984 or 25% sick leave accrual if hired after.

All vacation and sick pay is accrued when incurred in the governmental-wide and proprietary fund financial statements.

Deferred 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, used to establish revolving funds, 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. Expenditures exceeded legal appropriations in the 2003 Limited Tax General Obligation Bond Fund by \$743,859 and in the Civic Center Building Improvement Fund by \$700,000. Both of these expenditures relate to the issuance of the 2003 Limited Tax General Obligation Refunding Bonds. The issuance of these bonds was authorized by the Whatcom County Council in ordinance no. 2003-028.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits and investments are governed by state statute. Authorized investments include U.S. Treasury and agency securities, repurchase agreements and reverse repurchase agreements for securities otherwise authorized as an investment, municipal bonds of Washington State and qualifying local bonds of Washington State, qualifying general obligation bonds of a state or local government outside the State of Washington, non-negotiable certificates of deposit of financial institutions which are qualified public depositories per RCW 39.58.010, bankers' acceptances, commercial paper, the State Local Government Investment Pool (LGIP), and deposits with qualified public depositories in the State of Washington.

Investments are categorized according to the level of risk associated with the investment, with Category 1 being the least risky and category 3 being the most risky. Category 1 investments are insured, registered or held by the County or its agent in the County's name. All investments held by the County's Treasurer are classified as Category 1 (See Table FN2).

The County's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). All deposits held at December 31, 2003 and throughout the year were classified as Category 1, insured or collateralized with securities held by the County or by its agent in the County's name.

The state LGIP is overseen by the Office of the State Treasurer. The fair value of the County's investments in the LGIP is the same as the value of the County's share in the pool.

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 2003, 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.

Table FN2 - Deposits & Investments

	Category 1	Carrying Amount	Fair Value
Deposits:	\$ 15,265,507	\$ 15,265,507	\$ 15,265,507
Investments:			
U.S. Government Securities	\$ 6,000,000	\$ 5,999,971	\$ 6,032,820
U.S. Agency Securities	130,900,000	131,103,554	131,399,659
General Obligation Bonds	8,000,000	8,010,134	7,931,254
Total Investments	<u>\$ 144,900,000</u>	<u>\$ 145,113,659</u>	<u>\$ 145,363,733</u>
Investment in State LGIP	-	13,641,469	13,641,469
Accrued Interest Receivable	-	715,710	1,073,788
Total Deposits and Investments	<u>\$ 160,165,507</u>	<u>\$ 174,736,345</u>	<u>\$ 175,344,497</u>
Treasurer's Pooled Cash		<u>(92,447,149)</u>	<u>(92,447,149)</u>
Treasurer's Pooled Investments		<u>\$ 82,289,196</u>	<u>\$ 82,897,348</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 a deferred 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 was as follows:

Table FN3 - Tax Collection Record

Collection Year	Regular Assessed Valuation (1)	Ad Valorem Tax Levy (2)	Year of Levy Tax Collection
2003	\$12,616,676,560	\$18,328,751	96.8%
2002	12,153,907,948	17,871,228	96.4%
2001	11,546,689,565	17,293,477	96.9%
2000	10,954,893,516	16,707,418	97.5%
1999	10,702,880,124	16,245,902	96.8%
1998	10,444,100,325	15,834,091	97.2%
1997	10,034,008,900	15,433,811	97.4%

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

(2) Does not include conservation futures and county road 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 106% 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 2003 was \$1.45274 per \$1,000 on an assessed valuation of \$12.6 billion for a regular levy of \$18,328,751. This levy was used for general governmental purposes.

The road fund levied \$2.10812 per \$1,000 on an assessed value of \$6.2 billion in 2003. This resulted in a total levy of \$13,119,124 to be used for county road maintenance and construction.

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended December 31, 2003 was as follows:

Table FN4 - Capital Assets Activity

Governmental activities	January 1	Increases	Decreases	December 31
Not being depreciated:				
Land	\$ 21,248,857	\$ 600,702	\$ -	\$ 21,849,559
Subtotal	21,248,857	600,702	-	21,849,559
Other capital assets:				
Buildings	53,563,019	686,342	-	54,249,361
Improvements	4,325,023	65,528	-	4,390,551
Equipment	24,188,254	2,404,884	653,909	25,939,229
Infrastructure	93,173,669	4,210,790	-	97,384,459
Subtotal	175,249,965	7,367,544	653,909	181,963,600
Accumulated depreciation				
Buildings	13,544,445	1,198,111	-	14,742,556
Improvements	3,395,779	162,924	-	3,558,703
Equipment	16,559,293	2,098,640	628,667	18,029,266
Infrastructure	26,711,147	4,573,602	-	31,284,749
Subtotal	60,210,664	8,033,277	628,667	67,615,274
Net other capital assets	115,039,301	(665,733)	25,242	114,348,326
Net capital assets	\$ 136,288,158	\$ (65,031)	\$ 25,242	\$ 136,197,885

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

Table FN5 - Depreciation Expense

Governmental activities:	
General governments	\$2,351,403
Public Safety	411,934
Physical environment	34,901
Transportation	5,037,847
Economic environment	3,572
Mental & physical health	45,458
Culture & recreation	148,162
Total depreciation expense	<u>\$8,033,277</u>

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. The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

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 combination defined benefit/defined contribution plan. Membership in the system includes: elected officials, state employees, employees of the Supreme, Appeals, and Superior courts (other than judges in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees (not 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. PERS 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.

Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement at any age 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 pension is 2 percent of the average final compensation per year of service, capped at 60 percent. The average final compensation is based on the greatest compensation during any 24 eligible consecutive compensation months. If qualified, after reaching age 66, a cost-of-living allowance is granted based on years of service credit and is capped at 3 percent annually.

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at age 65 with five years of service, or at age 55 with 20 years of service, with an allowance of 2 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 2 retirements 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. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member 2 contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 3 members become eligible for retirement if they have: at least ten years of service; or five years including twelve months that were earned after age 54; or five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 retirements 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. 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.

There are 1,167 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2002:

Retirees and Beneficiaries Receiving Benefits	63,756
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	19,152
Active Plan Members Vested	98,994
Active Plan Members Nonvested	55,191
TOTAL	237,093

The County covered payroll for the year ended December 31, 2003 was \$35,222,779. The County's total current year payroll for all employees was \$39,517,595.

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 governments unit employees, and 7.5 percent for state government elected officers. 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. PERS Plan 3 defined contribution is a noncontributing plan for employers. Employees who participate in the defined contribution portion of PERS Plan 3 do not contribute to the defined benefit portion of PERS Plan 3. 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. 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, 2003, were as follows:

Table FN7 - PERS Contribution Rates

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	1.40%	1.40%	1.40%**
Employee	6.00%	1.18%	***

**The employer rates include the employer administrative expense fee currently set at 0.22%.*

***Plan 3 defined benefit portion only.*

****Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.*

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 FN8 - County Contribution to PERS

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2003	\$ 57,810	\$ 346,318	\$ 74,902
2002	\$ 64,382	\$ 367,845	\$ 1,983
2001	\$ 71,160	\$ 378,271	N/A

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 benefit plans. Membership in the system includes all full-time, fully compensated, local law enforcement officers and fire fighters. LEOFF is comprised primarily of non-state employees. 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. Effective January 1, 2003, firefighter emergency medical technicians (EMTs) may transfer PERS Plan 1 or Plan 2 service credit to LEOFF Plan 2 if while employed for the city, town, county or district, the EMT’s job was relocated to a fire department from another city, town, county or district. LEOFF benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays the remainder through state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 retirement benefits are vested after an employee completes 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 is as follows:

Table FN9 - 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 final average salary 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. If membership was established in LEOFF after February 18, 1974, the service retirement benefit is capped at 60 percent of final average salary. A cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index).

Plan 2 retirement benefits are vested after an employee completes 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 final average salary per year of service. The final average salary is based on the highest consecutive 60 months. Plan 2 retirements prior to the age of 53 are reduced 3 percent for each year the benefit commences prior to age 53. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

There are 359 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2002:

Table FN10 - LEOFF Membership

Retirees and Beneficiaries Receiving Benefits	8,231
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	398
Active Plan Members Vested	11,222
Active Plan Members Nonvested	<u>3,936</u>
TOTAL	23,787

Funding Policy

Starting on July 1, 2000, Plan 1 employers and employees will contribute zero percent as long as the plan remains fully funded. Employer and employee rates are developed by the Office of the State Actuary to fully fund the plan. Plan 2 employers and employees are required to pay at the level adopted by the Department of Retirement Systems in accordance with 41.45 RCW. 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 Plan 2 in accordance with the requirements of the Pension Funding Council. 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 methods used to determine the contribution rates are established under state statute in accordance with chapters 41.26 and 41.45 RCW.

The County's covered payroll for the year ended December 31, 2003 was \$4,294,816. The County's total current year payroll for all employees was \$39,517,595.

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2003, were:

Table FN11 - LEOFF Contribution Rates

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.22%	3.25%
Employee	0.00%	5.05%
State	N/A	2.02%

**The employer rates include the employer administrative expense fee currently set at 0.22%.*

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

Table FN12 - County Contribution to LEOFF

	LEOFF Plan 1	LEOFF Plan 2
2003	\$ 288	\$127,212
2002	\$ 685	\$118,225
2001	\$ 857	\$108,979

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, 2003, the amount of these liabilities was \$2,633,418. Changes in the balances of claims liabilities during 2002 and 2003 were as follows:

Table FN13 - Claims Liability Balance Changes

	Beginning of Year Claims Liability	Claims Paid During the Year	Estimated Additional Liability Incurred	Balance at Year End
2002	\$ 2,921,855	\$ (2,777,911)	\$ 2,511,366	\$ 2,655,310
2003	\$ 2,655,310	\$ (3,173,081)	\$ 3,151,189	\$ 2,633,418

Whatcom County is a member of the Washington Counties Risk Pool (pool). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed on August 18, 1988 when counties in the state of Washington joined together by signing an interlocal agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Twenty-five counties have joined the pool.

The pool allows members to establish a plan of self-insurance, jointly purchase excess or reinsurance and provide related services. All pool joint self-insurance liability coverages, including public officials' errors and omissions, are on an "occurrence" basis.

Members make an annual contribution to fund the pool. The pool acquires reinsurance from unrelated underwriters that are subject to a pool per-occurrence self-insured retention of \$100,000. Members may elect deductible amounts ranging from \$10,000 per occurrence to \$250,000. Whatcom County currently has a \$100,000 per occurrence deductible. Members are responsible for the first deductible amounts of each claim, while the pool is responsible for the remaining difference up to the pool's \$100,000 self-insured retention. Reinsurance carriers cover all losses over \$100,000 to the maximum limits of each policy.

Since the pool is a cooperative program, there is joint liability among the participating members. A retroactive assessment was approved in 1999 for \$6.5 million with payments starting in 1999 and spread over ten years. The county's proportional share of the assessment is approximately 5.0%.

Members contract to remain in the pool for a minimum of five years, and must give notice one year before terminating participation. The interlocal agreement is renewed automatically each year until terminated. Even after termination, a member is still responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period that it was a signatory to the interlocal agreement.

The pool is fully funded by its member participants. Claims are filed by members with the pool.

The pool is governed by a board of directors that is comprised of one designated representative from each participating member. An executive committee is elected at the annual meeting, and is responsible for conducting the business affairs of the pool.

In the past three years, Whatcom County has not had any claims that exceeded risk pool coverage. Whatcom County's membership in the pool comprises a 5% interest (approximately) in pool assets and liabilities. Summarized financial information as of September 30, 2003 is presented below.

Table FN14 - Washington Counties Risk Pool

**Washington Counties Risk Pool
As of September 30, 2003**

Total Assets	\$9,170,173
Total Liabilities	<u>\$10,924,174</u>
Total Retained Earnings	(\$1,754,001)
Total Revenues	\$10,416,405
Total Expenses	\$11,444,729
Total Revenues Over Expenses	<u><u>(\$1,028,324)</u></u>

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 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% (depending on maturity date) with final maturity in 2012. These bonds will be repaid from General Fund revenues. As of December 31, 2003, bonds outstanding total \$7,940,000.

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 are fixed at 3.75-4.7% (depending on maturity date) with final maturity in 2018. Repayment will be made from general fund revenues. As of December 31, 2003, outstanding bonds totaled \$2,750,000.

Whatcom County issued general obligation bonds in the amount of \$3,385,000 (interest rate 2.00%-3.35%) 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, 2003, outstanding bonds totaled \$3,385,000. Repayment will be made from General Fund revenues.

Special Assessment Debt for Road Improvements

Debt service requirements for special assessment bonds will be met by the collection of assessments receivable that have been levied against property owners. The assessments are liens against the property and subject to foreclosure. Whatcom County has established a RID Guaranty Fund to set aside a reserve to meet debt service requirements on RID debt in the event that assessment collections are insufficient. This reserve is funded by an assessment against RID funds as they are established. At December 31, 2003, a reserve of \$113,735 was available in the RID Guaranty Fund.

