

CITY OF BELLINGHAM

OCTOBER 2008 FINANCIAL REPORT

Highlights

- Citywide revenues of \$166.7 million are 73% of the annual budget. Operating expenditures of \$121.3 million are 71% of the annual budget. Capital expenditures of \$31.1 million are 29% of the capital budget.
- General Fund revenues of \$52.2 million are 79% of the annual budget. General Fund operating expenditures of \$53.5 million are 75% of the annual budget.
- The City had \$150.5 million invested earning an average of 4.30%, compared to earnings of 4.98% 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 10/31/08		
10/31/2008	\$	150,778,164	10/31/2008	\$	5,214,108	Budget (Annualized)	\$	67,372,281
10/31/2007		142,063,898	10/31/2007		5,205,193	Actual to Date		62,003,352
Increase	6.1%	\$ 8,714,266	Increase	0.2%	\$ 8,915	Surplus	8.0%	\$ 5,368,929
General Fund – Sales Tax Collected			General Fund - Utility Taxes Collected			General Fund - B & O Tax Collected		
10/31/2008	\$	7,795,686	10/31/2008	\$	10,828,579	10/31/2008	\$	10,640,339
10/31/2007		7,832,714	10/31/2007		10,191,023	10/31/2007		10,686,836
Decrease	-0.5%	\$ (37,028)	Increase	6.3%	\$ 637,556	Decrease	-0.4%	\$ (46,497)

2008 Assessed Valuation & Per Capita Property Tax Comparison

	2008 Population	Total Property Tax Valuation	Per Capita Property Tax Valuation	Total Property Taxes due in 2008	Effective Levy Rate per \$1,000	Per Capita Property Tax
Redmond	51,320	\$ 12,753,636,245	\$ 248,512	\$ 18,738,078	1.469	\$ 365.12
Renton	78,780	\$ 9,617,254,028	\$ 122,077	\$ 25,231,314	2.624	\$ 320.28
Kent	86,980	\$ 11,516,918,025	\$ 132,409	\$ 27,225,646	2.364	\$ 313.01
Everett	102,300	\$ 13,421,441,112	\$ 131,197	\$ 31,191,573	2.324	\$ 304.90
Bellingham	75,750	\$ 7,070,686,278	\$ 93,342	\$ 18,104,429	2.560	\$ 239.00
Yakima	84,300	\$ 5,104,315,771	\$ 60,549	\$ 15,376,850	3.013	\$ 182.41
Kennewick	65,860	\$ 4,090,528,449	\$ 62,109	\$ 9,190,801	2.247	\$ 139.55
Auburn	67,005	\$ 5,698,657,863	\$ 85,048	\$ 8,455,931	1.484	\$ 126.20
Pasco	52,290	\$ 2,483,166,932	\$ 47,488	\$ 6,060,617	2.441	\$ 115.90

Data from Washington Department of Revenue & Office of Financial Management

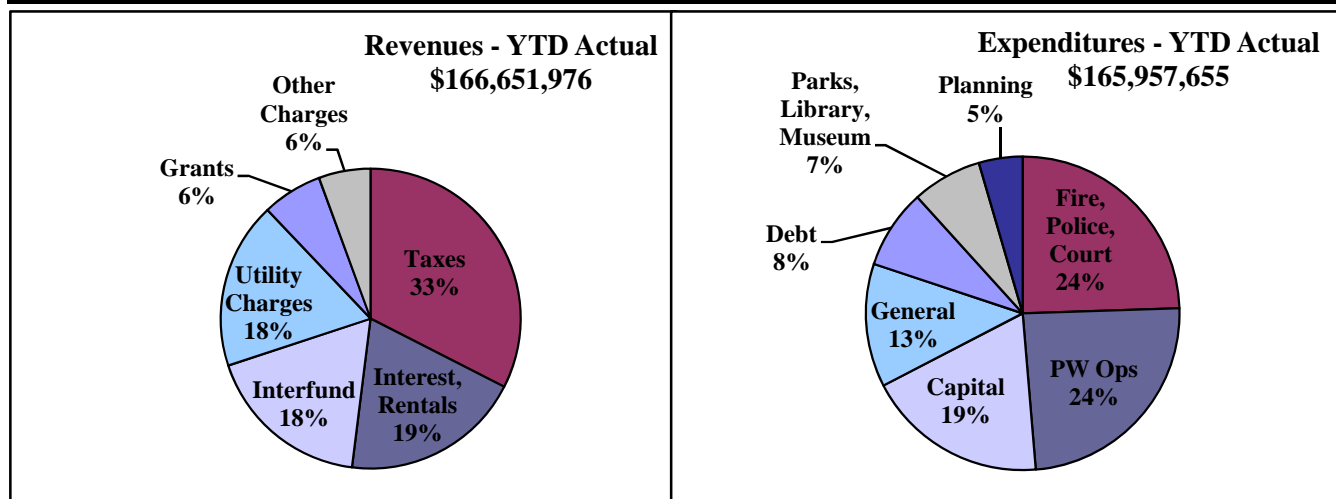
Please refer questions or comments on Financial Reports to: John Carter, Finance Director or Kipp Drummond, Accounting Manager

