

CITY OF BELLINGHAM

AUGUST 2008 FINANCIAL REPORT

Highlights

- Citywide revenues of \$139.2 million are 61% of the annual budget. Operating expenditures of \$94.1 million are 55% of the annual budget. Capital expenditures of \$24.8 million are 23% of the capital budget.
- General Fund revenues of \$44 million are 66% of the annual budget. General Fund operating expenditures of \$41.9 million are 60% of the annual budget.
- The City had \$152.8 million invested, earning an average of 4.37%, 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>

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Citywide – Cash & Investments			Citywide – Investment Interest Received			General Fund Total Expenditures 8/31/08		
8/31/2008	\$	152,889,628	8/31/2008	\$	4,363,687	Budget (Annualized)	\$	53,804,177
8/31/2007		141,190,072	8/31/2007		4,005,641	Actual to Date		50,135,511
Increase	8.3%	\$ 11,699,556	Increase	8.9%	\$ 358,046	Variance	6.8%	\$ 3,668,666
General Fund – Sales Tax Collected			General Fund - Utility Taxes Collected			General Fund - B & O Tax Collected		
8/31/2008	\$	6,247,808	8/31/2008	\$	8,933,380	8/31/2008	\$	8,748,738
8/31/2007		6,168,776	8/31/2007		8,407,411	8/31/2007		8,730,121
Increase	1.3%	\$ 79,032	Increase	6.3%	\$ 525,969	Increase	0.2%	\$ 18,617

City of Bellingham – 2009 budget Calendar

- | | |
|---|-----------------------|
| • Public hearing on revenues | Oct 20 |
| • Preliminary budget to Council | Oct 20 |
| • Departmental budget meetings | Nov 3 , Nov 10 |
| • Introduce property tax ordinance | Nov 3 |
| • Public hearing on budget | Nov 24 |
| • Introduce budget ordinance | Dec 8 |
| • Adopt property tax ordinance | Dec 8 |
| • Adopt budget ordinance | Dec 15 |

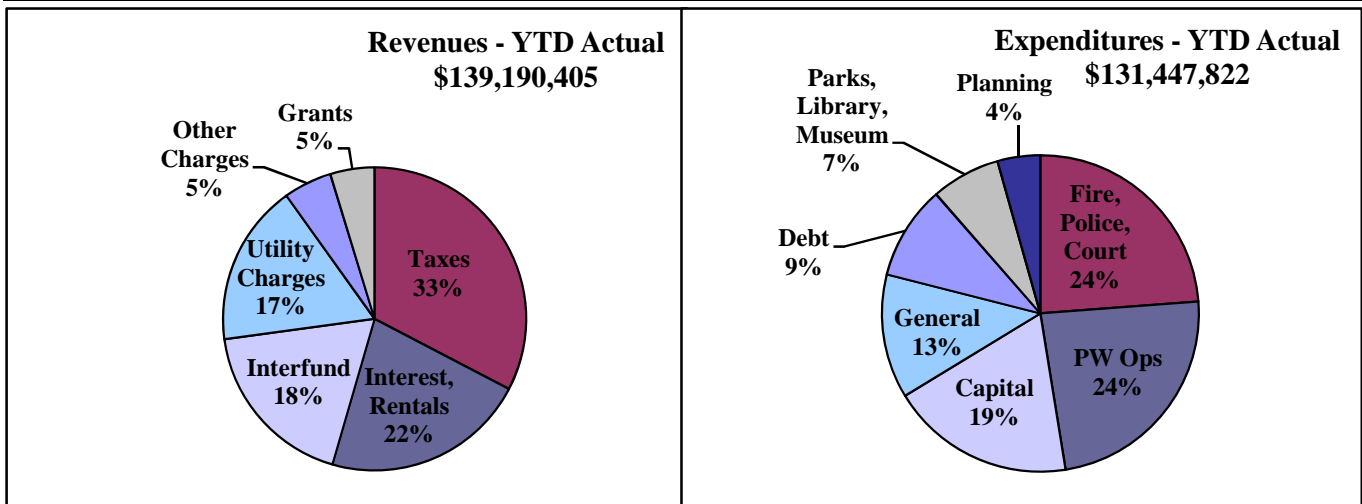
Please refer questions or comments on Financial Reports to: John Carter, Finance Director or Kipp Drummond, Accounting Manager

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

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

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

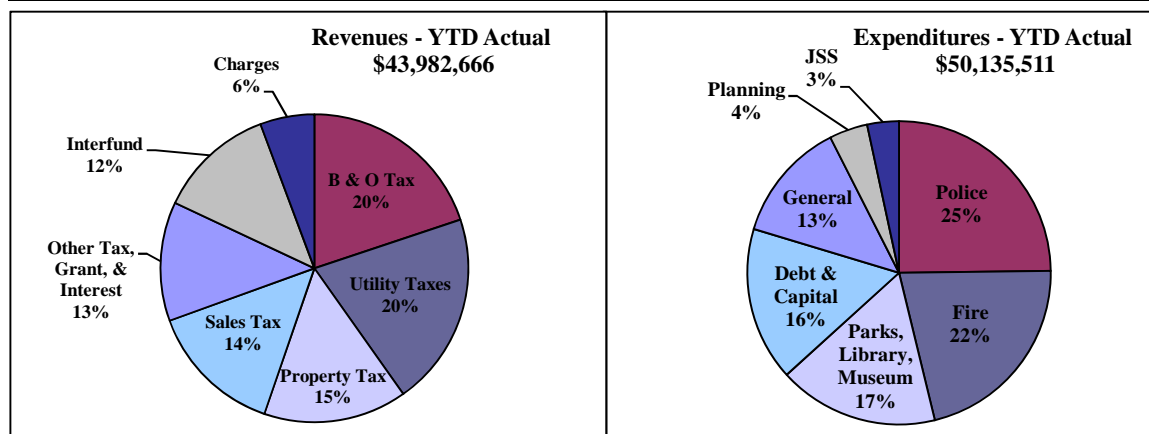
	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Budgeted Beginning Balance	\$ 122,619,638	\$ 139,937,693	14%	\$ 139,937,693	100%
Revenues					
Property Taxes	9,401,492	9,922,171	6	17,797,545	56
Sales Tax	12,259,625	12,468,282	2	19,864,000	63
B & O Tax	8,730,121	8,748,738	0	12,469,000	70
Utility Taxes	9,234,364	9,768,953	6	14,388,881	68
Other Taxes	(1) 5,444,619	4,532,906	-17	7,589,225	60
Grants, Entitlements, Revenue Sharing	(2) 8,310,496	6,565,150	-21	39,089,317	17
Utility Charges for Services	22,024,007	24,004,801	9	34,634,343	69
Other Charges, Fines, Permits, Licenses	(3) 10,558,485	7,193,094	-32	13,923,721	52
Interest, Rentals, Bonds, Other Revenues	(4) 17,178,438	30,411,462	77	31,815,229	96
Interfund Sales & Service	15,577,276	17,809,764	14	22,450,393	79
Interfund Loans & Transfers	(5) 4,019,869	7,765,084	93	12,898,770	60
Total Revenues	122,738,792	139,190,405	13	226,920,424	61
Operating Expenditures					
General Governmental Services	14,489,602	16,647,345	15	28,409,874	59
Fire, Police, Municipal Court	(5) 27,825,502	31,258,131	12	51,026,019	61
Public Works Operations	29,396,822	31,123,825	6	61,339,179	51
Planning, Hearing Examiner	(6) 5,023,018	5,736,626	14	12,842,465	45
Libraries, Museums, Parks	8,838,587	9,286,136	5	16,272,364	57
Total Operating Expenditures	85,573,531	94,052,063	10	169,889,901	55
Capital and Debt Expenditures					
Capital Expenditures	(4) 13,972,263	24,765,196	77	109,620,163	23
Debt Service, Loans, Transfers	8,896,005	12,630,563	42	20,795,810	61
Total Capital and Debt Expenditures	22,868,268	37,395,759	64	130,415,973	29
Total Expenditures	108,441,799	131,447,822	21	300,305,874	44
Projected/Budgeted Ending Balance	\$ 136,916,631	\$ 147,680,276	8%	\$ 66,552,243	222%