RID 9 debt represents loans from Washington Community Economic Revitalization Board (CERB) for road, water and sewer improvements to an area within Whatcom County known as Cordata Business Park. In November 1987, the County formed Road Improvement District #9 and levied assessments to service these loans. The special assessment debt balance is payable from assessments receivable until maturity in the year 2006. At December 31, the outstanding loan balance was \$282,538.

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

Table FN15 - GO Bonds and Special Assessment Debt

Year Ending December 31	General Obligation Bonds		Special Assessment Debt	
	Principal	Interest	Principal	Interest
2004	\$ 1,270,000	\$ 602,580	\$ 128,074	\$ 19,213
2005	1,310,000	546,168	136,782	10,504
2006	1,380,000	486,990	17,682	1,202
2007	1,440,000	424,452	-	-
2008	1,530,000	360,505	-	-
2009 - 2013	6,030,000	804,361	-	-
2014 - 2018	1,115,000	160,925	-	-
Total	<u>\$ 14,075,000</u>	<u>\$ 3,385,981</u>	<u>\$ 282,538</u>	<u>\$ 30,919</u>

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

At December 31, 2003, the County had \$73,245 available in debt service funds to service the general bonded debt. In addition, \$68,282 was available to service RID debt.

Changes In Long-Term Debt

During the year ended December 31, 2003, the following changes occurred in long-term liabilities:

Table FN16 - Changes in Long-Term Debt

Governmental Activities	January 1	Additions	Reductions	December 31	Due Within One Year
Bonds payable					
General obligation debt	\$ 15,830,000	\$ 3,385,000	\$ 5,140,000	\$ 14,075,000	\$ 1,270,000
Special assessment debt	422,150	-	139,612	282,538	128,073
Less deferred amounts for issuance discounts/premiums	178,261	5,518	97,361	86,418	-
Total bonds payable	16,430,411	3,390,518	5,376,973	14,443,956	1,398,073
Capital leases	334,935	224,917	143,424	416,428	128,911
Estimated claims (See Note 7)	2,655,310	3,151,189	3,173,081	2,633,418	-
Compensated absences	3,944,731	494,255	356,923	4,082,063	363,147
Landfill post-closure costs	250,000	-	-	250,000	-
Total	\$ 23,615,387	\$ 7,260,879	\$ 9,050,401	\$ 21,825,865	\$ 1,890,131

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

The compensated absences liability will be paid from the General Fund, County Road, Election Reserve, Water Resources, Solid Waste, Victim Witness Assistance, and Emergency Management special revenue funds, and Equipment Rental and Revolving and Administrative Services internal service funds.

Refunded Debt

Whatcom County issued \$3,385,000 of general obligation bonds to provide resources to purchase U.S. Government and State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$3,940,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next 9 years by \$630,714 and resulted in an economic gain of \$459,044.

Capital Leases

In 1997, Whatcom County 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. As of December 31, 2003, outstanding lease payments totaled \$416,428.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2003 were as follows:

Table FN17 - Future Minimum Lease Obligations

Year Ending December 31	Governmental Activities
2004	\$143,252
2005	121,653
2006	102,774
2007	75,176
2008	17,432
2009 and Beyond	-
Total Minimum Lease Payments	460,287
Less: Interest	43,859
Present Value of Minimum Lease Payments	\$416,428

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 FN18 - Long-Term Debt Capacity

<u>Purpose of Indebtedness</u>	<u>Remaining Capacity</u>
General Government (No vote required)	\$ 176,659,527
General Government (With 3/5 majority vote)	\$ 307,356,824

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 county wide emergency medical care and transportation services. In the event that the user fees and donations received by the city to provide these services is insufficient to pay for all the operation, maintenance and capital expenditures attributed to this service, 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 expense if the involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the county. Interfund balances at December 31, 2003, were as follows:

Table FN19 - Interfund Balances

Due To	Due From						Total
	General Fund	County Road	Flood Control Zone Dist.	Public Utilities Improvement	Internal Service	All Others	
General Fund	\$ -	\$ -	\$ 64	\$ -	\$ 673	\$ 28,915	\$ 29,652
County Road	1	-	288	11	7,795	445	8,540
Flood Control Zone Dist.	-	-	-	-	-	10,357	10,357
Internal Service	19,727	46,572	-	-	-	-	66,299
Other	59	-	500,000	-	-	-	500,059
Total	\$ 19,787	\$ 46,572	\$ 500,352	\$ 11	\$ 8,468	\$ 39,717	\$ 614,907

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, 2003, consisted of the following:

Table FN20 - Interfund Transfers

Transfer To	Transfers From						Total
	General Fund	County Road	Flood Control Zone Dist.	Internal Service	All Others		
General Fund	\$ 58,361	\$ 187,137	\$ 188,606	\$ 119,372	\$ 925,837	\$ 1,479,313	
County Road	59,000	-	-	-	1,070	60,070	
Internal Service	468,500	196,498	-	-	-	664,998	
All Others	788,786	-	2,580,870	254,073	1,861,492	5,485,221	
Total	\$ 1,374,647	\$ 383,635	\$ 2,769,476	\$ 373,445	\$ 2,788,399	\$ 7,689,602	

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 \$631,271 as its share of operations in 2003. Whatcom County did not have an equity interest in What-Comm in 2003. Financial statements for What-Comm Communications Center can be obtained from the City of Bellingham, 210 Lottie Street, Bellingham, Washington 98225.

NOTE 13 – POSTRETIREMENT HEALTH CARE BENEFITS

In addition to the pension benefits described in Note 6, Whatcom County provides postretirement health care benefits, in accordance with the Washington Law Enforcement Officers and Fire Fighters Retirement Systems (LEOFF) Act (RCW 41.26), to employees who were law enforcement officers and established membership in the LEOFF I retirement system on or before September 30, 1977. Currently, 20 retirees meet those eligibility requirements.

Whatcom County pays for health insurance and medical costs not covered by insurance for pre-Medicare retirees. The County also pays a fixed amount of \$115 to \$164 per month for a Medicare supplement for each retiree eligible for Medicare.

During the year, expenditures of \$125,439 were recognized for postretirement health care.

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.



Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
Year Ended December 31, 2003



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 27,868,927	\$ 27,868,927	\$ 29,883,542	\$ 2,014,615
Licenses and permits	1,724,534	1,772,489	2,192,655	420,166
Intergovernmental	12,004,588	12,338,863	12,712,994	374,131
Charges for service	5,942,482	6,018,579	6,830,294	811,715
Fines and forfeits	1,312,600	1,312,600	1,582,066	269,466
Miscellaneous	3,958,838	3,988,180	3,774,086	(214,094)
Total revenues	52,811,969	53,299,638	56,975,637	3,675,999
Expenditures				
Current:				
General government	18,243,464	17,951,858	17,061,979	889,879
Public Safety	22,914,201	23,630,965	23,090,318	540,647
Physical environment	317,489	342,489	342,173	316
Economic environment	1,131,201	1,423,158	1,253,882	169,276
Mental and physical health	9,650,691	9,992,744	9,180,782	811,962
Culture and recreation	3,362,616	3,612,886	3,501,514	111,372
Capital outlay	171,103	628,903	472,367	156,536
Total expenditures	55,790,765	57,583,003	54,903,015	2,679,988
Excess (deficiency) of revenues over expenditures	(2,978,796)	(4,283,365)	2,072,622	6,355,987
Other financing sources (uses)				
Sales of capital assets	539,000	539,000	820,430	281,430
Transfers in	1,308,564	1,388,155	1,479,313	91,158
Transfers out	(1,946,627)	(1,951,627)	(1,374,647)	576,980
Total other financing sources (uses)	(99,063)	(24,472)	925,096	949,568
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(3,077,859)	(4,307,837)	2,997,718	7,305,555
Fund balance as of January 1	-	1,229,979	16,495,436	15,265,457
Fund balance as of December 31	\$ (3,077,859)	\$ (3,077,858)	\$ 19,493,154	\$ 22,571,012

Notes to required supplemental information are an integral part of this schedule.

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
County Road

Year Ended December 31, 2003



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 12,790,000	\$ 12,790,000	\$ 12,676,349	\$ (113,651)
Licenses and permits	40,100	40,100	51,139	11,039
Intergovernmental	5,712,407	5,712,407	5,544,945	(167,462)
Charges for service	1,386,639	1,386,639	1,344,797	(41,842)
Miscellaneous	12,000	12,000	(10,316)	(22,316)
Total revenues	19,941,146	19,941,146	19,606,914	(334,232)
Expenditures				
Current:				
General government	175,000	175,000	176,248	(1,248)
Transportation	15,995,611	16,895,944	14,347,112	2,548,832
Capital outlay	8,199,800	9,175,936	4,678,190	4,497,746
Total expenditures	24,370,411	26,246,880	19,201,550	7,045,330
Excess (deficiency) of revenues over expenditures	(4,429,265)	(6,305,734)	405,364	6,711,098
Other financing sources (uses)				
Sales of capital assets	900,000	900,000	1,071,473	171,473
Transfers in	60,062	60,062	60,070	8
Transfers out	(439,635)	(439,635)	(383,635)	56,000
Total other financing sources (uses)	520,427	520,427	747,908	227,481
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(3,908,838)	(5,785,307)	1,153,272	6,938,579
Fund balance as of January 1	10,892,940	12,769,408	10,613,793	(2,155,615)
Fund balance as of December 31	\$ 6,984,102	\$ 6,984,101	\$ 11,767,065	\$ 4,782,964

Notes to required supplemental information are an integral part of this schedule.

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Flood Control Zone District
Year Ended December 31, 2003



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 4,058,433	\$ 4,058,433	\$ 4,161,740	\$ 103,307
Intergovernmental	1,458,000	1,458,000	496,397	(961,603)
Charges for service	199,700	199,700	195	(199,505)
Miscellaneous	-	-	12,650	12,650
Total revenues	5,716,133	5,716,133	4,670,982	(1,045,151)
Expenditures				
Current:				
Physical environment	4,526,181	5,063,219	2,180,123	2,883,096
Capital outlay	872,200	879,485	347,374	532,111
Total expenditures	5,398,381	5,942,704	2,527,497	3,415,207
Excess (deficiency) of revenues over expenditures	317,752	(226,571)	2,143,485	2,370,056
Other financing sources (uses)				
Operating transfer out	(2,598,000)	(2,598,000)	(2,769,476)	(171,476)
Total other financing sources (uses)	(2,598,000)	(2,598,000)	(2,769,476)	(171,476)
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	(2,280,248)	(2,824,571)	(625,991)	2,198,580
Fund balance as of January 1	7,860,650	8,404,973	9,146,887	741,914
Fund balance as of December 31	\$ 5,580,402	\$ 5,580,402	\$ 8,520,896	\$ 2,940,494

Notes to required supplemental information are an integral part of this schedule.

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 2003.

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

Treasurer 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.

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.

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

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 stadium tax revenue, used to promote tourism.

Victim Witness - 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.

Whatcom County 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.

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.

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.

Whatcom County Drug Fund - 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 Fund - 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.

Whatcom County Emergency Management Fund - 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 - 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.

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

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

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.

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

Lynden/ Everson Sub-Zone Fund - 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 Fund - 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 Fund - 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.

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 fund follows:

General Obligation Bond - A fund to account for redemption of bonds which are general obligations of the county.

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.

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:

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 - 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 Fund - 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.

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 Fund - 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.

Agency Funds

Agency Funds are established to account for assets held by Whatcom County acting in the capacity of agent. Agency Funds are funds over which the county has no oversight responsibility or financial interdependency. Many independent districts are required by state statute to process all monies through the County Treasurer's office. Such funds do not represent assets of Whatcom County. Agency Funds are custodial in nature and therefore do not involve measurement of results of operations. Each independent district is responsible for preparing its own annual financial report.