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

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

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

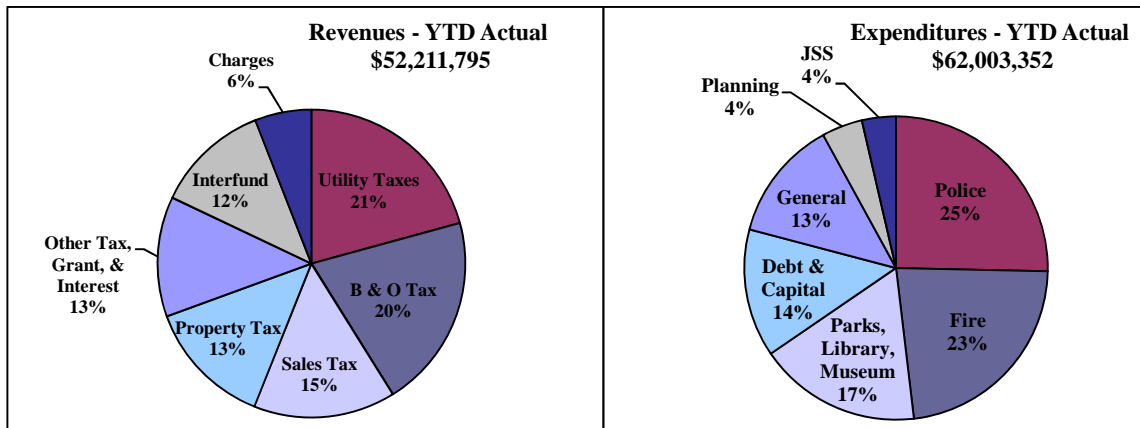
	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Budgeted Beginning Balance	\$122,619,638	\$139,937,693	14%	\$139,937,693	100%
Revenues					
Property Taxes	9,844,557	10,445,542	6	17,797,545	59
Sales Tax	15,582,572	15,557,903	0	19,864,000	78
B & O Tax	10,686,836	10,640,339	0	12,469,000	85
Utility Taxes	11,222,018	11,887,097	6	14,388,881	83
Other Taxes	(1) 6,792,541	5,663,412	-17	7,589,225	75
Grants, Entitlements, Revenue Sharing	(2) 10,512,894	10,812,210	3	39,214,788	28
Utility Charges for Services	27,388,473	29,950,532	9	34,634,343	86
Other Charges, Fines, Permits, Licenses	(3) 12,554,519	9,336,143	-26	13,923,721	67
Interest, Rentals, Bonds, Other Revenues	(4) 20,720,504	32,456,215	57	31,815,229	102
Interfund Sales & Service	19,818,612	21,803,176	10	25,335,393	86
Interfund Loans & Transfers	(5) 4,855,295	8,099,407	67	10,028,770	81
Total Revenues	149,978,821	166,651,976	11	227,060,895	73
Operating Expenditures					
General Governmental Services	18,238,167	21,094,244	16	29,219,874	72
Fire, Police, Municipal Court	(5) 35,242,601	40,635,800	15	51,769,541	78
Public Works Operations	36,940,494	40,124,287	9	61,339,179	65
Planning, Hearing Examiner	6,640,517	7,479,708	13	12,272,192	61
Libraries, Museums, Parks	11,138,166	11,955,244	7	16,287,364	73
Total Operating Expenditures	108,199,945	121,289,283	12	170,888,150	71
Capital and Debt Expenditures					
Capital Expenditures	(4) 20,517,033	31,095,499	52	109,002,113	29
Debt Service, Loans, Transfers	10,106,120	13,572,873	34	21,381,083	63
Total Capital and Debt Expenditures	30,623,153	44,668,372	46	130,383,196	34
Total Expenditures	138,823,098	165,957,655	20	301,271,346	55
Projected/Budgeted Ending Balance	\$133,775,361	\$140,632,014	5%	\$ 65,727,242	214%



(1) 2008: Decrease in real estate excise taxes of \$748K through 10/31/2008.
(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.
(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.

October 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	6,576,544	6,981,089	6	11,896,000	59
Sales Tax	7,832,714	7,795,686	0	9,934,000	78
B & O Tax	10,686,836	10,640,339	0	12,469,000	85
Utility Taxes	10,191,023	10,828,579	6	13,108,881	83
Other Taxes	2,462,344	2,477,851	1	2,842,955	87
Grants, Entitlements, Revenue Sharing	1,451,822	1,563,098	8	3,062,544	51
Charges, Fines, Permits, Licenses	3,294,271	3,102,543	-6	4,138,613	75
Interest, Rentals, Bonds, Other Revenues	(1) 4,217,453	2,548,049	-40	1,414,532	180
Interfund Sales & Service	4,677,013	3,469,485	-26	4,184,134	83
Interfund Loans & Transfers	(2) 1,570,846	2,805,076	79	3,269,181	86
Total Revenues	52,960,866	52,211,795	-1	66,319,840	79
Operating Expenditures					
Executive	(3) 1,667,435	1,500,254	-10	3,322,407	45
Legislative	265,058	364,666	38	468,872	78
Hearings Examiner	114,806	146,220	27	188,245	78
Museum	1,226,869	1,224,300	0	1,662,398	74
Library	2,757,538	3,275,501	19	3,959,511	83
Finance	(3), (4) 1,309,799	2,159,320	65	2,712,606	80
Human Resources	1,103,814	1,054,349	-4	1,672,723	63
Information Technology	1,770,186	1,842,462	4	2,621,486	70
Legal	1,035,442	1,100,680	6	1,473,976	75
Judicial & Support Services	(5) 3,142,321	2,240,271	-29	3,029,178	74
Parks & Recreation	5,743,612	6,244,183	9	8,043,250	78
Planning & Community Development	(6) 2,694,388	2,549,729	-5	4,261,879	60
Fire	(2) 10,598,006	14,132,417	33	17,302,822	82
Police	(5) 13,090,905	15,709,844	20	20,223,456	78
Total Operating Expenditures	46,520,179	53,544,196	15	70,942,809	75
Capital and Debt Expenditures					
Capital Expenditures	(7) 519,761	5,950,748	1045	6,234,637	95
Debt Service, Loans, Transfers	2,735,221	2,508,408	-8	3,669,291	68
Total Capital and Debt Expenditures	3,254,982	8,459,156	160	9,903,928	85
Total Expenditures	49,775,161	62,003,352	25	80,846,737	77
Projected/Budgeted Ending Balance	\$ 19,667,858	\$ 15,689,761	-20%	\$ 10,954,421	143%



- (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 \$206K through 10/31/08 as compared to 2007. Additionally, in 2008, the Executive budget includes \$1.4 million for Waterfront projects with expenditures of \$593K through 10/31/08 and \$500K for Lake Whatcom management with no expenditures through 10/31/08.
- (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 - \$1.23 million through 10/31/08.
- (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.

October 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/Transfers:					
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)
2008-1610	Budget transfer from undesignated to designated fund balance		(42,830)	42,830	-
Available Ending Balance 10/31/08			\$ 2,576	\$ 10,951,846	\$ 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.

October 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	1,117,598	1,020,394	-9	1,252,620	81
Expenditures*	525,852	668,162	27	5,555,335	12
Projected/Budgeted Ending Balance	\$ 7,215,690	\$ 6,637,844	-8%	\$ 1,982,897	335%

* 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	290,013	1,128,751	289	1,163,010	97
Expenditures*	977,383	754,034	-23	2,204,503	34
Projected/Budgeted Ending Balance	\$ 1,636,770	\$ 1,731,520	6%	\$ 315,310	549%

* 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	3,489,691	2,741,284	-21	6,345,359	43
Expenditures	1,233,431	3,681,449	198	13,732,801	27
Projected/Budgeted Ending Balance	\$ 10,716,080	\$ 8,110,955	-24%	\$ 1,663,678	488%

Police Special Rev Funds #150					
Budgeted Beginning Balance	\$ 710,107	\$ 685,361	-3%	\$ 685,361	100%
Revenues	422,684	499,185	18	342,418	146
Expenditures*	402,319	334,084	-17	398,620	84
Projected/Budgeted Ending Balance	\$ 730,472	\$ 850,462	16%	\$ 629,159	135%

*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	3,245,623	3,084,257	-5	3,926,491	79
Expenditures	3,201,020	3,410,175	7	4,195,513	81
Projected/Budgeted Ending Balance	\$ 1,847,233	\$ 1,707,885	-8%	\$ 1,764,781	97%

