

CITY OF BELLINGHAM

SEPTEMBER 2008 FINANCIAL REPORT

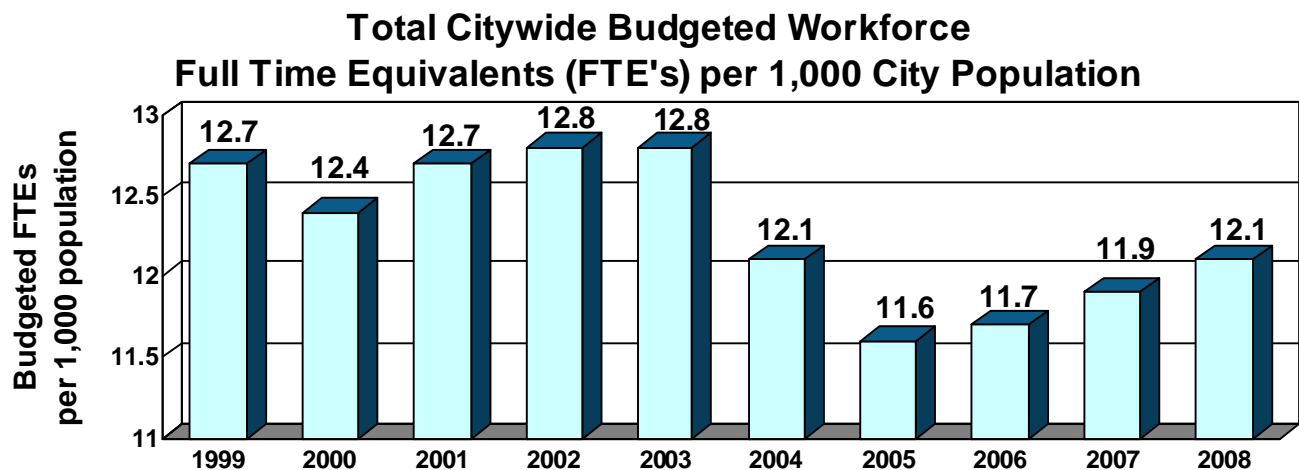
Highlights

- Citywide revenues of \$153.2 million are 67% of the annual budget. Operating expenditures of \$106.6 million are 63% of the annual budget. Capital expenditures of \$29 million are 26% of the capital budget.
- General Fund revenues of \$47.5 million are 72% of the annual budget. General Fund operating expenditures of \$47.1 million are 67% of the annual budget.
- The City had \$148 million invested earning an average of 4.34%, compared to earnings of 4.97% 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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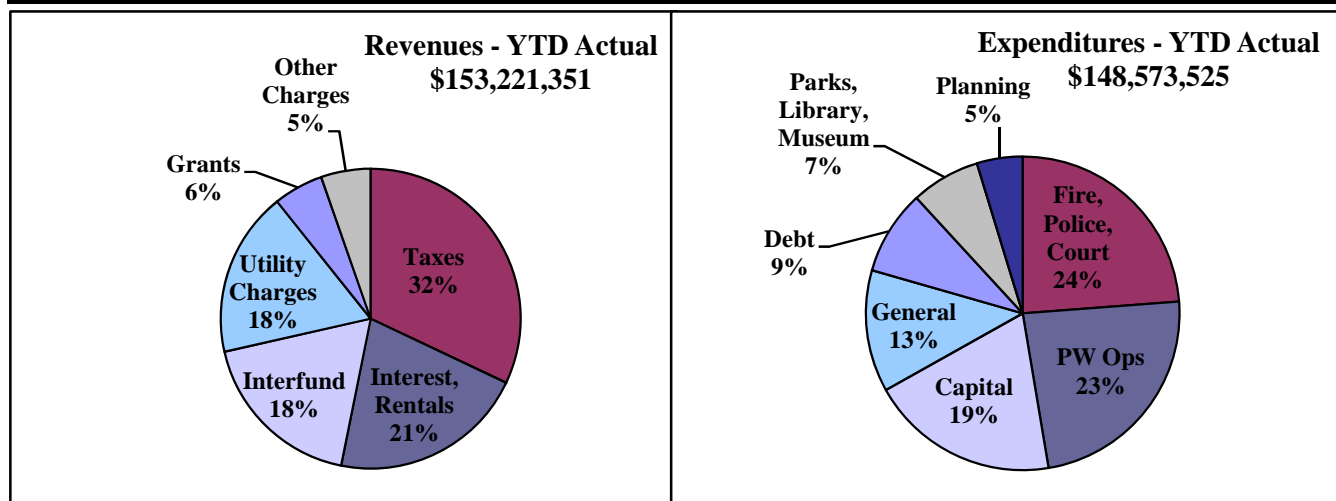
Citywide – Cash & Investments			Citywide – Investment Interest Received			General Fund Total Expenditures 9/30/08		
9/30/2008	\$	149,601,333	9/30/2008	\$	4,791,845	Budget (Annualized)	\$	60,632,876
9/30/2007		139,827,021	9/30/2007		4,441,385	Actual to Date		55,414,235
Increase	7.0%	\$ 9,774,312	Increase	7.9%	\$ 350,460	Variance	8.6%	\$ 5,218,641
General Fund – Sales Tax Collected			General Fund - Utility Taxes Collected			General Fund - B & O Tax Collected		
9/30/2008	\$	7,025,827	9/30/2008	\$	9,913,622	9/30/2008	\$	9,231,800
9/30/2007		7,005,776	9/30/2007		9,251,823	9/30/2007		9,165,364
Increase	0.3%	\$ 20,051	Increase	7.2%	\$ 661,799	Increase	0.7%	\$ 66,436



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

September 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	9,473,729	9,977,131	5	17,797,545	56
Sales Tax	13,932,736	14,019,483	1	19,864,000	71
B & O Tax	9,165,364	9,231,800	1	12,469,000	74
Utility Taxes	10,196,230	10,870,192	7	14,388,881	76
Other Taxes	(1) 6,088,109	4,994,947	-18	7,589,225	66
Grants, Entitlements, Revenue Sharing	(2) 9,298,657	8,241,544	-11	39,211,885	21
Utility Charges for Services	24,402,896	27,308,423	12	34,634,343	79
Other Charges, Fines, Permits, Licenses	(3) 11,442,114	8,209,570	-28	13,923,721	59
Interest, Rentals, Bonds, Other Revenues	(4) 18,879,266	32,365,756	71	31,815,229	102
Interfund Sales & Service	17,871,083	20,077,759	12	22,450,393	89
Interfund Loans & Transfers	(5) 4,575,723	7,924,746	73	12,913,770	61
Total Revenues	135,325,907	153,221,351	13	227,057,992	67
Operating Expenditures					
General Governmental Services	16,203,255	18,676,316	15	28,409,874	66
Fire, Police, Municipal Court	(5) 31,607,424	35,367,562	12	51,074,404	69
Public Works Operations	33,182,745	35,006,385	5	61,339,179	57
Planning, Hearing Examiner	5,865,693	7,002,120	19	12,842,465	55
Libraries, Museums, Parks	9,977,652	10,577,646	6	16,287,364	65
Total Operating Expenditures	96,836,769	106,630,029	10	169,953,286	63
Capital and Debt Expenditures					
Capital Expenditures	(4) 17,117,880	28,964,144	69	109,694,346	26
Debt Service, Loans, Transfers	9,657,978	12,979,352	34	20,810,810	62
Total Capital and Debt Expenditures	26,775,858	41,943,496	57	130,505,156	32
Total Expenditures	123,612,627	148,573,525	20	300,458,442	49
Projected/Budgeted Ending Balance	\$134,332,918	\$144,585,519	8%	\$ 66,537,243	217%