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
Assets				
Cash and cash equivalents	\$ 8,581,189	\$ 141,527	\$ 2,344,349	\$ 11,067,065
Investments at cost	-	-	32,742	32,742
Taxes receivable	68,658	10	-	68,668
Accounts receivable	203,595	-	-	203,595
Special assessments	3,231	1,391	-	4,622
Interest receivable	-	-	64	64
Notes receivable	111,407	-	-	111,407
Due from other funds	500,059	-	-	500,059
Due from other governments	419,175	-	-	419,175
Employee advances	260	-	-	260
Prepayments	1,267	-	-	1,267
Long-term assets				
Investment in joint ventures	-	-	40,769	40,769
Total Assets	\$ 9,888,841	\$ 142,928	\$ 2,417,924	\$ 12,449,693
Liabilities and fund balance				
Liabilities				
Accounts payable	\$ 214,279	\$ 23	\$ -	\$ 214,302
Due to other funds	39,716	-	-	39,716
Revenue collected in advance	-	-	51	51
Due to other governments	13,770	-	-	13,770
Deferred revenue	202,257	1,401	-	203,658
Total liabilities	470,022	1,424	51	471,497
Fund balances				
Reserved for:				
Encumbrances	376,295	-	-	376,295
Debt service	-	141,504	-	141,504
Unreserved, reported in:				
Special revenue funds	9,042,524	-	-	9,042,524
Capital projects funds	-	-	2,417,873	2,417,873
Total fund balance	9,418,819	141,504	2,417,873	11,978,196
Total liabilities and fund balance	\$ 9,888,841	\$ 142,928	\$ 2,417,924	\$ 12,449,693

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

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Non-Major Governmental Funds
Year Ended December 31, 2003



	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non Major Governmental Funds
Revenues				
Taxes	\$ 1,643,511	\$ 1	\$ 1,450,996	\$ 3,094,508
Intergovernmental	649,997	-	-	649,997
Charges for service	1,846,833	-	-	1,846,833
Fines and forfeits	1,093,632	-	-	1,093,632
Miscellaneous	25,300	60,095	2,284	87,679
Total revenues	5,259,273	60,096	1,453,280	6,772,649
Expenditures				
Current:				
General government	700,240	-	-	700,240
Public Safety	507,561	-	-	507,561
Physical environment	3,344,302	-	-	3,344,302
Transportation	24,544	-	-	24,544
Economic environment	170,370	-	-	170,370
Culture and recreation	138,000	-	-	138,000
Capital outlay	85,975	-	34,431	120,406
Debt service:				
Principal	139,612	1,200,000	-	1,339,612
Interest	28,706	733,098	-	761,804
Total expenditures	5,139,310	1,933,098	34,431	7,106,839
Excess (deficiency) of revenues over expenditures	119,963	(1,873,002)	1,418,849	(334,190)
Other financing sources (uses)				
Sales of capital assets	56,348	-	-	56,348
Transfers in	2,852,158	2,633,063	-	5,485,221
Transfers out	(926,908)	(168,318)	(1,693,173)	(2,788,399)
Proceeds of refunding long-term debt	-	4,535	-	4,535
Payment to refunded debt escrow agent	-	(700,000)	-	(700,000)
Total other financing sources (uses)	1,981,598	1,769,280	(1,693,173)	2,057,705
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	2,101,561	(103,722)	(274,324)	1,723,515
Fund balance as of January 1	7,317,258	245,226	2,692,197	10,254,681
Fund balance as of December 31	\$ 9,418,819	\$ 141,504	\$ 2,417,873	\$ 11,978,196

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



Combining Balance Sheet
 Non-Major Special Revenue Funds

December 31, 2003

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	Election Reserve	Veteran's Relief	Tax Refund	Treasurer O & M	Water Resources	Low-Income Housing	Park ORV
Assets							
Cash and cash equivalents	\$ 90,323	\$ 134,930	\$ 26,179	\$ 143,928	\$ 105,507	\$ 583,190	\$ -
Taxes receivable	18,168	7,010	5,503	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Due from other funds	59	-	-	-	500,000	-	-
Due from other governments	340,276	-	-	-	72,935	-	-
Employee advances	260	-	-	-	-	-	-
Prepayments	503	-	-	-	-	-	-
Total Assets	\$ 449,589	\$ 141,940	\$ 31,682	\$ 143,928	\$ 678,442	\$ 583,190	\$ -
Liabilities and fund balance							
Liabilities							
Accounts payable	\$ 7,984	\$ 309	\$ -	\$ 2	\$ 79,686	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Due to other governments	1,008	-	-	-	410	-	-
Deferred revenue	18,168	7,010	5,503	-	-	-	-
Total liabilities	27,160	7,319	5,503	2	80,096	-	-
Fund balances							
Reserved for:							
Encumbrances	8,491	-	-	-	127,120	-	-
Unreserved, reported in:							
Special revenue funds	413,938	134,621	26,179	143,926	471,226	583,190	-
Total fund balance	422,429	134,621	26,179	143,926	598,346	583,190	-
Total liabilities & fund balance	\$ 449,589	\$ 141,940	\$ 31,682	\$ 143,928	\$ 678,442	\$ 583,190	\$ -

Solid Waste	Convention Center	Victim/Witness Assistance	CERB	Emergency Contingency Fair	Drug Task Force	Community Development	Imminent Threat Grant	Sewer Fund	Emergency Communications
\$ 1,347,945	\$ 253,902	\$ 95,697	\$ 61	\$ 5,250	\$ 16,170	\$ 18,566	\$ 3	\$ 5,066	\$ -
-	-	-	-	-	-	-	-	-	-
203,595	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	111,407	-	-	-
-	-	-	-	-	-	-	-	-	-
5,964	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
318	-	36	-	-	-	-	-	-	-
<u>\$ 1,557,822</u>	<u>\$ 253,902</u>	<u>\$ 95,733</u>	<u>\$ 61</u>	<u>\$ 5,250</u>	<u>\$ 16,170</u>	<u>\$ 129,973</u>	<u>\$ 3</u>	<u>\$ 5,066</u>	<u>\$ -</u>
\$ 33,920	\$ -	\$ 734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,188	-	-	-	-	-	-	-	-	-
11,462	-	72	-	-	-	-	-	-	-
-	-	-	-	-	-	111,407	-	-	-
<u>55,570</u>	<u>-</u>	<u>806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,407</u>	<u>-</u>	<u>-</u>	<u>-</u>
63,960	-	-	-	-	10,000	-	-	-	-
1,438,292	253,902	94,927	61	5,250	6,170	18,566	3	5,066	-
1,502,252	253,902	94,927	61	5,250	16,170	18,566	3	5,066	-
<u>\$ 1,557,822</u>	<u>\$ 253,902</u>	<u>\$ 95,733</u>	<u>\$ 61</u>	<u>\$ 5,250</u>	<u>\$ 16,170</u>	<u>\$ 129,973</u>	<u>\$ 3</u>	<u>\$ 5,066</u>	<u>\$ -</u>

continued on next page

Combining Balance Sheet
 Non-Major Special Revenue Funds

December 31, 2003

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	Whatcom County Drug	Auditor's O & M	Emergency Management	Sumas Sub- Flood Control Zone District	Point Roberts Fuel Tax	Conservation Futures
Assets						
Cash and cash equivalents	\$ 1,193,047	\$ 655,378	\$ 108,453	\$ -	\$ 97,698	\$ 2,917,424
Taxes receivable	-	-	-	-	-	37,977
Accounts receivable	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Employee advances	-	-	-	-	-	-
Prepayments	-	-	410	-	-	-
Total Assets	\$ 1,193,047	\$ 655,378	\$ 108,863	\$ -	\$ 97,698	\$ 2,955,401
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ 85,541	\$ 500	\$ 3,530	\$ -	\$ -	\$ -
Due to other funds	-	19,171	-	-	-	-
Due to other governments	-	-	818	-	-	-
Deferred revenue	-	-	18,961	-	-	37,977
Total liabilities	85,541	19,671	23,309	-	-	37,977
Fund balances						
Reserved for:						
Encumbrances	60,000	105,200	1,524	-	-	-
Unreserved, reported in:						
Special revenue funds	1,047,506	530,507	84,030	-	97,698	2,917,424
Total fund balance	1,107,506	635,707	85,554	-	97,698	2,917,424
Total liabilities & fund balance	\$ 1,193,047	\$ 655,378	\$ 108,863	\$ -	\$ 97,698	\$ 2,955,401

Combining Balance Sheet
 Non-Major Special Revenue Funds
 December 31, 2003



Lake Management District No. 1	Road Improvement Districts	Lynden/ Everson Sub-Zone	Sumas/ Nooksack/ Everson Sub-Zone	Acme/ Van Zandt Sub-Zone	Total Non Major Special Revenue Funds
\$ 19,588	\$ 175,777	\$ 193,669	\$ 361,753	\$ 31,685	\$ 8,581,189
-	-	-	-	-	68,658
-	-	-	-	-	203,595
-	3,231	-	-	-	3,231
-	-	-	-	-	111,407
-	-	-	-	-	500,059
-	-	-	-	-	419,175
-	-	-	-	-	260
-	-	-	-	-	1,267
<u>\$ 19,588</u>	<u>\$ 179,008</u>	<u>\$ 193,669</u>	<u>\$ 361,753</u>	<u>\$ 31,685</u>	<u>\$ 9,888,841</u>
\$ -	\$ 2,073	\$ -	\$ -	\$ -	\$ 214,279
-	-	990	9,367	-	39,716
-	-	-	-	-	13,770
-	3,231	-	-	-	202,257
-	5,304	990	9,367	-	470,022
-	-	-	-	-	376,295
19,588	173,704	192,679	352,386	31,685	9,042,524
<u>19,588</u>	<u>173,704</u>	<u>192,679</u>	<u>352,386</u>	<u>31,685</u>	<u>9,418,819</u>
<u>\$ 19,588</u>	<u>\$ 179,008</u>	<u>\$ 193,669</u>	<u>\$ 361,753</u>	<u>\$ 31,685</u>	<u>\$ 9,888,841</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2003

	Election Reserve	Veteran's Relief	Tax Refund	Treasurer's O & M	Water Resources	Low-Income Housing	Park ORV
Revenues							
Taxes	\$ 369,685	\$ 144,989	\$ 10,545	\$ -	\$ -	\$ -	\$ -
Intergovernmental	16	6	-	-	191,858	-	-
Charges for service	346,449	-	-	122,733	-	403,418	-
Fines and forfeits	-	-	-	-	-	-	-
Miscellaneous	131	151	5	27	-	-	-
Total revenues	716,281	145,146	10,550	122,760	191,858	403,418	-
Expenditures							
Current:							
General government	601,249	-	-	37,202	-	-	-
Public Safety	-	-	-	-	-	-	-
Physical environment	-	-	-	-	2,464,352	-	-
Transportation	-	-	-	-	-	-	-
Economic environment	-	145,754	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	5,953	-	-	-	3,924	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	607,202	145,754	-	37,202	2,468,276	-	-
Excess (deficiency) of revenues over expenditures	109,079	(608)	10,550	85,558	(2,276,418)	403,418	-
Other financing sources (uses)							
Sales of capital assets	15,441	6,034	2,298	-	-	-	-
Transfers in	-	-	-	-	2,580,870	-	-
Transfers out	-	-	-	(59,159)	(263,197)	-	-
Total other financing sources (uses)	15,441	6,034	2,298	(59,159)	2,317,673	-	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	124,520	5,426	12,848	26,399	41,255	403,418	-
Fund balance as of January 1	297,909	129,195	13,331	117,527	557,091	179,772	-
Fund balance as of Dec. 31	\$ 422,429	\$ 134,621	\$ 26,179	\$ 143,926	\$ 598,346	\$ 583,190	\$ -

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2003



Solid Waste	Convention Center	Victim/Witness Assistance	CERB	Emergency Contingency Fair	Drug Task Force	Community Development	Imminent Threat Grant	Sewer Fund
\$ -	\$ 162,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
195,050	-	-	-	-	-	-	-	-
791,336	-	91,207	-	-	-	-	-	-
-	-	24,882	-	-	-	-	-	-
2,700	-	-	-	-	-	-	-	-
989,086	162,021	116,089	-	-	-	-	-	-
-	-	51,932	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
865,100	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	138,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	139,612	-	-	-	-	-
-	-	-	28,706	-	-	-	-	-
865,100	138,000	51,932	168,318	-	-	-	-	-
123,986	24,021	64,157	(168,318)	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	168,318	-	-	-	-	-
(111,136)	-	(53,844)	-	-	-	(5,000)	-	-
(111,136)	-	(53,844)	168,318	-	-	(5,000)	-	-
12,850	24,021	10,313	-	-	-	(5,000)	-	-
1,489,402	229,881	84,614	61	5,250	16,170	23,566	3	5,066
\$ 1,502,252	\$ 253,902	\$ 94,927	\$ 61	\$ 5,250	\$ 16,170	\$ 18,566	\$ 3	\$ 5,066

continued on next page

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2003

	Emergency Communi- cations	Whatcom County Drug	Auditor's O & M	Emergency Management	Sumas Sub- Flood Control Zone Dist	Point Roberts Fuel Tax
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,147
Intergovernmental	-	-	75,090	187,944	-	-
Charges for service	-	-	91,690	-	-	-
Fines and forfeits	-	1,068,750	-	-	-	-
Miscellaneous	-	16,966	-	3,975	-	-
Total revenues	-	1,085,716	166,780	191,919	-	27,147
Expenditures						
Current:						
General government	-	-	9,857	-	-	-
Public Safety	-	157,337	-	350,224	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	63,757	4,004	8,337	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	221,094	13,861	358,561	-	-
Excess (deficiency) of revenues over expenditures	-	864,622	152,919	(166,642)	-	27,147
Other financing sources (uses)						
Sales of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	102,970	-	-
Transfers out	-	(414,331)	(19,171)	-	-	-
Total other financing sources (uses)	-	(414,331)	(19,171)	102,970	-	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	450,291	133,748	(63,672)	-	27,147
Fund balance as of January 1	-	657,215	501,959	149,226	-	70,551
Fund balance as of Dec. 31	\$ -	\$ 1,107,506	\$ 635,707	\$ 85,554	\$ -	\$ 97,698

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Special Revenue Funds
 Year Ended December 31, 2003