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*	3,656,444	2,580,368	-29	5,728,860	45
Expenditures	1,534,335	3,946,472	157	13,401,826	29
Projected/Budgeted Ending Balance	\$ 6,715,554	\$ 7,524,017	12%	\$ 1,217,155	618%

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

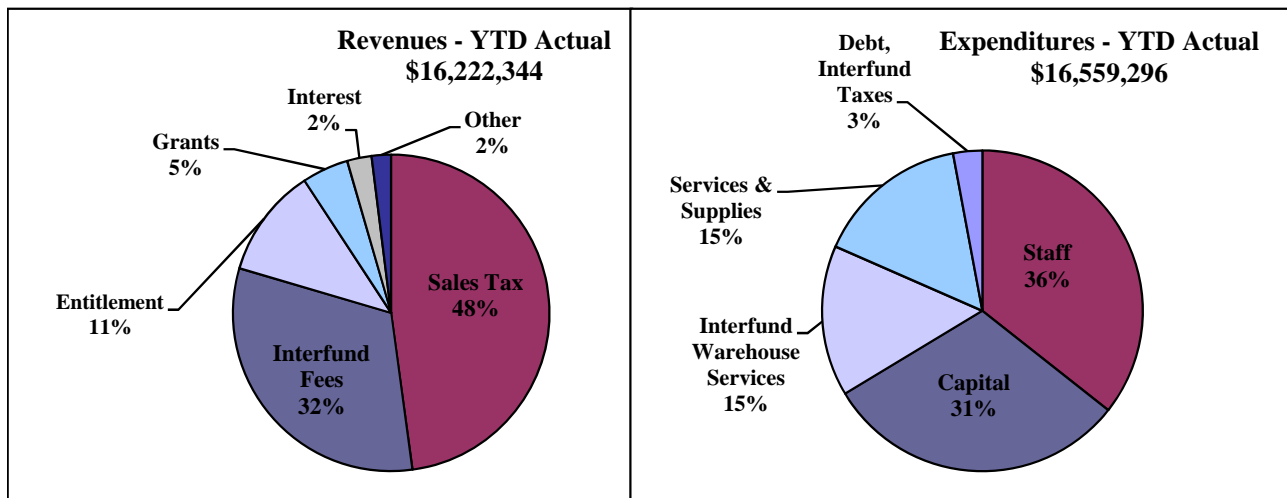
Tourism Fund #180					
Budgeted Beginning Balance	\$ 326,872	\$ 383,171	17%	\$ 383,171	100%
Revenues	835,492	913,913	9	1,007,491	91
Expenditures	660,479	706,581	7	1,148,580	62
Projected/Budgeted Ending Balance	\$ 501,885	\$ 590,503	18%	\$ 242,082	244%

Community Development Grants Fund #190 & 191					
Budgeted Beginning Balance	\$ 807,469	\$ 451,483	-44%	\$ 451,483	100%
Revenues	1,111,873	1,479,037	33	4,149,227	36
Expenditures*	1,164,200	1,975,760	70	4,298,497	46
Projected/Budgeted Ending Balance	\$ 755,142	\$ (45,240)	-106%	\$ 302,213	-15%

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

October 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	7,749,858	7,762,218	0	9,930,000	78
Federal/State Grants (1)	1,234,106	769,970	-38	18,038,662	4
Entitlements	1,672,779	1,817,714	9	3,049,079	60
Interfund Fees	5,183,874	5,143,193	-1	6,189,054	83
Investment Interest	441,862	408,202	-8	660,863	62
Other Revenues (2)	1,269,283	275,353	-78	1,087,390	25
Other Financing Sources	40,000	45,694	14	51,194	89
Total Revenues	17,591,762	16,222,344	-8	39,006,242	42
Operating Expenditures					
Salaries, Wages & Benefits	5,674,672	5,900,836	4	7,555,311	78
Supplies	531,154	531,899	0	842,991	63
Services-Professional, Repairs, Utilities	1,735,935	2,030,725	17	3,415,948	59
Intergovernmental Services, Taxes, & Fees	254,303	262,568	3	353,580	74
Interfund-Warehouse & Services	2,258,153	2,519,227	12	3,071,192	82
Total Operating Expenditures	10,454,217	11,245,255	8	15,239,022	74
Capital and Debt Expenditures					
Capital Outlay	7,000,431	5,087,635	-27	32,947,641	15
Debt-(Principal & Interest), Interfund Loans, & Transfers	588,439	226,406	-62	354,820	64
Total Capital and Debt Expenditures	7,588,870	5,314,041	-30	33,302,461	16
Total Expenditures	18,043,087	16,559,296	-8	48,541,483	34
Projected/Budgeted Ending Balance	\$ 9,845,715	\$ 10,734,649	9%	\$ 1,536,360	699%



(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.

October 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	4,191,502	4,257,195	2	5,462,343	78
Expenses	3,174,760	4,181,680	32	7,832,083	53
Projected/Budgeted Ending Balance	\$ 3,532,550	\$ 3,674,069	4%	\$ 1,228,814	299%

Solid Waste Fund #440					
Budgeted Beginning Balance	\$ 1,937,143	\$ 2,534,269	31%	\$ 2,534,269	100%
Revenues*	2,288,054	7,795,099	241	8,332,981	94
Expenses	1,510,557	3,229,615	114	4,719,481	68
Projected/Budgeted Ending Balance	\$ 2,714,640	\$ 7,099,753	162%	\$ 6,147,769	115%

*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	528,111	500,868	-5	604,320	83
Expenses	544,379	516,430	-5	619,300	83
Projected/Budgeted Ending Balance	\$ 428,129	\$ 388,722	-9%	\$ 389,304	100%

Golf Course Fund #460					
Budgeted Beginning Balance	\$ 91,244	\$ 58,450	-36%	\$ 58,450	100%
Revenues *	716,621	158,126	-78	181,800	87
Expenses	565,513	82,554	-85	176,467	47
Projected/Budgeted Ending Balance	\$ 242,352	\$ 134,022	-45%	\$ 63,783	210%

* 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	2,581,040	2,109,420	-18	2,832,556	74
Expenses	2,130,350	2,473,049	16	3,295,135	75
Projected/Budgeted Ending Balance	\$ 1,286,901	\$ 852,287	-34%	\$ 753,337	113%