(1) 2008: Decrease in real estate excise taxes of \$698K through 8/31/2008.
(2) 2007: More grant funded activity in 2007 than 2008 including Sunset Drive project.
(3) 2007: Park Impact Fees \$1.36 million; Trillium Cordata Fee \$962K.
(4) 2008: Includes interfund purchase and sale of the Cornwall property (\$2.45 million in January) and Colony Wharf property (\$3.3 million in March) and an August bond issuance of \$6.04 million to purchase watershed property.
(2) 2008: Interfund loan between fire and pension funds resulting in a revenue and expense of \$2.25 million for fire truck
(6) 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.

August 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	6,280,920	6,631,661	6	11,896,000	56	
Sales Tax	6,168,776	6,247,808	1	9,934,000	63	
B & O Tax	8,730,121	8,748,738	0	12,469,000	70	
Utility Taxes	8,407,411	8,933,380	6	13,108,881	68	
Other Taxes	2,068,969	2,081,604	1	2,842,955	73	
Grants, Entitlements, Revenue Sharing	1,119,488	1,156,423	3	2,937,073	39	
Charges, Fines, Permits, Licenses	2,641,267	2,505,503	-5	4,138,613	61	
Interest, Rentals, Bonds, Other Revenues	(1)	3,943,605	2,263,986	-43	1,414,532	160
Interfund Sales & Service		3,662,108	2,731,502	-25	4,184,134	65
Interfund Loans & Transfers	(2)	1,023,866	2,682,061	162	3,254,181	82
Total Revenues	44,046,531	43,982,666	0	66,179,369	66	
Operating Expenditures						
Executive	(3)	1,362,097	1,059,231	-22	3,322,407	32
Legislative		214,468	296,169	38	468,872	63
Hearings Examiner		108,129	116,466	8	188,245	62
Museum		953,652	1,000,125	5	1,662,398	60
Library		2,206,653	2,564,437	16	3,959,511	65
Finance	(3), (4)	1,075,693	1,872,800	74	2,712,606	69
Human Resources		853,704	842,344	-1	1,672,723	50
Information Technology		1,427,473	1,498,348	5	2,621,486	57
Legal		820,244	885,395	8	1,473,976	60
Judicial & Support Services	(5)	2,475,897	1,699,869	-31	3,029,178	56
Parks & Recreation		4,547,699	4,983,963	10	8,028,250	62
Planning & Community Development		2,066,056	1,929,974	-7	4,261,879	45
Fire	(2)	8,398,914	10,735,396	28	16,562,204	65
Police	(5)	10,382,048	12,434,039	20	20,220,553	61
Total Operating Expenditures	36,892,727	41,918,556	14	70,184,288	60	
Capital and Debt Expenditures						
Capital Expenditures	(6)	491,679	5,925,345	1105	6,852,687	86
Debt Service, Loans, Transfers		2,410,958	2,291,610	-5	3,669,291	62
Total Capital and Debt Expenditures	2,902,637	8,216,955	183	10,521,978	78	
Total Expenditures	39,795,364	50,135,511	26	80,706,266	62	
Projected/Budgeted Ending Balance	\$ 20,733,320	\$ 19,328,473	-7%	\$ 10,954,421	176%	



- (1) 2007: \$3 million insurance settlement.
(2) 2008: Interfund loan between fire and pension funds resulting in a revenue and expense of \$2.25 million for fire truck replacements.
(3) 2007: Waterfront Development management expenses - \$858K. Additionally, budget activity costs were previously accounted for in Executive Group and are currently accounted for in Finance Group.
(4) 2008: Finance expenditures include one time costs related to purchase of Cornwall property (\$251K - 1/23/08) and one time costs related to the purchase of Colony Wharf property (\$339K - 3/08).
(5) 2008: City payments to Whatcom County were previously accounted for in Municipal Court and currently accounted for in Police - \$951K.
(6) 2008: Cornwall property purchase of \$2.45 million and Colony Wharf property purchase of \$3.3 million.

August 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 8/31/08		\$ 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.

August 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	1,056,970	978,570	-7	1,252,620	78
Expenditures*	358,812	607,965	69	5,555,335	11
Projected/Budgeted Ending Balance	\$ 7,322,102	\$ 6,656,217	-9%	\$ 1,982,897	336%

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

Settlement Funds #130					
Budgeted Beginning Balance	\$ 2,324,140	\$ 1,356,803	-42%	\$ 1,356,803	100%
Revenues	127,878	1,117,517	774	1,163,010	96
Expenditures*	782,625	75,081	-90	2,204,503	3
Projected/Budgeted Ending Balance	\$ 1,669,393	\$ 2,399,239	44%	\$ 315,310	761%

* 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	2,778,417	2,080,821	-25	6,345,359	33
Expenditures	1,920,980	2,453,628	28	13,732,801	18
Projected/Budgeted Ending Balance	\$ 9,317,257	\$ 8,678,313	-7%	\$ 1,663,678	522%

Police Special Rev Funds #150					
Budgeted Beginning Balance	\$ 710,107	\$ 685,361	-3%	\$ 685,361	100%
Revenues	353,394	399,436	13	342,418	117
Expenditures*	335,554	88,391	-74	398,620	22
Projected/Budgeted Ending Balance	\$ 727,947	\$ 996,406	37%	\$ 629,159	158%

*2008 Expenditures reflect decrease in federal equitable distribution related seizures. Additionally, while 2007 includes settlements paid of \$100,000, no settlements have been paid in 2008.

Public Safety Dispatch Fund #160					
Budgeted Beginning Balance	\$ 1,802,630	\$ 2,033,803	13%	\$ 2,033,803	100%
Revenues	2,374,139	2,210,074	-7	3,926,491	56
Expenditures	2,492,476	2,609,775	5	4,195,513	62
Projected/Budgeted Ending Balance	\$ 1,684,293	\$ 1,634,102	-3%	\$ 1,764,781	93%

Parks Funds #170 (includes Beyond Greenways III & Park Impact Fees)					
Budgeted Beginning Balance	\$ 4,593,445	\$ 8,890,121	94%	\$ 8,890,121	100%
Revenues*	3,288,456	2,214,176	-33	5,728,860	39
Expenditures	1,266,681	2,340,011	85	13,401,826	17
Projected/Budgeted Ending Balance	\$ 6,615,220	\$ 8,764,286	32%	\$ 1,217,155	720%

* 2008 revenues reflect \$432K of park impact fee refunds.

