

CITY OF BELLINGHAM

JULY 2008 FINANCIAL REPORT

Highlights

- Citywide revenues of \$119.2 million are 53% of the annual budget. Expenditures of \$114.3 million are 38% of the annual budget. Capital expenditures of \$22.6 million are 21% of the capital budget.
- General Fund revenues of \$39.5 million are 60% of the annual budget. General Fund expenditures of \$44.9 million are 56% of the annual budget.
- The City had \$151.7 million invested, earning an average of 4.44%, compared to earnings of 4.96% at this time last year.
- Printed copies of this report are available to the public in the Finance Office. Copies of this and prior months reports are posted on the Finance website at:
<http://www.cob.org/finance/reports.htm>

Contents

▪ City-Wide Operating Statement	Page 1
▪ General Fund Operating Statement	Page 2
▪ General Fund Balance Report	Page 3
▪ Special Revenue Funds Summary	Page 4
▪ Street Fund Statement	Page 5
▪ Enterprise Funds Summary	Page 6
▪ Water Fund Statement	Page 7
▪ Wastewater Fund Statement	Page 8
▪ Parking Services Statement	Page 9
▪ Medic One Statement	Page 10
▪ Internal Service Funds Summary	Page 11
▪ Fleet Statement	Page 12
▪ Cash and Investments Report	Page 13
▪ Investment Summary	Page 14
▪ Public Facilities District	Page 15

Citywide – Cash & Investments			Citywide – Investment Interest Received			General Fund Expenditures 7/31/08		
7/31/2008	\$	153,081,661	7/31/2008	\$	3,808,107	Budget (Annualized)	\$	47,076,905
7/31/2007		145,840,405	7/31/2007		3,583,860	Actual to Date		44,855,340
Increase	5.0%	\$ 7,241,256	Increase	6.3%	\$ 224,247	Variance	4.7%	\$ 2,221,565
General Fund – Sales Tax Collected			General Fund - Utility Taxes Collected			General Fund - B & O Tax Collected		
7/31/2008	\$	5,398,332	7/31/2008	\$	7,516,244	7/31/2008	\$	7,874,979
7/31/2007		5,293,105	7/31/2007		7,515,052	7/31/2007		7,756,384
Increase	2.0%	\$ 105,227	Increase	0.0%	\$ 1,192	Increase	1.5%	\$ 118,595

Citywide Building Permit Activity January through June 2006/2007/2008

Permit Type	2006	Value	2007	Value	2008	Value
Single Family/Duplex - New	Units 88	\$ 17,220,278	Units 159	\$ 24,363,827	Units 56	\$ 11,508,910
Apts/Condominiums - New	Units 77	5,560,296	Units 135	14,518,822	Units 51	4,535,275
Com/Ind/Mixed Use - New	Units 0	18,323,280	Units 20	50,312,750	Units 19	39,058,852
Total New Dwelling Units*	165		314		126	
Residential Alterations	Permits 177	5,914,325	Permits 128	5,823,929	Permits 151	7,415,387
Commercial Alterations	Permits 133	29,191,311	Permits 160	29,529,096	Permits 156	21,022,551
Other	Permits 31	1,113,238	Permits 23	2,162,100	Permits 24	1,129,360
Total Permits and Value*	474	\$ 77,322,728	527	\$ 126,710,524	411	\$ 84,670,335

*Units are number of individual dwellings including those dwellings in mixed use commercial or industrial projects. Total Permits includes permits for new dwelling units. These numbers are not listed in order to display number of dwellings.

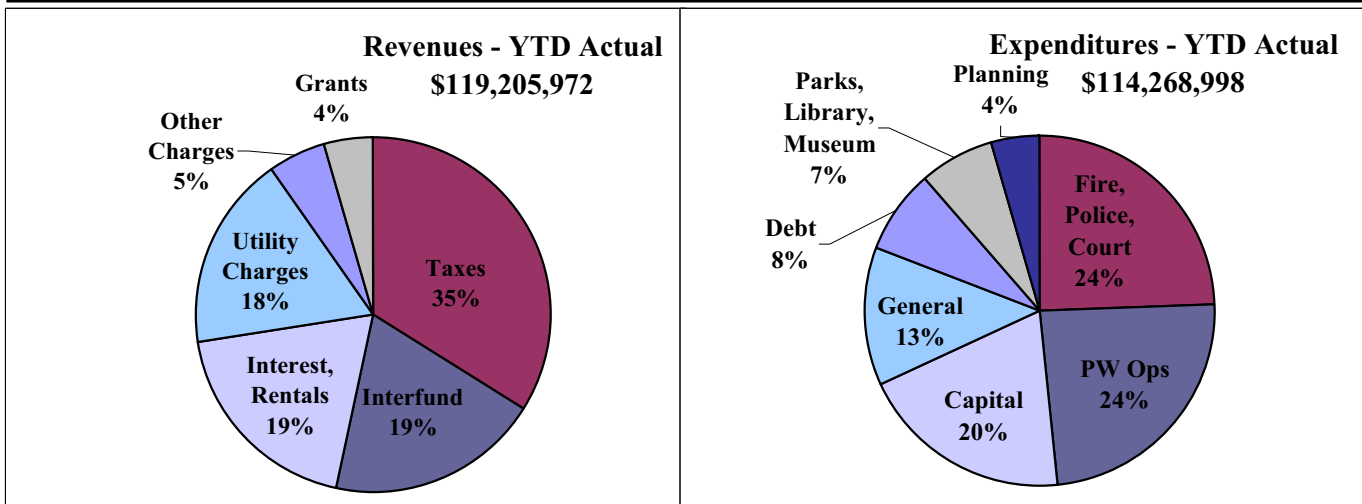
Please refer questions or comments on Financial Reports to: John Carter, Finance Director or Kipp Drummond, Accounting Manager

City Website: <http://www.cob.org>

Financial Reports Website: <http://www.cob.org/finance/reports.htm>

July 2008
City of Bellingham
Citywide, All Funds, Combined Operating Statement

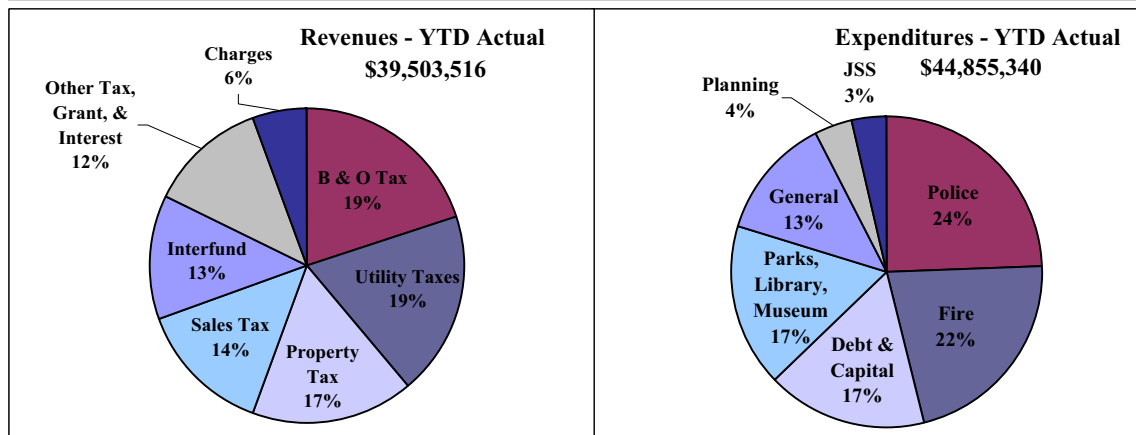
	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Budgeted Beginning Balance	\$ 122,619,638	\$ 139,937,693	14%	\$ 139,937,693	100%
Revenues					
Property Taxes	9,372,531	9,874,680	5	17,797,545	55
Sales Tax	10,512,048	10,769,751	2	19,864,000	54
B & O Tax	7,756,384	7,874,979	2	12,469,000	63
Utility Taxes	8,245,717	8,259,833	0	14,388,881	57
Other Taxes	4,619,091	3,777,188	-18	7,589,225	50
Grants, Entitlements, Revenue Sharing	6,485,889	5,216,273	-20	39,086,317	13
Utility Charges for Services	19,323,142	21,260,423	10	34,634,343	61
Other Charges, Fines, Permits, Licenses	(1) 9,449,125	6,406,918	-32	13,923,721	46
Interest, Rentals, Bonds, Other Revenues	(2) 15,601,629	22,651,588	45	31,805,747	71
Interfund Sales & Service	13,626,639	16,067,147	18	22,450,393	72
Interfund Loans & Transfers	(3) 3,281,086	7,047,192	115	12,898,770	55
Total Revenues	108,273,281	119,205,972	10	226,907,942	53
Operating Expenditures					
General Governmental Services	12,626,497	14,803,039	17	28,409,874	52
Fire, Police, Municipal Court	(3) 24,454,875	27,800,577	14	51,023,019	54
Public Works Operations	25,604,188	27,280,335	7	61,339,179	44
Planning, Hearing Examiner	(4) 4,325,089	5,006,801	16	12,842,465	39
Libraries, Museums, Parks	7,640,216	8,144,252	7	16,262,882	50
Total Operating Expenditures	74,650,865	83,035,004	11	169,877,419	49
Capital and Debt Expenditures					
Capital Expenditures	(2) 10,341,664	22,609,778	119	109,620,163	21
Debt Service, Loans, Transfers	5,008,489	8,624,216	72	20,795,810	41
Total Capital and Debt Expenditures	15,350,153	31,233,994	103	130,415,973	24
Total Expenditures	90,001,018	114,268,998	27	300,293,392	38
Projected/Budgeted Ending Balance	\$ 140,891,901	\$ 144,874,667	3%	\$ 66,552,243	218%



