Washington State Auditor's Office
Financial Statements and Federal Single Audit Report

Whatcom Council of Governments
Whatcom County

Audit Period
January 1, 2004 through December 31, 2004

Report No. 69122

Issue Date
August 19, 2005

Washington
State Auditor
Brian Sonntag
August 19, 2005

Council
Whatcom Council of Governments
Bellingham, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Whatcom Council of Governments' financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Council's financial condition.

In addition to this work, we look at other areas of our audit client's operations for compliance with state laws and regulations. The results of that audit will be included in a separately issued accountability report.

Sincerely,

[Signature]

BRIAN SONNTAG, CGFM
STATE AUDITOR
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Whatcom Council of Governments
Whatcom County
January 1, 2004 through December 31, 2004

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Federal Summary

Whatcom Council of Governments
Whatcom County
January 1, 2004 through December 31, 2004

The results of our audit of the Whatcom Council of Governments are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

- An unqualified opinion was issued on the Council's financial statements.
- We noted no instances of noncompliance that were material to the financial statements of the Council.
- We issued an unqualified opinion on the Council's compliance with requirements applicable to its major federal program.
- We reported no findings, which are required to be disclosed under OMB Circular A-133.
- We noted in our Independent Auditor's Report on Financial Statements that the Schedule of Expenditures of Federal Awards was fairly presented.
- The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was $300,000.
- The Council qualified as a low-risk auditee under OMB Circular A-133.
- The following was a major program during the period under audit:

<table>
<thead>
<tr>
<th>CFDA No.</th>
<th>Program Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.205</td>
<td>Highway Planning and Construction</td>
</tr>
</tbody>
</table>
Independent Auditor’s Report on Compliance and Internal Control over Financial Reporting in Accordance with Government Auditing Standards

Whatcom Council of Governments
Whatcom County
January 1, 2004 through December 31, 2004

Council
Whatcom Council of Governments
Bellingham, Washington

We have audited the financial statements of the Whatcom Council of Governments, Whatcom County, Washington, as of and for the year ended December 31, 2004, and have issued our report thereon dated July 25, 2005.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

As part of obtaining reasonable assurance about whether the Council’s financial statements are free of material misstatement, we performed tests of the Council’s compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with these provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of material noncompliance that are required to be reported herein under Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Council’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.
Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Council, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

BRIAN SONNTAG, CGFM
STATE AUDITOR

July 25, 2005
Independent Auditor's Report on Compliance with Requirements Applicable to its Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133

Whatcom Council of Governments
Whatcom County
January 1, 2004 through December 31, 2004

Council
Whatcom Council of Governments
Bellingham, Washington

COMPLIANCE

We have audited the compliance of the Whatcom Council of Governments, Whatcom County, Washington, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2004. The Council’s major federal program is identified in the Federal Summary. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Council’s management. Our responsibility is to express an opinion on the Council’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Council’s compliance with those requirements.

In our opinion, the Council complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2004.

INTERNAL CONTROL OVER COMPLIANCE

The management of the Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Council’s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.
Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Council, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

BRIAN SONNTAG, CGFM
STATE AUDITOR

July 25, 2005
Independent Auditor’s Report on Financial Statements

Whatcom Council of Governments
Whatcom County
January 1, 2004 through December 31, 2004

Council
Whatcom Council of Governments
Bellingham, Washington

We have audited the accompanying financial statements of the Whatcom Council of Governments, Whatcom County, Washington, for the year ended December 31, 2004. These financial statements are the responsibility of the Council’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the Council prepares its financial statements on the basis of accounting that demonstrates compliance with Washington State statutes and the Budgeting, Accounting and Reporting System (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Whatcom Council of Governments, for the year ended December 31, 2004, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report on our consideration of the Council’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.
Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. This schedule is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

BRIAN SONNTAG, CGFM
STATE AUDITOR

July 25, 2005
Financial Section

Whatcom Council of Governments
Whatcom County
January 1, 2004 through December 31, 2004

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2004
Notes to Financial Statements – 2004

SUPPLEMENTAL INFORMATION

Schedule of Expenditures of Federal Awards – 2004
Notes to Schedule of Expenditures of Federal Awards – 2004
## WHATCOM COUNCIL OF GOVERNMENTS
### FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
#### For the Year Ended December 31, 2004