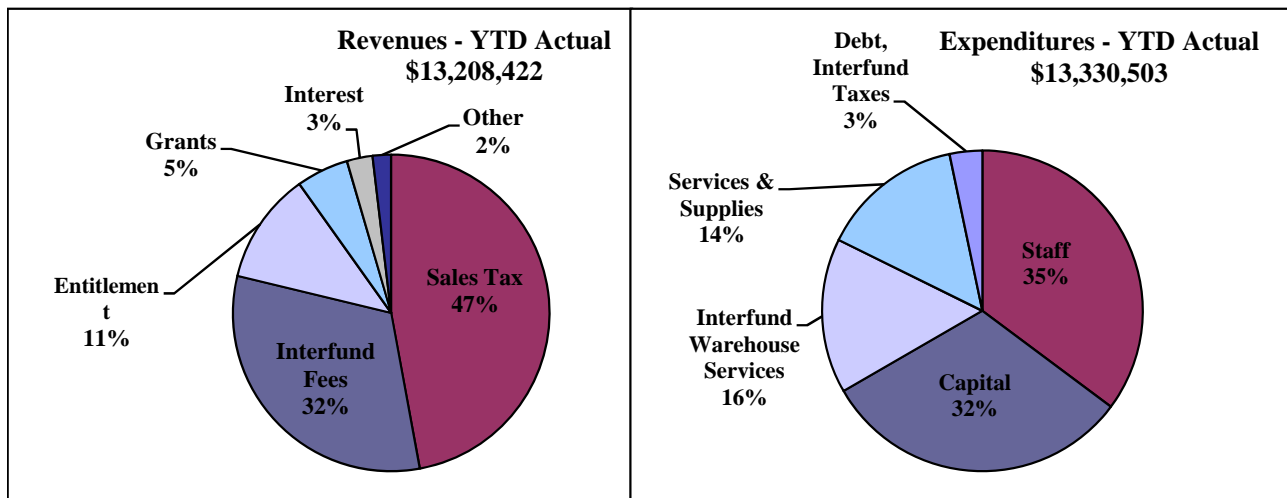
Tourism Fund #180					
Budgeted Beginning Balance	\$ 326,872	\$ 383,171	17%	\$ 383,171	100%
Revenues	605,555	660,089	9	1,007,491	66
Expenditures	500,418	532,557	6	1,148,580	46
Projected/Budgeted Ending Balance	\$ 432,009	\$ 510,703	18%	\$ 242,082	211%

Community Development Grants Fund #190 & 191					
Budgeted Beginning Balance	\$ 807,469	\$ 451,483	-44%	\$ 451,483	100%
Revenues	641,299	784,124	22	4,149,227	19
Expenditures*	763,451	1,245,961	63	4,298,497	29
Projected/Budgeted Ending Balance	\$ 685,317	\$ (10,354)	-102%	\$ 302,213	-3%

*2008 Expenditures include increases in revolving loan distributions and home fund grants, as well as the Birchwood Park land purchase.

August 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	6,090,849	6,220,475	2	9,930,000	63
Federal/State Grants	1,121,308	704,839	-37	18,038,662	4
Entitlements	(1) 1,348,584	1,503,520	11	3,049,079	49
Interfund Fees	4,105,725	4,183,391	2	6,189,054	68
Investment Interest	356,420	347,956	-2	660,863	53
Other Revenues	(2) 1,237,636	202,547	-84	1,087,390	19
Other Financing Sources	40,000	45,694	14	51,194	89
Total Revenues	14,300,522	13,208,422	-8	39,006,242	34
Operating Expenditures					
Salaries, Wages & Benefits	4,495,907	4,693,487	4	7,555,311	62
Supplies	375,094	446,130	19	842,991	53
Services-Professional, Repairs, Utilities	1,450,770	1,477,358	2	3,415,948	43
Intergovernmental Services, Taxes, & Fees	233,584	211,521	-9	353,580	60
Interfund-Warehouse & Services	1,797,831	2,081,643	16	3,071,192	68
Total Operating Expenditures	8,353,186	8,910,139	7	15,239,022	58
Capital and Debt Expenditures					
Capital Outlay	4,096,296	4,193,958	2	32,947,641	13
Debt-(Principal & Interest), Interfund Loans, & Transfers	525,029	226,406	-57	354,820	64
Total Capital and Debt Expenditures	4,621,325	4,420,364	-4	33,302,461	13
Total Expenditures	12,974,511	13,330,503	3	48,541,483	27
Projected/Budgeted Ending Balance	\$ 11,623,051	\$ 10,949,520	-6%	\$ 1,536,360	713%



(1) 2007: Sunset drive and other grant projects completed in 2007. There were no similar grants completed during 2008.

(2) 2007: Trillium Cordata Fee \$962K.

August 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	3,379,189	3,361,605	-1	5,462,343	62
Expenses	2,376,690	2,794,447	18	7,832,083	36
Projected/Budgeted Ending Balance	\$ 3,518,307	\$ 4,165,712	18%	\$ 1,228,814	339%

Solid Waste Fund #440					
Budgeted Beginning Balance	\$ 1,937,143	\$ 2,534,269	31%	\$ 2,534,269	100%
Revenues*	2,006,140	7,489,991	273	8,332,981	90
Expenses	1,269,991	3,077,738	142	4,719,481	65
Projected/Budgeted Ending Balance	\$ 2,673,292	\$ 6,946,522	160%	\$ 6,147,769	113%

*2008: Includes January sale of Cornwall property (\$2.5 million) and March sale Colony Wharf property (\$3.3 million).

Cemetery Fund #456					
Budgeted Beginning Balance	\$ 444,397	\$ 404,284	-9%	\$ 404,284	100%
Revenues	422,698	408,226	-3	604,320	68
Expenses	426,249	418,857	-2	619,300	68
Projected/Budgeted Ending Balance	\$ 440,846	\$ 393,653	-11%	\$ 389,304	101%

Golf Course Fund #460					
Budgeted Beginning Balance	\$ 91,244	\$ 58,450	-36%	\$ 58,450	100%
Revenues *	603,636	127,608	-79	181,800	70
Expenses	441,322	62,003	-86	176,467	35
Projected/Budgeted Ending Balance	\$ 253,558	\$ 124,055	-51%	\$ 63,783	194%

* Beginning 1/1/2008, the Golf Course is now leased and operated by a private contractor. Consequently, related revenues and expenses are expected to substantially decrease over the prior year.