(1) 2007: Park Impact Fees \$1,363,952; Trillium Cordata Fee \$961,975.
(2) 2008: Includes January sale of Cornwall property (\$2.7 million) and March sale Colony Wharf property (\$3.6 million).
(3) 2008: Interfund charges, as well as corresponding interfund loan revenue, of \$2,250,000 for fire truck replacements.
(4) Beginning in 2008, the Bellingham-Whatcom Public Facilities District (PFD) is no longer reported in Citywide Funds. Adjustments to prior year numbers have been made to maintain comparability.

July 2008
City of Bellingham
General Fund Operating Statement

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud	
Budgeted Beginning Balance	\$ 16,482,153	\$ 25,481,318	55%	\$ 25,481,318	100%	
Revenues						
Property Tax	6,261,747	6,600,877	5	11,896,000	55	
Sales Tax	5,293,105	5,398,332	2	9,934,000	54	
B & O Tax	7,756,384	7,874,979	2	12,469,000	63	
Utility Taxes	7,515,052	7,516,244	0	13,108,881	57	
Other Taxes	1,766,355	1,698,609	-4	2,842,955	60	
Grants, Entitlements, Revenue Sharing	1,033,437	1,066,532	3	2,934,073	36	
Charges, Fines, Permits, Licenses	2,336,386	2,187,221	-6	4,138,613	53	
Interest, Rentals, Bonds, Other Revenues	(1)	3,825,779	2,119,227	-45	1,414,532	150
Interfund Sales & Service		3,230,292	2,413,442	-25	4,184,134	58
Interfund Loans & Transfers	(5)	906,633	2,628,053	190	3,254,181	81
Total Revenues	39,925,170	39,503,516	-1	66,176,369	60	
Operating Expenditures						
Executive	(2)	1,111,583	953,240	-14	3,322,407	29
Legislative		188,949	261,366	38	468,872	56
Hearings Examiner		94,021	102,314	9	188,245	54
Museum		839,342	889,696	6	1,662,398	54
Library		1,932,362	2,255,391	17	3,959,511	57
Finance	(3)	963,004	1,716,017	78	2,712,606	63
Human Resources		755,278	746,094	-1	1,672,723	45
Information Technology		1,243,577	1,344,143	8	2,621,486	51
Legal		717,781	762,701	6	1,473,976	52
Judicial & Support Services	(4)	2,104,690	1,564,543	-26	3,029,178	52
Parks & Recreation		3,922,669	4,396,844	12	8,028,250	55
Planning & Community Development		1,759,753	1,664,777	-5	4,261,879	39
Fire	(5)	7,433,357	9,679,356	30	16,562,204	58
Police	(4)	9,165,626	10,965,787	20	20,217,553	54
Total Operating Expenditures	32,231,992	37,302,269	16	70,181,288	53	
Capital and Debt Expenditures						
Capital Expenditures	(6)	479,859	5,925,345	1135	6,852,687	86
Debt Service, Loans, Transfers		1,786,369	1,627,726	-9	3,669,291	44
Total Capital and Debt Expenditures	2,266,228	7,553,071	233	10,521,978	72	
Total Expenditures	34,498,220	44,855,340	30	80,703,266	56	
Projected/Budgeted Ending Balance	\$ 21,909,103	\$ 20,129,494	-8%	\$ 10,954,421	184%	



(1) 2007: \$3 million insurance settlement.
(2) 2007: Waterfront Development management expenses - \$858 thousand. Additionally, budget group costs were included in executive expenditures during 2007. Beginning in 2008, budget group costs are included within finance expenditures.
(3) 2008: Finance expenditures include one time costs related to purchase of Cornwall property (\$251,239 - 1/23/08) and one time costs related to the purchase of Colony Wharf property (\$338,588 - 3/08). Additionally, beginning in 2008, budget group costs are included within finance expenditures.
(4) 2008: City payments to Whatcom County for jail services were moved from the Municipal Court to the Police Department resulting in an increased charge to Police, and a corresponding decreased charge to Muni Court, of \$813,829 through 7/31/2008.
(5) 2008: Interfund charges, as well as corresponding interfund loan revenue, of \$2,250,000 for fire truck replacements.
(6) 2008: Cornwall property purchase of \$2,450,649 and Colony Wharf property purchase of \$3,303,301.

July 2008
City of Bellingham
Available General Fund Reserve Report

2008 Adopted Budget with Amendments	Beginning Budget	Undesignated Balance	Designated Balance (1)	Combined Balance
Beginning Available Resources	\$ 16,622,876	-	-	-
Budgeted Revenues	65,324,915	-	-	-
Budgeted Expenditures	\$ 71,534,020	-	-	-
Projected Available Ending Unrestricted Balance 01/01/2008		\$ 819,298	\$ 9,594,473	\$ 10,413,771
Adjustments affecting Available Ending Balance				
General Fund Budget Ordinances:				
2008-01-001 Purchase Cornwall property from Solid Waste		(2,701,841)	-	(2,701,841)
2008-02-008 Support for DOJ grant on domestic violence		(1,625)	-	(1,625)
2008-02-009 Support for WA State Office of Pub Def grant for Def Counsel		(137,500)	-	(137,500)
2008-02-011 Insurance funds to pay legal fees for environmental clean-up		-	(177,713)	(177,713)
2008-02-011 Insurance funds for toxic clean-up & to purchase Colony Wharf		(3,641,890)	-	(3,641,890)
2008-04-030 Adjustments to 2008 Beginning Balances		7,316,899	1,541,543	8,858,441
2008-04-031 Re-appropriation of encumbered balances from 2007 Budget		(754,098)	(19,760)	(773,858)
2008-04-035 Re-appropriation of un-encumbered balances from 2007 Budget		(899,242)	-	(899,242)
2008-04-032 To pay retirement excess compensation in Legislative Dept.		(30,737)	-	(30,737)
2008-06-054 To fund three part-time library security information attendants		(36,993)	-	(36,993)
2008-06-055 To fund the reclassification of three part-time museum positions		(1,633)	-	(1,633)
2008-06-062 To fund the hiring of an exec. policy and special projects coord.		-	(23,070)	(23,070)
2008-07-069 Adjustment to ending undesignated reserve from DOJ grant		114,768	-	114,768
2008-07-075 Appropriation for reimbursement of Solid Waste salary exp.		-	(6,457)	(6,457)
Available Ending Balance 7/31/08		\$ 45,406	\$ 10,909,016	\$ 10,954,421

Notes

(1) Designated Balance amounts are reserved by Council in the 2008 Adopted Budget as follows: General Fund Reserve \$7,260,000, Jail Capital Reserve \$1,451,757 and Other Departmental Reserves \$75,799.