Conservation Futures	Lake Management District No. 1	Road Improvement Districts	Lynden/ Everson Sub-Zone	Sumas/ Nooksack/ Everson Sub- Zone	Acme/ Van Zandt Sub-Zone	Total Non Major Special Revenue Funds
\$ 781,767	\$ -	\$ 25,423	\$ 33,078	\$ 74,581	\$ 14,275	\$ 1,643,511
33	-	-	-	-	-	649,997
-	-	-	-	-	-	1,846,833
-	-	-	-	-	-	1,093,632
276	-	1,069	-	-	-	25,300
<u>782,076</u>	<u>-</u>	<u>26,492</u>	<u>33,078</u>	<u>74,581</u>	<u>14,275</u>	<u>5,259,273</u>
-	-	-	-	-	-	700,240
-	-	-	-	-	-	507,561
-	4,493	-	990	9,367	-	3,344,302
-	-	24,544	-	-	-	24,544
24,616	-	-	-	-	-	170,370
-	-	-	-	-	-	138,000
-	-	-	-	-	-	85,975
-	-	-	-	-	-	139,612
-	-	-	-	-	-	28,706
<u>24,616</u>	<u>4,493</u>	<u>24,544</u>	<u>990</u>	<u>9,367</u>	<u>-</u>	<u>5,139,310</u>
<u>757,460</u>	<u>(4,493)</u>	<u>1,948</u>	<u>32,088</u>	<u>65,214</u>	<u>14,275</u>	<u>119,963</u>
32,575	-	-	-	-	-	56,348
-	-	-	-	-	-	2,852,158
-	-	(1,070)	-	-	-	(926,908)
<u>32,575</u>	<u>-</u>	<u>(1,070)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,981,598</u>
<u>790,035</u>	<u>(4,493)</u>	<u>878</u>	<u>32,088</u>	<u>65,214</u>	<u>14,275</u>	<u>2,101,561</u>
<u>2,127,389</u>	<u>24,081</u>	<u>172,826</u>	<u>160,591</u>	<u>287,172</u>	<u>17,410</u>	<u>7,317,258</u>
<u>\$ 2,917,424</u>	<u>\$ 19,588</u>	<u>\$ 173,704</u>	<u>\$ 192,679</u>	<u>\$ 352,386</u>	<u>\$ 31,685</u>	<u>\$ 9,418,819</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Election Reserve
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 361,129	\$ 369,685	\$ 8,556	\$ 363,068
Intergovernmental	-	16	16	25
Charges for Service	77,000	346,449	269,449	296,226
Miscellaneous	-	131	131	178
Total Revenues	<u>438,129</u>	<u>716,281</u>	<u>278,152</u>	<u>659,497</u>
Expenditures				
Current:				
General Government	649,396	601,249	48,147	691,566
Capital Outlay	6,000	5,953	47	-
Total Expenditures	<u>655,396</u>	<u>607,202</u>	<u>48,194</u>	<u>691,566</u>
Excess (Deficiency) of Revenues Over Expenditures	(217,267)	109,079	326,346	(32,069)
Other Financing Sources (Uses)				
Sales of Capital Assets	-	15,441	15,441	10,857
Operating Transfer In	55,000	-	(55,000)	-
Total Other Financing Sources (Uses)	<u>55,000</u>	<u>15,441</u>	<u>(39,559)</u>	<u>10,857</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other	(162,267)	124,520	286,787	(21,212)
Fund Balance as of January 1	4,175	297,909	293,734	319,121
Fund Balance as of December 31	<u>\$ (158,092)</u>	<u>\$ 422,429</u>	<u>\$ 580,521</u>	<u>\$ 297,909</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Veteran's Relief
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 143,355	\$ 144,989	\$ 1,634	\$ 137,148
Intergovernmental	-	6	6	15,232
Miscellaneous	-	151	151	67
Total Revenues	<u>143,355</u>	<u>145,146</u>	<u>1,791</u>	<u>152,447</u>
Expenditures				
Current:				
Economic Environment	146,355	145,754	601	119,596
Total Expenditures	<u>146,355</u>	<u>145,754</u>	<u>601</u>	<u>119,596</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,000)</u>	<u>(608)</u>	<u>2,392</u>	<u>32,851</u>
Other Financing Sources (Uses)				
Sales of Capital Assets	3,000	6,034	3,034	4,108
Total Other Financing Sources (Uses)	<u>3,000</u>	<u>6,034</u>	<u>3,034</u>	<u>4,108</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>-</u>	<u>5,426</u>	<u>5,426</u>	<u>36,959</u>
Fund Balance as of January 1	-	129,195	129,195	92,236
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 134,621</u>	<u>\$ 134,621</u>	<u>\$ 129,195</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Tax Refund Fund
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ -	\$ 10,545	\$ 10,545	\$ 360,990
Intergovernmental	-	-	-	23
Miscellaneous	-	5	5	155
Total Revenues	-	10,550	10,550	361,168
Expenditures				
Debt service:				
Principal	-	-	-	348,526
Interest	-	-	-	10,456
Total Expenditures	-	-	-	358,982
Excess (Deficiency) of Revenues Over Expenditures	-	10,550	10,550	2,186
Other Financing Sources (Uses)				
Sales of Capital Assets	-	2,298	2,298	9,958
Total Other Financing Sources (Uses)	-	2,298	2,298	9,958
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	12,848	12,848	12,144
Fund Balance as of January 1	-	13,331	13,331	1,187
Fund Balance as of December 31	\$ -	\$ 26,179	\$ 26,179	\$ 13,331

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Treasurer's O & M
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for Service	\$ 218,693	\$ 122,733	\$ (95,960)	\$ 99,440
Miscellaneous	-	27	27	-
Total Revenues	<u>218,693</u>	<u>122,760</u>	<u>(95,933)</u>	<u>99,440</u>
Expenditures				
Current:				
General Government	159,595	37,202	122,393	46,721
Capital Outlay	2,049	-	2,049	-
Total Expenditures	<u>161,644</u>	<u>37,202</u>	<u>124,442</u>	<u>46,721</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>57,049</u>	<u>85,558</u>	<u>28,509</u>	<u>52,719</u>
Other Financing Sources (Uses)				
Operating Transfer Out	(35,000)	(59,159)	(24,159)	(48,338)
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>(59,159)</u>	<u>(24,159)</u>	<u>(48,338)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>22,049</u>	<u>26,399</u>	<u>4,350</u>	<u>4,381</u>
Fund Balance as of January 1	-	117,527	117,527	113,146
Fund Balance as of December 31	<u>\$ 22,049</u>	<u>\$ 143,926</u>	<u>\$ 121,877</u>	<u>\$ 117,527</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Water Resources
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 395,000	\$ 191,858	\$ (203,142)	\$ 116,610
Total Revenues	<u>395,000</u>	<u>191,858</u>	<u>(203,142)</u>	<u>116,610</u>
Expenditures				
Current:				
Physical Environment	3,213,929	2,464,352	749,577	3,072,271
Capital Outlay	4,080	3,924	156	-
Total Expenditures	<u>3,218,009</u>	<u>2,468,276</u>	<u>749,733</u>	<u>3,072,271</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,823,009)</u>	<u>(2,276,418)</u>	<u>546,591</u>	<u>(2,955,661)</u>
Other Financing Sources (Uses)				
Operating Transfer In	2,529,000	2,580,870	51,870	2,973,697
Operating Transfer Out	(220,189)	(263,197)	(43,008)	(176,903)
Total Other Financing Sources (Uses)	<u>2,308,811</u>	<u>2,317,673</u>	<u>8,862</u>	<u>2,796,794</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(514,198)</u>	<u>41,255</u>	<u>555,453</u>	<u>(158,867)</u>
Fund Balance as of January 1	737,971	557,091	(180,880)	715,958
Fund Balance as of December 31	<u>\$ 223,773</u>	<u>\$ 598,346</u>	<u>\$ 374,573</u>	<u>\$ 557,091</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Low-Income Housing
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for service	\$ 200,000	\$ 403,418	\$ 203,418	\$ 179,772
Total Revenues	200,000	403,418	203,418	179,772
Excess (Deficiency) of Revenues Over Expenditures	200,000	403,418	203,418	179,772
Fund Balance as of January 1	-	179,772	179,772	-
Fund Balance as of December 31	<u>\$ 200,000</u>	<u>\$ 583,190</u>	<u>\$ 383,190</u>	<u>\$ 179,772</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Park ORV
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ -	\$ -	\$ -

Fund Balance as of December 31

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Solid Waste
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 273,500	\$ 195,050	\$ (78,450)	\$ 390,720
Charges for Service	736,100	791,336	55,236	752,511
Miscellaneous	3,000	2,700	(300)	38,443
Total Revenues	<u>1,012,600</u>	<u>989,086</u>	<u>(23,514)</u>	<u>1,181,674</u>
Expenditures				
Current:				
Physical Environment	1,145,605	865,100	280,505	930,734
Total Expenditures	<u>1,145,605</u>	<u>865,100</u>	<u>280,505</u>	<u>930,734</u>
Excess (Deficiency) of Revenues Over Expenditures	(133,005)	123,986	256,991	250,940
Other Financing Sources (Uses)				
Operating Transfer Out	(113,293)	(111,136)	2,157	(147,045)
Total Other Financing Sources (Uses)	<u>(113,293)</u>	<u>(111,136)</u>	<u>2,157</u>	<u>(147,045)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(246,298)	12,850	259,148	103,895
Fund Balance as of January 1	1,427,824	1,489,402	61,578	1,385,507
Fund Balance as of December 31	<u>\$ 1,181,526</u>	<u>\$ 1,502,252</u>	<u>\$ 320,726</u>	<u>\$ 1,489,402</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Convention Center
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 115,000	\$ 162,021	\$ 47,021	\$ 147,306
Total Revenues	<u>115,000</u>	<u>162,021</u>	<u>47,021</u>	<u>147,306</u>
Expenditures				
Current:				
Culture & Recreation	142,000	138,000	4,000	131,500
Total Expenditures	<u>142,000</u>	<u>138,000</u>	<u>4,000</u>	<u>131,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(27,000)</u>	<u>24,021</u>	<u>51,021</u>	<u>15,806</u>
Fund Balance as of January 1	33,000	229,881	196,881	214,075
Fund Balance as of December 31	<u>\$ 6,000</u>	<u>\$ 253,902</u>	<u>\$ 247,902</u>	<u>\$ 229,881</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Victim/Witness Assistance
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for Service	\$ 94,825	\$ 91,207	\$ (3,618)	\$ 97,800
Fines & Forfeits	24,100	24,882	782	25,941
Total Revenues	118,925	116,089	(2,836)	123,741
Expenditures				
Current:				
General Government	53,175	51,932	1,243	54,226
Total Expenditures	53,175	51,932	1,243	54,226
Excess (Deficiency) of Revenues Over Expenditures	65,750	64,157	(1,593)	69,515
Other Financing Sources (Uses)				
Operating Transfer Out	(59,623)	(53,844)	5,779	(71,651)
Total Other Financing Sources (Uses)	(59,623)	(53,844)	5,779	(71,651)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	6,127	10,313	4,186	(2,136)
Fund Balance as of January 1	672	84,614	83,942	86,750
Fund Balance as of December 31	\$ 6,799	\$ 94,927	\$ 88,128	\$ 84,614

Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (GAAP Basis)
CERB



Year Ended December 31, 2003

(With comparative totals for December 31, 2002)

	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Current:				
Principal	\$ 175,197	\$ 139,612	\$ 35,585	\$ 265,450
Interest	28,707	28,706	1	46,757
Total Expenditures	<u>203,904</u>	<u>168,318</u>	<u>35,586</u>	<u>312,207</u>
Excess (Deficiency) of Revenues Over Expenditures	(203,904)	(168,318)	35,586	(312,207)
Other Financing Sources (Uses)				
Operating Transfer In	203,843	168,318	(35,525)	312,207
Total Other Financing Sources (Uses)	<u>203,843</u>	<u>168,318</u>	<u>(35,525)</u>	<u>312,207</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(61)	-	61	-
Fund Balance as of January 1	61	61	-	61
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 61</u>	<u>\$ 61</u>	<u>\$ 61</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Emergency Contingency Fair
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 5,250	\$ 5,250	\$ 5,250
\$ -	\$ 5,250	\$ 5,250	\$ 5,250

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Drug Task Force
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 16,170	\$ 16,170	\$ 16,170
\$ -	\$ 16,170	\$ 16,170	\$ 16,170

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Community Development
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ 10,000
Total Revenues	-	-	-	10,000
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	10,000
Other Financing Sources (Uses)				
Operating Transfer Out	(5,000)	(5,000)	-	(5,000)
Total Other Financing Sources (Uses)	(5,000)	(5,000)	-	(5,000)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(5,000)	(5,000)	-	5,000
Fund Balance as of January 1	-	23,566	23,566	18,566
Fund Balance as of December 31	\$ (5,000)	\$ 18,566	\$ 23,566	\$ 23,566

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Imminent Threat Grant
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 3	\$ 3	\$ 3
\$ -	\$ 3	\$ 3	\$ 3

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Sewer Improvement District 1
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 5,066	\$ 5,066	\$ 5,066
\$ -	\$ 5,066	\$ 5,066	\$ 5,066