Development Services Fund #475					
Budgeted Beginning Balance	\$ 836,211	\$ 1,215,916	45%	\$ 1,215,916	100%
Revenues	2,140,827	1,640,316	-23	2,832,556	58
Expenses	1,713,262	1,995,894	16	3,295,135	61
Projected/Budgeted Ending Balance	\$ 1,263,776	\$ 860,338	-32%	\$ 753,337	114%

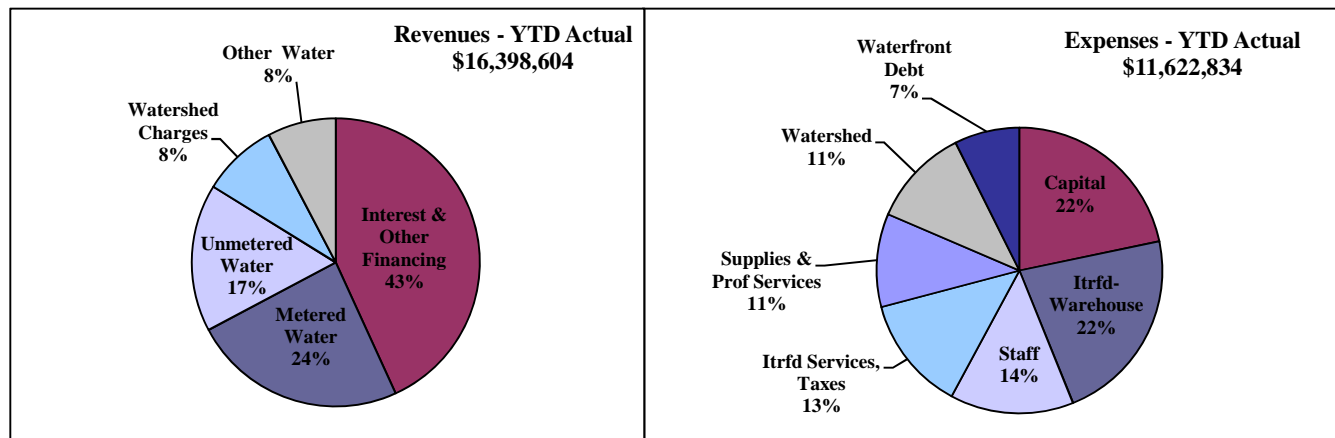
<i>Development Services Activity YTD</i>	<u>2007</u>	<u>2008</u>
<i>Permits*</i>	721	561
<i>Units</i>	429	143
<i>Valuation (\$millions)**</i>	\$164.4	\$99.3

*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.

August 2008
City of Bellingham
Water Fund Operating Statement

Water Fund #410, Enterprise	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Budgeted Beginning Balance - Water Operations	\$ 14,603,567	\$ 14,775,877	1%	\$ 14,775,877	100%
Revenues					
Unmetered Water	2,485,365	2,718,713	9	4,150,000	66
Metered Water	3,488,869	3,945,872	13	5,720,220	69
Other Water System Charges (1)	1,990,462	1,259,941	-37	3,005,843	42
Investment Interest	462,856	437,329	-6	842,684	52
Other Revenues	677,303	579,480	-14	2,163,000	27
Other Financing Sources	-	-	0	2,720,000	0
Total Revenues	9,104,855	8,941,335	-2	18,601,747	48
Operating Expenses					
Salaries, Wages & Benefits	1,442,329	1,626,847	13	2,543,515	64
Supplies & Services-Professional, Repairs, Utilities	1,065,885	1,227,363	15	3,403,554	36
Intergovernmental Services, Taxes, & Fees	1,432,644	1,510,985	5	2,498,736	60
Interfund-Warehouse & Services	2,459,257	2,576,514	5	3,904,215	66
Total Operating Expenses	6,400,115	6,941,709	8	12,350,020	56
Capital and Debt Expenses					
Capital Outlay	1,404,991	2,524,773	80	15,965,185	16
Debt-(Principal & Interest), Interfund Loans, & Transfers	829,429	856,122	3	1,244,416	69
Total Capital and Debt Expenses	2,234,419	3,380,894	51	17,209,601	20
Total Expenses	8,634,534	10,322,603	20	29,559,621	35
Projected/Budgeted Ending Balance - Water Operations	\$ 15,073,887	\$ 13,394,609	-11%	\$ 3,818,003	351%
Budgeted Beginning Balance - Watershed Activity					
	\$ 1,273,132	\$ 216,138	-83%	\$ 216,138	100%
Revenues					
Watershed Charges	1,355,273	1,381,463	2	2,080,000	66
Demand Charges	-	12,771	100	-	100
Investment Interest & Other Revenue	36,793	23,035	-37	92,140	25
Other Financing Sources (2)	-	6,040,000	100	-	100
Total Revenues	1,392,066	7,457,269	436	2,172,140	343
Operating Expenses					
Supplies & Services	1,976	18,637	843	165,660	11
Intergovernmental Services, Taxes, & Fees	265,998	260,048	-2	422,790	62
Total Operating Expenses	267,974	278,685	4	588,450	47
Capital and Debt Expenses					
Capital Outlay (3)	814,106	459,012	-44	1,096,568	42
Debt-(Principal & Interest), Interfund Loans, & Transfers	532,514	562,533	6	618,667	91
Total Capital and Debt Expenses	1,346,621	1,021,546	-24	1,715,235	60
Total Expenses	1,614,595	1,300,231	-19	2,303,685	56
Projected/Budgeted Ending Balance - Watershed	\$ 1,050,604	\$ 6,373,176	507%	\$ 84,593	7534%
Projected/Budgeted Ending Balance - Water/Watershed Combined	\$ 16,124,491	\$ 19,767,785	23%	\$ 3,902,596	507%



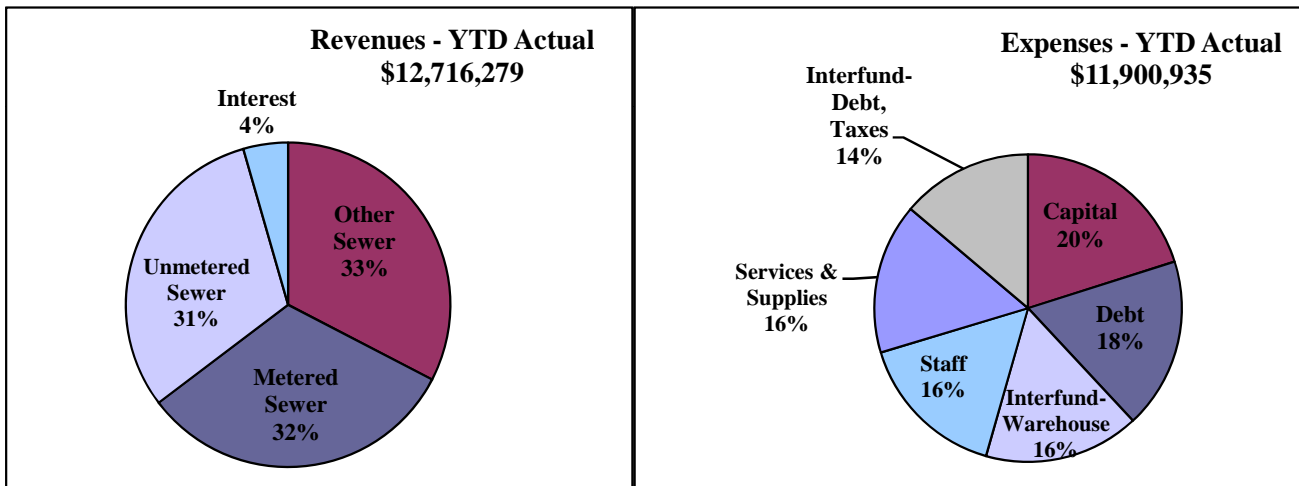
(1) 2008: Demand fees from new construction decreased \$626K from 2007 due to a decrease in new construction.