<table>
<thead>
<tr>
<th>BARS CODE</th>
<th>Fund Number and Name</th>
<th>Fund Number and Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>001 Current Expense</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Budget</td>
<td>Actual</td>
</tr>
<tr>
<td><strong>Beginning Net Cash and Investments</strong></td>
<td>$266,709</td>
<td>$266,709</td>
</tr>
<tr>
<td><strong>Revenues and Other Sources</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>310</td>
<td>Taxes</td>
<td></td>
</tr>
<tr>
<td>320</td>
<td>Licenses and Permits</td>
<td></td>
</tr>
<tr>
<td>330</td>
<td>Intergovernmental</td>
<td>2,688,654</td>
</tr>
<tr>
<td>340</td>
<td>Charges for Goods and Services</td>
<td>3,690</td>
</tr>
<tr>
<td>350</td>
<td>Fines and Forfeits</td>
<td></td>
</tr>
<tr>
<td>360</td>
<td>Miscellaneous</td>
<td>5,000</td>
</tr>
<tr>
<td>370</td>
<td>Capital Contributions</td>
<td></td>
</tr>
<tr>
<td>390</td>
<td>Other Financing Sources</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues and Other Sources</strong></td>
<td>2,693,654</td>
<td>2,889,602</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>2,960,363</td>
<td>3,156,311</td>
</tr>
<tr>
<td><strong>Operating Expenditures:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>510</td>
<td>General Government</td>
<td>328,168</td>
</tr>
<tr>
<td>520</td>
<td>Public Safety</td>
<td></td>
</tr>
<tr>
<td>530</td>
<td>Physical Environment</td>
<td></td>
</tr>
<tr>
<td>540</td>
<td>Transportation</td>
<td>2,253,660</td>
</tr>
<tr>
<td>550</td>
<td>Economic Environment</td>
<td></td>
</tr>
<tr>
<td>560</td>
<td>Mental and Physical Health</td>
<td></td>
</tr>
<tr>
<td>570</td>
<td>Culture and Recreation</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td>2,581,828</td>
<td>2,776,003</td>
</tr>
<tr>
<td>591-593</td>
<td>Debt Service</td>
<td></td>
</tr>
<tr>
<td>594-595</td>
<td>Capital Outlay</td>
<td>15,700</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>2,597,528</td>
<td>2,789,826</td>
</tr>
<tr>
<td>597-599</td>
<td>Other Financing Uses</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures and Other Uses</strong></td>
<td>2,597,528</td>
<td>2,789,826</td>
</tr>
<tr>
<td><strong>Excess (Deficit) of Resources Over Uses</strong></td>
<td>362,835</td>
<td>366,485</td>
</tr>
<tr>
<td>380</td>
<td>Nonrevenues (Except 384 and 388.80)</td>
<td></td>
</tr>
<tr>
<td>580</td>
<td>Nonexpenditures (Except 584 and 588.80)</td>
<td></td>
</tr>
<tr>
<td><strong>Ending Net Cash and Investments</strong></td>
<td>$362,835</td>
<td>$366,485</td>
</tr>
</tbody>
</table>

The Accompanying Notes Are An Integral Part Of This Statement.
WHATCOM COUNCIL OF GOVERNMENTS
Notes To Financial Statements
January 1, 2004 Through December 31, 2004

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

The Whatcom Council of Governments (Council) uses the revenue and expenditure classifications contained in the Budgeting, Accounting and Reporting System (BARS) manual. The manual is prescribed by the State Auditor’s Office under the authority of Washington State law, Chapter 43.09 RCW.

The Council was incorporated on March 26, 1970 and operates under the laws of the state of Washington applicable to a regional planning commission. The Council is a special purpose government and provides research and planning services to its members. The Council uses the cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Reporting Entity
   The council is a voluntary interlocal cooperative consisting of local governments in Whatcom County. At December 31, 2004, the council consisted of representatives of the following local governments:
   
   City of Bellingham
   City of Blaine
   City of Everson
   City of Ferndale
   City of Lynden
   City of Nooksack
   City of Sumas
   Whatcom County
   Port of Bellingham
   Birch Bay Water & Sewer District
   Lake Whatcom Water & Sewer District

b. Fund Accounting
   The accounts of the Council are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the Council:

   GOVERNMENTAL FUND TYPES:

   General (Current Expense) Fund
   This fund is the primary operating fund of the Council. It accounts for all financial resources except those required or elected to be accounted for in another fund.

c. Basis Of Accounting
   Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

   Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.
d. Duties of Whatcom County

As required by statute, Whatcom County serves as the council's treasurer, issues council warrants, invests available cash, and prepares cash receipt and disbursement reports of the council's financial activity.

e. Budget

An annual appropriated budget is adopted for the Council at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations lapse at the fiscal period end.

The Executive Director is authorized to transfer budgeted amounts between object classes; however, any revisions that alter the total expenditures, or that affect the number of authorized employee positions must be approved by the Council's legislative body.