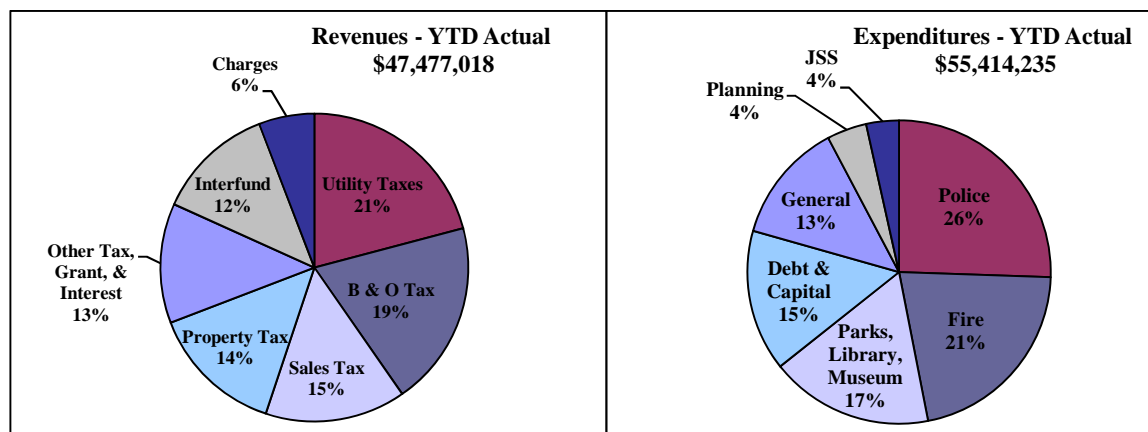


- (1) 2008: Decrease in real estate excise taxes of \$753K through 9/30/2008.
(2) 2007: More grant funded activity in 2007 than 2008 including Sunset Drive project.
(3) 2007: Park Impact Fees \$1.36 million; Trillium Cordata Fee \$962K.
(4) 2008: Includes interfund purchase and sale of the Cornwall property (\$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.
(5) 2008: Interfund loan between fire and pension funds resulting in a revenue and expense of \$2.25 million for fire truck replacements.

Note: 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.

September 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	6,329,227	6,668,385	5	11,896,000	56
Sales Tax	7,005,776	7,025,827	0	9,934,000	71
B & O Tax	9,165,364	9,231,800	1	12,469,000	74
Utility Taxes	9,251,823	9,913,622	7	13,108,881	76
Other Taxes	2,199,704	2,223,147	1	2,842,955	78
Grants, Entitlements, Revenue Sharing	1,284,758	1,348,613	5	3,059,641	44
Charges, Fines, Permits, Licenses	2,931,830	2,769,295	-6	4,138,613	67
Interest, Rentals, Bonds, Other Revenues	(1) 4,062,195	2,402,691	-41	1,414,532	170
Interfund Sales & Service	4,229,187	3,157,570	-25	4,184,134	75
Interfund Loans & Transfers	(2) 1,441,099	2,736,068	90	3,269,181	84
Total Revenues	47,900,963	47,477,018	-1	66,316,937	72
Operating Expenditures					
Executive	(3) 1,487,191	1,192,071	-20	3,322,407	36
Legislative	240,131	329,829	37	468,872	70
Hearings Examiner	121,806	131,488	8	188,245	70
Museum	1,076,459	1,110,947	3	1,662,398	67
Library	2,462,998	2,893,089	17	3,959,511	73
Finance	(3), (4) 1,194,586	2,011,711	68	2,712,606	74
Human Resources	958,980	943,260	-2	1,672,723	56
Information Technology	1,598,109	1,674,781	5	2,621,486	64
Legal	923,770	992,752	7	1,473,976	67
Judicial & Support Services	(5) 2,798,040	1,926,529	-31	3,029,178	64
Parks & Recreation	5,178,469	5,626,816	9	8,043,250	70
Planning & Community Development	(6) 2,393,738	2,225,465	-7	4,261,879	52
Fire	(2) 9,522,258	11,856,857	25	16,610,589	71
Police	(5) 11,781,450	14,154,665	20	20,220,553	70
Total Operating Expenditures	41,737,985	47,070,260	13	70,247,673	67
Capital and Debt Expenditures					
Capital Expenditures	(7) 502,651	5,946,711	1083	6,926,870	86
Debt Service, Loans, Transfers	2,536,106	2,397,264	-5	3,669,291	65
Total Capital and Debt Expenditures	3,038,757	8,343,975	175	10,596,161	79
Total Expenditures	44,776,742	55,414,235	24	80,843,834	69
Projected/Budgeted Ending Balance	\$ 19,606,374	\$ 17,544,101	-11%	\$ 10,954,421	160%



- (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) In 2007, the Budget Group was a component of Executive. In 2008, it was moved to Finance, resulting in a reduction in Executive of \$186K through 9/30/08 as compared to 2007. Additionally, in 2008, the Executive budget includes \$1.4 million for Waterfront projects with expenditures of \$540K through 9/30/08 and \$500K for Lake Whatcom management with no expenditures through 9/30/08.
- (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 are currently accounted for in Police - \$1.12 million through 9/30/08.
- (6) Planning and Community Development includes a number of large grant funded programs that run over multiple years. The entire multi-year grant/project budget is included in the departmental budget.
- (7) 2008: Cornwall property purchase of \$2.45 million and Colony Wharf property purchase of \$3.3 million.

September 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 9/30/08		\$ 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.