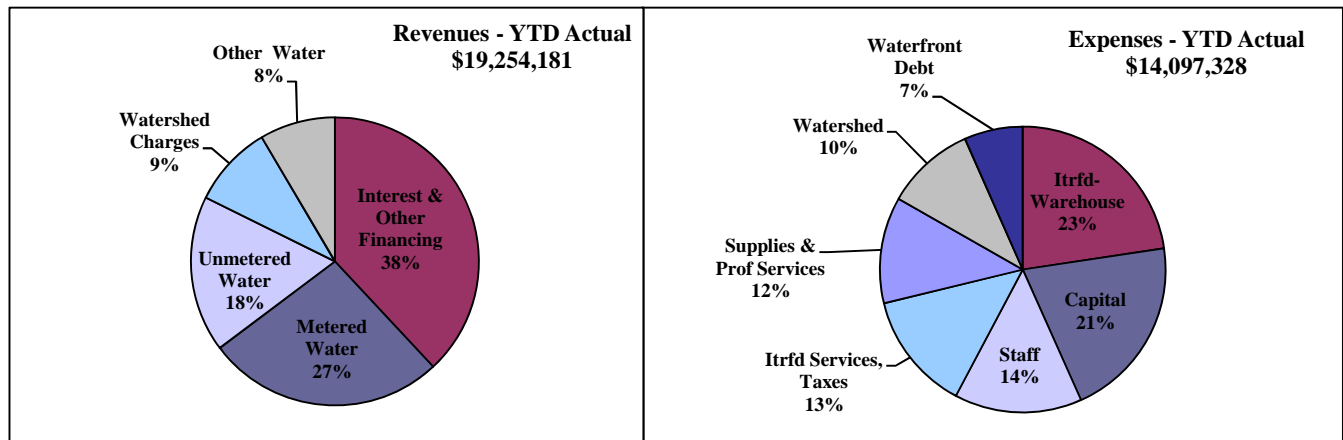
<i>Development Services Activity YTD</i>	<u>2007</u>	<u>2008</u>
<i>Permits*</i>	845	690
<i>Units</i>	491	212
<i>Valuation (\$millions)**</i>	\$180.2	\$131.2

*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.

October 2008
City of Bellingham
Water Fund Operating Statement

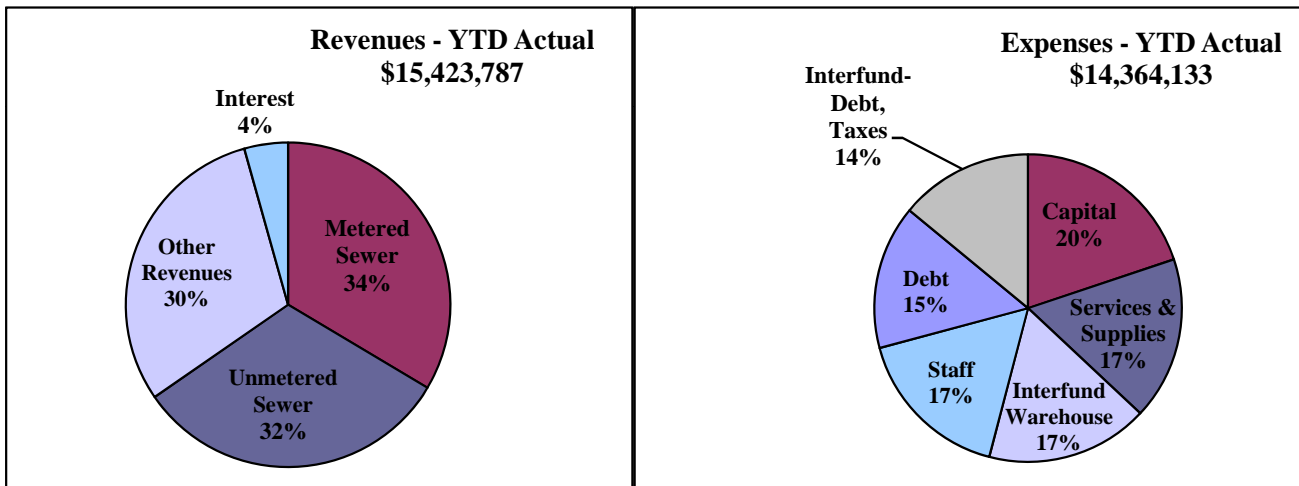
Water Fund #410, Enterprise	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Budgeted Beginning Balance - Water Operations	\$ 14,333,412	\$ 14,515,044	1%	\$ 14,515,044	100%
Revenues					
Unmetered Water	3,093,550	3,381,020	9	4,150,000	81
Metered Water	4,525,350	5,139,775	14	5,720,220	90
Other Water System Charges (1)	2,328,289	1,630,021	-30	3,005,843	54
Investment Interest	590,524	511,941	-13	842,684	61
Other Revenues	758,096	714,320	-6	2,163,000	33
Other Financing Sources	-	-	0	2,720,000	0
Total Revenues	11,295,809	11,377,077	1	18,601,747	61
Operating Expenses					
Salaries, Wages & Benefits	1,814,404	2,035,921	12	2,543,515	80
Supplies & Services-Professional, Repairs, Utilities	1,477,659	1,700,988	15	3,403,553	50
Intergovernmental Services, Taxes, & Fees	1,748,618	1,893,370	8	2,498,736	76
Interfund-Warehouse & Services	3,089,331	3,190,924	3	3,904,215	82
Total Operating Expenses	8,130,012	8,821,203	9	12,350,019	71
Capital and Debt Expenses					
Capital Outlay	1,704,598	2,915,658	71	15,965,185	18
Debt-(Principal & Interest), Interfund Loans, & Transfers	921,334	933,927	1	1,244,416	75
Total Capital and Debt Expenses	2,625,932	3,849,585	47	17,209,601	22
Total Expenses	10,755,944	12,670,788	18	29,559,620	43
Projected/Budgeted Ending Balance - Water Operations	\$ 14,873,277	\$ 13,221,333	-11%	\$ 3,557,171	372%
Budgeted Beginning Balance - Watershed Activity	\$ 1,543,287	\$ 476,971	-69%	\$ 476,971	100%
Revenues					
Watershed Charges	1,720,631	1,756,935	2	2,080,000	84
Demand Charges	-	20,649	100	-	100
Investment Interest & Other Revenue	48,425	59,520	23	92,140	65
Other Financing Sources (2)	-	6,040,000	100	-	100
Total Revenues	1,769,056	7,877,104	345	2,172,140	363
Operating Expenses					
Supplies & Services	5,509	21,639	293	165,660	13
Intergovernmental Services, Taxes, & Fees	331,012	327,746	-1	422,790	78
Total Operating Expenses	336,521	349,385	4	588,450	59
Capital and Debt Expenses					
Capital Outlay (3)	814,605	486,555	-40	1,096,568	44
Debt-(Principal & Interest), Interfund Loans, & Transfers	563,514	590,600	5	618,667	95
Total Capital and Debt Expenses	1,378,119	1,077,155	-22	1,715,235	63
Total Expenses	1,714,640	1,426,540	-17	2,303,685	62
Projected/Budgeted Ending Balance - Watershed	\$ 1,597,703	\$ 6,927,535	334%	\$ 345,426	2006%
Projected/Budgeted Ending Balance - Water/Watershed Combined	\$ 16,470,980	\$ 20,148,868	22%	\$ 3,902,597	516%



(1) 2008: Demand fees from new construction decreased \$653K 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.

