

Table of Contents

Introductory Section

Letter of Transmittal	1
Elected Officials	6
Organization Chart	7

Financial Section

Independent Auditor’s Opinion	9
-------------------------------------	---

Management Discussion & Analysis	11
--	----

Basic Financial Statements	23
----------------------------------	----

Statement of Net Assets	23
Statement of Activities	24
Balance Sheet, Governmental Funds	25
Reconciliation of the Balance Sheet to the Statement of Net Assets of Governmental Activities	26
Statement of Revenues, Expenditures, and Changes in Fund Balance, Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Activities	28
Statement of Net Assets, Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Fund Net Assets, Proprietary Funds	30
Statement of Cash Flows, Proprietary Funds	31
Statement of Fiduciary Net Assets, Fiduciary Funds	32

Notes to the Financial Statements	33
Note 1 - Summary of Significant Accounting Policies	34
Note 2 - Stewardship, Compliance, and Accountability	39
Note 3 - Deposits and Investments	40
Note 4 - Property Taxes	41
Note 5 - Capital Assets and Depreciation	43
Note 6 - Pension Plans	44
Note 7 - Risk Management	49
Note 8 - Long-Term Debt and Capital Leases	51
Note 9 - Contingencies	55
Note 10 - Commitments	55
Note 11 - Interfund Balances and Transfers	55
Note 12 - Joint Ventures	56
Note 13 - Postretirement Health Care Benefits	57
Note 14 - Postclosure Care Cost	57
Note 15 - Other Disclosures	57
Required Supplemental Information	59
General Fund	59
Road Fund	60
Flood Control Zone District	61
Supplemental Information (Non-Major Funds)	63
Non-Major Governmental Funds	67
Combining Balance Sheet	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	68
Special Revenue Funds	70
Combining Balance Sheet	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	74
Election Reserve	78
Veterans' Relief	79
Tax Refund	80
Treasurer's O & M	81
Water Resources	82
Low Income Housing	83
Park ORV	84
Solid Waste	85
Convention Center	86
Victim/Witness Assistance	87
CERB	88
Emergency Contingency Fair	89
Drug Task Force	90

Community Development	91
Imminent Threat Grant	92
Sewer Improvement District 1	93
Emergency Communications	94
Whatcom County Drug	95
Auditor's O & M	96
Emergency Management	97
Sumas Sub-Flood Control District	98
Point Roberts Fuel Tax	99
Conservation Futures	100
Lake Management District 1	101
Road Improvement Districts	102
Lynden/Everson Sub-Zone	103
Sumas/Nooksack/Everson Sub-Zone	104
Acme/Van Zandt Sub-Zone	105
Debt Service Funds	106
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	108
1977 Fair General Obligation Bond	110
1978 Ltd. Tax General Obligation Bond	111
1981 Ltd. Tax General Obligation Bond	112
1982 Ltd. Tax General Obligation Bond	113
1983 Ltd. Tax General Obligation Bond	114
C.R.I.D. No. 4 General Debt	115
C.R.I.D. No. 5 General Debt	116
C.R.I.D. No. 9 General Debt	117
L.R.I.D. No. 10 General Debt	118
1991 Ltd. Tax General Obligation Bond	119
1993 Ltd. Tax General Obligation Bond	120
1997 Ltd. Tax General Obligation Bond	121
1998 Ltd. Tax General Obligation Bond	122
Capital Project Funds	124
Combining Balance Sheet	124
Combining Statement of Revenues, Expenditures & Changes in Fund Balance	126
1983 Sewer Construction	128
Real Estate Excise Tax	129
Courthouse Construction	130
Road Improvement District No. 10 Construction	131
County Parks Improvement	132
Civic Center Building Improvement	133
Public Utilities Improvement	134
Internal Service Funds	135
Combining Balance Sheet	135
Combining Statement of Revenues, Expenses and Changes in Fund Equity	136
Combining Statement of Cash Flows	137

Agency Funds	138
Combining Balance Sheet	138
Combining Statement of Changes in Assets and Liabilities	
Cemetery Districts	141
Drainage Diking & Flood Control Districts	142
Park & Recreation Districts	143
Watershed Mgmt Project Joint Board	144
Rural Library	145
Northwest Regional Council	146
Council of Governments	147
Hospital Districts	148
Port	149
P.U.D. District	150
Whatcom Transit	151
School Districts	152
Fire Districts	153
Water Districts	154
Treasurer's Suspense	155
Inmate Trust Fund	156
Claims Fund	157
Salary Fund	158
Total Agency Funds	159

Statistical Section

161

Table 1 - General Government Expenditures by Function	162
Table 2 - General Government Revenues by Source	164
Table 3 - Property Tax Levies & Collections	165
Table 4 - Assessed Value of Taxable Property	166
Table 5 - Property Tax Rates - Direct & Overlapping Governments	168
Table 6 - Ten Largest Taxpayers	170
Table 7 - Special Assessment Billings & Collections	171
Table 8 - Computation of Legal Debt Margin	172
Table 9 - Ratio of Net General Obligation Bonded Debt to Assessed Value & Net General Obligation - Bonded Debt per Capita	173
Table 10 - Ratio of Annual Debt Service Expenditures for General Obligations Bonded Debt to Total General Governmental Expenditures	174
Table 11 - Computation of Direct & Overlapping Bonded Debt - General Obligation Bonds	175
Table 12 - Demographic Statistics	176
Table 13 - Property Value, Construction & Bank Deposits	177
Table 14 - Miscellaneous Statistics	178