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

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Park Site Acquisition/Technology Replacement and Reserve/Capital Maintenance/Library Gift Funds					
Budgeted Beginning Balance	\$ 6,623,944	\$ 6,285,612	-5%	\$ 6,285,612	100%
Revenues	1,077,979	1,000,273	-7	1,252,620	80
Expenditures*	314,771	632,117	101	5,555,335	11
Projected/Budgeted Ending Balance	\$ 7,387,152	\$ 6,653,768	-10%	\$ 1,982,897	336%

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

Olympic/Oeser Settlement Funds					
Budgeted Beginning Balance	\$ 2,324,140	\$ 1,356,803	-42%	\$ 1,356,803	100%
Revenues	280,981	1,124,150	300	1,163,010	97
Expenditures*	789,977	82,630	-90	2,204,503	4
Projected/Budgeted Ending Balance	\$ 1,815,144	\$ 2,398,323	32%	\$ 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	3,163,631	2,410,817	-24	6,345,359	38
Expenditures	1,106,880	2,933,315	165	13,732,801	21
Projected/Budgeted Ending Balance	\$ 10,516,571	\$ 8,528,622	-19%	\$ 1,663,678	513%

Police Special Rev Funds #150					
Budgeted Beginning Balance	\$ 710,107	\$ 685,361	-3%	\$ 685,361	100%
Revenues	355,452	428,802	21	342,418	125
Expenditures*	371,383	92,678	-75	398,620	23
Projected/Budgeted Ending Balance	\$ 694,176	\$ 1,021,485	47%	\$ 629,159	162%

*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	3,100,846	2,938,000	-5	3,926,491	75
Expenditures	2,811,432	3,006,602	7	4,195,513	72
Projected/Budgeted Ending Balance	\$ 2,092,044	\$ 1,965,201	-6%	\$ 1,764,781	111%

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*	3,355,710	2,270,990	-32	5,728,860	40
Expenditures	1,445,482	3,846,700	166	13,401,826	29
Projected/Budgeted Ending Balance	\$ 6,503,673	\$ 7,314,411	12%	\$ 1,217,155	601%

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

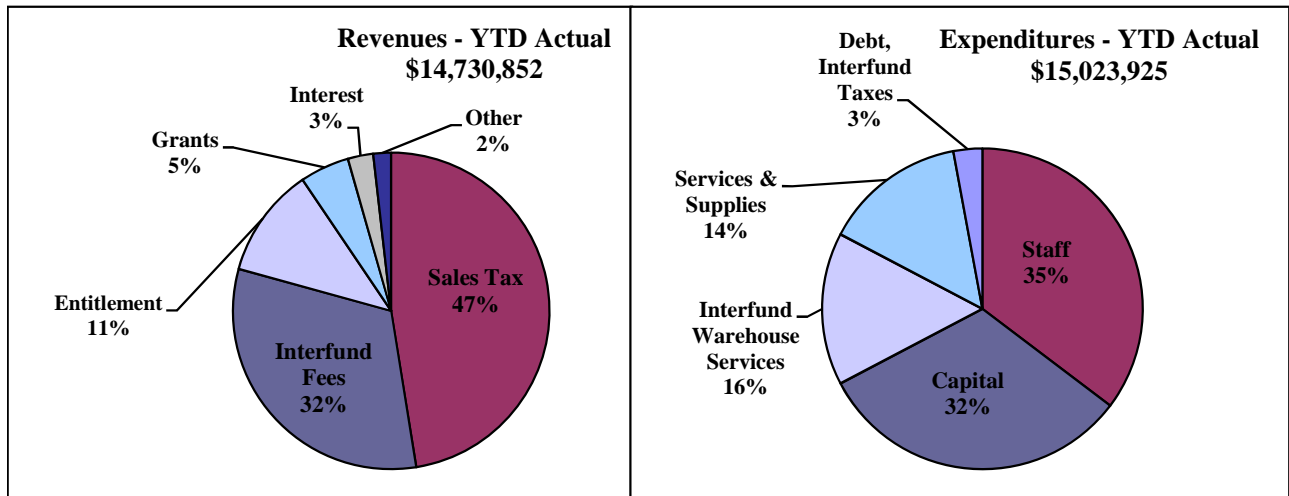
Tourism Fund #180					
Budgeted Beginning Balance	\$ 326,872	\$ 383,171	17%	\$ 383,171	100%
Revenues	713,033	776,082	9	1,007,491	77
Expenditures	585,643	627,390	7	1,148,580	55
Projected/Budgeted Ending Balance	\$ 454,262	\$ 531,863	17%	\$ 242,082	220%

Community Development Grants Fund #190 & 191					
Budgeted Beginning Balance	\$ 807,469	\$ 451,483	-44%	\$ 451,483	100%
Revenues	698,686	1,446,512	107	4,149,227	35
Expenditures*	980,382	1,863,740	90	4,298,497	43
Projected/Budgeted Ending Balance	\$ 525,773	\$ 34,255	-93%	\$ 302,213	11%

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

September 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	6,926,959	6,993,657	1	9,930,000	70
Federal/State Grants	(1) 1,121,308	743,984	-34	18,038,662	4
Entitlements	1,510,440	1,658,016	10	3,049,079	54
Interfund Fees	4,584,152	4,685,648	2	6,189,054	76
Investment Interest	387,345	379,259	-2	660,863	57
Other Revenues	(2) 1,260,694	224,594	-82	1,087,390	21
Other Financing Sources	40,000	45,694	14	51,194	89
Total Revenues	15,830,898	14,730,852	-7	39,006,242	38
Operating Expenditures					
Salaries, Wages & Benefits	5,075,475	5,304,975	5	7,555,311	70
Supplies	444,585	487,450	10	842,991	58
Services-Professional, Repairs, Utilities	1,623,631	1,674,289	3	3,415,948	49
Intergovernmental Services, Taxes, & Fees	254,087	211,521	-17	353,580	60
Interfund-Warehouse & Services	2,046,229	2,312,488	13	3,071,192	75
Total Operating Expenditures	9,444,007	9,990,723	6	15,239,022	66
Capital and Debt Expenditures					
Capital Outlay	6,327,829	4,806,796	-24	32,947,641	15
Debt-(Principal & Interest), Interfund Loans, & Transfers	556,734	226,406	-59	354,820	64
Total Capital and Debt Expenditures	6,884,563	5,033,202	-27	33,302,461	15
Total Expenditures	16,328,570	15,023,925	-8	48,541,483	31
Projected/Budgeted Ending Balance	\$ 9,799,368	\$ 10,778,528	10%	\$ 1,536,360	702%



(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.

September 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	3,690,881	3,838,980	4	5,462,343	70
Expenses	2,747,817	3,619,400	32	7,832,083	46
Projected/Budgeted Ending Balance	\$ 3,458,872	\$ 3,818,134	10%	\$ 1,228,814	311%

Solid Waste Fund #440					
Budgeted Beginning Balance	\$ 1,937,143	\$ 2,534,269	31%	\$ 2,534,269	100%
Revenues*	2,157,943	7,653,294	255	8,332,981	92
Expenses	1,401,472	3,153,723	125	4,719,481	67
Projected/Budgeted Ending Balance	\$ 2,693,614	\$ 7,033,840	161%	\$ 6,147,769	114%

*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	469,476	466,365	-1	604,320	77
Expenses	474,540	466,330	-2	619,300	75
Projected/Budgeted Ending Balance	\$ 439,333	\$ 404,319	-8%	\$ 389,304	104%

Golf Course Fund #460					
Budgeted Beginning Balance	\$ 91,244	\$ 58,450	-36%	\$ 58,450	100%
Revenues *	677,038	142,873	-79	181,800	79
Expenses	499,386	67,853	-86	176,467	38
Projected/Budgeted Ending Balance	\$ 268,896	\$ 133,470	-50%	\$ 63,783	209%

* 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	2,366,802	1,960,958	-17	2,832,556	69
Expenses	1,913,590	2,220,767	16	3,295,135	67
Projected/Budgeted Ending Balance	\$ 1,289,423	\$ 956,107	-26%	\$ 753,337	127%