October 2008
City of Bellingham
Wastewater Fund Operating Statement

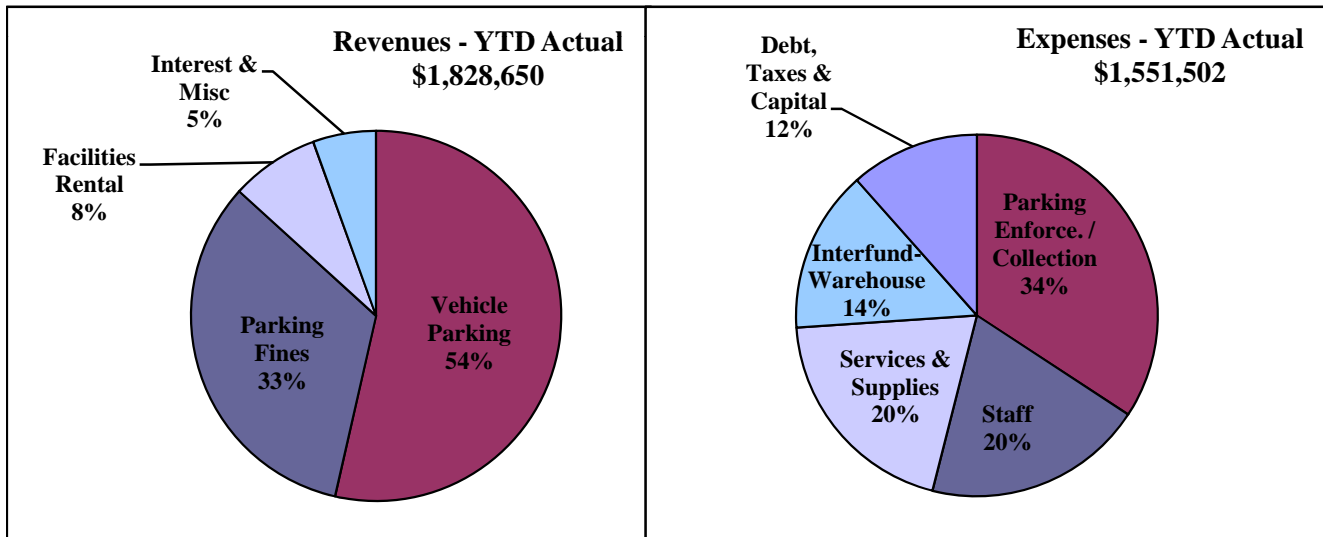
	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Wastewater Fund #420, Enterprise					
Budgeted Beginning Balance	\$ 17,142,252	\$ 17,761,257	4%	\$ 17,761,257	100%
Revenues					
Unmetered Sewer	4,573,989	4,910,779	7	5,716,250	86
Metered Sewer	4,530,965	5,172,317	14	6,020,176	86
Investment Interest	737,240	670,962	-9	1,131,043	59
Other Revenues	3,801,534	4,669,729	23	3,905,471	120
Total Revenues	13,643,728	15,423,787	13	16,772,940	92
Operating Expenses					
Salaries, Wages & Benefits	2,245,342	2,405,616	7	3,010,565	80
Supplies	511,093	609,553	19	662,819	92
Services-Professional, Repairs, Utilities	1,574,180	1,852,046	18	3,496,131	53
Intergovernmental Services, Taxes, & Fees	1,662,753	2,014,235	21	2,165,168	93
Interfund-Warehouse & Services	2,250,120	2,452,809	9	2,978,384	82
Total Operating Expenses	8,243,488	9,334,259	13	12,313,067	76
Capital and Debt Expenses					
Capital Outlay	3,641,150	2,852,374	-22	13,163,500	22
Debt-(Principal & Interest), Interfund Loans, & Transfers	2,265,083	2,177,500	-4	2,220,840	98
Total Capital and Debt Expenses	5,906,233	5,029,874	-15	15,384,340	33
Total Expenses	14,149,721	14,364,133	2	27,697,407	52
Projected/Budgeted Ending Balance	\$ 16,636,259	\$ 18,820,911	13%	\$ 6,836,790	275%



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 10/31/08, the ratio is estimated at 6.70.

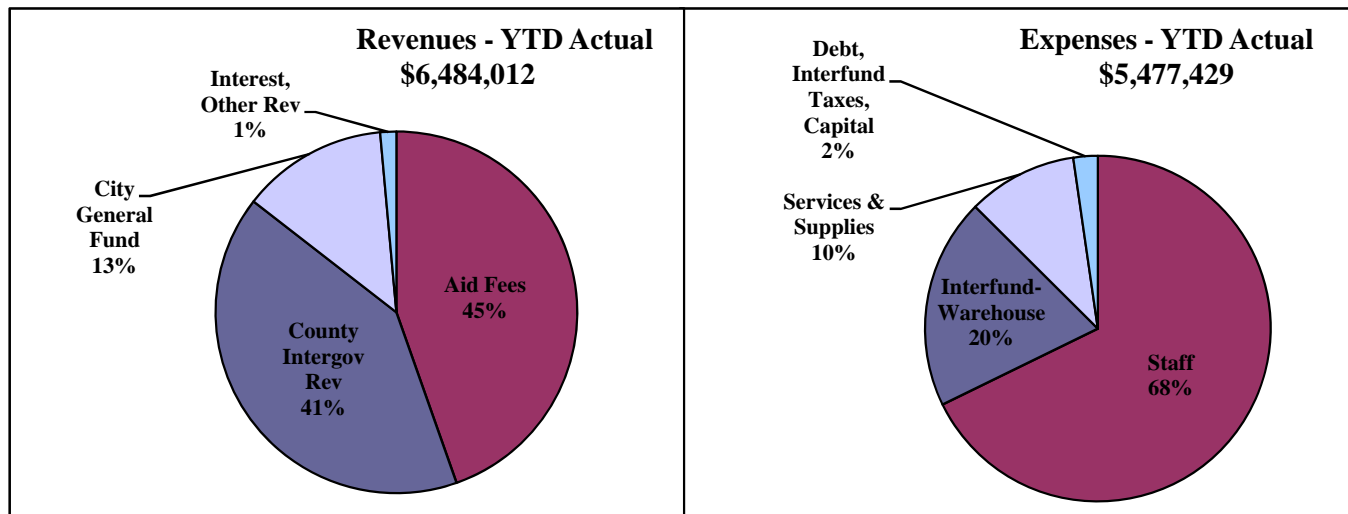
October 2008
City of Bellingham
Parking Services Fund Operating Statement