July 2008
City of Bellingham
Special Revenue Funds, Revenue/Expenditure Summary

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Reserve Funds #120					
Budgeted Beginning Balance	\$ 6,623,944	\$ 6,285,612	-5%	\$ 6,285,612	100%
Revenues	1,032,379	945,098	-8	1,243,138	76
Expenditures*	247,702	551,700	123	5,545,853	10
Projected/Budgeted Ending Balance	\$ 7,408,621	\$ 6,679,010	-10%	\$ 1,982,897	337%

* Budget includes \$2.1 million reappropriated from prior year from grant for Federal Building.

Environmental Resource Funds #130					
Budgeted Beginning Balance	\$ 2,324,140	\$ 1,356,803	-42%	\$ 1,356,803	100%
Revenues	121,844	1,108,989	810	1,163,010	95
Expenditures*	432,715	68,926	-84	2,204,503	3
Projected/Budgeted Ending Balance	\$ 2,013,269	\$ 2,396,866	19%	\$ 315,310	760%

* Budget includes \$1.9 million reappropriated from prior year for the capital restoration projects caused by the pipeline explosion.

Real Estate Excise Tax Funds #140					
Budgeted Beginning Balance	\$ 8,459,820	\$ 9,051,120	7%	\$ 9,051,120	100%
Revenues	2,388,079	1,783,072	-25	6,345,359	28
Expenditures	852,893	2,085,458	145	13,732,801	15
Projected/Budgeted Ending Balance	\$ 9,995,006	\$ 8,748,734	-12%	\$ 1,663,678	526%

Police Special Rev Funds #150					
Budgeted Beginning Balance	\$ 710,107	\$ 685,361	-3%	\$ 685,361	100%
Revenues	230,579	393,038	70	342,418	115
Expenditures	313,191	84,869	-73	398,620	21
Projected/Budgeted Ending Balance	\$ 627,495	\$ 993,530	58%	\$ 629,159	158%

Public Safety Dispatch Fund #160					
Budgeted Beginning Balance	\$ 1,802,630	\$ 2,033,803	13%	\$ 2,033,803	100%
Revenues	2,204,179	2,085,041	-5	3,926,491	53
Expenditures	2,155,536	2,303,468	7	4,195,513	55
Projected/Budgeted Ending Balance	\$ 1,851,273	\$ 1,815,376	-2%	\$ 1,764,781	103%

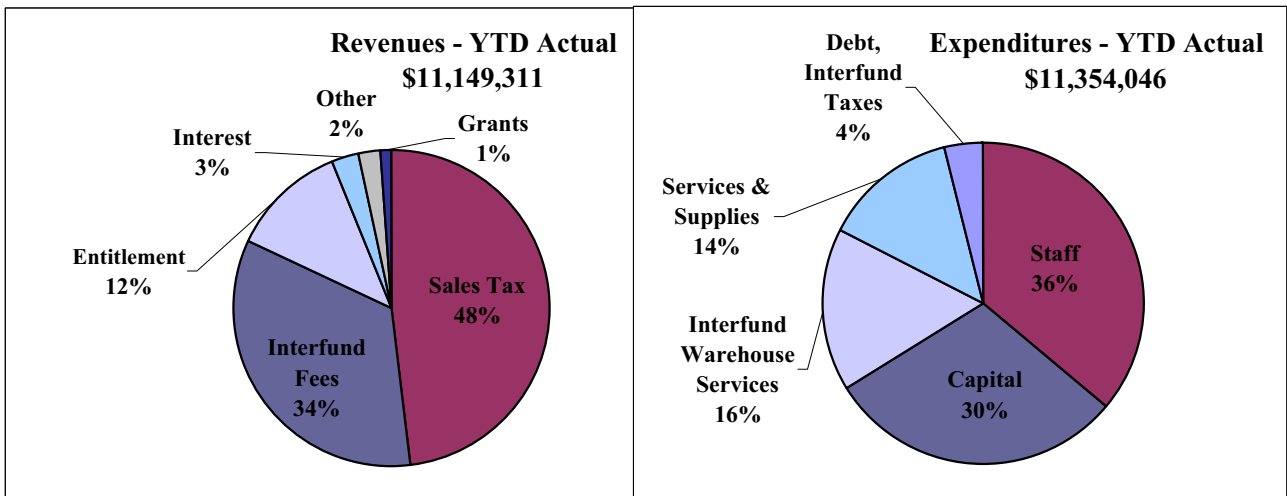
Parks Funds #170					
Budgeted Beginning Balance	\$ 4,593,445	\$ 8,890,121	94%	\$ 8,890,121	100%
Revenues	3,090,522	2,256,046	-27	5,728,860	39
Expenditures	923,322	2,159,978	134	13,401,826	16
Projected/Budgeted Ending Balance	\$ 6,760,645	\$ 8,986,189	33%	\$ 1,217,155	738%

Tourism Fund #180					
Budgeted Beginning Balance	\$ 326,872	\$ 383,171	17%	\$ 383,171	100%
Revenues	495,404	551,715	11	1,007,491	55
Expenditures	415,179	490,187	18	1,148,580	43
Projected/Budgeted Ending Balance	\$ 407,097	\$ 444,699	9%	\$ 242,082	184%

Community Development Grants Fund #190 & 191					
Budgeted Beginning Balance	\$ 807,469	\$ 451,483	-44%	\$ 451,483	100%
Revenues	494,995	620,302	25	4,149,227	15
Expenditures	668,714	1,092,865	63	4,298,497	25
Projected/Budgeted Ending Balance	\$ 633,750	\$ (21,080)	-103%	\$ 302,213	-7%

July 2008
City of Bellingham
Street Funds Operating Statement

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Street Funds #110, Special Revenue					
Budgeted Beginning Balance	\$ 10,297,040	\$ 11,071,601	8%	\$ 11,071,601	100%
Revenues					
Sales Tax	5,218,943	5,371,420	3	9,930,000	54
Federal/State Grants	(1) 189,010	139,348	-26	18,038,662	1
Entitlements	1,197,564	1,352,192	13	3,049,079	44
Interfund Fees	3,583,448	3,756,515	5	6,189,054	61
Investment Interest	319,910	305,663	-4	660,863	46
Other Revenues	(2) 1,209,939	178,479	-85	1,087,390	16
Other Financing Sources	40,000	45,694	14	51,194	89
Total Revenues	11,758,814	11,149,311	-5	39,006,242	29
Operating Expenditures					
Salaries, Wages & Benefits	3,917,200	4,105,435	5	7,555,311	54
Supplies	330,244	388,346	18	842,991	46
Services-Professional, Repairs, Utilities	1,200,682	1,173,890	-2	3,415,948	34
Intergovernmental Services, Taxes, & Fees	208,788	203,754	-2	353,580	58
Interfund-Warehouse & Services	1,553,707	1,856,631	19	3,071,192	60
Total Operating Expenditures	7,210,621	7,728,056	7	15,239,022	51
Capital and Debt Expenditures					
Capital Outlay	(1) 2,969,843	3,399,584	14	32,947,641	10
Debt-(Principal & Interest), Interfund Loans, & Transfers	477,324	226,406	-53	354,820	64
Total Capital and Debt Expenditures	3,447,167	3,625,990	5	33,302,461	11
Total Expenditures	10,657,788	11,354,046	7	48,541,483	23
Projected/Budgeted Ending Balance	\$ 11,398,066	\$ 10,866,866	-5%	\$ 1,536,360	707%



(1) 2007: Sunset Drive and Waterfront Bridge projects in design and right-of-way phase. Grant revenues will be received upon completion.

(2) 2007: Trillium Cordata Fee \$961,975.