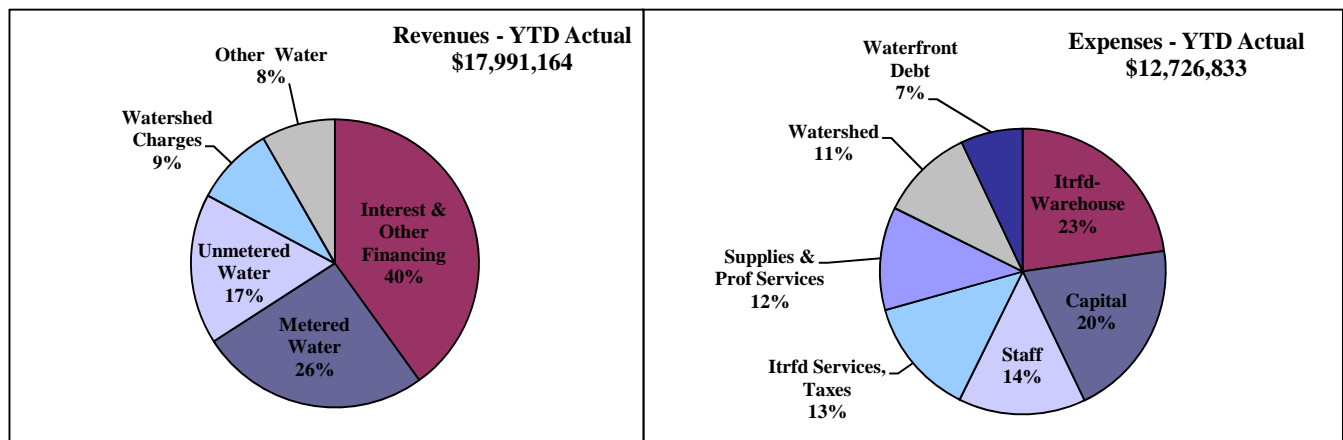
<i>Development Services Activity YTD</i>	<u>2007</u>	<u>2008</u>
<i>Permits*</i>	789	626
<i>Units</i>	436	207
<i>Valuation (\$millions)**</i>	\$168.5	\$123.7

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

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

September 2008
City of Bellingham
Water Fund Operating Statement

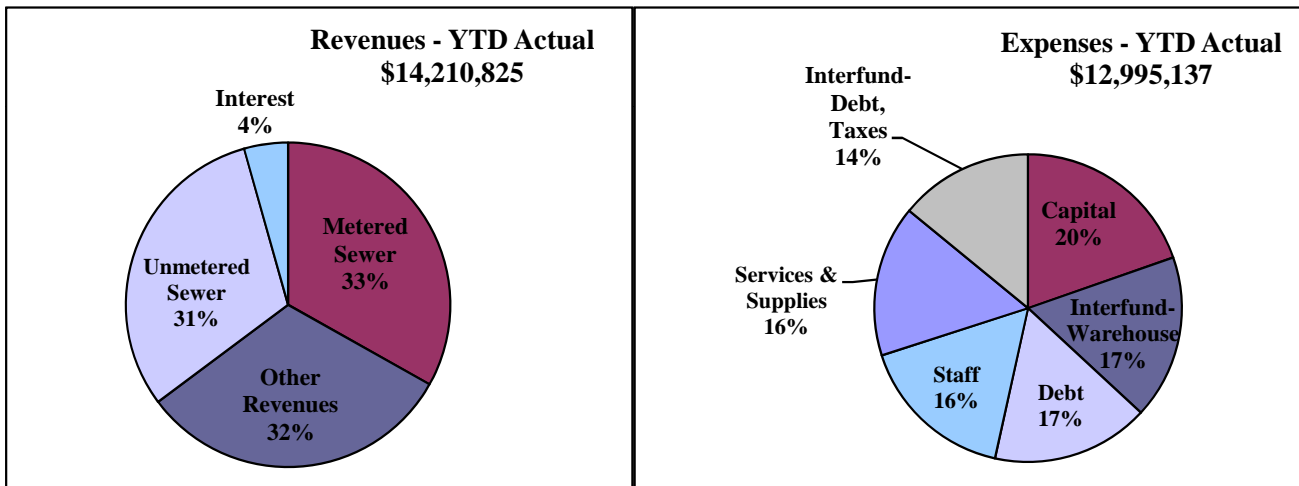
Water Fund #410, Enterprise	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Budgeted Beginning Balance - Water Operations	\$ 14,603,567	\$ 14,775,877	1%	\$ 14,775,877	100%
Revenues					
Unmetered Water	2,785,802	3,044,522	9	4,150,000	73
Metered Water	3,961,377	4,650,090	17	5,720,220	81
Other Water System Charges	(1) 2,145,586	1,487,763	-31	3,005,843	49
Investment Interest	506,582	475,701	-6	842,684	56
Other Revenues	707,067	645,591	-9	2,163,000	30
Other Financing Sources	-	-	0	2,720,000	0
Total Revenues	10,106,414	10,303,667	2	18,601,747	55
Operating Expenses					
Salaries, Wages & Benefits	1,623,469	1,831,964	13	2,543,515	72
Supplies & Services-Professional, Repairs, Utilities	1,323,077	1,486,575	12	3,403,554	44
Intergovernmental Services, Taxes, & Fees	1,586,739	1,699,997	7	2,498,736	68
Interfund-Warehouse & Services	2,756,911	2,889,781	5	3,904,215	74
Total Operating Expenses	7,290,196	7,908,317	8	12,350,020	64
Capital and Debt Expenses					
Capital Outlay	1,635,069	2,569,362	57	15,965,185	16
Debt-(Principal & Interest), Interfund Loans, & Transfers	875,382	896,336	2	1,244,416	72
Total Capital and Debt Expenses	2,510,451	3,465,698	38	17,209,601	20
Total Expenses	9,800,647	11,374,015	16	29,559,621	38
Projected/Budgeted Ending Balance - Water Operations	\$ 14,909,333	\$ 13,705,529	-8%	\$ 3,818,003	359%
Budgeted Beginning Balance - Watershed Activity					
Budgeted Beginning Balance - Watershed Activity	\$ 1,273,132	\$ 216,138	-83%	\$ 216,138	100%
Revenues					
Watershed Charges	1,524,606	1,585,597	4	2,080,000	76
Demand Charges	-	20,265	100	-	100
Investment Interest & Other Revenue	40,593	41,635	3	92,140	45
Other Financing Sources	(2) -	6,040,000	100	-	100
Total Revenues	1,565,199	7,687,497	391	2,172,140	354
Operating Expenses					
Supplies & Services	5,294	19,701	272	165,660	12
Intergovernmental Services, Taxes, & Fees	295,901	296,993	0	422,790	70
Total Operating Expenses	301,195	316,694	5	588,450	54
Capital and Debt Expenses					
Capital Outlay	(3) 814,261	459,557	-44	1,096,568	42
Debt-(Principal & Interest), Interfund Loans, & Transfers	548,014	576,567	5	618,667	93
Total Capital and Debt Expenses	1,362,275	1,036,124	-24	1,715,235	60
Total Expenses	1,663,470	1,352,818	-19	2,303,685	59
Projected/Budgeted Ending Balance - Watershed	\$ 1,174,862	\$ 6,550,817	458%	\$ 84,593	7744%
Projected/Budgeted Ending Balance - Water/Watershed Combined	\$ 16,084,195	\$ 20,256,346	26%	\$ 3,902,596	519%



(1) 2008: Demand fees from new construction decreased \$569K 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.