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
Parking Fund #465, Enterprise					
Budgeted Beginning Balance	\$ 1,207,384	\$ 1,902,902	58%	\$ 1,902,902	100%
Revenues					
Vehicle Parking	980,979	979,494	0	1,493,306	66
Parking Infraction Fines	689,180	606,783	-12	927,998	65
Facilities Rental	121,709	141,672	16	130,111	109
Investment Interest	62,299	81,743	31	52,676	155
Miscellaneous Revenues	18,374	18,958	3	19,700	96
Total Revenues	1,872,541	1,828,650	-2	2,623,791	70
Operating Expenses					
Salaries, Wages & Benefits	255,055	306,338	20	409,639	75
Supplies	30,550	81,616	167	101,574	80
Services-Professional, Repairs, Utilities	134,602	228,103	69	817,405	28
Intergovernmental Services, Taxes, & Fees	7,968	6,802	-15	8,375	81
Parking Infraction Enforcement/Collection	494,863	530,909	7	637,091	83
Interfund-Warehouse & Services	249,773	225,298	-10	209,840	107
Total Operating Expenses	1,172,811	1,379,066	18	2,183,924	63
Capital and Debt Expenses					
Capital Outlay	72	44,235	61338	1,952,365	2
Debt-(Principal & Interest), Interfund Loans, & Transfers	121,349	128,201	6	132,253	97
Total Capital and Debt Expenses	121,421	172,436	42	2,084,618	8
Total Expenses	1,294,232	1,551,502	20	4,268,542	36
Projected/Budgeted Ending Balance	\$ 1,785,693	\$ 2,180,050	22%	\$ 258,151	844%



October 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)	484,379	499,798	3	528,150	95
Less Transfers of Special Purpose Tax to Whatcom Cty (1)(a)	(484,379)	(499,798)	3	(528,150)	95
Ambulance & Emergency Aid Fees	2,546,603	2,892,273	14	3,353,542	86
City of Bellingham - General Fund	838,243	846,626	1	1,015,951	83
Intergovernmental Revenue - Whatcom County & others (2)	2,048,221	2,651,899	29	3,093,766	86
Investment Interest	51,185	60,792	19	77,628	78
Other Revenues & Financing Sources	131,712	32,422	-75	1,000	3242
Interfund - Sales & Services	1,610	-	-100	-	0
Total Revenues	5,617,574	6,484,012	15	7,541,887	86
Operating Expenses					
Salaries, Wages & Benefits	3,356,674	3,712,138	11	4,915,917	76
Supplies	313,031	360,216	15	568,800	63
Services-Professional, Repairs, Utilities	292,308	202,338	-31	448,905	45
Intergovernmental Services, Taxes, & Fees	19,452	16,970	-13	33,894	50
Interfund-Warehouse & Services	945,828	1,078,103	14	1,316,603	82
Total Operating Expenses	4,927,293	5,369,765	9	7,284,119	74
Capital Expense					
Capital Outlay	294,575	107,664	-63	282,363	38
Total Capital Expense	294,575	107,664	-63	282,363	38
Total Expenses	5,221,868	5,477,429	5	7,566,482	72
Projected/Budgeted Ending Balance	\$ 949,455	\$ 1,586,104	67%	\$ 554,926	286%



(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 \$1.14 million from its General Fund and \$1.44 million from its Whatcom County EMS Fund through 10/31/08.

October 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	1,905,832	1,788,792	-6	1,919,239	93
Expenses	1,941,780	1,723,227	-11	2,147,213	80
Projected/Budgeted Ending Balance	\$ 535,130	\$ 494,193	-8%	\$ 200,654	246%

Facilities Administration Fund #530					
Budgeted Beginning Balance	\$ 1,016,920	\$ 1,198,122	18%	\$ 1,198,122	100%
Revenues	1,859,871	1,851,603	0	2,145,160	86
Expenses	1,646,344	1,623,772	-1	2,864,235	57
Projected/Budgeted Ending Balance	\$ 1,230,447	\$ 1,425,953	16%	\$ 479,047	298%

Telecommunication Fund #540					
Budgeted Beginning Balance	\$ 490,180	\$ 955,032	95%	\$ 955,032	100%
Revenues	380,659	359,967	-5	427,276	84
Expenses	636,152	800,723	26	1,299,978	62
Projected/Budgeted Ending Balance	\$ 234,687	\$ 514,276	119%	\$ 82,330	625%

Claims & Litigation Fund #550					
Budgeted Beginning Balance	\$ 4,871,114	\$ 4,944,015	1%	\$ 4,944,015	100%
Revenues	757,099	827,840	9	1,125,617	74
Expenses *	785,440	1,264,137	61	1,917,659	66
Projected/Budgeted Ending Balance	\$ 4,842,773	\$ 4,507,718	-7%	\$ 4,151,973	109%

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

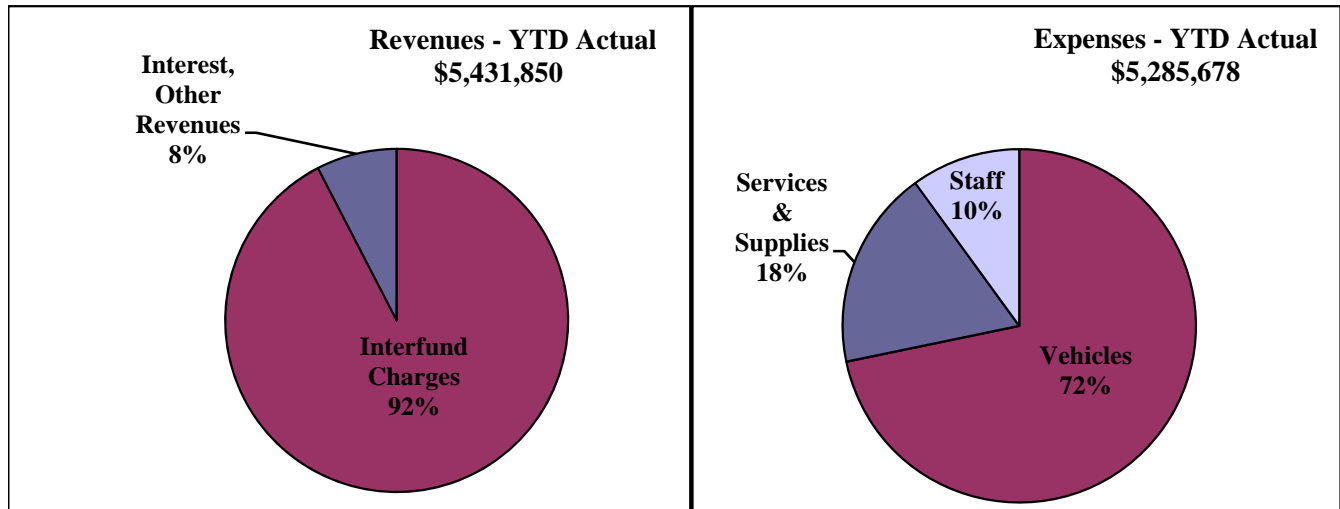
Unemployment Compensation Fund #561					
Budgeted Beginning Balance	\$ 330,295	\$ 275,296	-17%	\$ 275,296	100%
Revenues	12,290	9,189	-25	18,509	50
Expenses	37,363	45,731	22	122,005	37
Projected/Budgeted Ending Balance	\$ 305,222	\$ 238,754	-22%	\$ 171,800	139%