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Emergency Communications
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Whatcom County Drug
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Charges for Service	\$ 5,903	\$ -	\$ (5,903)	\$ -
Fines & Forfeits	350,000	1,068,750	718,750	396,921
Miscellaneous	-	16,966	16,966	26,612
Total Revenues	355,903	1,085,716	729,813	423,533
Expenditures				
Current:				
Security of Persons & Property	210,000	157,337	52,663	111,215
Capital Outlay	100,000	63,757	36,243	2,167
Total Expenditures	310,000	221,094	88,906	113,382
Excess (Deficiency) of Revenues Over Expenditures	45,903	864,622	818,719	310,151
Other Financing Sources (Uses)				
Operating Transfer Out	(410,860)	(414,331)	(3,471)	(377,403)
Total Other Financing Sources (Uses)	(410,860)	(414,331)	(3,471)	(377,403)
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(364,957)	450,291	815,248	(67,252)
Fund Balance as of January 1	-	657,215	657,215	724,467
Fund Balance as of December 31	\$ (364,957)	\$ 1,107,506	\$ 1,472,463	\$ 657,215

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Auditor's O & M
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 45,000	\$ 75,090	\$ 30,090	\$ 60,910
Charges for Service	60,000	91,690	31,690	85,168
Total Revenues	<u>105,000</u>	<u>166,780</u>	<u>61,780</u>	<u>146,078</u>
Expenditures				
Current:				
General Government	150,950	9,857	141,093	13,790
Capital Outlay	67,000	4,004	62,996	15,256
Total Expenditures	<u>217,950</u>	<u>13,861</u>	<u>204,089</u>	<u>29,046</u>
Excess (Deficiency) of Revenues Over Expenditures	(112,950)	152,919	265,869	117,032
Other Financing Sources (Uses)				
Operating Transfer Out	(19,171)	(19,171)	-	-
Total Other Financing Sources (Uses)	<u>(19,171)</u>	<u>(19,171)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(132,121)	133,748	265,869	117,032
Fund Balance as of January 1	17,171	501,959	484,788	384,927
Fund Balance as of December 31	<u>\$ (114,950)</u>	<u>\$ 635,707</u>	<u>\$ 750,657</u>	<u>\$ 501,959</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Emergency Management
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Intergovernmental	\$ 206,905	\$ 187,944	\$ (18,961)	\$ 218,955
Miscellaneous	5,000	3,975	(1,025)	6,025
Total Revenues	<u>211,905</u>	<u>191,919</u>	<u>(19,986)</u>	<u>224,980</u>
Expenditures				
Current:				
Public Safety	394,976	350,224	44,752	331,340
Capital Outlay	8,778	8,337	441	-
Total Expenditures	<u>403,754</u>	<u>358,561</u>	<u>45,193</u>	<u>331,340</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(191,849)</u>	<u>(166,642)</u>	<u>25,207</u>	<u>(106,360)</u>
Other Financing Sources (Uses)				
Operating Transfer In	102,970	102,970	-	127,788
Total Other Financing Sources (Uses)	<u>102,970</u>	<u>102,970</u>	<u>-</u>	<u>127,788</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(88,879)</u>	<u>(63,672)</u>	<u>25,207</u>	<u>21,428</u>
Fund Balance as of January 1	38,000	149,226	111,226	127,798
Fund Balance as of December 31	<u>\$ (50,879)</u>	<u>\$ 85,554</u>	<u>\$ 136,433</u>	<u>\$ 149,226</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Sumas Sub-Flood Control Zone District
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Point Roberts Fuel Tax
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 20,000	\$ 27,147	\$ 7,147	\$ 18,751
Total Revenues	<u>20,000</u>	<u>27,147</u>	<u>7,147</u>	<u>18,751</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>20,000</u>	<u>27,147</u>	<u>7,147</u>	<u>18,751</u>
Fund Balance as of January 1	71,800	70,551	(1,249)	51,800
Fund Balance as of December 31	<u>\$ 91,800</u>	<u>\$ 97,698</u>	<u>\$ 5,898</u>	<u>\$ 70,551</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Conservation Futures
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 782,297	\$ 781,767	\$ (530)	\$ 748,442
Intergovernmental	50	33	(17)	51
Miscellaneous	200	276	76	8,368
Total Revenues	<u>782,547</u>	<u>782,076</u>	<u>(471)</u>	<u>756,861</u>
Expenditures				
Current:				
Economic Environment	25,000	24,616	384	20,036
Capital Outlay	50,000	-	50,000	458,978
Total Expenditures	<u>75,000</u>	<u>24,616</u>	<u>50,384</u>	<u>479,014</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>707,547</u>	<u>757,460</u>	<u>49,913</u>	<u>277,847</u>
Other Financing Sources (Uses)				
Sales of Capital Assets	15,000	32,575	17,575	22,411
Operating Transfer Out	(30,245)	-	30,245	(29,244)
Total Other Financing Sources (Uses)	<u>(15,245)</u>	<u>32,575</u>	<u>47,820</u>	<u>(6,833)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>692,302</u>	<u>790,035</u>	<u>97,733</u>	<u>271,014</u>
Fund Balance as of January 1	-	2,127,389	2,127,389	1,856,375
Fund Balance as of December 31	<u>\$ 692,302</u>	<u>\$ 2,917,424</u>	<u>\$ 2,225,122</u>	<u>\$ 2,127,389</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Lake Management District 1
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 800	\$ -	\$ (800)	\$ 901
Total Revenues	<u>800</u>	<u>-</u>	<u>(800)</u>	<u>901</u>
Expenditures				
Current:				
Physical Environment	5,563	4,493	1,070	4,034
Total Expenditures	<u>5,563</u>	<u>4,493</u>	<u>1,070</u>	<u>4,034</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,763)</u>	<u>(4,493)</u>	<u>270</u>	<u>(3,133)</u>
Fund Balance as of January 1	26,333	24,081	(2,252)	27,214
Fund Balance as of December 31	<u>\$ 21,570</u>	<u>\$ 19,588</u>	<u>\$ (1,982)</u>	<u>\$ 24,081</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Road Improvement Districts
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 24,412	\$ 25,423	\$ 1,011	\$ 25,076
Miscellaneous	4,462	1,069	(3,393)	2,408
Total Revenues	<u>28,874</u>	<u>26,492</u>	<u>(2,382)</u>	<u>27,484</u>
Expenditures				
Current:				
Transportation	28,200	24,544	3,656	24,628
Total Expenditures	<u>28,200</u>	<u>24,544</u>	<u>3,656</u>	<u>24,628</u>
Excess (Deficiency) of Revenues Over Expenditures	674	1,948	1,274	2,856
Other Financing Sources (Uses)				
Operating Transfer In	-	-	-	72,871
Operating Transfer Out	(118,700)	(1,070)	117,630	(1,051)
Total Other Financing Sources (Uses)	<u>(118,700)</u>	<u>(1,070)</u>	<u>117,630</u>	<u>71,820</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(118,026)</u>	<u>878</u>	<u>118,904</u>	<u>74,676</u>
Fund Balance as of January 1	160,850	172,826	11,976	98,150
Fund Balance as of December 31	<u>\$ 42,824</u>	<u>\$ 173,704</u>	<u>\$ 130,880</u>	<u>\$ 172,826</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Lynden/Everson Sub-Zone
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 32,000	\$ 33,078	\$ 1,078	\$ 32,560
Total Revenues	<u>32,000</u>	<u>33,078</u>	<u>1,078</u>	<u>32,560</u>
Expenditures				
Current:				
Physical Environment	55,000	990	54,010	12,562
Total Expenditures	<u>55,000</u>	<u>990</u>	<u>54,010</u>	<u>12,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,000)</u>	<u>32,088</u>	<u>55,088</u>	<u>19,998</u>
Fund Balance as of January 1	(137,131)	160,591	297,722	140,593
Fund Balance as of December 31	<u>\$ (160,131)</u>	<u>\$ 192,679</u>	<u>\$ 352,810</u>	<u>\$ 160,591</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Sumas/Nooksack/Everson Sub-Zone
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 71,820	\$ 74,581	\$ 2,761	\$ 72,209
Total Revenues	<u>71,820</u>	<u>74,581</u>	<u>2,761</u>	<u>72,209</u>
Expenditures				
Current:				
Physical Environment	75,000	9,367	65,633	14,809
Total Expenditures	<u>75,000</u>	<u>9,367</u>	<u>65,633</u>	<u>14,809</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,180)	65,214	68,394	57,400
Fund Balance as of January 1	(273,567)	287,172	560,739	229,772
Fund Balance as of December 31	<u>\$ (276,747)</u>	<u>\$ 352,386</u>	<u>\$ 629,133</u>	<u>\$ 287,172</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Acme/Van Zandt Sub-Zone
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 13,617	\$ 14,275	\$ 658	\$ 13,843
Total Revenues	<u>13,617</u>	<u>14,275</u>	<u>658</u>	<u>13,843</u>
Expenditures				
Current:				
Physical Environment	11,250	-	11,250	7,645
Total Expenditures	<u>11,250</u>	<u>-</u>	<u>11,250</u>	<u>7,645</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,367</u>	<u>14,275</u>	<u>11,908</u>	<u>6,198</u>
Fund Balance as of January 1	(18,412)	17,410	35,822	11,212
Fund Balance as of December 31	<u>\$ (16,045)</u>	<u>\$ 31,685</u>	<u>\$ 47,730</u>	<u>\$ 17,410</u>

Combining Balance Sheet
 Non-Major Debt Service Funds
 December 31, 2003

	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
Assets						
Cash and cash equivalents	\$ 30,891	\$ 22,312	\$ -	\$ 8,406	\$ 5,271	\$ 219
Taxes receivable	10	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Total Assets	\$ 30,901	\$ 22,312	\$ -	\$ 8,406	\$ 5,271	\$ 219
Liabilities and fund balance						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	10	-	-	-	-	-
Total liabilities	10	-	-	-	-	-
Fund balances						
Reserved for:						
Debt service	30,891	22,312	-	8,406	5,271	219
Total fund balance	30,891	22,312	-	8,406	5,271	219
Total liabilities and fund balance	\$ 30,901	\$ 22,312	\$ -	\$ 8,406	\$ 5,271	\$ 219

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
\$ 14,602	\$ 5,507	\$ 47,954	\$ 1,337	\$ 208	\$ 92	\$ 343	\$ 4,385	\$ 141,527
-	-	-	-	-	-	-	-	10
1,391	-	-	-	-	-	-	-	1,391
<u>\$ 15,993</u>	<u>\$ 5,507</u>	<u>\$ 47,954</u>	<u>\$ 1,337</u>	<u>\$ 208</u>	<u>\$ 92</u>	<u>\$ 343</u>	<u>\$ 4,385</u>	<u>\$ 142,928</u>
\$ -	\$ -	\$ -	\$ -	\$ 23	\$ -	\$ -	\$ -	\$ 23
1,391	-	-	-	-	-	-	-	1,401
<u>1,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,424</u>
14,602	5,507	47,954	1,337	185	92	343	4,385	141,504
<u>14,602</u>	<u>5,507</u>	<u>47,954</u>	<u>1,337</u>	<u>185</u>	<u>92</u>	<u>343</u>	<u>4,385</u>	<u>141,504</u>
<u>\$ 15,993</u>	<u>\$ 5,507</u>	<u>\$ 47,954</u>	<u>\$ 1,337</u>	<u>\$ 208</u>	<u>\$ 92</u>	<u>\$ 343</u>	<u>\$ 4,385</u>	<u>\$ 142,928</u>

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2003

	1977 Fair GO Bond	1978 Ltd. Tax GO Bond	1981Ltd. Tax GO Bond	1982 Ltd. Tax GO Bond	1983 Ltd. Tax GO Bond	CRID No. 4 General Debt
Revenues						
Taxes	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Proceeds of refunding long-term debt	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance as of January 1	30,890	22,312	-	8,406	5,271	219
Fund balance as of December 31	<u>\$ 30,891</u>	<u>\$ 22,312</u>	<u>\$ -</u>	<u>\$ 8,406</u>	<u>\$ 5,271</u>	<u>\$ 219</u>

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Non-Major Debt Service Funds
 Year Ended December 31, 2003



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
-	56,948	3,147	-	-	-	-	-	60,095
-	56,948	3,147	-	-	-	-	-	60,096
-	-	-	-	325,000	745,000	130,000	-	1,200,000
-	-	-	-	126,244	439,219	123,776	43,859	733,098
-	-	-	-	451,244	1,184,219	253,776	43,859	1,933,098
-	56,948	3,147	-	(451,244)	(1,184,219)	(253,776)	(43,859)	(1,873,002)
-	-	-	-	451,365	1,183,916	254,073	743,709	2,633,063
-	(168,318)	-	-	-	-	-	-	(168,318)
-	-	-	-	-	-	-	4,535	4,535
-	-	-	-	-	-	-	(700,000)	(700,000)
-	(168,318)	-	-	451,365	1,183,916	254,073	48,244	1,769,280
-	(111,370)	3,147	-	121	(303)	297	4,385	(103,722)
14,602	116,877	44,807	1,337	64	395	46	-	245,226
\$ 14,602	\$ 5,507	\$ 47,954	\$ 1,337	\$ 185	\$ 92	\$ 343	\$ 4,385	\$ 141,504

