

# CITY OF BELLINGHAM

## DECEMBER 2009 FINANCIAL REPORT

### Highlights

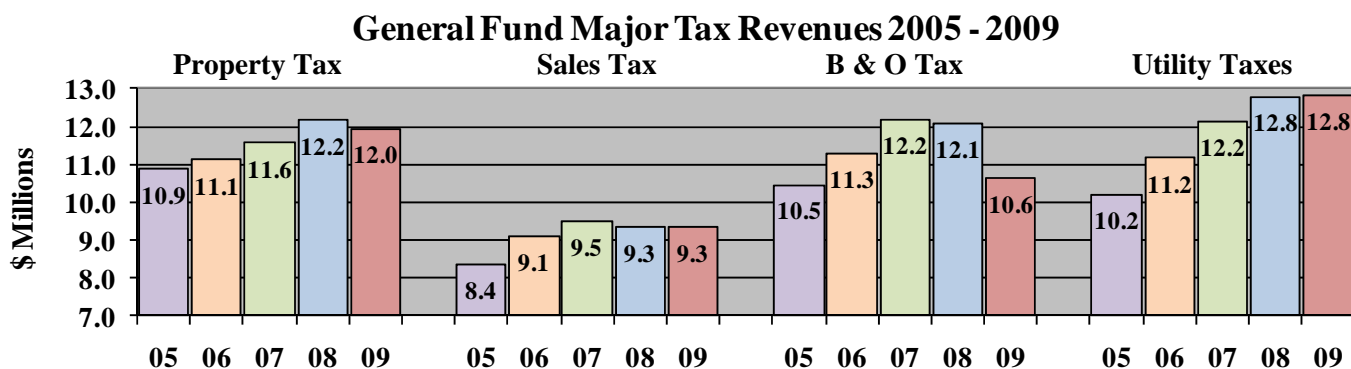
- Citywide revenues of \$182.5 million are 84% of the annual budget. Operating expenditures of \$149.4 million are 88% of the annual budget. Capital expenditures of \$48.6 million are 44% of the annual budget.
- General Fund revenues of \$60.7 million are 94% of the annual budget. General Fund operating expenditures of \$60.0 million are 91% of the annual budget.
- The City had \$123.6 million invested earning an average of 2.95%, compared to earnings of 4.23% 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/government/departments/finance/reports.aspx>

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Citywide – Cash & Investments			Citywide – Investment Interest Received			Citywide – Operating Expenditures		
12/31/2009	\$	125,172,557	12/31/2009	\$	4,389,591	12/31/2009	\$	149,375,572
12/31/2008		139,438,824	12/31/2008		6,347,309	12/31/2008		148,182,065
Decrease	-10.2%	\$ (14,266,267)	Decrease	-30.8%	\$ (1,957,718)	Increase	0.8%	\$ 1,193,507
General Fund – Revenues*			General Fund – Operating Expenditures			General Fund – Salaries & Benefits Exp.		
12/31/2009	\$	60,723,553	12/31/2009	\$	59,963,270	12/31/2009	\$	43,416,230
12/31/2008		65,411,215	12/31/2008		61,888,175	12/31/2008		42,285,042
Decrease	-7.2%	\$ (4,687,662)	Decrease	-3.1%	\$ (1,924,905)	Increase	2.7%	\$ 1,131,188

\*Beginning in FY 2009, the General Fund's allocation of sales tax revenue was increased from 50% to 57.5%.