July 2008
City of Bellingham
Enterprise Funds, Revenue/Expenditure Summary

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Storm & Surface Water Fund #430					
Budgeted Beginning Balance	\$ 2,515,808	\$ 3,598,554	43%	\$ 3,598,554	100%
Revenues	2,933,107	2,916,180	-1	5,462,343	53
Expenses	2,055,297	2,364,218	15	7,832,083	30
Projected/Budgeted Ending Balance	\$ 3,393,618	\$ 4,150,516	22%	\$ 1,228,814	338%

Solid Waste Fund #440					
Budgeted Beginning Balance	\$ 1,937,143	\$ 2,534,269	31%	\$ 2,534,269	100%
Revenues *	1,874,923	7,352,660	292	8,332,981	88
Expenses	1,174,446	2,994,292	155	4,719,481	63
Projected/Budgeted Ending Balance	\$ 2,637,620	\$ 6,892,637	161%	\$ 6,147,769	112%

* 2007: Insurance recovery remediation \$897 thousand. 2008: Includes January sale of Cornwall property and March sale Colony Wharf property (\$3.6 million).

Cemetery Fund #455					
Budgeted Beginning Balance	\$ 444,397	\$ 404,284	-9%	\$ 404,284	100%
Revenues	371,314	348,312	-6	604,320	58
Expenses	369,276	361,177	-2	619,300	58
Projected/Budgeted Ending Balance	\$ 446,435	\$ 391,419	-12%	\$ 389,304	101%

Golf Course Fund #460					
Budgeted Beginning Balance	\$ 91,244	\$ 58,450	-36%	\$ 58,450	100%
Revenues	485,990	112,270	-77	181,800	62
Expenses	384,587	57,038	-85	176,467	32
Projected/Budgeted Ending Balance	\$ 192,647	\$ 113,682	-41%	\$ 63,783	178%

Development Services Fund #475					
Budgeted Beginning Balance	\$ 836,211	\$ 1,215,916	45%	\$ 1,215,916	100%
Revenues	1,893,288	1,448,757	-23	2,832,556	51
Expenses	1,509,125	1,773,833	18	3,295,135	54
Projected/Budgeted Ending Balance	\$ 1,220,374	\$ 890,840	-27%	\$ 753,337	118%

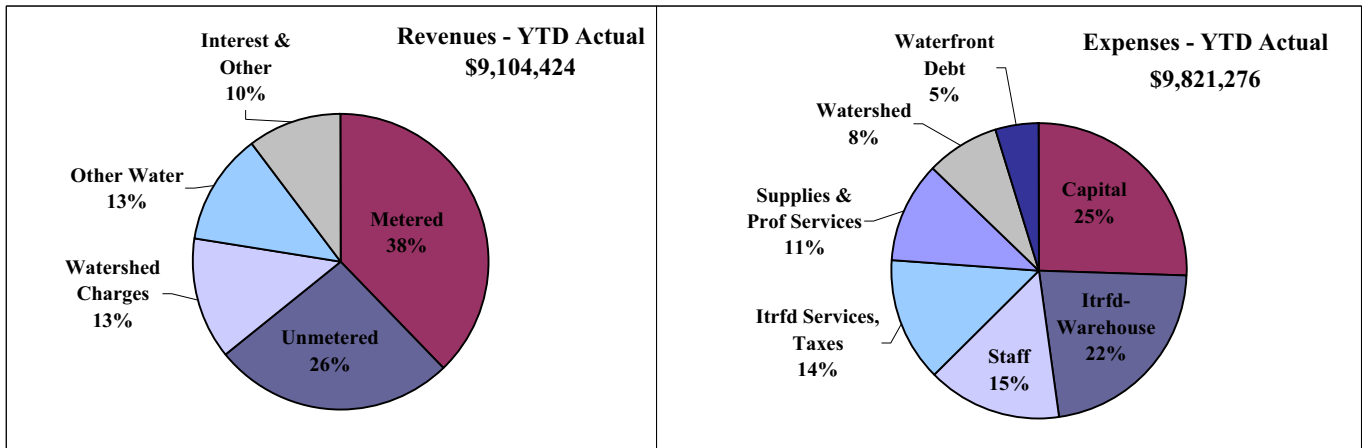
<i>Development Services Activity YTD</i>	<u>2007</u>	<u>2008</u>
<i>Permits*</i>	620	478
<i>Units</i>	386	128
<i>Valuation (\$millions)**</i>	\$150.8	\$91.8

*January 2007: 73 residential permits were issue to D R Horton when the permit moratorium was lifted.

**March 2007: Western Washington University \$30.1 million valuation for Academic Instructional Center.

July 2008
City of Bellingham
Water Fund Operating Statement

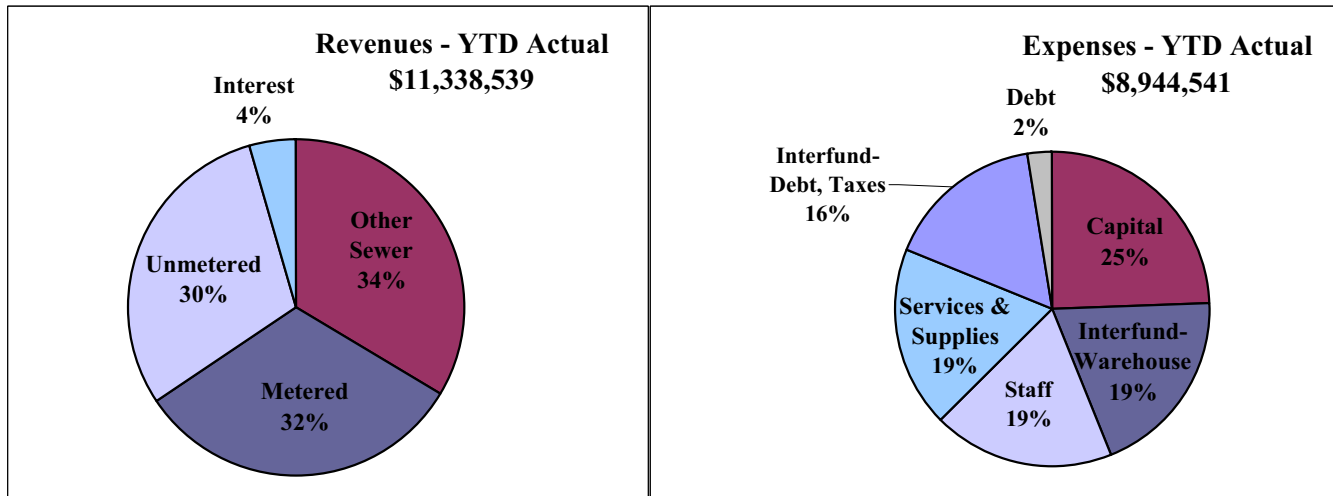
	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Water Fund #410, Enterprise					
Budgeted Beginning Balance - Water Operations	\$ 14,603,567	\$ 14,775,877	1%	\$ 14,775,877	100%
Revenues					
Unmetered Water	2,177,208	2,383,422	9	4,150,000	57
Metered Water	3,019,357	3,448,562	14	5,720,220	60
Other Water System Charges	(1) 1,811,877	1,125,652	-38	3,005,843	37
Investment Interest	414,598	389,021	-6	842,684	46
Other Revenues	634,617	530,507	-16	2,163,000	25
Other Financing Sources	-	-	0	2,720,000	0
Total Revenues	8,057,657	7,877,164	-2	18,601,747	42
Operating Expenses					
Salaries, Wages & Benefits	1,266,628	1,428,106	13	2,543,515	56
Supplies & Services-Professional, Repairs, Utilities	910,908	1,083,806	19	3,403,554	32
Intergovernmental Services, Taxes, & Fees	1,265,449	1,345,264	6	2,498,736	54
Interfund-Warehouse & Services	2,055,617	2,206,646	7	3,904,215	57
Total Operating Expenses	5,498,602	6,063,822	10	12,350,020	49
Capital and Debt Expenses					
Capital Outlay	1,353,545	2,497,159	84	15,965,185	16
Debt-(Principal & Interest), Interfund Loans, & Transfers	493,348	451,362	-9	1,244,416	36
Total Capital and Debt Expenses	1,846,892	2,948,521	60	17,209,601	17
Total Expenses	7,345,494	9,012,343	23	29,559,621	30
Projected/Budgeted Ending Balance - Water Operations	\$ 15,315,730	\$ 13,640,698	-11%	\$ 3,818,003	357%
Budgeted Beginning Balance - Watershed Activity	\$ 1,273,132	\$ 216,138	-83%	\$ 216,138	100%
Revenues					
Watershed Charges	1,177,369	1,205,685	2	2,080,000	58
Demand Charges	-	8,162	100	-	100
Investment Interest & Other Revenue	32,854	13,413	-59	92,140	15
Total Revenues	1,210,223	1,227,260	1	2,172,140	57
Operating Expenses					
Supplies & Services	1,520	13,571	793	165,660	8
Intergovernmental Services, Taxes, & Fees	233,178	228,926	-2	422,790	54
Total Operating Expenses	234,698	242,497	3	588,450	41
Capital and Debt Expenses					
Capital Outlay	(2) 814,106	457,936	-44	1,096,568	42
Debt-(Principal & Interest), Interfund Loans, & Transfers	122,014	108,500	-11	618,667	18
Total Capital and Debt Expenses	936,121	566,436	-39	1,715,235	33
Total Expenses	1,170,819	808,933	-31	2,303,685	35
Projected/Budgeted Ending Balance - Watershed	\$ 1,312,536	\$ 634,465	-52%	\$ 84,593	750%
Projected/Budgeted Ending Balance - Water/Watershed Combined	\$ 16,628,266	\$ 14,275,163	-14%	\$ 3,902,596	366%