(2) 2008: \$6.04 million bond issue to purchase watershed land

(3) 2007: Watershed land acquisition - \$810K.

August 2008
City of Bellingham
Wastewater Fund Operating Statement

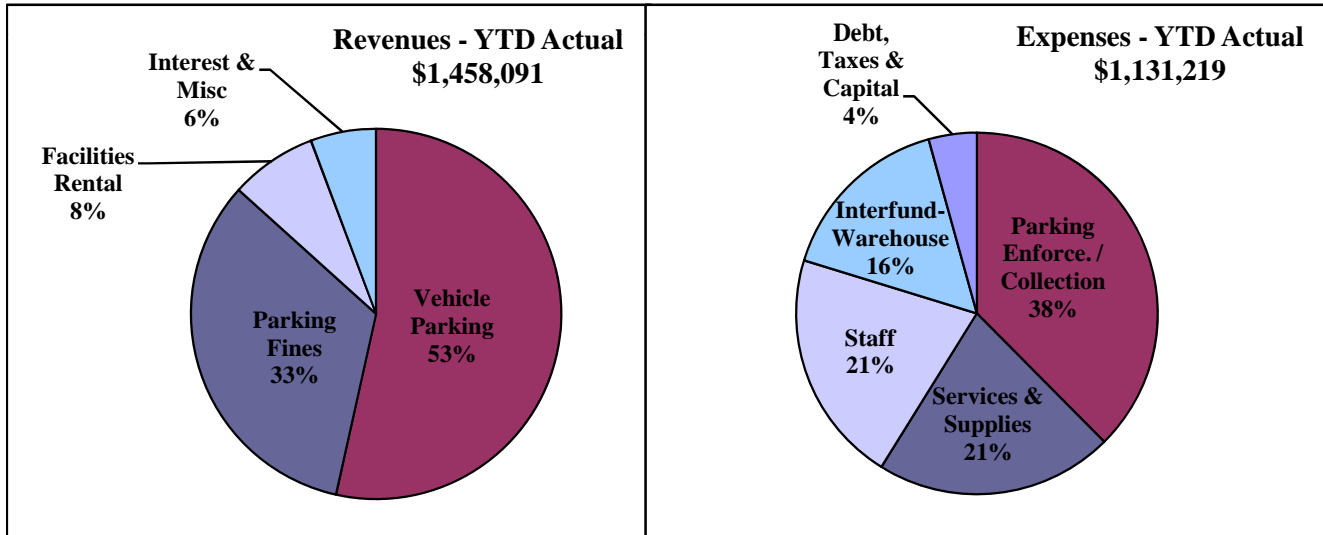
Wastewater Fund #420, Enterprise	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Budgeted Beginning Balance	\$ 17,142,252	\$ 17,761,257	4%	\$ 17,761,257	100%
Revenues					
Unmetered Sewer	3,653,796	3,921,906	7	5,716,250	69
Metered Sewer	3,599,836	4,078,472	13	6,020,176	68
Investment Interest	590,038	567,699	-4	1,131,043	50
Other Revenues	3,279,183	4,148,202	27	3,905,471	106
Total Revenues	11,122,853	12,716,279	14	16,772,940	76
Operating Expenses					
Salaries, Wages & Benefits	1,786,270	1,895,953	6	3,010,565	63
Supplies	411,180	443,948	8	662,819	67
Services-Professional, Repairs, Utilities	1,343,396	1,439,003	7	3,496,131	41
Intergovernmental Services, Taxes, & Fees	1,332,404	1,647,387	24	2,165,168	76
Interfund-Warehouse & Services	1,745,659	1,946,942	12	2,978,384	65
Total Operating Expenses	6,618,909	7,373,233	11	12,313,067	60
Capital and Debt Expenses					
Capital Outlay	1,117,191	2,393,523	114	13,163,500	18
Debt-(Principal & Interest), Interfund Loans, & Transfers	2,193,807	2,134,179	-3	2,220,840	96
Total Capital and Debt Expenses	3,310,998	4,527,702	37	15,384,340	29
Total Expenses	9,929,907	11,900,935	20	27,697,407	43
Projected/Budgeted Ending Balance	\$ 18,335,198	\$ 18,576,601	1%	\$ 6,836,790	272%



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 \$2,351,923. 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 8/31/08, the ratio is estimated at 6.95.

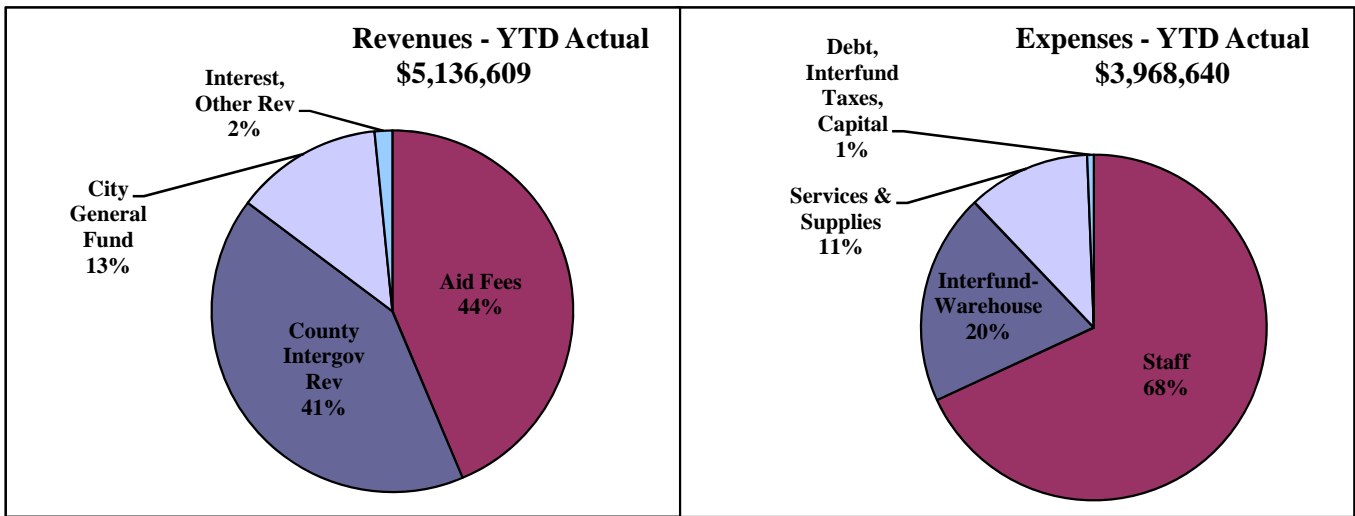
August 2008
City of Bellingham
Parking Services Fund Operating Statement