September 2008
City of Bellingham
Wastewater Fund Operating Statement

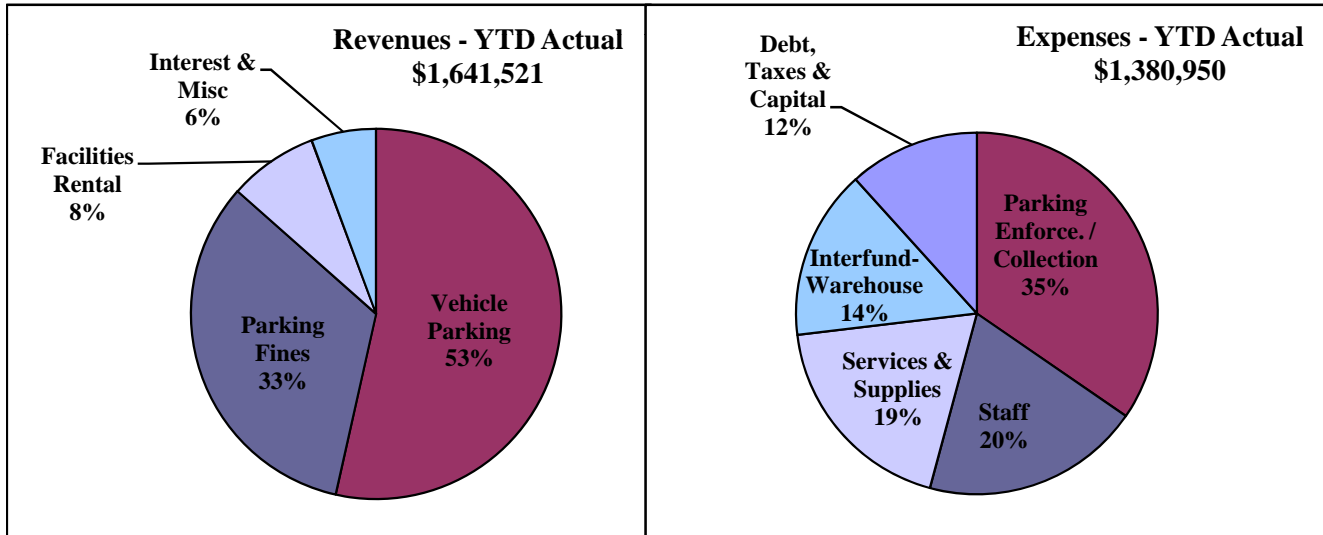
	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Wastewater Fund #420, Enterprise					
Budgeted Beginning Balance	\$ 17,142,252	\$ 17,761,257	4%	\$ 17,761,257	100%
Revenues					
Unmetered Sewer	4,064,537	4,383,138	8	5,716,250	77
Metered Sewer	3,992,789	4,712,011	18	6,020,176	78
Investment Interest	641,969	620,658	-3	1,131,043	55
Other Revenues	3,512,763	4,495,018	28	3,905,471	115
Total Revenues	12,212,058	14,210,825	16	16,772,940	85
Operating Expenses					
Salaries, Wages & Benefits	2,005,313	2,154,220	7	3,010,565	72
Supplies	468,485	490,392	5	662,819	74
Services-Professional, Repairs, Utilities	1,476,169	1,574,254	7	3,496,131	45
Intergovernmental Services, Taxes, & Fees	1,466,830	1,828,213	25	2,165,168	84
Interfund-Warehouse & Services	2,024,986	2,237,655	11	2,978,384	75
Total Operating Expenses	7,441,783	8,284,734	11	12,313,067	67
Capital and Debt Expenses					
Capital Outlay	2,273,342	2,554,564	12	13,163,500	19
Debt-(Principal & Interest), Interfund Loans, & Transfers	2,229,445	2,155,839	-3	2,220,840	97
Total Capital and Debt Expenses	4,502,787	4,710,403	5	15,384,340	31
Total Expenses	11,944,570	12,995,137	9	27,697,407	47
Projected/Budgeted Ending Balance	\$ 17,409,740	\$ 18,976,945	9%	\$ 6,836,790	278%



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 9/30/08, the ratio is estimated at 7.03.

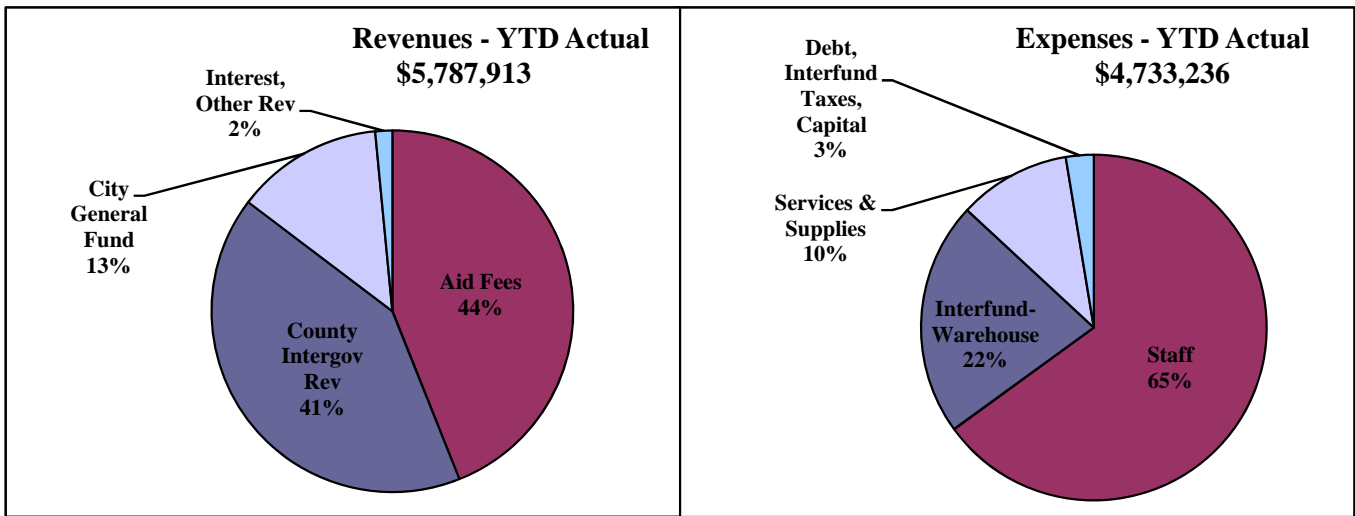
September 2008
City of Bellingham
Parking Services Fund Operating Statement