(1) 2008: Demand fees from new construction decreased \$130,000 from 2007 due to a decrease in new construction.
(2) 2007: Watershed land acquisition - \$810 thousand.

July 2008
City of Bellingham
Wastewater Fund Operating Statement

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Wastewater Fund #420, Enterprise					
Budgeted Beginning Balance	\$ 17,142,252	\$ 17,761,257	4%	\$ 17,761,257	100%
Revenues					
Unmetered Sewer	3,165,324	3,395,702	7	5,716,250	59
Metered Sewer	3,162,178	3,640,210	15	6,020,176	60
Investment Interest	531,589	501,147	-6	1,131,043	44
Other Revenues	(1) 2,915,309	3,801,480	30	3,905,471	97
Total Revenues	9,774,400	11,338,539	16	16,772,940	68
Operating Expenses					
Salaries, Wages & Benefits	1,564,229	1,663,990	6	3,010,565	55
Supplies	342,298	387,830	13	662,819	59
Services-Professional, Repairs, Utilities	1,152,597	1,278,679	11	3,496,131	37
Intergovernmental Services, Taxes, & Fees	1,160,376	1,465,537	26	2,165,168	68
Interfund-Warehouse & Services	1,535,550	1,734,339	13	2,978,384	58
Total Operating Expenses	5,755,050	6,530,375	13	12,313,067	53
Capital and Debt Expenses					
Capital Outlay	935,821	2,197,126	135	13,163,500	17
Debt-(Principal & Interest), Interfund Loans, & Transfers	337,689	217,040	-36	2,220,840	10
Total Capital and Debt Expenses	1,273,510	2,414,166	90	15,384,340	16
Total Expenses	7,028,560	8,944,541	27	27,697,407	32
Projected/Budgeted Ending Balance	\$ 19,888,092	\$ 20,155,255	1%	\$ 6,836,790	295%

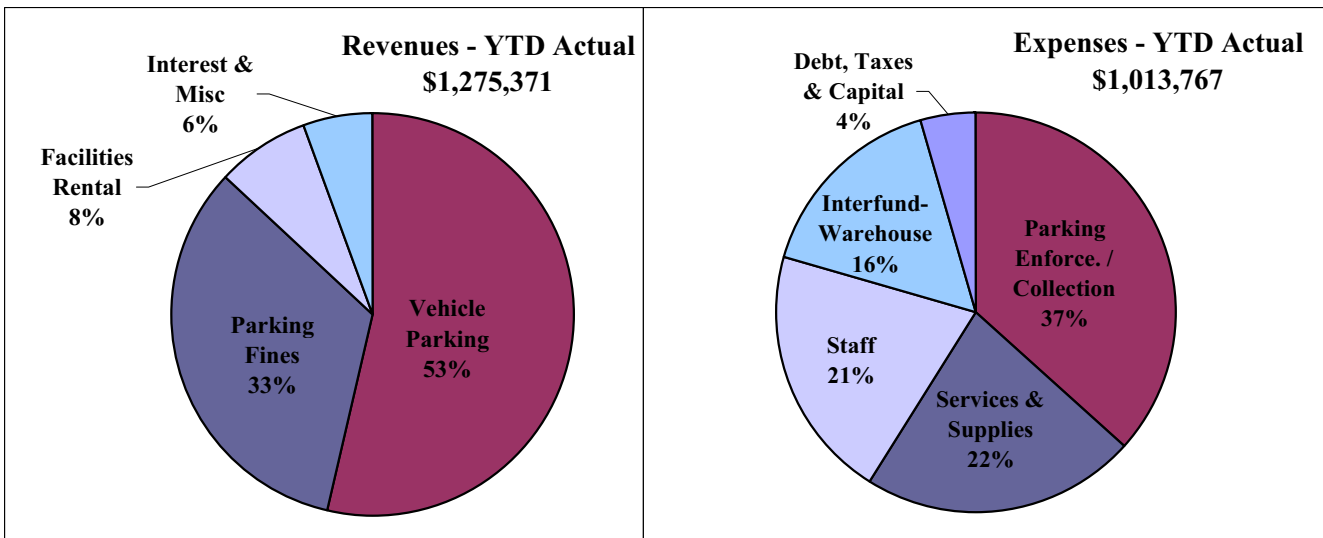


(1) 2007: Increase in System Development Charges due to issuance of D R Horton permits - \$630 thousand; PSE award to upgrade WWTP- \$334 thousand.

Water/Sewer Revenue Bonds have a "Coverage Requirement" that Net Revenues of the combined funds be at least 1.25 times the Maximum Annual Debt Service of \$2,157,270. Net Revenue is defined as Revenue (utility related income and investment earnings), less Expenses (maintenance and operations, less depreciation and capital items). At 12/31/07, the ratio was 6.68. At 7/31/08, the ratio is estimated at 7.75.

July 2008
City of Bellingham
Parking Services Fund Operating Statement

Parking Fund #465, Enterprise	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Budgeted Beginning Balance	\$ 1,207,384	\$ 1,902,902	58%	\$ 1,902,902	100%
Revenues					
Vehicle Parking	(1) 731,017	683,304	-7	1,493,306	46
Parking Infraction Fines	(2) 532,132	423,839	-20	927,998	46
Facilities Rental	82,483	96,574	17	130,111	74
Investment Interest	41,152	59,231	44	52,676	112
Miscellaneous Revenues	12,848	12,423	-3	19,500	64
Total Revenues	1,399,632	1,275,371	-9	2,623,591	49
Operating Expenses					
Salaries, Wages & Benefits	169,587	209,006	23	409,639	51
Supplies	24,957	67,520	171	101,574	66
Services-Professional, Repairs, Utilities	104,446	156,999	50	817,405	19
Intergovernmental Services, Taxes, & Fees	6,053	5,347	-12	8,375	64
Parking Infraction Enforcement/Collection	(2) -	371,636	100	-	100
Interfund-Warehouse & Services	182,141	164,650	-10	209,840	78
Total Operating Expenses	487,184	975,158	100	1,546,833	63
Capital and Debt Expenses					
Capital Outlay	72	25,628	35494	1,952,365	1
Debt-(Principal & Interest), Interfund Loans, & Transfers	361,567	12,981	-96	769,344	2
Total Capital and Debt Expenses	361,639	38,609	-89	2,721,709	1
Total Expenses	848,823	1,013,767	19	4,268,542	24
Projected/Budgeted Ending Balance	\$ 1,758,193	\$ 2,164,506	23%	\$ 257,951	839%