Worker's Comp Self-Insurance Fund #562					
Budgeted Beginning Balance	\$ 750,020	\$ 913,892	22%	\$ 913,892	100%
Revenues	651,985	523,261	-20	604,129	87
Expenses	486,729	578,863	19	737,783	78
Projected/Budgeted Ending Balance	\$ 915,276	\$ 858,290	-6%	\$ 780,238	110%

Health Benefits Fund #565					
Budgeted Beginning Balance	\$ 1,133,532	\$ 1,272,460	12%	\$ 1,272,460	100%
Revenues	7,417,276	8,459,720	14	10,071,102	84
Expenses	7,299,354	8,280,485	13	10,315,546	80
Projected/Budgeted Ending Balance	\$ 1,251,454	\$ 1,451,695	16%	\$ 1,028,016	141%

October 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) 2,054,655	5,020,163	144	5,476,297	92
Investment Interest	215,421	218,734	2	291,462	75
Other Miscellaneous Revenues	2,484	15,300	516	-	100
Other Financing Sources	99,742	177,653	78	350,000	51
Total Revenues	2,372,302	5,431,850	129	6,117,759	89
Operating Expenses					
Salaries, Wages & Benefits	486,916	529,781	9	653,739	81
Supplies	213,735	256,379	20	305,160	84
Services-Professional, Repairs, Utilities	156,846	179,350	14	203,458	88
Interfund-Parts, Services & Supplies	537,972	528,048	-2	639,582	83
Total Operating Expenses	1,395,469	1,493,558	7	1,801,939	83
Capital Expense					
Capital Outlay - Vehicles & Equipment	(1) 907,083	3,792,120	318	5,128,517	74
Total Capital Expense	907,083	3,792,120	318	5,128,517	74
Total Expenses	2,302,552	5,285,678	130	6,930,456	76
Projected/Budgeted Ending Balance	\$ 5,684,722	\$ 5,821,704	2%	\$ 4,862,835	120%



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

October 2008
City of Bellingham
Cash and Investments Report

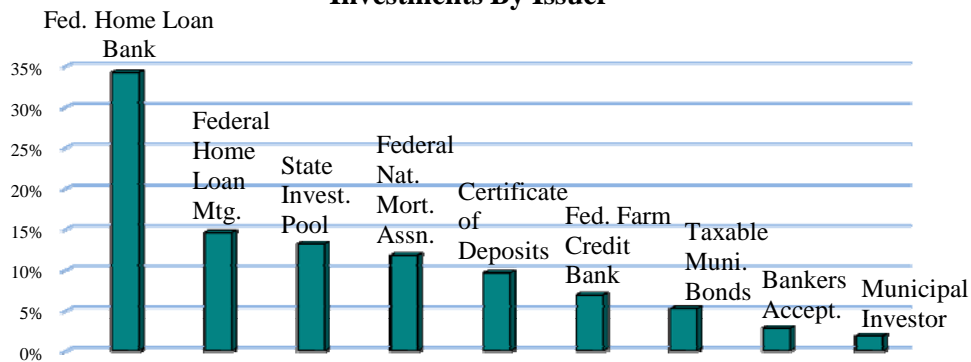
Unrestricted-Cash & Investments	Prior Month Ending Bal.	Cash Increase	Cash Decrease	Current Ending Bal.
General Fund*	\$ 9,642,271	\$ 5,282,542	\$ 7,226,403	\$ 7,698,410
General Fund Reserve*	6,987,158	18,474	-	7,005,632
Street*	11,070,190	1,313,796	1,501,207	10,882,779
Arterial, Paths - Street Funds	310,138	48,854	-	358,992
Technology Replacement and Reserve*	2,090,168	5,521	4,000	2,091,689
Park Acquisition & Capital Maintenance	4,531,049	13,564	15,115	4,529,498
Library Gift	35,505	2,632	9,583	28,554
Settlement Funds	2,367,766	5,328	672,180	1,700,914
Real Estate Excise Tax Funds	8,715,652	329,668	901,424	8,143,896
Police Special Revenue Funds	1,023,806	70,653	223,980	870,479
Public Safety Dispatch	1,961,477	153,932	415,064	1,700,345
Park Funds	7,423,892	318,834	114,815	7,627,911
Tourism	531,864	137,830	79,191	590,503
Community Development Block Grant	50,267	110,867	149,367	11,767
Home Investment Partnership Grant	(5,919)	14,849	47,105	(38,175)
Debt & LID Funds	801,625	323,039	15,247	1,109,417
Construction- Civic Field	248,668	520	103,706	145,482
Water	3,961,303	1,172,425	1,424,326	3,709,402
Wastewater	13,535,824	1,372,968	1,606,709	13,302,083
Storm/Surface Water Utility	3,784,406	383,902	562,352	3,605,956
Solid Waste	6,736,815	140,794	99,207	6,778,402
Cemetery	82,996	38,997	59,153	62,840
Golf Course	133,805	24,046	21,390	136,461
Parking Services	2,309,402	193,515	177,110	2,325,807
Medic One	1,690,644	746,294	783,719	1,653,219
Development Services*	950,546	156,111	258,920	847,737
Fleet Administration*	5,747,612	287,525	195,227	5,839,910
Purchasing/Material Management	564,878	160,510	192,482	532,906
Facilities Administration	1,412,704	175,104	148,902	1,438,906
Telecommunications	538,343	29,065	50,325	517,083
Claims and Litigation*	4,763,993	69,564	325,393	4,508,164
Unemployment Compensation*	242,007	639	140	242,506
Workers Comp Self-Insurance*	868,111	54,403	70,644	851,870
Health Benefits*	1,431,020	865,507	840,983	1,455,544
Fire and Police Pension Funds	8,264,442	203,902	212,546	8,255,798
Trust & Deposit Funds	1,059,644	6,121,203	1,188,228	5,992,619
Payroll & Accounts Payable Funds	3,866,320	18,320,055	18,287,009	3,899,366
Greenways Endowment	2,823,294	26,372	24,456	2,825,210
Natural Resources Protect & Restore	4,669,685	12,215	76,270	4,605,630
Total Cash & Investments	127,223,371	38,706,019	38,083,878	127,845,512
<i>* Funds with City Council approved budget reserve goals.</i>				
Restricted Cash & Investments -Debt, Construction				
Civic Field (Restricted for Debt & Construction)				
Water (Restricted for Debt & Construction)	16,257,778	368,960	114,965	16,511,773
Wastewater (Restricted for Debt & Constr)	5,118,381	234,511	3,395	5,349,497
Solid Waste (Restricted for Debt & Constr)	388,850	57,983	-	446,833
Cemetery - Preened Trust & Endowed Care	480,700	1,751	833	481,618
Parking - Restricted for Debt Svc P&I	132,253	10,678	-	142,931
Total Restricted	22,377,962	673,883	119,193	22,932,652
Total Funds Available	\$ 149,601,333	\$ 39,379,902	\$ 38,203,071	\$ 150,778,164
Discrete Component Unit (Restricted)				
Public Facilities District	\$ 3,117,479	\$ 4,544,341	\$ 4,451,279	\$ 3,210,541
Public Facilities District Construction	3,296,874	42,687	1,162,854	2,176,707
Total Public Facilities District Funds	\$ 6,414,353	\$ 4,587,028	\$ 5,614,133	\$ 5,387,248