The 2004 actual current expenses exceeded the budgeted current expenses by $192,298. A Council approved, December 2003 expense for $512,068 wasn't paid in time to be counted as a 2003 expense. This amount had been included in the 2003 budget and the Council approved payment based on that budget. The expense was included in the 2003 Single Audit performed by the Washington State Auditor's Office.

f. Cash

It is the Council's policy to invest all temporary cash surpluses. The amount is included in the net cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is posted to the general (current expense) fund.

g. Deposits

The Council deposits are covered by the Federal Deposit Insurance Corporation.

h. Investments

See Note No. 3 Investments

i. Capital Assets

Capital assets are long-lived assets of the Council and are recorded as expenditures when purchased.

j. Compensated Absences

Vacation pay may be accumulated up to thirty days and is payable upon resignation, retirement, or death. The liability for accumulated unused vacation has not been calculated and is not included in the financial statements.

Sick leave may be accumulated 520 hours. Upon separation or retirement employees do not receive payment for unused sick leave.

k. Long-Term Debt

See Note No. 6 Long-Term Debt
WHATCOM COUNCIL OF GOVERNMENTS
Notes To Financial Statements
January 1, 2004 Through December 31, 2004

1. Other Financing Sources Or Uses

The Council had no other financing sources or uses during the audit period.

m. Risk Management

The Council is a member of the Washington Governmental Entity Pool (WGEP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entity 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. 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 July 10, 1987, when two (2) counties and two (2) cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. The Pool now services health districts, port districts, public utility districts, water districts, sewer districts, irrigation districts, reclamation districts, diking districts, drainage districts, flood control districts, fire protection districts, mosquito control districts, weed districts, conservation districts, library districts, regional mental health support networks, cemetery districts, park & recreation districts, air pollution districts, public development authorities, public facility districts, metropolitan municipal corporations, and other political subdivisions, governmental subdivisions, municipal corporations, and quasi-municipal corporations.

The Pool allows members to jointly purchase excess insurance coverage, share in the self-insured retention, establish a plan for total self-insurance, and provide excellent risk management services and other related services. The Pool provides “occurrence” policies for all lines of liability coverage including Public Official’s Liability. The Property coverage is written on an “all risk” basis, blanket form using current Statement of Values. The Property coverage includes mobile equipment, electronic data processing equipment, valuable papers, building ordinance coverage, property in transit, extra expense, consequential loss, accounts receivable, fine arts, inventory or appraisal cost, automobile physical damage to insured vehicles. Boiler and machinery coverage is included on a blanket limit of $50 million for all members. The Pool offers employee dishonesty coverage up to a liability limit of $1,000,000.

Members make an annual contribution to fund the Pool. The Pool acquires insurance from unrelated underwriters that are subject to a “per occurrence” $500,000 deductible on liability loss, $100,000 deductible on property loss, and $5,000 deductible on boiler and machinery loss. The member is responsible for the first $1,000 of the deductible amount of each claim, while the Pool is responsible for the remaining $499,000 on liability losses, $99,000 on property loss, $4,000 on boiler and machinery loss. Insurance carriers cover all losses over the deductibles as shown to the policy maximum limits. Since the Pool is a cooperative program, there is a joint liability among the participating members.

The contract requires members to remain in the pool for a minimum of three (3) years and must give notice 60 days before terminating participation. Members joining after October 2000 join the pool with one (1) full fiscal year commitment and must give notice six (6) months before terminating participation. The Interlocal Governmental Agreement is renewed automatically each year after the initial three (3) year period. Even after termination, a member is still responsible for contribution to the Pool for any unresolved, unreported and in-process claims for the period they were a signatory to the Interlocal Governmental Agreement.
WHATCOM COUNCIL OF GOVERNMENTS
Notes To Financial Statements
January 1, 2004 Through December 31, 2004

The Pool is fully funded by its member participants. Claims are filed by members with the Washington Governmental Entity Pool, and are administered in house.

A Board of Directors consisting of seven (7) board members governs the Pool. Its members elect the Board and the positions are filled on a rotating basis. The Board meets quarterly and is responsible for conducting the business affairs of the Pool.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY
There have been no material violations of finance-related legal or contractual provisions.
There have been no expenditures exceeding legal appropriations in any of the funds of the Council.

NOTE 3 - INVESTMENTS
The Council’s investments are either insured, registered or held by the Council or its agent in the Council’s name.
Investments by type at December 31, 2004 are as follows:

<table>
<thead>
<tr>
<th>Type of Investment</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>L.G.I.P.</td>
<td>$ 342,864</td>
</tr>
</tbody>
</table>

NOTE 4 - PROPERTY TAXES
The Council is not authorized to levy property taxes.