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	817,165	779,953	-5	1,493,306	52
Parking Infraction Fines	597,998	484,010	-19	927,998	52
Facilities Rental	95,212	110,611	16	130,111	85
Investment Interest	47,027	68,163	45	52,676	129
Miscellaneous Revenues	14,799	15,354	4	19,700	78
Total Revenues	1,572,201	1,458,091	-7	2,623,791	56
Operating Expenses					
Salaries, Wages & Benefits	196,981	236,377	20	409,639	58
Supplies	27,207	70,786	160	101,574	70
Services-Professional, Repairs, Utilities	113,128	170,213	50	817,405	21
Intergovernmental Services, Taxes, & Fees	6,131	5,932	-3	8,375	71
Parking Infraction Enforcement/Collection	395,891	424,727	7	-	100
Interfund-Warehouse & Services	205,928	180,324	-12	209,840	86
Total Operating Expenses	945,266	1,088,359	15	1,546,833	70
Capital and Debt Expenses					
Capital Outlay	72	28,024	38822	1,952,365	1
Debt-(Principal & Interest), Interfund Loans, & Transfers	17,328	14,836	-14	769,344	2
Total Capital and Debt Expenses	17,400	42,860	146	2,721,709	2
Total Expenses	962,666	1,131,219	18	4,268,542	27
Projected/Budgeted Ending Balance	\$ 1,816,919	\$ 2,229,774	23%	\$ 258,151	864%



August 2008
City of Bellingham
Medic One Fund Operating Statement

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Medic One Fund #470, Enterprise					
Budgeted Beginning Balance	\$ 553,749	\$ 579,521	5%	\$ 579,521	100%
Revenues					
Special Purpose Tax	(1) 380,590	397,467	4	528,150	75
Less Transfers of Special Purpose Tax to Whatcom Cty	(1)(a) (380,590)	(397,467)	4	(528,150)	75
Ambulance & Emergency Aid Fees	2,155,063	2,242,245	4	3,353,542	67
City of Bellingham - General Fund	670,595	677,301	1	1,015,951	67
Intergovernmental Revenue - Whatcom County & others	(2) 1,649,592	2,136,211	29	3,093,766	69
Investment Interest	39,555	49,569	25	77,628	64
Other Revenues & Financing Sources	110,482	31,283	-72	1,000	3128
Total Revenues	4,625,287	5,136,609	11	7,541,887	68
Operating Expenses					
Salaries, Wages & Benefits	2,669,231	2,703,201	1	4,915,917	55
Supplies	232,792	284,101	22	568,800	50
Services-Professional, Repairs, Utilities	238,384	171,692	-28	448,905	38
Intergovernmental Services, Taxes, & Fees	15,676	13,864	-12	33,894	41
Interfund-Warehouse & Services	681,514	784,697	15	1,316,603	60
Total Operating Expenses	3,837,597	3,957,555	3	7,284,119	54
Capital Expense					
Capital Outlay	37,449	11,085	-70	282,363	4
Total Capital Expense	37,449	11,085	-70	282,363	4
Total Expenses	3,875,046	3,968,640	2	7,566,482	52
Projected/Budgeted Ending Balance	\$ 1,303,990	\$ 1,747,490	34%	\$ 554,926	315%



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

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

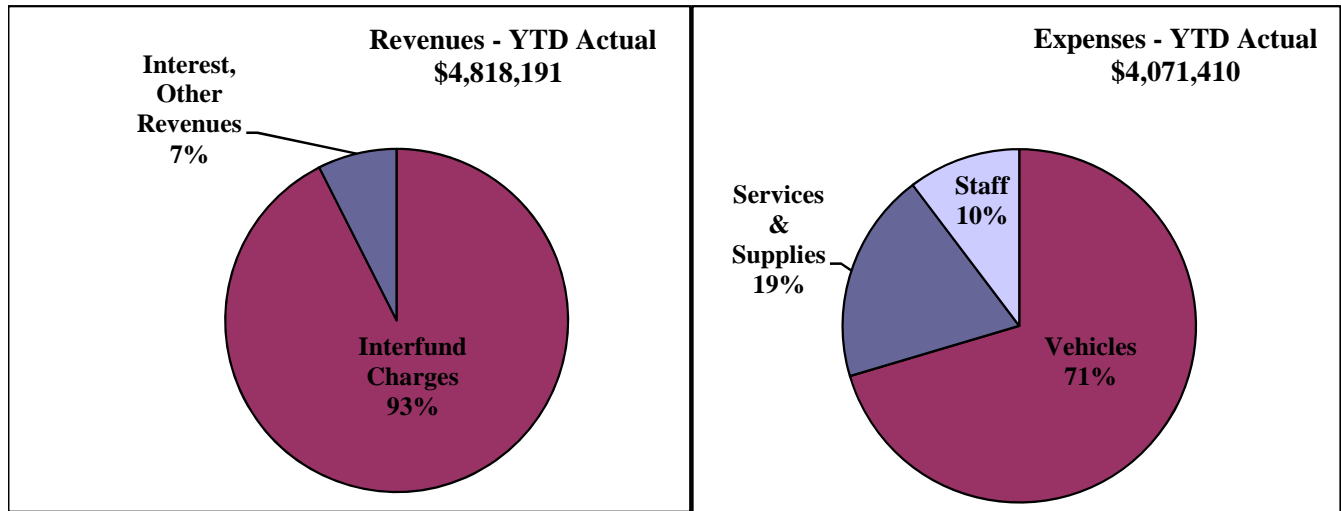
(2) 2008: Per Interlocal Agreement, Whatcom County has contributed \$909K from, its General Fund and \$1.15 million from its Whatcom County EMS Fund.

August 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	1,462,692	1,447,299	-1	1,919,239	75
Expenses	1,434,740	1,377,740	-4	2,147,213	64
Projected/Budgeted Ending Balance	\$ 599,030	\$ 498,187	-17%	\$ 200,654	248%
Facilities Administration Fund #530					
Budgeted Beginning Balance	\$ 1,016,920	\$ 1,198,122	18%	\$ 1,198,122	100%
Revenues	1,511,336	1,478,858	-2	2,145,160	69
Expenses	1,343,604	1,310,539	-2	2,864,235	46
Projected/Budgeted Ending Balance	\$ 1,184,652	\$ 1,366,441	15%	\$ 479,047	285%
Telecommunication Fund #540					
Budgeted Beginning Balance	\$ 490,180	\$ 955,032	95%	\$ 955,032	100%
Revenues	302,876	301,505	0	427,276	71
Expenses	565,644	718,387	27	1,299,978	55
Projected/Budgeted Ending Balance	\$ 227,412	\$ 538,150	137%	\$ 82,330	654%
Claims & Litigation Fund #550					
Budgeted Beginning Balance	\$ 4,871,114	\$ 4,944,015	1%	\$ 4,944,015	100%
Revenues	601,782	670,557	11	1,125,617	60
Expenses *	554,642	873,902	58	1,107,659	79
Projected/Budgeted Ending Balance	\$ 4,918,254	\$ 4,740,670	-4%	\$ 4,961,973	96%
* 2008: Change in property insurance carrier and renewal date resulted in premiums being paid through 6/09-\$127K.					
Unemployment Compensation Fund #561					
Budgeted Beginning Balance	\$ 330,295	\$ 275,296	-17%	\$ 275,296	100%
Revenues	9,767	7,872	-19	18,509	43
Expenses	37,134	41,699	12	122,005	34
Projected/Budgeted Ending Balance	\$ 302,928	\$ 241,469	-20%	\$ 171,800	141%
Worker's Comp Self-Insurance Fund #562					
Budgeted Beginning Balance	\$ 750,020	\$ 913,892	22%	\$ 913,892	100%
Revenues	515,365	417,751	-19	604,129	69
Expenses	377,253	455,604	21	737,783	62
Projected/Budgeted Ending Balance	\$ 888,132	\$ 876,039	-1%	\$ 780,238	112%
Health Benefits Fund #565					
Budgeted Beginning Balance	\$ 1,133,532	\$ 1,272,460	12%	\$ 1,272,460	100%
Revenues	5,915,372	6,746,323	14	10,071,102	67
Expenses	5,837,803	6,617,586	13	10,315,546	64
Projected/Budgeted Ending Balance	\$ 1,211,101	\$ 1,401,197	16%	\$ 1,028,016	136%