October 2008
City of Bellingham
Investment Summary

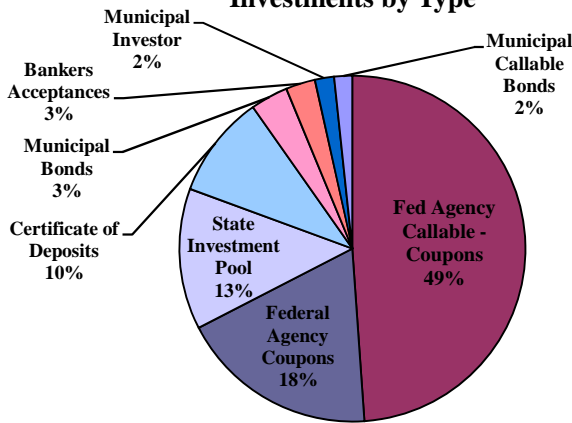
Portfolio Summary	Book Value	Term in Years	YTM/C 365Equiv.
Investments By Type			
State Investment Pool	\$ 20,552,702	0.0	2.47%
Municipal Investor	2,793,172	0.0	1.00%
Certificates of Deposit	15,000,000	0.5	2.89%
Bankers Acceptances	4,275,991	0.3	4.27%
Federal Agency Issues - Coupon	28,894,763	2.2	3.68%
Federal Agency Callable Issues - Coupon	76,252,849	4.4	4.43%
Municipal Bonds	5,499,986	2.5	4.29%
Municipal Callable Bonds	2,656,822	3.0	5.02%
Investments - Total & Average	\$ 155,926,285	2.8	3.83%
Year to Date Interest Received	5,400,406		
Year to Date Interest Earned	\$ 5,467,649		
Effective Rate of Return on Interest Earned	4.30%		

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.

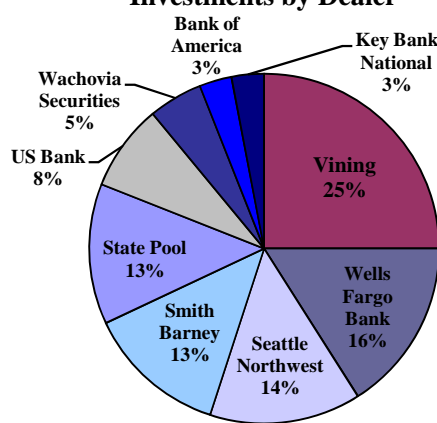
Investments By Issuer



Investments by Type



Investments by Dealer

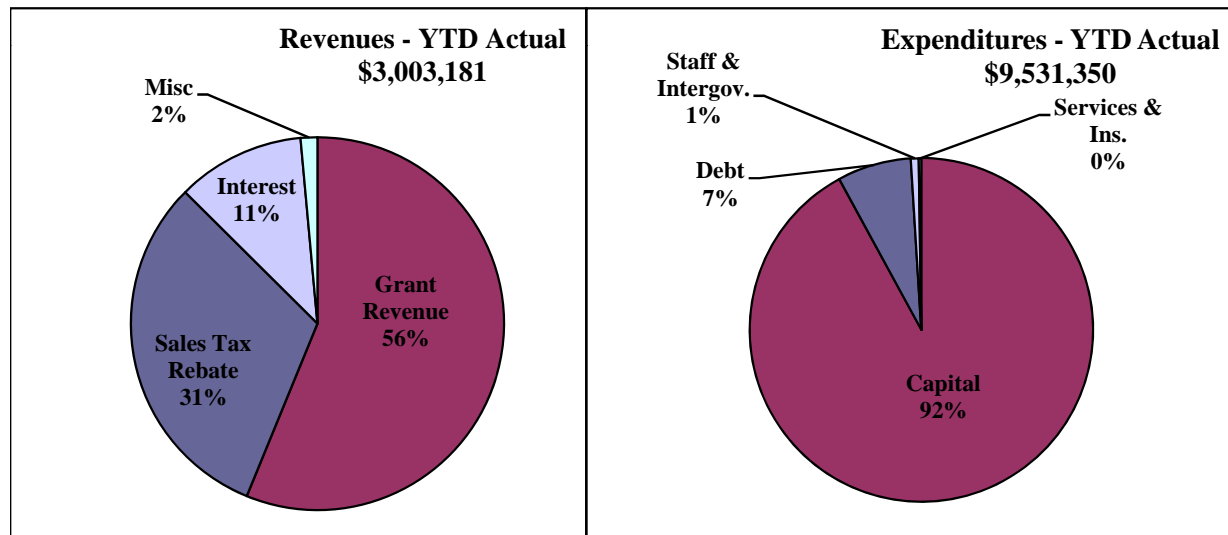


Investment Activity Summary

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%
October 2008	56	\$155,926,285	3.83%	2.47%	3.86%

October 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) 920,948	939,026	2	1,203,442	78
Interest Income	(2) 182,580	332,848	82	288,846	115
Other Income	15,123	43,744	189	-	100
Intergovernmental Revenue	4,439	-	-100	2,885,000	0
Grant Revenues	(3) 135,576	1,687,438	1145	471,833	358
Misc Revenue	7	125	1686	-	100
Total Revenues	1,258,673	3,003,181	139	4,849,121	62
Operating Expenditures					
Salaries & Benefits	(4) 74,845	56,937	-24	80,505	71
Supplies & Miscellaneous	2,042	2,483	22	5,029	49
Insurance	9,120	5,459	-40	9,400	58
Services-Professional, Repairs, Utilities	27,698	15,943	-42	62,277	26
Intergovernmental Services	17,789	14,974	-16	18,839	79
Total Operating Expenditures	131,494	95,796	-27	176,050	54
Capital and Debt Expenditures					
Capital Costs	(5) 2,419,352	8,775,062	263	13,488,442	65
Debt-Principal & Interest	203,823	660,492	224	1,067,273	62
Total Capital and Debt Expenditures	2,623,175	9,435,554	260	14,555,715	65
Total Expenditures	2,754,669	9,531,350	246	14,731,765	65
Projected/Budgeted Ending Balance	\$ 3,282,053	\$ 5,247,170	60%	\$ 1,892,695	277%



- (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.