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	883,473	878,309	-1	1,493,306	59
Parking Infraction Fines	644,236	542,328	-16	927,998	58
Facilities Rental	108,439	128,048	18	130,111	98
Investment Interest	52,401	75,214	44	52,676	143
Miscellaneous Revenues	16,712	17,622	5	19,700	89
Total Revenues	1,705,261	1,641,521	-4	2,623,791	63
Operating Expenses					
Salaries, Wages & Benefits	226,153	270,608	20	409,639	66
Supplies	28,908	73,786	155	101,574	73
Services-Professional, Repairs, Utilities	128,329	187,204	46	817,405	23
Intergovernmental Services, Taxes, & Fees	6,390	6,706	5	8,375	80
Parking Infraction Enforcement/Collection	445,377	477,818	7	-	100
Interfund-Warehouse & Services	227,719	210,114	-8	209,840	100
Total Operating Expenses	1,062,876	1,226,236	15	1,546,833	79
Capital and Debt Expenses					
Capital Outlay	72	28,024	38822	1,952,365	1
Debt-(Principal & Interest), Interfund Loans, & Transfers	119,495	126,690	6	769,344	16
Total Capital and Debt Expenses	119,567	154,714	29	2,721,709	6
Total Expenses	1,182,443	1,380,950	17	4,268,542	32
Projected/Budgeted Ending Balance	\$ 1,730,202	\$ 2,163,473	25%	\$ 258,151	838%



September 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) 430,874	448,868	4	528,150	85
Less Transfers of Special Purpose Tax to Whatcom Cty	(1)(a) (430,874)	(448,868)	4	(528,150)	85
Ambulance & Emergency Aid Fees	2,336,693	2,544,023	9	3,353,542	76
City of Bellingham - General Fund	754,419	761,963	1	1,015,951	75
Intergovernmental Revenue - Whatcom County & others	(2) 1,848,906	2,394,055	29	3,093,766	77
Investment Interest	44,260	55,583	26	77,628	72
Other Revenues & Financing Sources	111,053	32,289	-71	1,000	3229
Total Revenues	5,095,331	5,787,913	14	7,541,887	77
Operating Expenses					
Salaries, Wages & Benefits	3,012,991	3,076,837	2	4,915,917	63
Supplies	265,394	309,838	17	568,800	54
Services-Professional, Repairs, Utilities	254,590	186,878	-27	448,905	42
Intergovernmental Services, Taxes, & Fees	17,783	15,485	-13	33,894	46
Interfund-Warehouse & Services	904,869	1,036,534	15	1,316,603	79
Total Operating Expenses	4,455,627	4,625,572	4	7,284,119	64
Capital Expense					
Capital Outlay	37,449	107,664	187	282,363	38
Total Capital Expense	37,449	107,664	187	282,363	38
Total Expenses	4,493,076	4,733,236	5	7,566,482	63
Projected/Budgeted Ending Balance	\$ 1,156,004	\$ 1,634,198	41%	\$ 554,926	294%



(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 \$1.02 million from its General Fund and \$1.30 million from its Whatcom County EMS Fund through 9/30/08.

September 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	1,690,806	1,603,526	-5	1,919,239	84
Expenses	1,673,243	1,524,858	-9	2,147,213	71
Projected/Budgeted Ending Balance	\$ 588,641	\$ 507,296	-14%	\$ 200,654	253%

Facilities Administration Fund #530					
Budgeted Beginning Balance	\$ 1,016,920	\$ 1,198,122	18%	\$ 1,198,122	100%
Revenues	1,710,743	1,667,017	-3	2,145,160	78
Expenses	1,495,261	1,461,001	-2	2,864,235	51
Projected/Budgeted Ending Balance	\$ 1,232,402	\$ 1,404,138	14%	\$ 479,047	293%

Telecommunication Fund #540					
Budgeted Beginning Balance	\$ 490,180	\$ 955,032	95%	\$ 955,032	100%
Revenues	339,450	331,690	-2	427,276	78
Expenses	585,450	754,160	29	1,299,978	58
Projected/Budgeted Ending Balance	\$ 244,180	\$ 532,562	118%	\$ 82,330	647%

Claims & Litigation Fund #550					
Budgeted Beginning Balance	\$ 4,871,114	\$ 4,944,015	1%	\$ 4,944,015	100%
Revenues	673,332	749,815	11	1,125,617	67
Expenses *	577,913	930,816	61	1,107,659	84
Projected/Budgeted Ending Balance	\$ 4,966,533	\$ 4,763,014	-4%	\$ 4,961,973	96%

* 2008: Change in property insurance carrier and renewal date resulted in premiums being paid through 6/09-\$127K.

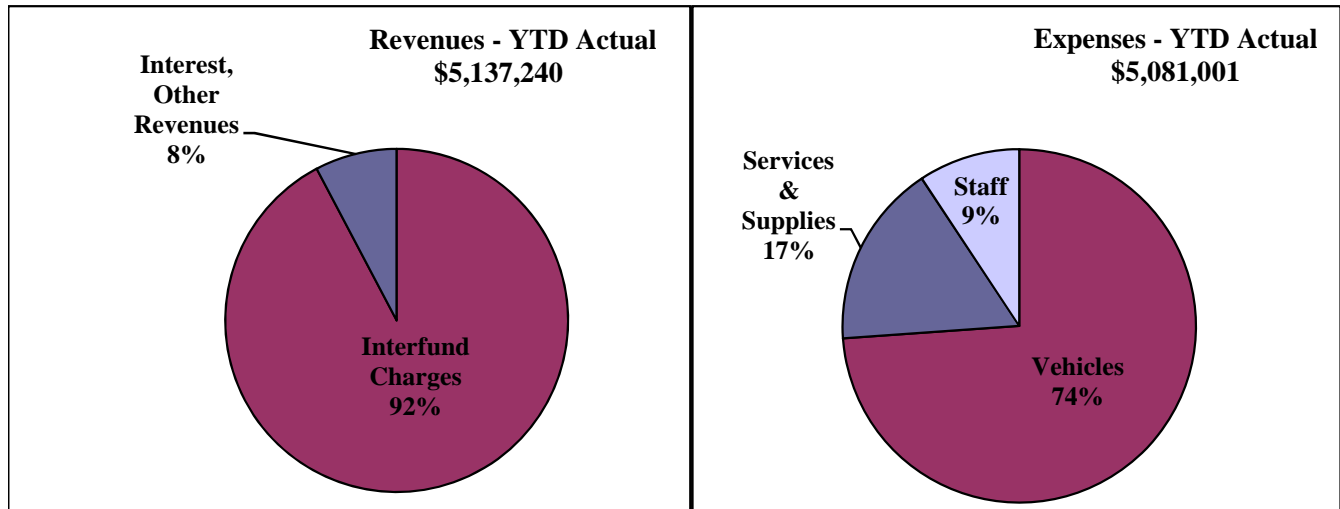
Unemployment Compensation Fund #561					
Budgeted Beginning Balance	\$ 330,295	\$ 275,296	-17%	\$ 275,296	100%
Revenues	10,632	8,549	-20	18,509	46
Expenses	37,248	41,839	12	122,005	34
Projected/Budgeted Ending Balance	\$ 303,679	\$ 242,006	-20%	\$ 171,800	141%