NOTE 5 - INTERFUND LOANS AND ADVANCES
The Council had no interfund loans or advances during the audit period.

NOTE 6 - LONG-TERM DEBT
The Council had no long-term debt during the audit period

NOTE 7 - PENSION PLANS
Substantially all Council full-time and qualifying part-time employees participate in the Public Employee Retirement System administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the Council’s financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.
WHATCOM COUNCIL OF GOVERNMENTS
Notes To Financial Statements
January 1, 2004 Through December 31, 2004

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380
<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Agency Name / Pass-Through Agency Name</td>
<td>Federal Program Name</td>
<td>CFDA Number</td>
<td>Other I.D. Number</td>
<td>From Pass-Through Awards</td>
<td>From Direct Awards</td>
</tr>
<tr>
<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
<td>Cascade Gateway Border</td>
<td>20.205</td>
<td>Demo-2001(024)</td>
<td>444,865</td>
<td>0</td>
</tr>
<tr>
<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
<td>Cascade Gateway &amp; Mobility</td>
<td>20.205</td>
<td>NCPD-2037(087)</td>
<td>118,829</td>
<td>0</td>
</tr>
<tr>
<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
<td>Coast Millennium Trail</td>
<td>20.205</td>
<td>P-STPE-2037(080)</td>
<td>41,085</td>
<td>0</td>
</tr>
<tr>
<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
<td>ITS &amp; CVO Study - WSDOT TRAC</td>
<td>20.205</td>
<td>GCA-1170</td>
<td>15,602</td>
<td>0</td>
</tr>
<tr>
<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
<td>MPO - FHWA</td>
<td>20.205</td>
<td>GCA-3631</td>
<td>167,351</td>
<td>0</td>
</tr>
<tr>
<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
<td>Mt. Baker Highway - Sites &amp; Signs</td>
<td>20.205</td>
<td>SB-WA99(007)</td>
<td>5,402</td>
<td>0</td>
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<tr>
<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
<td>Northern Border Projects</td>
<td>20.205</td>
<td>NCPD-CBI2037(086)</td>
<td>997,140</td>
<td>0</td>
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<tr>
<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
<td>North Sound Kiosks - PE</td>
<td>20.205</td>
<td>STPE-2037(082)</td>
<td>6,273</td>
<td>0</td>
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<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
<td>O&amp;O Cross Border Study</td>
<td>20.205</td>
<td>CB-1999(010)</td>
<td>65</td>
<td>0</td>
</tr>
<tr>
<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
<td>RTPO Unified Planning Work Program</td>
<td>20.205</td>
<td>STPR-2037(083)</td>
<td>2,741</td>
<td>0</td>
</tr>
<tr>
<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
<td>Whatcom Chain of Trails</td>
<td>20.205</td>
<td>TCSP-TCSP(002)</td>
<td>29,104</td>
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<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
<td>Whatcom ITS Initiatives</td>
<td>20.205</td>
<td>GCA-3385</td>
<td>1,286</td>
<td>0</td>
</tr>
<tr>
<td><strong>sub-total 20.205</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Dept. of Transportation / Pass-through from WSDOT</td>
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<td>20.506</td>
<td>GCA-3631</td>
<td>37,340</td>
<td>0</td>
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<tr>
<td>U.S. Dept. of Transportation</td>
<td>Intermodal Connections &amp; Commuter Study</td>
<td>20.514</td>
<td>WA-26-0004</td>
<td>226,268</td>
<td>0</td>
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<tr>
<td>U.S. Dept. of Transportation</td>
<td>International Passenger-only Ferry Study</td>
<td>20.514</td>
<td>WA-26-0005</td>
<td>11,021</td>
<td>0</td>
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<tr>
<td><strong>sub-total 20.514</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>total Expenditures of Federal Awards</strong></td>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

*The Accompanying Notes To The Schedule Of Expenditures Of Federal Awards Are An Integral Part Of This Schedule.*
NOTE 1 – BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the Council’s financial statements. The council uses the revenue and expenditure classifications contained in the Budgeting, Accounting and Reporting System (BARS) prescribed by the State Auditor.

In governmental and fiduciary funds, revenues are recognized only when received in cash and expenditures are recognized when paid, including those properly chargeable against the report year budget appropriations as required by state law. This is a departure from generally accepted accounting principles which require revenue and expenditure recognition on the modified-acural basis of accounting (GAAP). Purchases of fixed assets are expensed during the year acquired.

NOTE 2 – PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the council’s portion, may be more than shown.