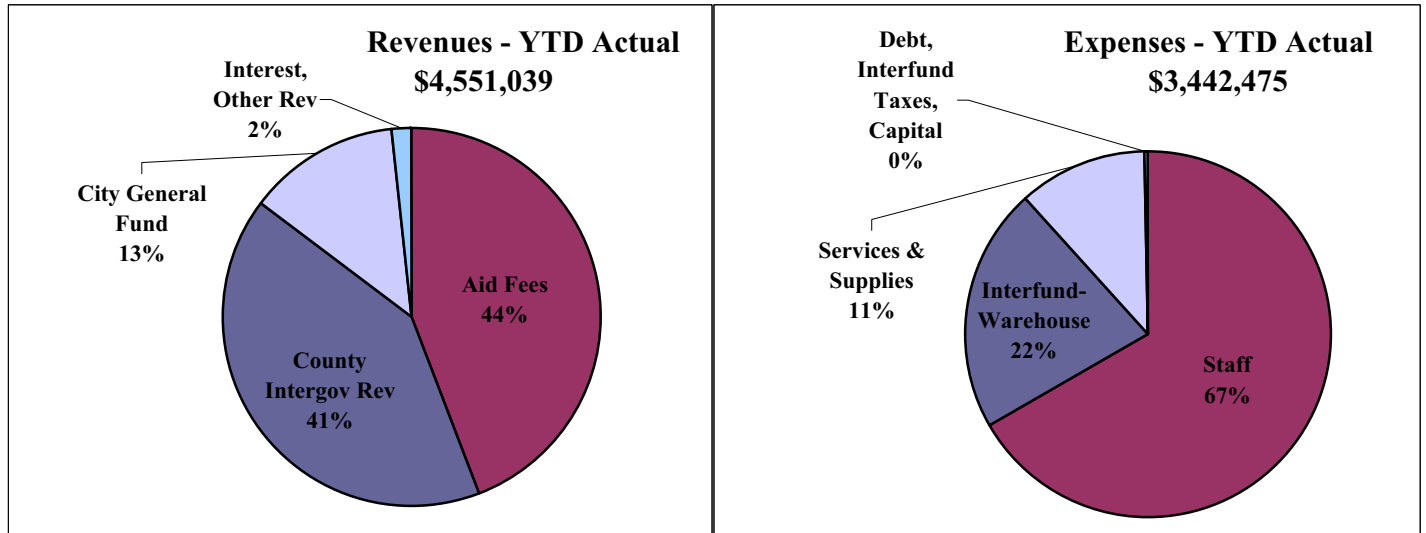


(1) 2007: \$105,000 in annual parking fees that are usually collected in December were collected in January.

(2) 2007: Parking Infraction revenues (beginning June 2007) and related enforcement and collection expenses (beginning July 2007) previously accounted for in the General Fund.

July 2008
City of Bellingham
Medic One Fund Operating Statement

Medic One Fund #470, Enterprise	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Budgeted Beginning Balance	\$ 553,749	\$ 579,521	5%	\$ 579,521	100%
Revenues					
Special Purpose Tax	(1) 324,374	341,173	5	528,150	65
Less Transfers of Special Purpose Tax to Whatcom Cty	(1)(a) (324,374)	(341,173)	6	(528,150)	65
Ambulance & Emergency Aid Fees	1,888,376	2,006,647	6	3,353,542	60
City of Bellingham - General Fund	586,770	592,638	1	1,015,951	58
Intergovernmental Revenue - Whatcom County & others	(2) 1,450,277	1,878,367	30	3,093,766	61
Investment Interest	34,329	42,296	23	77,628	54
Other Revenues & Financing Sources	108,470	31,091	-71	1,000	3109
Total Revenues	4,068,222	4,551,039	12	7,541,887	60
Operating Expenses					
Salaries, Wages & Benefits	2,343,003	2,299,009	-2	4,915,917	47
Supplies	192,733	224,918	17	568,800	40
Services-Professional, Repairs, Utilities	189,883	162,501	-14	448,905	36
Intergovernmental Services, Taxes, & Fees	291,272	12,072	-96	33,894	36
Interfund-Warehouse & Services	642,997	743,975	16	1,316,603	57
Total Operating Expenses	3,659,888	3,442,475	-6	7,284,119	47
Capital Expense					
Capital Outlay	37,449	-	-100	282,363	0
Total Capital Expense	37,449	-	-100	282,363	0
Total Expenses	3,697,337	3,442,475	-7	7,566,482	45
Projected/Budgeted Ending Balance	\$ 924,634	\$ 1,688,085	83%	\$ 554,926	304%



(1) City share of a 0.1% sales tax increase for EMS (effective April 2006).

(1)(a) City share of tax is remitted to the Whatcom County EMS Fund as an Intergovernmental Transfer.

(2) 2008: Per Interlocal Agreement, Whatcom County will contribute \$1,363,505 from its General Fund plus a projected \$1,730,709 contribution from the Whatcom County EMS Fund.

July 2008
City of Bellingham
Internal Service Funds, Revenue/Expenditure Summary

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Purchasing & Materials Mgt Fund #520					
Budgeted Beginning Balance	\$ 571,078	\$ 428,628	-25%	\$ 428,628	100%
Revenues	1,223,441	1,275,739	4	1,919,239	66
Expenses	1,265,780	1,206,942	-5	2,147,213	56
Projected/Budgeted Ending Balance	\$ 528,739	\$ 497,425	-6%	\$ 200,654	248%

Facilities Administration Fund #530					
Budgeted Beginning Balance	\$ 1,016,920	\$ 1,198,122	18%	\$ 1,198,122	100%
Revenues	1,333,807	1,292,642	-3	2,145,160	60
Expenses	1,193,098	1,163,261	-3	2,864,235	41
Projected/Budgeted Ending Balance	\$ 1,157,629	\$ 1,327,503	15%	\$ 479,047	277%

Telecommunication Fund #540					
Budgeted Beginning Balance	\$ 490,180	\$ 955,032	95%	\$ 955,032	100%
Revenues *	267,342	271,984	2	427,276	64
Expenses**	503,147	665,739	32	1,299,978	51
Projected/Budgeted Ending Balance	\$ 254,375	\$ 561,277	121%	\$ 82,330	682%

* 2007: New phone system - \$1.1 million interfund transfers

** 2007: New phone system - \$495 thousand in expenses YTD

Claims & Litigation Fund #550					
Budgeted Beginning Balance	\$ 4,871,114	\$ 4,944,015	1%	\$ 4,944,015	100%
Revenues	528,687	587,620	11	1,125,617	52
Expenses	491,926	826,625	68	1,107,659	75
Projected/Budgeted Ending Balance	\$ 4,907,875	\$ 4,705,010	-4%	\$ 4,961,973	95%

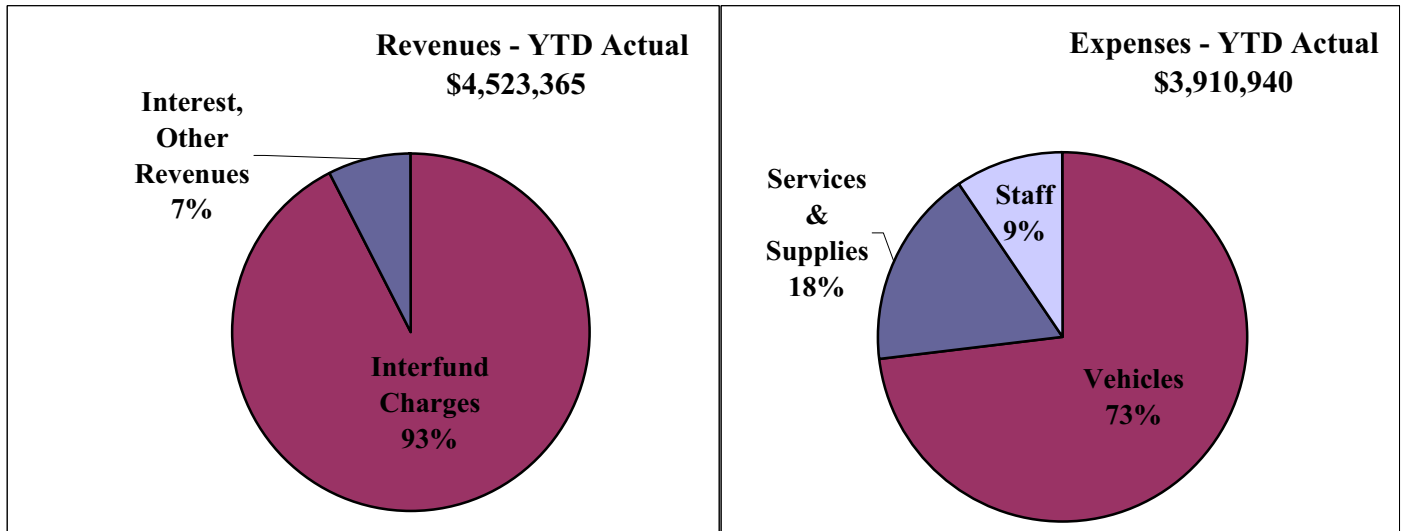
Unemployment Compensation Fund #561					
Budgeted Beginning Balance	\$ 330,295	\$ 275,296	-17%	\$ 275,296	100%
Revenues	8,794	6,982	-21	18,509	38
Expenses	37,020	41,558	12	122,005	34
Projected/Budgeted Ending Balance	\$ 302,069	\$ 240,720	-20%	\$ 171,800	140%