August 2008
City of Bellingham
Fleet Fund Operating Statement

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Fleet Fund #510, Internal Service					
Budgeted Beginning Balance	\$ 5,614,972	\$ 5,675,532	1%	\$ 5,675,532	100%
Revenues					
Operating Revenues - Interfund	(1) 1,678,383	4,458,376	166	5,476,297	81
Investment Interest	168,735	186,496	11	291,462	64
Other Miscellaneous Revenues	2,284	10,696	368	-	100
Other Financing Sources	58,342	162,623	179	350,000	46
Total Revenues	1,907,744	4,818,191	153	6,117,759	79
Operating Expenses					
Salaries, Wages & Benefits	390,688	419,642	7	653,739	64
Supplies	173,405	214,978	24	305,160	70
Services-Professional, Repairs, Utilities	120,189	142,004	18	203,458	70
Interfund-Parts, Services & Supplies	434,222	427,666	-2	639,582	67
Total Operating Expenses	1,118,504	1,204,290	8	1,801,939	67
Capital Expense					
Capital Outlay - Vehicles & Equipment	(1) 683,516	2,867,120	319	5,128,517	56
Total Capital Expense	683,516	2,867,120	319	5,128,517	56
Total Expenses	1,802,020	4,071,410	126	6,930,456	59
Projected/Budgeted Ending Balance	\$ 5,720,696	\$ 6,422,313	12%	\$ 4,862,835	132%



(1) 2008: Purchase and sale to general fund of fire truck replacements- \$2.25 million.

August 2008
City of Bellingham
Cash and Investments Report

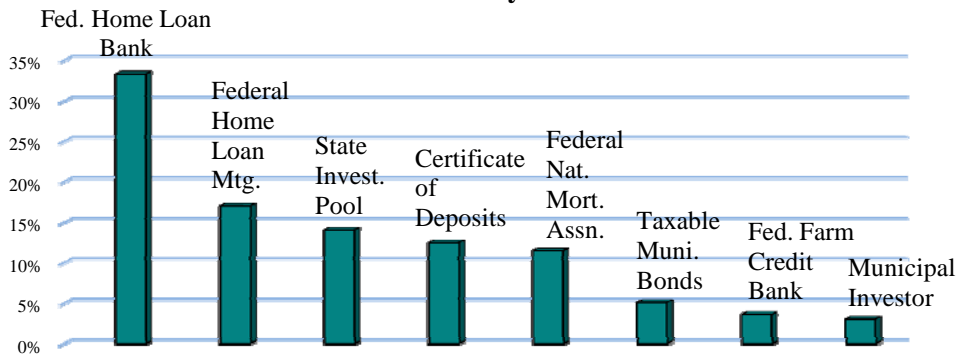
Unrestricted-Cash & Investments	Prior Month Ending Bal.	Cash Increase	Cash Decrease	Current Ending Bal.
General Fund*	\$ 12,668,735	\$ 4,675,659	\$ 5,879,232	\$ 11,465,162
General Fund Reserve*	6,942,558	25,045	-	6,967,603
Street*	11,333,169	1,782,291	1,337,970	11,777,490
Arterial, Paths - Street Funds	233,333	46,111	16,657	262,787
Technology Replacement and Reserve*	2,155,220	7,661	53,779	2,109,102
Park Acquisition & Capital Maintenance	4,532,563	16,314	22,302	4,526,575
Library Gift	28,203	9,497	3,206	34,494
Settlement Funds	2,384,339	9,466	24,602	2,369,203
Real Estate Excise Tax Funds	8,810,590	430,769	517,852	8,723,507
Police Special Revenue Funds	995,646	16,711	13,523	998,834
Public Safety Dispatch	1,815,803	127,613	313,287	1,630,129
Park Funds	9,410,997	189,623	721,879	8,878,741
Tourism	451,474	108,374	49,145	510,703
Community Development Block Grant	47,145	242,609	208,642	81,112
Home Investment Partnership Grant	(37,629)	46,313	82,128	(73,444)
Debt & LID Funds	683,072	75,200	15,247	743,025
Construction- Civic Field	268,559	454,393	471,744	251,208
Water	4,159,817	1,166,597	1,493,850	3,832,564
Wastewater	13,511,662	1,491,082	1,351,495	13,651,249
Storm/Surface Water Utility	4,136,339	391,895	410,444	4,117,790
Solid Waste	6,672,915	135,983	135,236	6,673,662
Cemetery	74,830	60,928	60,254	75,504
Golf Course	114,062	24,132	14,078	124,116
Parking Services	2,346,177	188,884	138,799	2,396,262
Medic One	1,747,108	642,207	565,801	1,823,514
Development Services*	902,394	193,228	233,028	862,594
Fleet Administration*	8,501,688	263,708	2,316,422	6,448,974
Purchasing/Material Management	562,408	144,536	129,845	577,099
Facilities Administration	1,345,331	174,068	139,804	1,379,595
Telecommunications	576,012	19,885	55,301	540,596
Claims and Litigation*	4,705,011	73,475	37,134	4,741,352
Unemployment Compensation*	249,703	890	9,123	241,470
Workers Comp Self-Insurance*	866,104	56,645	53,236	869,513
Health Benefits*	1,388,484	863,327	854,684	1,397,127
Fire and Police Pension Funds	8,424,839	175,615	176,819	8,423,635
Trust & Deposit Funds	579,883	747,511	644,057	683,337
Payroll & Accounts Payable Funds	3,743,425	17,696,972	17,740,111	3,700,286
Greenways Endowment	2,801,839	13,369	915	2,814,293
Natural Resources Protect & Restore	4,659,005	16,804	7,866	4,667,943
Total Cash & Investments	134,792,813	32,805,390	36,299,497	131,298,706
<i>* Funds with City Council approved budget reserve goals.</i>				
Restricted Cash & Investments -Debt, Construction				
Civic Field (Restricted for Debt & Construction)	440,799	12,980	453,419	360
Water (Restricted for Debt & Construction)	10,407,230	7,199,807	1,693,905	15,913,132
Wastewater (Restricted for Debt & Constr)	6,578,495	333,975	2,169,072	4,743,398
Solid Waste (Restricted for Debt & Constr)	272,886	57,982	-	330,868
Cemetery - Preened Trust & Endowed Care	479,227	2,717	12	481,932
Parking - Restricted for Debt Svc P&I	110,211	11,021	-	121,232
Total Restricted	18,288,848	7,618,482	4,316,408	21,590,922
Total Funds Available	\$ 153,081,661	\$ 40,423,872	\$ 40,615,905	\$ 152,889,628
Discrete Component Unit (Restricted)				
Public Facilities District	\$ 3,445,520	\$ 674,056	\$ 1,081,089	\$ 3,038,487
Public Facilities District Construction	4,794,672	51,493	544,006	4,302,159
Total Public Facilities District Funds	\$ 8,240,192	\$ 725,549	\$ 1,625,095	\$ 7,340,646