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1977 Fair General Obligation Bond
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ -	\$ 1	\$ 1	\$ -
Miscellaneous	-	-	-	6
Total Revenues	-	1	1	6
Expenditures				
Debt Service:				
Interest	700	-	700	-
Total Expenditures	700	-	700	-
Excess (Deficiency) of Revenues Over Expenditures	(700)	1	(699)	6
Fund Balance as of January 1	-	30,890	30,890	30,884
Fund Balance as of December 31	\$ (700)	\$ 30,891	\$ 30,191	\$ 30,890

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1978 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

	2003		2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 22,312	\$ 22,312	\$ 22,312
\$ -	\$ 22,312	\$ 22,312	\$ 22,312

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1981 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1982 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
-	8,406	8,406	8,406
\$ -	\$ 8,406	\$ 8,406	\$ 8,406

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1983 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 5,271	\$ 5,271	\$ 5,271
\$ -	\$ 5,271	\$ 5,271	\$ 5,271

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 C.R.I.D. No. 4 General Debt
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 219	\$ 219	\$ 219
<u>\$ -</u>	<u>\$ 219</u>	<u>\$ 219</u>	<u>\$ 219</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 C.R.I.D. No. 5 General Debt
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 14,602	\$ 14,602	\$ 14,602
\$ -	\$ 14,602	\$ 14,602	\$ 14,602

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 C.R.I.D. No. 9 General Debt
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 101,922	\$ 56,948	\$ (44,974)	\$ 116,671
Total Revenues	<u>101,922</u>	<u>56,948</u>	<u>(44,974)</u>	<u>116,671</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>101,922</u>	<u>56,948</u>	<u>(44,974)</u>	<u>116,671</u>
Other Financing Sources (Uses)				
Operating Transfer In	117,638	-	117,638	-
Operating Transfer Out	(203,843)	(168,318)	35,525	(348,204)
Total Other Financing Sources (Uses)	<u>(86,205)</u>	<u>(168,318)</u>	<u>153,163</u>	<u>(348,204)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>15,717</u>	<u>(111,370)</u>	<u>108,189</u>	<u>(231,533)</u>
Fund Balance as of January 1	-	116,877	116,877	348,410
Fund Balance as of December 31	<u>\$ 15,717</u>	<u>\$ 5,507</u>	<u>\$ 225,066</u>	<u>\$ 116,877</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 L.R.I.D. No. 10 General Debt
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 19,909	\$ 3,147	\$ (16,762)	\$ 81,527
Total Revenues	<u>19,909</u>	<u>3,147</u>	<u>(16,762)</u>	<u>81,527</u>
Expenditures				
Debt Service:				
Principal	-	-	-	115,000
Interest	1,000	-	1,000	9,205
Total Expenditures	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>124,205</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>18,909</u>	<u>3,147</u>	<u>(15,762)</u>	<u>(42,678)</u>
Other Financing Sources (Uses)				
Operating Transfer In	-	-	-	9,366
Operating Transfer Out	-	-	-	(36,874)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,508)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>18,909</u>	<u>3,147</u>	<u>(15,762)</u>	<u>(70,186)</u>
Fund Balance as of January 1	-	44,807	44,807	114,993
Fund Balance as of December 31	<u>\$ 18,909</u>	<u>\$ 47,954</u>	<u>\$ 29,045</u>	<u>\$ 44,807</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1991 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ -	\$ -	\$ -	\$ 161
Total Revenues	-	-	-	161
Expenditures				
Debt Service:				
Interest	1,000	-	1,000	-
Total Expenditures	1,000	-	1,000	-
Excess (Deficiency) of Revenues Over Expenditures	(1,000)	-	1,000	161
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(1,000)	-	1,000	161
Fund Balance as of January 1	-	1,337	1,337	1,176
Fund Balance as of December 31	\$ (1,000)	\$ 1,337	\$ 2,337	\$ 1,337

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1993 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Principal	\$ 325,000	\$ 325,000	\$ -	\$ 310,000
Interest	237,105	126,244	110,861	251,152
Total Expenditures	<u>562,105</u>	<u>451,244</u>	<u>110,861</u>	<u>561,152</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(562,105)</u>	<u>(451,244)</u>	<u>110,861</u>	<u>(561,152)</u>
Other Financing Sources (Uses)				
Operating Transfer In	562,105	451,365	(110,740)	560,985
Total Other Financing Sources (Uses)	<u>562,105</u>	<u>451,365</u>	<u>(110,740)</u>	<u>560,985</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>-</u>	<u>121</u>	<u>121</u>	<u>(167)</u>
Fund Balance as of January 1	-	64	64	231
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 185</u>	<u>\$ 185</u>	<u>\$ 64</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1997 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Principal	\$ 745,000	\$ 745,000	\$ -	\$ 710,000
Interest	439,915	439,219	696	479,333
Total Expenditures	<u>1,184,915</u>	<u>1,184,219</u>	<u>696</u>	<u>1,189,333</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,184,915)</u>	<u>(1,184,219)</u>	<u>696</u>	<u>(1,189,333)</u>
Other Financing Sources (Uses)				
Operating Transfer In	1,184,915	1,183,916	(999)	1,189,428
Total Other Financing Sources (Uses)	<u>1,184,915</u>	<u>1,183,916</u>	<u>(999)</u>	<u>1,189,428</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>-</u>	<u>(303)</u>	<u>(303)</u>	<u>95</u>
Fund Balance as of January 1	-	395	395	300
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 92</u>	<u>\$ 92</u>	<u>\$ 395</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1998 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Principal	\$ 130,000	\$ 130,000	\$ -	\$ 125,000
Interest	124,473	123,776	697	128,413
Total Expenditures	<u>254,473</u>	<u>253,776</u>	<u>697</u>	<u>253,413</u>
Excess (Deficiency) of Revenues Over Expenditures	(254,473)	(253,776)	697	(253,413)
Other Financing Sources (Uses)				
Operating Transfer In	254,473	254,073	(400)	253,160
Total Other Financing Sources (Uses)	<u>254,473</u>	<u>254,073</u>	<u>(400)</u>	<u>253,160</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	297	297	(253)
Fund Balance as of January 1	-	46	46	299
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 343</u>	<u>\$ 343</u>	<u>\$ 46</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 2003 Ltd. Tax General Obligation Bond
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Debt Service:				
Interest	\$ -	\$ 43,859	\$ (43,859)	\$ -
Total Expenditures	-	43,859	(43,859)	-
Excess (Deficiency) of Revenues Over Expenditures	-	(43,859)	(43,859)	-
Other Financing Sources (Uses)				
Operating Transfer In	-	743,709	743,709	-
Proceeds of General Long-Term Debt	-	4,535	4,535	-
Payment to refunded debt escrow agent	-	(700,000)	(700,000)	-
Total Other Financing Sources (Uses)	-	48,244	48,244	-
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	-	4,385	4,385	-
Fund Balance as of January 1	-	-	-	-
Fund Balance as of December 31	\$ -	\$ 4,385	\$ 4,385	\$ -

Combining Balance Sheet
 Non-Major Capital Project Funds
 December 31, 2003

	1983 Sewer Construction	Real Estate Excise Tax	Courthouse Construction	Road Improvement Dist. No. 10 Construction	County Park Improvement
Assets					
Cash and cash equivalents	\$ -	\$ 2,307,204	\$ 43	\$ -	\$ 2,459
Investments at cost	-	-	-	-	32,742
Interest receivable	-	-	-	-	64
Long-term assets					
Investment in joint ventures	-	40,769	-	-	-
Total Assets	\$ -	\$ 2,347,973	\$ 43	\$ -	\$ 35,265
Liabilities and fund balance					
Liabilities					
Revenue collected in advance	\$ -	\$ -	\$ -	\$ -	\$ 51
Total liabilities	-	-	-	-	51
Fund balances					
Unreserved, reported in:					
Capital Projects	-	2,347,973	43	-	35,214
Total fund balance	-	2,347,973	43	-	35,214
Total liabilities and fund balance	\$ -	\$ 2,347,973	\$ 43	\$ -	\$ 35,265

Combining Balance Sheet
 Non-Major Capital Project Funds
 December 31, 2003

Civic Center Building Improvement		Total Non Major Capital Project Funds	
\$	34,643	\$	2,344,349
	-		32,742
	-		64
	-		40,769
<u>\$</u>	<u>34,643</u>	<u>\$</u>	<u>2,417,924</u>
\$	-	\$	51
	-		51
	<u>34,643</u>		<u>2,417,873</u>
	<u>34,643</u>		<u>2,417,873</u>
<u>\$</u>	<u>34,643</u>	<u>\$</u>	<u>2,417,924</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2003

	1983 Sewer Construction	Real Estate Excise Tax	Courthouse Construction	Road Improvement District No. 10 Construction	County Park Improvement
Revenues					
Taxes	\$ -	\$ 1,450,996	\$ -	\$ -	\$ -
Miscellaneous		(15)			2,299
Total revenues	-	1,450,981	-	-	2,299
Expenditures					
Current:					
Capital outlay	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	1,450,981	-	-	2,299
Other financing sources (uses)					
Transfers out		(993,173)			
Total other financing sources (uses)	-	(993,173)	-	-	-
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	-	457,808	-	-	2,299
Fund balance as of January 1		1,890,165	43		32,915
Fund balance as of December 31	\$ -	\$ 2,347,973	\$ 43	\$ -	\$ 35,214

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Non-Major Capital Project Funds
 Year Ended December 31, 2003

Civic Center Building Improvement	Total Non Major Capital Project Funds
\$ -	\$ 1,450,996
-	2,284
-	1,453,280
<hr/>	
34,431	34,431
34,431	34,431
<hr/>	
(34,431)	1,418,849
<hr/>	
(700,000)	(1,693,173)
<hr/>	
(700,000)	(1,693,173)
<hr/>	
(734,431)	(274,324)
769,074	2,692,197
<u>\$ 34,643</u>	<u>\$ 2,417,873</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 1983 Sewer Construction
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 800	\$ -	\$ (800)	\$ 36
Total Revenues	<u>800</u>	<u>-</u>	<u>(800)</u>	<u>36</u>
Other Financing Sources (Uses)				
Operating Transfer Out	-	-	-	(88)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>800</u>	<u>-</u>	<u>(800)</u>	<u>(52)</u>
Fund Balance as of January 1	-	-	-	52
Fund Balance as of December 31	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ (800)</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Real Estate Excise Tax
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 1,000,000	\$ 1,450,996	\$ 450,996	\$ 1,192,147
Miscellaneous	-	(15)	(15)	-
Total Revenues	<u>1,000,000</u>	<u>1,450,981</u>	<u>450,981</u>	<u>1,192,147</u>
Other Financing Sources (Uses)				
Operating Transfer Out	(994,012)	(993,173)	839	(689,428)
Total Other Financing Sources (Uses)	<u>(994,012)</u>	<u>(993,173)</u>	<u>839</u>	<u>(689,428)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>5,988</u>	<u>457,808</u>	<u>451,820</u>	<u>502,719</u>
Fund Balance as of January 1	-	1,890,165	1,890,165	1,387,446
Fund Balance as of December 31	<u>\$ 5,988</u>	<u>\$ 2,347,973</u>	<u>\$ 2,341,985</u>	<u>\$ 1,890,165</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Courthouse Construction
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



Fund Balance as of January 1
Fund Balance as of December 31

2003			2002
Budget	Actual	Variance Favorable (Unfavorable)	Actual
\$ -	\$ 43	\$ 43	\$ 43
\$ -	\$ 43	\$ 43	\$ 43

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Road Improvement District No. 10 Construction
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 200	\$ -	\$ (200)	\$ 96
Total Revenues	<u>200</u>	<u>-</u>	<u>(200)</u>	<u>96</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>200</u>	<u>-</u>	<u>(200)</u>	<u>96</u>
Other Financing Sources (Uses)				
Operating Transfer Out	-	-	-	(9,366)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,366)</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>200</u>	<u>-</u>	<u>(200)</u>	<u>(9,270)</u>
Fund Balance as of January 1	-	-	-	9,270
Fund Balance as of December 31	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ (200)</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 County Parks Improvement
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Miscellaneous	\$ 1,000	\$ 2,299	\$ 1,299	\$ 25,022
Total Revenues	<u>1,000</u>	<u>2,299</u>	<u>1,299</u>	<u>25,022</u>
Expenditures				
Current:				
Culture & Recreation	11,000	-	11,000	1,472
Capital Outlay	20,000	-	20,000	-
Total Expenditures	<u>31,000</u>	<u>-</u>	<u>31,000</u>	<u>1,472</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(30,000)</u>	<u>2,299</u>	<u>32,299</u>	<u>23,550</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	<u>(30,000)</u>	<u>2,299</u>	<u>32,299</u>	<u>23,550</u>
Fund Balance as of January 1	-	32,915	32,915	9,365
Fund Balance as of December 31	<u>\$ (30,000)</u>	<u>\$ 35,214</u>	<u>\$ 65,214</u>	<u>\$ 32,915</u>