Worker's Comp Self-Insurance Fund #562					
Budgeted Beginning Balance	\$ 750,020	\$ 913,892	22%	\$ 913,892	100%
Revenues	443,223	361,185	-19	604,129	60
Expenses	344,388	427,697	24	737,783	58
Projected/Budgeted Ending Balance	\$ 848,855	\$ 847,380	0%	\$ 780,238	109%

Health Benefits Fund #565					
Budgeted Beginning Balance	\$ 1,133,532	\$ 1,272,460	12%	\$ 1,272,460	100%
Revenues	5,170,967	5,892,768	14	10,071,102	59
Expenses	5,088,090	5,775,553	14	10,315,546	56
Projected/Budgeted Ending Balance	\$ 1,216,409	\$ 1,389,675	14%	\$ 1,028,016	135%

July 2008
City of Bellingham
Fleet Fund Operating Statement

Fleet Fund #510, Internal Service	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Budgeted Beginning Balance	\$ 5,614,972	\$ 5,675,532	1%	\$ 5,675,532	100%
Revenues					
Operating Revenues - Interfund	1,470,974	4,186,567	185	5,476,297	76
Investment Interest	150,833	163,874	9	291,462	56
Other Miscellaneous Revenues	2,284	10,301	351	-	100
Other Financing Sources	54,042	162,623	201	350,000	46
Total Revenues	1,678,133	4,523,365	170	6,117,759	74
Operating Expenses					
Salaries, Wages & Benefits	349,429	369,694	6	653,739	57
Supplies	153,053	190,495	24	305,160	62
Services-Professional, Repairs, Utilities	109,303	121,673	11	203,458	60
Interfund-Parts, Services & Supplies	381,356	376,758	-1	639,582	59
Total Operating Expenses	993,141	1,058,620	7	1,801,939	59
Capital Expense					
Capital Outlay - Vehicles & Equipment	563,253	2,852,320	406	5,128,517	56
Total Capital Expense	563,253	2,852,320	406	5,128,517	56
Total Expenses	1,556,394	3,910,940	151	6,930,456	56
Projected/Budgeted Ending Balance	\$ 5,736,711	\$ 6,287,957	10%	\$ 4,862,835	129%



July 2008
City of Bellingham
Cash and Investments Report

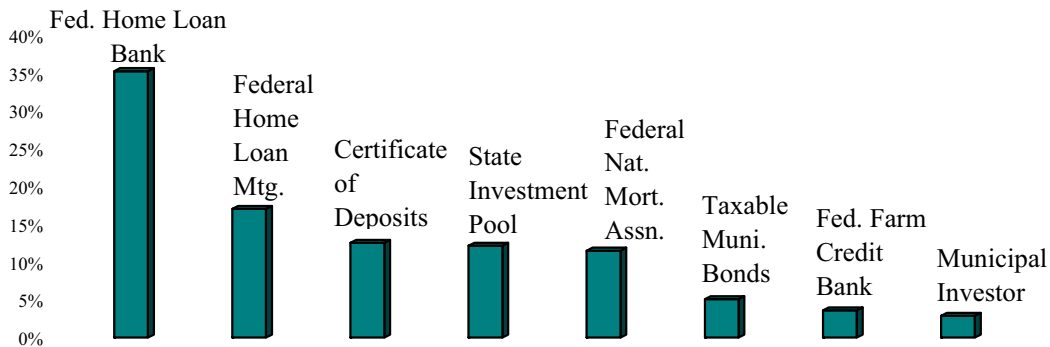
Unrestricted-Cash & Investments	Prior Month Ending Bal.	Cash Increase	Cash Decrease	Current Ending Bal.
General Fund*	\$ 13,915,528	\$ 4,341,866	\$ 5,588,659	\$ 12,668,735
General Fund Reserve*	6,919,626	22,932	-	6,942,558
Street*	11,718,756	1,228,461	1,614,048	11,333,169
Arterial, Paths - Street Funds	714,927	49,778	531,372	233,333
Technology Replacement and Reserve*	2,188,953	7,209	40,942	2,155,220
Park Acquisition & Capital Maintenance	4,544,861	15,502	27,800	4,532,563
Library Gift	26,514	2,012	323	28,203
Settlement Funds	2,384,194	7,886	7,741	2,384,339
Real Estate Excise Tax Funds	8,898,435	331,097	418,942	8,810,590
Police Special Revenue Funds	936,271	68,190	8,815	995,646
Public Safety Dispatch	2,026,982	126,139	337,318	1,815,803
Park Funds	9,623,961	52,016	264,980	9,410,997
Tourism	448,784	95,563	92,873	451,474
Community Development Block Grant	400,805	214,234	567,894	47,145
Home Investment Partnership Grant	(20,412)	20,412	37,629	(37,629)
Debt & LID Funds	620,734	77,585	15,247	683,072
Construction- Civic Field	315,777	3,012	50,230	268,559
Water	4,380,821	1,193,477	1,414,481	4,159,817
Wastewater	13,545,321	1,312,898	1,346,557	13,511,662
Storm/Surface Water Utility	4,063,693	456,725	384,079	4,136,339
Solid Waste	6,598,207	160,105	85,397	6,672,915
Cemetery	84,669	48,769	58,608	74,830
Golf Course	103,943	24,065	13,946	114,062
Parking Services	2,320,757	185,980	160,560	2,346,177
Medic One	1,537,346	682,041	472,279	1,747,108
Development Services*	934,588	216,265	248,459	902,394
Fleet Administration*	8,394,317	2,530,598	2,423,227	8,501,688
Purchasing/Material Management	567,303	169,224	174,119	562,408
Facilities Administration	1,321,996	180,602	157,267	1,345,331
Telecommunications	581,008	31,315	36,311	576,012
Claims and Litigation*	4,946,755	81,334	323,078	4,705,011
Unemployment Compensation*	249,019	824	140	249,703
Workers Comp Self-Insurance*	871,798	54,500	60,194	866,104
Health Benefits*	1,352,028	867,536	831,080	1,388,484
Fire and Police Pension Funds	8,435,694	174,566	185,421	8,424,839
Trust & Deposit Funds	599,981	961,545	981,643	579,883
Payroll & Accounts Payable Funds	3,612,912	14,793,834	14,663,321	3,743,425
Greenways Endowment	2,792,622	10,650	1,433	2,801,839
Natural Resources Protect & Restore	4,648,471	15,404	4,870	4,659,005
Total Cash & Investments	137,607,945	30,816,151	33,631,283	134,792,813
<i>* Funds with City Council approved budget reserve goals.</i>				
Restricted Cash & Investments -Debt, Construction				
Civic Field (Restricted for Debt & Construction)	441,315	-	516	440,799
Water (Restricted for Debt & Construction)	10,122,634	389,180	104,584	10,407,230
Wastewater (Restricted for Debt & Constr)	6,326,223	259,451	7,179	6,578,495
Solid Waste (Restricted for Debt & Constr)	215,022	83,136	25,272	272,886
Cemetery - Preneed Trust & Endowed Care	481,018	2,099	3,890	479,227
Parking - Restricted for Debt Svc P&I	99,190	11,021	-	110,211
Total Restricted	17,685,402	744,887	141,441	18,288,848
Total Funds Available	\$ 155,293,347	\$ 31,561,038	\$ 33,772,724	\$ 153,081,661
Discrete Component Unit (Restricted)				
Public Facilities District	\$ 2,381,471	\$ 2,928,383	\$ 1,864,334	\$ 3,445,520
Public Facilities District Construction	4,990,289	1,039,017	1,234,634	4,794,672
Total Public Facilities District Funds	\$ 7,371,760	\$ 3,967,400	\$ 3,098,968	\$ 8,240,192