Worker's Comp Self-Insurance Fund #562					
Budgeted Beginning Balance	\$ 750,020	\$ 913,892	22%	\$ 913,892	100%
Revenues	582,860	469,494	-19	604,129	78
Expenses	415,708	509,161	22	737,783	69
Projected/Budgeted Ending Balance	\$ 917,172	\$ 874,225	-5%	\$ 780,238	112%

Health Benefits Fund #565					
Budgeted Beginning Balance	\$ 1,133,532	\$ 1,272,460	12%	\$ 1,272,460	100%
Revenues	6,664,540	7,603,975	14	10,071,102	76
Expenses	6,565,179	7,448,209	13	10,315,546	72
Projected/Budgeted Ending Balance	\$ 1,232,893	\$ 1,428,226	16%	\$ 1,028,016	139%

September 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) 1,852,390	4,740,716	156	5,476,297	87
Investment Interest	184,802	203,601	10	291,462	70
Other Miscellaneous Revenues	2,284	15,300	570	-	100
Other Financing Sources	99,742	177,623	78	350,000	51
Total Revenues	2,139,218	5,137,240	140	6,117,759	84
Operating Expenses					
Salaries, Wages & Benefits	437,367	472,873	8	653,739	72
Supplies	192,497	229,958	19	305,160	75
Services-Professional, Repairs, Utilities	135,059	150,138	11	203,458	74
Interfund-Parts, Services & Supplies	481,599	473,879	-2	639,582	74
Total Operating Expenses	1,246,522	1,326,848	6	1,801,939	74
Capital Expense					
Capital Outlay - Vehicles & Equipment	(1) 696,607	3,754,153	439	5,128,517	73
Total Capital Expense	696,607	3,754,153	439	5,128,517	73
Total Expenses	1,943,129	5,081,001	161	6,930,456	73
Projected/Budgeted Ending Balance	\$ 5,811,061	\$ 5,731,771	-1%	\$ 4,862,835	118%



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

September 2008
City of Bellingham
Cash and Investments Report

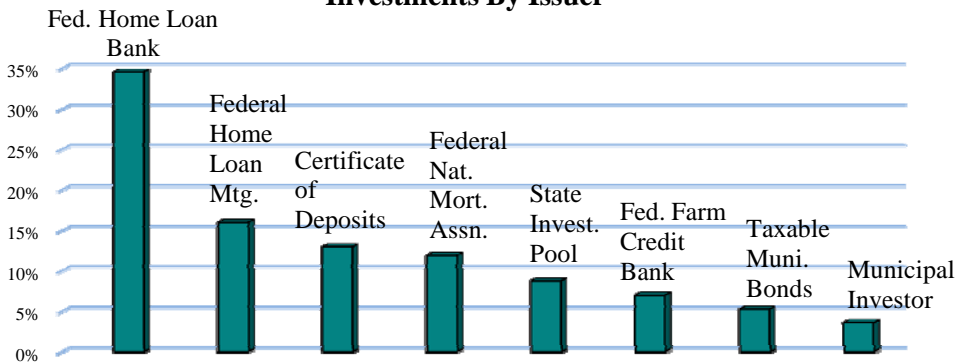
Unrestricted-Cash & Investments	Prior Month Ending Bal.	Cash Increase	Cash Decrease	Current Ending Bal.
General Fund*	\$ 11,465,162	\$ 3,763,548	\$ 5,586,439	\$ 9,642,271
General Fund Reserve*	6,967,603	19,555	-	6,987,158
Street*	11,777,490	1,247,214	1,954,514	11,070,190
Arterial, Paths - Street Funds	262,787	47,351	-	310,138
Technology Replacement and Reserve*	2,109,102	5,887	24,821	2,090,168
Park Acquisition & Capital Maintenance	4,526,575	13,425	8,951	4,531,049
Library Gift	34,494	3,125	2,114	35,505
Settlement Funds	2,369,203	7,446	8,883	2,367,766
Real Estate Excise Tax Funds	8,723,507	329,996	337,851	8,715,652
Police Special Revenue Funds	998,834	30,504	5,532	1,023,806
Public Safety Dispatch	1,630,129	720,300	388,952	1,961,477
Park Funds	8,878,741	73,843	1,528,692	7,423,892
Tourism	510,703	115,994	94,833	531,864
Community Development Block Grant	81,112	200,409	231,254	50,267
Home Investment Partnership Grant	(73,444)	513,092	445,567	(5,919)
Debt & LID Funds	743,025	74,150	15,550	801,625
Construction- Civic Field	251,208	1,058	3,598	248,668
Water	3,832,564	1,275,166	1,146,427	3,961,303
Wastewater	13,651,249	1,272,185	1,387,610	13,535,824
Storm/Surface Water Utility	4,117,790	464,340	797,724	3,784,406
Solid Waste	6,673,662	162,125	98,972	6,736,815
Cemetery	75,504	58,542	51,050	82,996
Golf Course	124,116	24,058	14,369	133,805
Parking Services	2,396,262	187,408	274,268	2,309,402
Medic One	1,823,514	705,033	837,903	1,690,644
Development Services*	862,594	323,156	235,204	950,546
Fleet Administration*	6,448,974	1,143,482	1,844,844	5,747,612
Purchasing/Material Management	577,099	129,480	141,701	564,878
Facilities Administration	1,379,595	176,831	143,722	1,412,704
Telecommunications	540,596	20,659	22,912	538,343
Claims and Litigation*	4,741,352	70,458	47,817	4,763,993
Unemployment Compensation*	241,470	677	140	242,007
Workers Comp Self-Insurance*	869,513	51,902	53,304	868,111
Health Benefits*	1,397,127	862,196	828,303	1,431,020
Fire and Police Pension Funds	8,423,635	170,707	329,900	8,264,442
Trust & Deposit Funds	683,337	934,061	557,754	1,059,644
Payroll & Accounts Payable Funds	3,700,286	16,946,573	16,780,539	3,866,320
Greenways Endowment	2,814,293	10,106	1,105	2,823,294
Natural Resources Protect & Restore	4,667,943	13,107	11,365	4,669,685
Total Cash & Investments	131,298,706	32,169,149	36,244,484	127,223,371
<i>* Funds with City Council approved budget reserve goals.</i>				
Restricted Cash & Investments -Debt, Construction				
Civic Field (Restricted for Debt & Construction)	360	-	360	-
Water (Restricted for Debt & Construction)	15,913,132	467,683	123,037	16,257,778
Wastewater (Restricted for Debt & Constr)	4,743,398	398,316	23,333	5,118,381
Solid Waste (Restricted for Debt & Constr)	330,868	57,982	-	388,850
Cemetery - Preened Trust & Endowed Care	481,932	1,476	2,708	480,700
Parking - Restricted for Debt Svc P&I	121,232	11,021	-	132,253
Total Restricted	21,590,922	936,478	149,438	22,377,962
Total Funds Available	\$ 152,889,628	\$ 33,105,627	\$ 36,393,922	\$ 149,601,333
Discrete Component Unit (Restricted)				
Public Facilities District	\$ 3,038,487	\$ 1,250,464	\$ 1,171,472	\$ 3,117,479
Public Facilities District Construction	4,302,159	45,880	1,051,165	3,296,874
Total Public Facilities District Funds	\$ 7,340,646	\$ 1,296,344	\$ 2,222,637	\$ 6,414,353