August 2008
City of Bellingham
Investment Summary

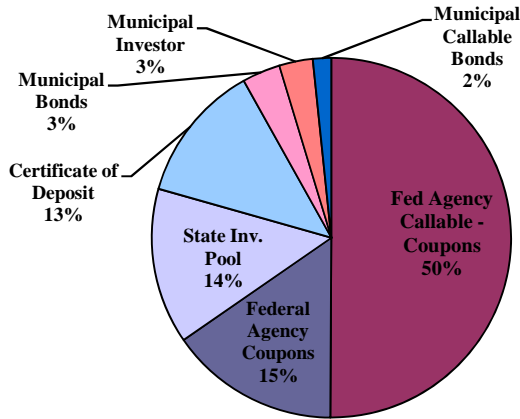
Portfolio Summary	Book Value	Term in Years	YTM/C 365Equiv.
Investments By Type			
State Investment Pool	\$ 22,477,209	0.0	2.33%
Municipal Investor	4,841,180	0.0	2.00%
Certificates of Deposit	20,000,000	0.5	2.87%
Federal Agency Issues - Coupon	24,445,180	2.2	3.83%
Federal Agency Callable Issues - Coupon	80,251,249	4.4	4.48%
Municipal Bonds	5,499,986	2.5	4.29%
Municipal Callable Bonds	2,656,822	3.0	5.02%
Investments - Total & Average	\$ 160,171,626	2.7	3.81%
Year to Date Interest Received	4,573,199		
Year to Date Interest Earned	\$ 4,631,676		
Effective Rate of Return on Interest Earned	4.37%		

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.

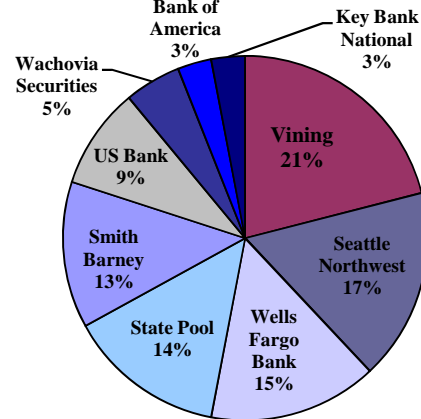
Investments By Issuer



Investments by Type



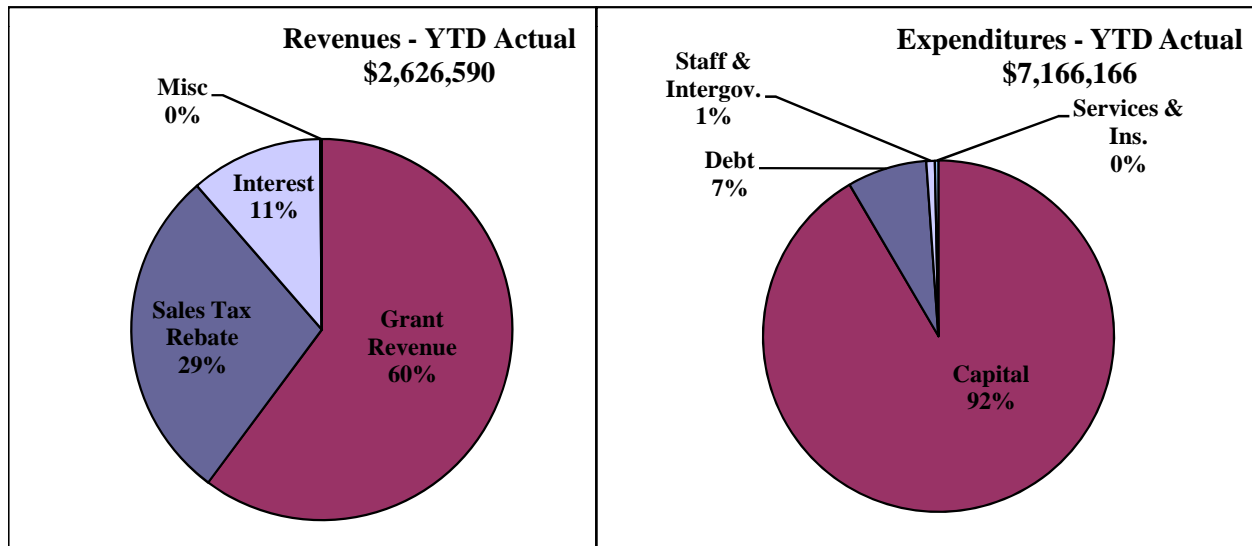
Investments by Dealer



Investment Activity Summary					3-Yr. Rolling
Month / Year	Total Securities	Total			2-Year Treasury
		Investment Book Value	YTM 365 Equivalent	State Pool Rate	
December 2003	64	\$ 104,748,821	2.46%	1.07%	2.68%
December 2004	53	118,805,167	2.64%	2.07%	2.20%
December 2005	59	130,861,088	3.48%	4.16%	2.61%
December 2006	49	131,701,705	4.71%	5.21%	3.67%
December 2007	52	157,866,765	4.87%	4.56%	4.34%
March 2008	59	159,410,510	4.24%	3.14%	4.17%
June 2008	56	161,825,117	3.80%	2.29%	4.08%
July 2008	59	159,882,016	3.87%	2.28%	4.04%
August 2008	58	\$160,171,627	3.81%	2.33%	4.00%

August 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) 723,550	747,203	3	1,203,442	62
Interest Income	(2) 146,884	295,071	101	288,846	102
Other Income	13,604	3,630	-73	-	100
Intergovernmental Revenue	-	-	0	2,885,000	0
Grant Revenues	-	1,580,561	100	471,833	335
Misc Revenue	7	125	1686	-	100
Total Revenues	884,045	2,626,590	197	4,849,121	54
Operating Expenditures					
Salaries & Benefits	(3) 59,600	45,392	-24	80,505	56
Supplies & Miscellaneous	1,731	2,414	39	5,029	48
Insurance	9,096	5,459	-40	9,400	58
Services-Professional, Repairs, Utilities	20,206	15,063	-25	62,277	24
Intergovernmental Services	12,590	12,000	-5	18,839	64
Total Operating Expenditures	103,223	80,328	-22	176,050	46
Capital and Debt Expenditures					
Capital Costs	(4) 729,709	6,561,043	799	13,488,442	49
Debt-Principal & Interest	203,823	524,795	157	1,067,273	49
Total Capital and Debt Expenditures	933,532	7,085,838	659	14,555,715	49
Total Expenditures	1,036,755	7,166,166	591	14,731,765	49
Projected/Budgeted Ending Balance	\$ 4,625,339	\$ 7,235,763	56%	\$ 1,892,695	382%



(1) Sales Tax Rebate of .033% of Countywide retail sales.

(2) 2008: Interest income increase attributable to a \$9.95 million December 2007 bond proceed issuance.

(3) PFD staffing levels were reduced from 1.0 FTE in 2007 to 0.5 FTE in 2008.

Management oversight was transferred to Planning.

(4) 2008: includes major construction costs for Art & Children's Museum & re-model of Mt. Baker Theatre.

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.