July 2008
City of Bellingham
Investment Summary

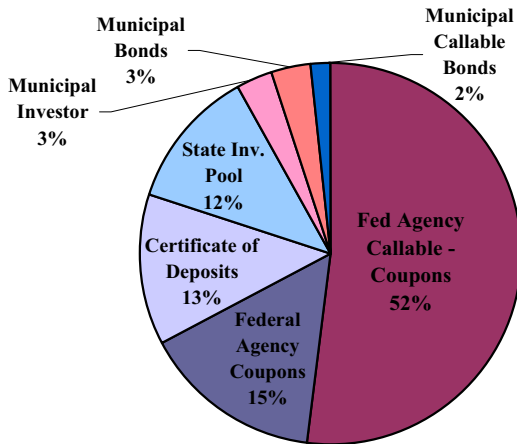
Portfolio Summary	Book Value	Term in Years	YTM/C 365Equiv.
Investments By Type			
State Investment Pool	\$ 19,417,700	0.0	2.28%
Municipal Investor	4,611,078	0.0	2.00%
Certificates of Deposit	20,000,000	0.5	2.87%
Federal Agency Issues - Coupon	24,445,181	2.2	3.83%
Federal Agency Callable Issues - Coupon	83,251,249	4.5	4.53%
Municipal Bonds	5,499,986	2.5	4.29%
Municipal Callable Bonds	2,656,822	3.0	5.02%
Investments - Total & Average	\$ 159,882,016	2.8	3.87%
Year to Date Interest Received	4,013,093		
Year to Date Interest Earned	\$ 4,080,475		
Effective Rate of Return on Interest Earned	4.44%		

Note: This report details all investments managed by the City of Bellingham including funds held by the PFD, which is legally separate from the City.

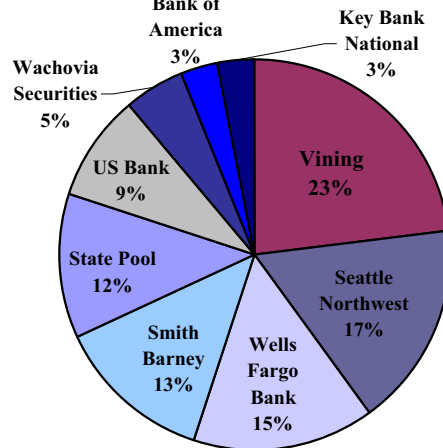
Investments By Issuer



Investments by Type



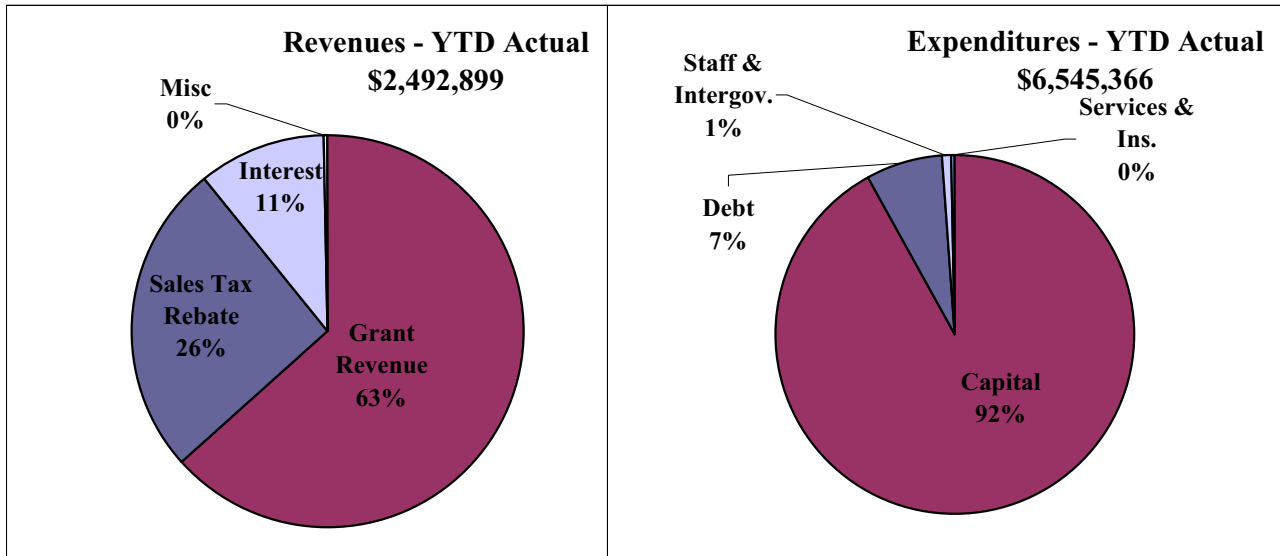
Investments by Dealer



Investment Activity Summary	Total Securities	Total Investment Book Value	YTM 365 Equivalent	State Pool Rate	2-Year Treasury	Fed Funds Rate
December 2003	64	\$ 104,748,821	2.46%	1.07%	1.91%	0.98%
December 2004	53	118,805,167	2.64%	2.07%	3.01%	2.16%
December 2005	59	130,861,089	3.48%	4.16%	4.40%	4.16%
December 2006	49	131,701,705	4.71%	5.21%	4.67%	5.24%
December 2007	52	157,866,765	4.87%	4.56%	3.12%	4.24%
March 2008	59	159,410,510	4.24%	3.14%	1.62%	2.61%
June 2008	56	161,825,117	3.80%	2.29%	2.77%	2.00%
July 2008	59	\$ 159,882,016	3.87%	2.28%	2.57%	2.01%

July 2008
Public Facilities District
Operating Statement

Public Facilities District		Prior YTD	Current YTD	Percent Change	Annual Budget	Percent Act/Bud
Budgeted Beginning Balance		\$ 4,778,049	\$ 11,775,339	146%	\$ 11,775,339	100%
Revenues						
Sales Tax Rebate	(1)	617,371	641,741	4	1,203,442	53
Interest Income		131,981	266,876	102	288,846	92
Other Income		12,278	3,630	-70	-	100
Intergovernmental Revenue		-	-	0	2,885,000	0
Grant Revenues		-	1,580,561	100	471,833	335
Misc Revenue		7	91	1200	-	100
Total Revenues		761,637	2,492,899	227	4,849,121	51
Operating Expenditures						
Salaries & Benefits	(2)	52,934	40,020	-24	80,505	50
Supplies & Miscellaneous		763	437	-43	5,029	9
Insurance		8,023	5,459	-32	9,400	58
Services-Professional, Repairs, Utilities		16,083	14,342	-11	62,277	23
Intergovernmental Services		10,794	11,124	3	18,839	59
Total Operating Expenditures		88,597	71,382	-19	176,050	41
Capital and Debt Expenditures						
Capital Costs		484,802	6,017,038	1141	13,488,442	45
Debt-Principal & Interest		203,823	456,946	124	1,067,273	43
Total Capital and Debt Expenditures		688,625	6,473,984	840	14,555,715	44
Total Expenditures		777,222	6,545,366	742	14,731,765	44
Projected/Budgeted Ending Balance		\$ 4,762,464	\$ 7,722,872	62%	\$ 1,892,695	408%



(1) Sales Tax Rebate of .033% of Countywide retail sales.
(2) PFD staffing levels were reduced from 1.0 FTE in 2007 to 0.5 FTE in 2008.
Management oversight was transferred to Planning.

The Bellingham-Whatcom Public Facilities District is a separate Washington municipal corporation and an independent taxing authority. Administrative services and financial management are provided through an interlocal agreement with the City of Bellingham.