September 2008
City of Bellingham
Investment Summary

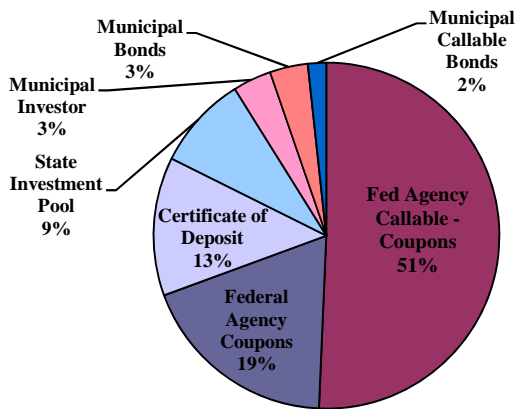
Portfolio Summary	Book Value	Term in Years	YTM/C 365Equiv.
Investments By Type			
State Investment Pool	\$ 13,517,923	0.0	2.39%
Municipal Investor	5,564,008	0.0	2.00%
Certificates of Deposit	20,000,000	0.5	2.87%
Federal Agency Issues - Coupon	28,894,762	2.2	3.68%
Federal Agency Callable Issues - Coupon	78,251,249	4.4	4.46%
Municipal Bonds	5,499,986	2.5	4.29%
Municipal Callable Bonds	2,656,822	3.0	5.02%
Investments - Total & Average	\$ 154,384,750	2.8	3.84%
Year to Date Interest Received	4,997,302		
Year to Date Interest Earned	\$ 5,064,822		
Effective Rate of Return on Interest Earned	4.34%		

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

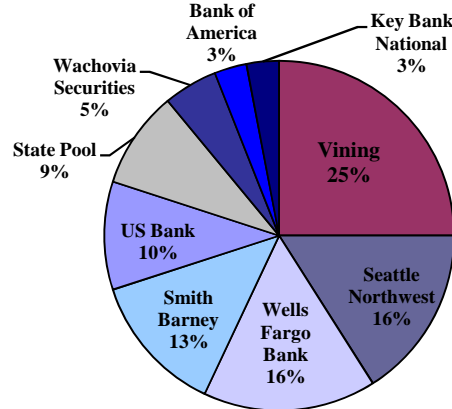
Investments By Issuer



Investments by Type



Investments by Dealer

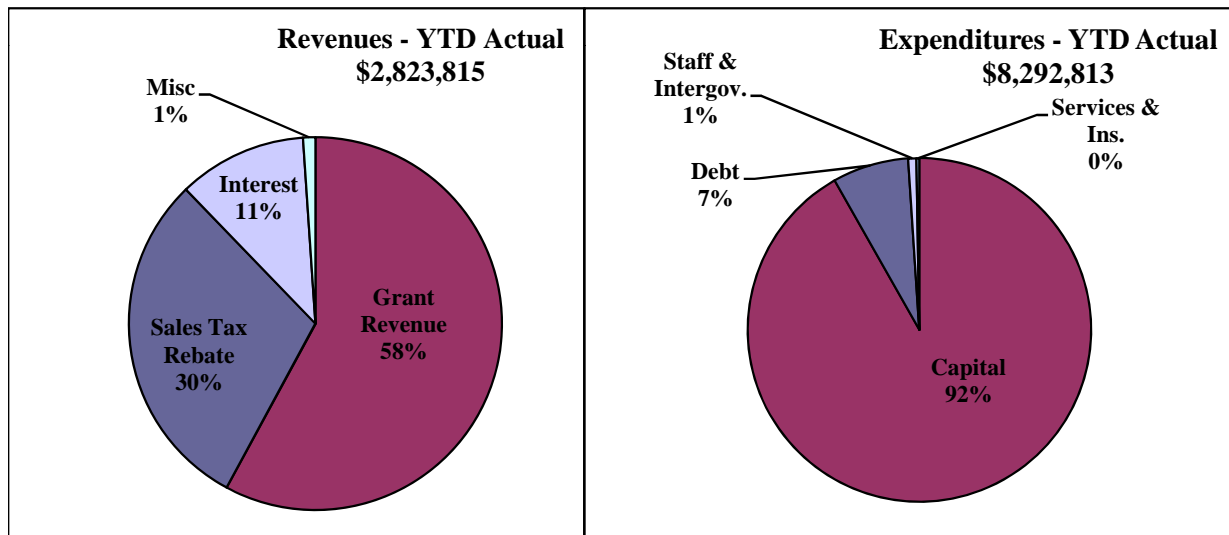


Investment Activity Summary

Month / Year	Total Securities	Total Investment Book Value	YTM 365 Equivalent	State Pool Rate	3-Yr. Rolling 2-Year Treasury
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%
September 2008	57	\$154,384,750	3.84%	2.39%	3.93%

September 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) 819,706	843,587	3	1,203,442	70
Interest Income	(2) 161,047	314,928	96	288,846	109
Other Income	14,431	30,002	108	-	100
Intergovernmental Revenue	4,439	-	-100	2,885,000	0
Grant Revenues	(3) 135,576	1,635,173	1106	471,833	347
Misc Revenue	7	125	1686	-	100
Total Revenues	1,135,206	2,823,815	149	4,849,121	58
Operating Expenditures					
Salaries & Benefits	(4) 67,344	51,364	-24	80,505	64
Supplies & Miscellaneous	1,824	2,428	33	5,029	48
Insurance	9,120	5,459	-40	9,400	58
Services-Professional, Repairs, Utilities	21,957	15,489	-29	62,277	25
Intergovernmental Services	13,944	13,220	-5	18,839	70
Total Operating Expenditures	114,189	87,960	-23	176,050	50
Capital and Debt Expenditures					
Capital Costs	(5) 880,475	7,612,209	765	13,488,442	56
Debt-Principal & Interest	203,823	592,644	191	1,067,273	56
Total Capital and Debt Expenditures	1,084,298	8,204,853	657	14,555,715	56
Total Expenditures	1,198,487	8,292,813	592	14,731,765	56
Projected/Budgeted Ending Balance	\$ 4,714,768	\$ 6,306,341	34%	\$ 1,892,695	333%



- (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) 2008: The PFD received a Building for the Arts Grant (\$987,500), Whatcom Community Foundation / Campaign for the Arts Grant (\$593,061), and a donation from the Whatcom Museum Society (\$54,612).
(4) PFD staffing levels were reduced from 1.0 FTE in 2007 to 0.5 FTE in 2008. Management oversight was transferred to Planning.
(5) 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.