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Budget and Actual (GAAP Basis)
 Civic Center Building Improvement
 Year Ended December 31, 2003
 (With comparative totals for December 31, 2002)



	2003			2002
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures				
Current:				
Capital Outlay	\$ 37,894	\$ 34,431	\$ 3,463	\$ -
Total Expenditures	<u>37,894</u>	<u>34,431</u>	<u>3,463</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	(37,894)	(34,431)	3,463	-
Other Financing Sources (Uses)				
Operating Transfer Out	-	(700,000)	\$ (700,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over Expenditures & Other Uses	(37,894)	(734,431)	(696,537)	-
Fund Balance as of January 1	37,894	769,074	731,180	769,074
Fund Balance as of December 31	<u>\$ -</u>	<u>\$ 34,643</u>	<u>\$ 34,643</u>	<u>\$ 769,074</u>

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Public Utilities Improvement
Year Ended December 31, 2003



	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,600,000	\$ 1,600,000	\$ 2,055,993	\$ 455,993
Total revenues	<u>1,600,000</u>	<u>1,600,000</u>	<u>2,055,993</u>	<u>455,993</u>
Expenditures				
Current:				
General government	-	358,838	332,391	26,447
Capital outlay	-	467,264	96,691	370,573
Total expenditures	<u>-</u>	<u>826,102</u>	<u>429,082</u>	<u>397,020</u>
Excess (deficiency) of revenues over expenditures	<u>1,600,000</u>	<u>773,898</u>	<u>1,626,911</u>	<u>853,013</u>
Excess (deficiency) of revenues & other financing sources over expenditures & other uses	<u>1,600,000</u>	<u>773,898</u>	<u>1,626,911</u>	<u>853,013</u>
Fund balance as of January 1	-	826,102	5,304,357	4,478,255
Fund balance as of December 31	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>	<u>\$ 6,931,268</u>	<u>\$ 5,331,268</u>

	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
Assets				
Current Assets				
Cash & Equivalents	\$ 6,557,040	\$ 203,193	\$ 8,804,389	\$ 15,564,622
Investments At Cost	-	-	1,445,688	1,445,688
Accounts Receivable	100	-	-	100
Interest Receivable	-	-	2,831	2,831
Due From Other Funds	58,989	-	7,310	66,299
Due From Other Governments	2,732	-	-	2,732
Employee Advances	-	-	64	64
Inventory	877,347	-	20,990	898,337
Prepayments	1,438	-	3,389	4,827
Total Current Assets	7,497,646	203,193	10,284,661	17,985,500
Noncurrent Assets				
Land	755,331	-	-	755,331
Building & Structures (Net)	1,317,889	-	11,732	1,329,621
Capital Leases (Net)	-	-	419,300	419,300
Other Improvements (Net)	261,052	-	7,279	268,331
Machinery & Equipment (Net)	5,579,261	-	323,831	5,903,092
Total Noncurrent Assets	7,913,533	-	762,142	8,675,675
Total Assets	15,411,179	203,193	11,046,803	26,661,175
Liabilities				
Current Liabilities				
Accounts Payable	151,027	-	584,318	735,345
Claims Cost Payable	-	-	2,633,418	2,633,418
Due to Other Funds	8,469	-	-	8,469
Due to Other Governments	2,450	-	6,774	9,224
Total Current Liabilities	161,946	-	3,224,510	3,386,456
Noncurrent Liabilities				
Employee Leave Benefits	143,229	-	247,045	390,274
Other Long-Term Liabilities	-	-	416,428	416,428
Total Noncurrent Liabilities	143,229	-	663,473	806,702
Total Liabilities	305,175	-	3,887,983	4,193,158
Net Assets				
Invested in capital assets, net of related debt	7,913,533	-	762,142	8,675,675
Unrestricted	7,192,471	203,193	6,396,678	13,792,342
Total Net Assets	\$ 15,106,004	\$ 203,193	\$ 7,158,820	\$ 22,468,017

Combining Statement of Revenues, Expenses and
Changes in Net Assets
Internal Service Funds
Year Ended December 31, 2003



	Equipment Rental	Whatcom County Supplemental Retirement	Administrative Services	Total
Operating Revenue				
Intergovernmental	\$ -	\$ -	\$ 468	\$ 468
Charges for Service	3,944,379	-	5,194,431	9,138,810
Rents and Parking	4,130,201	-	687,640	4,817,841
Insurance Premiums	45,277	-	5,138,280	5,183,557
Other Miscellaneous Revenues	321	-	45,000	45,321
Total Operating Revenues	8,120,178	-	11,065,819	19,185,997
General Operations	5,528,874	157,929	11,397,686	17,084,489
General Administration	486,285	-	-	486,285
Depreciation	1,120,020	-	382,826	1,502,846
Total Operating Expenses	7,135,179	157,929	11,780,512	19,073,620
Operating Income (Loss)	984,999	(157,929)	(714,693)	112,377
Non-Operating Revenues (Expenses)				
Gain (Loss) on Sale of Capital Assets	53,797	-	-	53,797
Interest Revenue	-	-	37,518	37,518
Interest Expense	-	-	(14,294)	(14,294)
Total Non-Operating Revenues (Expenses)	53,797	-	23,224	77,021
Income (loss) Before Contributions and Transfers	1,038,796	(157,929)	(691,469)	189,398
Capital Contributions	2,906	-	-	2,906
Transfers In	35,523	120,000	509,475	664,998
Transfers Out	-	-	(373,445)	(373,445)
Changes in net assets	1,077,225	(37,929)	(555,439)	483,857
Total net assets-beginning	14,028,779	241,122	7,714,259	21,984,160
Total net assets-ending	\$ 15,106,004	\$ 203,193	\$ 7,158,820	\$ 22,468,017

	Equipment Rental	Whatcom Co. Supplemental Retirement	Administrative Services	Total
Cash Flows From Operating Activities:				
Cash Received From Customers	\$ 8,086,443	\$ -	\$ 11,185,515	\$19,271,958
Cash Payments For Goods And Services	(5,006,753)	-	(8,154,260)	(13,161,013)
Cash Payments To Employees	(912,561)	(157,929)	(3,267,552)	(4,338,042)
Net Cash Provided by Operating Activities	2,167,129	(157,929)	(236,297)	1,772,903
Cash Flows From Non-Capital Financing Activities:				
Transfers In	-	120,000	509,476	629,476
Transfers Out	-	-	(373,445)	(373,445)
Net Cash Provided by Non-Capital Financing Activities:	-	120,000	136,031	256,031
Cash Flows From Capital Financing Activities:				
Interest Paid on Lease Purchase	-	-	(14,294)	(14,294)
Contributions From Other Funds	2,906	-	-	2,906
Proceeds From Sale of Assets	74,927	-	-	74,927
Transfer In (Out)	35,523	-	-	35,523
Payments For Capital Assets	(1,552,448)	-	(293,670)	(1,846,118)
Net Cash Used by Capital Financing Activities:	(1,439,092)	-	(307,964)	(1,747,056)
Cash Flows From Investing Activities:				
Purchase of Investment Securities	-	-	(37,518)	(37,518)
Interest on investments	-	-	37,518	37,518
Total Cash Flows From Investing Activities	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	728,037	(37,929)	(408,230)	281,878
Balances - Beginning of the Year	5,829,003	241,122	9,212,619	15,282,744
Balances - End of the Year	<u>\$ 6,557,040</u>	<u>\$ 203,193</u>	<u>\$ 8,804,389</u>	<u>\$15,564,622</u>
Reconciliation Of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:				
Operating Income (Loss)	\$ 984,999	\$ (157,929)	\$ (714,693)	\$ 112,377
Adjustments To Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	1,120,020	-	382,826	1,502,846
Change in Assets and Liabilities:				
Receivables	(33,735)	-	123,079	89,344
Inventories	347,627	-	(6,254)	341,373
Accounts and Other Payables	(244,586)	-	(25,110)	(269,696)
Accrued Expenses	(7,196)	-	3,855	(3,341)
Net Cash Provided By Operating Activities	\$ 2,167,129	\$ (157,929)	\$ (236,297)	\$ 1,772,903
Noncash Investing & Capital Financing Activities:				
Lease Purchases	\$ -	\$ -	\$ 138,549	\$ 138,549
Total Noncash Investing & Capital Financing Activities:	\$ -	\$ -	\$ 138,549	\$ 138,549

Combining Balance Sheet
 Agency Funds
 December 31, 2003

	Cemetery Districts	Drainage, Diking & Flood Cntr Districts	Park & Recreation Districts	Watershed Mngmt Project Joint Board	Rural Library	Northwest Regional Council
Assets						
Current Assets						
Cash & Equivalents	\$ 789,445	\$ 112,885	\$ 47,457	\$ 1,612,409	\$ 24,614	\$ 872,195
Deposits With Fiscal Agent	-	-	-	-	-	-
Investments At Cost	973,705	551,162	722,097	-	4,611,671	392,628
Accounts Receivable (Net)	-	-	-	-	-	-
Total Assets	\$ 1,763,150	\$ 664,047	\$ 769,554	\$ 1,612,409	\$ 4,636,285	\$ 1,264,823
Liabilities						
Current Liabilities						
Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	22,889	14,360	-	15,412	217,468	557,325
Matured Long-Term Debt	-	-	-	-	-	-
Other Accrued Liabilities	2,360	-	81	-	7,303	3,211
Revenue Collected in Advance	-	-	-	-	-	-
Custodial Accounts	1,737,901	649,687	769,473	1,596,997	4,411,514	704,287
Total Liabilities	\$ 1,763,150	\$ 664,047	\$ 769,554	\$ 1,612,409	\$ 4,636,285	\$ 1,264,823

Council of Government	Hospital Districts	Port	P. U. D. District	Whatcom Transit	School Districts	Fire Districts	Water Districts
\$ 12,197	\$ 247	\$ 93,923	\$ 33,620	\$ -	\$ 6,139,493	\$ 995,855	\$ 1,201,425
-	-	-	-	-	25,000	-	-
254,512	-	-	593,970	19,051,571	39,151,397	6,886,231	7,621,821
-	-	-	-	-	-	-	-
<u>\$ 266,709</u>	<u>\$ 247</u>	<u>\$ 93,923</u>	<u>\$ 627,590</u>	<u>\$ 19,051,571</u>	<u>\$ 45,315,890</u>	<u>\$ 7,882,086</u>	<u>\$ 8,823,246</u>
\$ -	\$ -	\$ 25	\$ -	\$ -	\$ 5,351,488	\$ -	\$ -
86,735	-	-	25,329	-	-	301,797	208,232
-	-	-	-	-	25,000	-	-
316	-	-	3,427	-	23,271	16,645	9,065
-	-	-	-	-	-	-	-
<u>179,658</u>	<u>247</u>	<u>93,898</u>	<u>598,834</u>	<u>19,051,571</u>	<u>39,916,131</u>	<u>7,563,644</u>	<u>8,605,949</u>
<u>\$ 266,709</u>	<u>\$ 247</u>	<u>\$ 93,923</u>	<u>\$ 627,590</u>	<u>\$ 19,051,571</u>	<u>\$ 45,315,890</u>	<u>\$ 7,882,086</u>	<u>\$ 8,823,246</u>

	Treasurer's Suspense	Inmate Trust Fund	Claims Fund	Salary Fund	Total
Assets					
Current Assets					
Cash & Equivalents	\$ 4,326,804	\$ 33,259	\$ 1,828,416	\$ 1,680	\$ 18,125,924
Deposits With Fiscal Agent	-	-	-	-	25,000
Investments At Cost	-	-	-	-	80,810,765
Accounts Receivable (Net)	(1,943)	-	-	-	(1,943)
Total Assets	\$ 4,324,861	\$ 33,259	\$ 1,828,416	\$ 1,680	\$ 98,959,746
Liabilities					
Current Liabilities					
Warrants Payable	\$ -	\$ -	\$ 1,828,416	\$ -	\$ 7,179,929
Accounts Payable	-	(98,212)	-	-	1,351,335
Matured Long-Term Debt	-	-	-	-	25,000
Other Accrued Liabilities	-	131,471	-	-	197,150
Revenue Collected in Advance	246,811	-	-	-	246,811
Custodial Accounts	4,078,050	-	-	1,680	89,959,521
Total Liabilities	\$ 4,324,861	\$ 33,259	\$ 1,828,416	\$ 1,680	\$ 98,959,746

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Cemetery Districts
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 601,291	\$ 1,284,978	\$ 1,096,824	\$ 789,445
Investments At Cost	914,147	65,782	6,224	973,705
Total Assets	\$ 1,515,438	\$ 1,350,760	\$ 1,103,048	\$ 1,763,150
Liabilities				
Accounts Payable	\$ 15,815	\$ 245,827	\$ 238,753	\$ 22,889
Other Accrued Liabilities	(1,543)	250,905	247,002	2,360
Custodial Accounts	1,501,166	236,825	90	1,737,901
Total Liabilities	\$ 1,515,438	\$ 733,557	\$ 485,845	\$ 1,763,150

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Drainage, Diking & Flood Control Districts
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 145,698	\$ 195,058	\$ 227,871	\$ 112,885
Investments At Cost	493,142	73,171	15,151	551,162
Total Assets	\$ 638,840	\$ 268,229	\$ 243,022	\$ 664,047
Liabilities				
Accounts Payable	\$ 5,097	\$ 79,648	\$ 70,385	\$ 14,360
Custodial Accounts	633,743	15,944	-	649,687
Total Liabilities	\$ 638,840	\$ 95,592	\$ 70,385	\$ 664,047

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 48,443	\$ 247,629	\$ 248,615	\$ 47,457
Investments At Cost	697,788	27,445	3,136	722,097
Total Assets	\$ 746,231	\$ 275,074	\$ 251,751	\$ 769,554
Liabilities				
Current Liabilities				
Accounts Payable	\$ 1,334	\$ 25,829	\$ 27,163	\$ -
Other Accrued Liabilities	-	11,059	10,978	81
Custodial Accounts	744,897	24,880	304	769,473
Total Liabilities	\$ 746,231	\$ 61,768	\$ 38,445	\$ 769,554

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Watershed Mgmt Project Joint Board
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 1,648,448	\$ 2,308,368	\$ 2,344,407	\$ 1,612,409
Total Assets	\$ 1,648,448	\$ 2,308,368	\$ 2,344,407	\$ 1,612,409
Liabilities				
Accounts Payable	\$ 230,492	\$ 1,400,222	\$ 1,615,302	\$ 15,412
Custodial Accounts	1,417,956	179,041	-	1,596,997
Total Liabilities	\$ 1,648,448	\$ 1,579,263	\$ 1,615,302	\$ 1,612,409

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Rural Library
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 15,837	\$ 13,625,288	\$ 13,616,511	\$ 24,614
Investments At Cost	4,790,330	2,645,815	2,824,474	4,611,671
Total Assets	\$ 4,806,167	\$ 16,271,103	\$ 16,440,985	\$ 4,636,285
Liabilities				
Accounts Payable	\$ 246,973	\$ 2,589,346	\$ 2,618,851	\$ 217,468
Other Accrued Liabilities	(7,038)	3,093,949	3,079,608	7,303
Custodial Accounts	4,566,232	-	154,718	4,411,514
Total Liabilities	\$ 4,806,167	\$ 5,683,295	\$ 5,853,177	\$ 4,636,285

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 1,025,477	\$ 23,520,048	\$ 23,673,330	\$ 872,195
Investments At Cost	370,867	23,432	1,671	392,628
Total Assets	\$ 1,396,344	\$ 23,543,480	\$ 23,675,001	\$ 1,264,823
Liabilities				
Accounts Payable	\$ 578,526	\$ 9,112,462	\$ 9,133,663	\$ 557,325
Other Accrued Liabilities	(29,776)	2,935,166	2,902,179	3,211
Custodial Accounts	847,594	-	143,307	704,287
Total Liabilities	\$ 1,396,344	\$ 12,047,628	\$ 12,179,149	\$ 1,264,823

	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 6,339	\$ 4,729,117	\$ 4,723,259	\$ 12,197
Investments At Cost	113,015	1,289,082	1,147,585	254,512
Total Assets	\$ 119,354	\$ 6,018,199	\$ 5,870,844	\$ 266,709
Liabilities				
Accounts Payable	\$ 44,262	\$ 1,033,025	\$ 990,552	\$ 86,735
Other Accrued Liabilities	-	677,630	677,314	316
Custodial Accounts	75,092	104,566	-	179,658
Total Liabilities	\$ 119,354	\$ 1,815,221	\$ 1,667,866	\$ 266,709

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Hospital Districts
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 221	\$ 25,570	\$ 25,544	\$ 247
Total Assets	<u>\$ 221</u>	<u>\$ 25,570</u>	<u>\$ 25,544</u>	<u>\$ 247</u>
Liabilities				
Custodial Accounts	\$ 221	\$ 25,569	\$ 25,543	\$ 247
Total Liabilities	<u>\$ 221</u>	<u>\$ 25,569</u>	<u>\$ 25,543</u>	<u>\$ 247</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Port
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 98,680	\$ 5,183,331	\$ 5,188,088	\$ 93,923
Total Assets	\$ 98,680	\$ 5,183,331	\$ 5,188,088	\$ 93,923
Liabilities				
Current Liabilities				
Warrants Payable	\$ 25	\$ -	\$ -	\$ 25
Custodial Accounts	98,655	5,173,802	5,178,559	93,898
Total Liabilities	\$ 98,680	\$ 5,173,802	\$ 5,178,559	\$ 93,923

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 P.U.D. District
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 73,468	\$ 44,567,245	\$ 44,607,093	\$ 33,620
Investments At Cost	2,961,088	16,160,630	18,527,748	593,970
Total Assets	\$ 3,034,556	\$ 60,727,875	\$ 63,134,841	\$ 627,590
Liabilities				
Current Liabilities				
Accounts Payable	\$ 61,976	\$ 5,541,632	\$ 5,578,279	\$ 25,329
Other Accrued Liabilities	16	1,400,893	1,397,482	3,427
Custodial Accounts	2,972,564	4,707,770	7,081,500	598,834
Total Liabilities	\$ 3,034,556	\$ 11,650,295	\$ 14,057,261	\$ 627,590

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Whatcom Transit
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ -	\$ 27,584,367	\$ 27,584,367	\$ -
Investments At Cost	17,662,987	14,795,969	13,407,385	19,051,571
Total Assets	\$ 17,662,987	\$ 42,380,336	\$ 40,991,752	\$ 19,051,571
Liabilities				
Accounts Payable	\$ -	\$ 45	\$ 45	\$ -
Custodial Accounts	17,662,987	14,173,834	12,785,250	19,051,571
Total Liabilities	\$ 17,662,987	\$ 14,173,834	\$ 12,785,250	\$ 19,051,571

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 School Districts
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 7,229,016	\$ 278,415,381	\$ 279,504,904	\$ 6,139,493
Deposits With Fiscal Agent	14,437,519	19,912,242	34,324,761	25,000
Investments At Cost	46,583,029	55,980,874	63,412,506	39,151,397
Total Assets	\$ 68,249,564	\$ 354,308,497	\$ 377,242,171	\$ 45,315,890
Liabilities				
Current Liabilities				
Warrants Payable	\$ 6,643,413	\$ 116,852,625	\$ 118,144,550	\$ 5,351,488
Matured Long-Term Debt	10,121,180	12,059,250	22,155,430	25,000
Matured Interest Payable	4,316,339	8,251,340	12,567,679	-
Other Accrued Liabilities	23,271	-	-	23,271
Custodial Accounts	47,145,361	194,955,612	202,184,842	39,916,131
Total Liabilities	\$ 68,249,564	\$ 332,118,827	\$ 355,052,501	\$ 45,315,890

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Fire Districts
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 569,411	\$ 38,046,985	\$ 37,620,541	\$ 995,855
Investments At Cost	7,009,358	7,503,720	7,626,847	6,886,231
Total Assets	\$ 7,578,769	\$ 45,550,705	\$ 45,247,388	\$ 7,882,086
Liabilities				
Current Liabilities				
Accounts Payable	\$ 526,260	\$ 7,110,927	\$ 7,335,390	\$ 301,797
Other Accrued Liabilities	3,368	3,854,549	3,841,272	16,645
Custodial Accounts	7,049,141	562,555	48,052	7,563,644
Total Liabilities	\$ 7,578,769	\$ 11,528,031	\$ 11,224,714	\$ 7,882,086

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Water Districts
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$ 525,626	\$ 37,321,934	\$ 36,646,135	\$ 1,201,425
Investments At Cost	5,943,712	7,333,342	5,655,233	7,621,821
Total Assets	\$ 6,469,338	\$ 44,655,276	\$ 42,301,368	\$ 8,823,246
Liabilities				
Current Liabilities				
Accounts Payable	\$ 67,915	\$ 7,349,708	\$ 7,209,391	\$ 208,232
Other Accrued Liabilities	(11)	1,539,409	1,530,333	9,065
Custodial Accounts	6,401,434	2,963,203	758,688	8,605,949
Total Liabilities	\$ 6,469,338	\$ 11,852,320	\$ 9,498,412	\$ 8,823,246

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Treasurer's Suspense
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 4,275,147	\$ 97,858,165	\$ 97,806,508	\$ 4,326,804
Accounts Receivable (Net)	1,905	2,174,446	2,178,294	(1,943)
Total Assets	\$ 4,277,052	\$ 100,032,611	\$ 99,984,802	\$ 4,324,861
Liabilities				
Revenue Collected in Advance	\$ 257,264	\$ 291,118	\$ 301,571	\$ 246,811
Custodial Accounts	4,019,788	95,277,335	95,219,073	4,078,050
Total Liabilities	\$ 4,277,052	\$ 95,568,453	\$ 95,520,644	\$ 4,324,861

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Inmate Trust Fund
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 26,539	\$ 371,064	\$ 364,344	\$ 33,259
Total Assets	\$ 26,539	\$ 371,064	\$ 364,344	\$ 33,259
Liabilities				
Accounts Payable	\$ (49,547)	\$ 708,553	\$ 757,218	\$ (98,212)
Other Accrued Liabilities	76,086	617,280	561,895	131,471
Total Liabilities	\$ 26,539	\$ 1,325,833	\$ 1,319,113	\$ 33,259

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Claims Fund
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 1,933,918	\$ 332,881,905	\$332,987,407	\$ 1,828,416
Total Assets	\$ 1,933,918	\$ 332,881,905	\$332,987,407	\$ 1,828,416
Liabilities				
Warrants Payable	\$ 1,933,918	\$ 85,358,240	\$ 85,463,742	\$ 1,828,416
Total Liabilities	\$ 1,933,918	\$ 85,358,240	\$ 85,463,742	\$ 1,828,416

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Salary Fund
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Cash & Equivalents	\$ 1,680	\$ -	\$ -	\$ 1,680
Total Assets	<u>\$ 1,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,680</u>
Liabilities				
Custodial Accounts	\$ 1,680	\$ -	\$ -	\$ 1,680
Total Liabilities	<u>\$ 1,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,680</u>

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 Total Agency Funds
 For the Year Ended December 31, 2003



	Balance January 1	Additions	Deletions	Balance December 31
Assets				
Current Assets				
Cash & Equivalents	\$18,225,239	\$ 908,166,433	\$ 908,265,748	\$18,125,924
Deposits With Fiscal Agent	14,437,519	19,912,242	34,324,761	25,000
Investments At Cost	87,539,463	105,899,262	112,627,960	80,810,765
Accounts Receivable (Net)	1,905	2,174,446	2,178,294	(1,943)
Total Assets	\$120,204,126	\$1,036,152,383	\$1,057,396,763	\$98,959,746
Liabilities				
Current Liabilities				
Warrants Payable	\$8,577,356	\$202,210,865	\$203,608,292	\$7,179,929
Accounts Payable	1,729,103	35,197,179	35,574,947	1,351,335
Matured Long-Term Debt	10,121,180	12,059,250	22,155,430	25,000
Matured Interest Payable	4,316,339	8,251,340	12,567,679	-
Other Accrued Liabilities	64,373	14,380,840	14,248,063	197,150
Revenue Collected in Advance	257,264	291,118	301,571	246,811
Custodial Accounts	95,138,511	318,400,936	323,579,926	89,959,521
Total Liabilities	\$120,204,126	\$590,791,528	\$612,035,908	\$98,959,746

Schedule of Expenditures - Budget and Actual
 General Fund by Department
 Year Ended December 31, 2003

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Expenditures				
Assessor	1,871,585	1,972,837	1,890,779	82,058
Auditor	891,769	961,942	938,145	23,797
County Council	661,732	674,118	623,882	50,236
County Executive	414,241	426,177	404,481	21,696
Planning & Development Services	3,373,626	3,813,267	3,591,597	221,670
Treasurer	1,013,883	1,145,539	1,036,649	108,890
Sheriff	8,591,225	8,850,871	8,497,915	352,956
Jail	6,776,557	7,096,344	6,973,780	122,564
District Court	1,166,734	1,242,734	1,214,422	28,312
District Court Probation	1,147,987	1,150,050	1,099,065	50,985
Hearing Examiner	149,313	153,715	131,574	22,141
Juvenile	3,358,165	3,499,041	3,428,110	70,931
Prosecuting Attorney	3,473,646	3,666,315	3,573,705	92,610
Public Defender	2,053,755	2,161,507	2,134,316	27,191
Superior Court	3,462,017	3,525,207	3,418,045	107,162
Cooperative Extension	402,584	480,005	407,383	72,622
Non-Departmental	6,665,666	5,870,243	4,952,625	917,618
Park	2,985,032	3,206,790	3,131,886	74,904
Public Health	9,277,875	9,637,928	8,829,303	808,625
Total expenditures	57,737,392	59,534,630	56,277,662	3,256,968