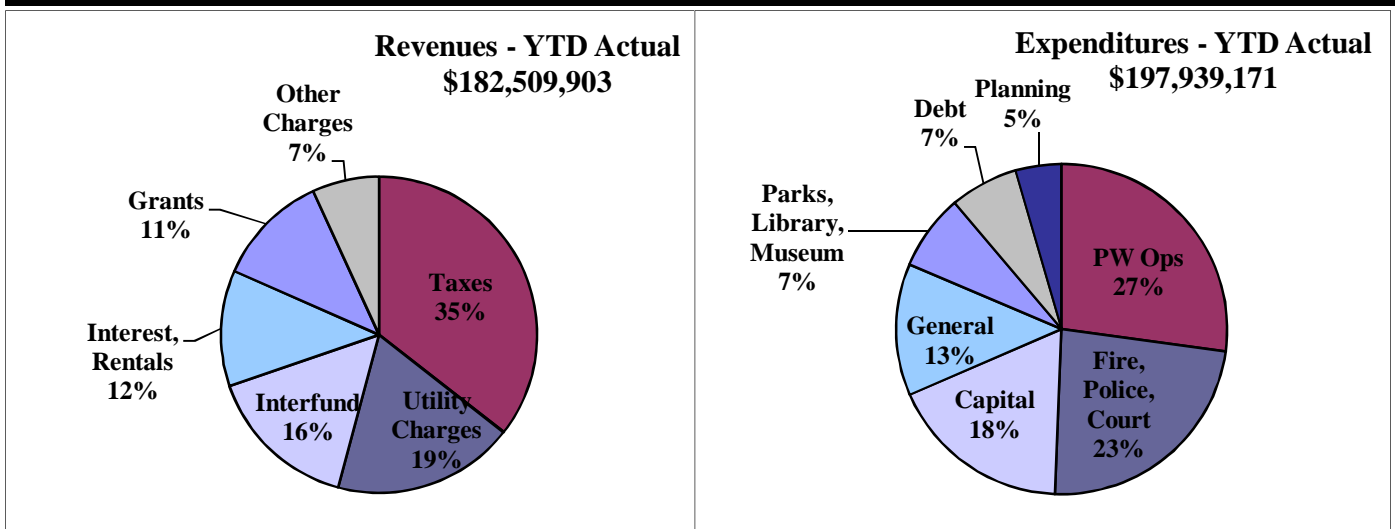


2009 property taxes are being collected at a slower than the typical rate for the last few years. In 2009 the General Fund share of sales tax was increased from 50% to 57.5%

Please refer questions or comments on financial reports to John Carter, Finance Director, or Kipp Drummond, Accounting Manager.

**December 2009**  
**City of Bellingham**  
**Citywide, All Funds, Combined Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	\$ 139,937,693	\$ 133,923,629	-4%	\$ 133,923,629	100%
<b>Revenues</b>					
Property Taxes	18,226,331	18,467,124	1	18,268,060	101
Sales Tax	18,615,853	16,230,568	-13	17,428,883	93
B & O Tax	12,098,978	10,636,045	-12	12,032,381	88
Utility Taxes (1)	14,066,820	14,024,030	0	14,621,500	96
Other Taxes	6,652,673	5,520,751	-17	6,680,750	83
Grants, Entitlements, Revenue Sharing	15,090,940	21,081,614	40	46,961,933	45
Utility Charges for Services	35,059,056	33,993,139	-3	35,747,698	95
Other Charges, Fines, Permits, Licenses	12,229,604	12,488,507	2	12,271,256	102
Interest, Rentals, Bonds, Other Revenues (2)	36,258,251	21,615,576	-40	23,938,158	90
Interfund Sales & Service	25,925,823	23,646,925	-9	23,466,693	101
Interfund Loans & Transfers (3)	9,575,814	4,805,624	-50	5,421,884	89
<b>Total Revenues</b>	<b>203,800,143</b>	<b>182,509,903</b>	<b>-10</b>	<b>216,839,196</b>	<b>84</b>
<b>Operating Expenditures</b>					
General Governmental Services	25,698,525	25,517,829	-1	28,633,729	89
Fire, Police, Municipal Court	48,834,710	46,477,046	-5	49,357,051	94
Public Works Operations	49,910,535	53,769,263	8	64,742,279	83
Planning, Hearing Examiner	9,223,562	8,906,534	-3	10,934,291	81
Libraries, Museums, Parks	14,514,733	14,704,900	1	16,281,471	90
<b>Total Operating Expenditures</b>	<b>148,182,065</b>	<b>149,375,572</b>	<b>1</b>	<b>169,948,821</b>	<b>88</b>
<b>Capital and Debt Expenditures</b>					
Capital Expenditures (2)	40,455,369	35,339,701	-13	97,130,160	36
Debt Service, Loans, Transfers (3)	20,996,266	13,223,898	-37	14,009,061	94
<b>Total Capital and Debt Expenditures</b>	<b>61,451,635</b>	<b>48,563,599</b>	<b>-21</b>	<b>111,139,221</b>	<b>44</b>
<b>Total Expenditures</b>	<b>209,633,700</b>	<b>197,939,171</b>	<b>-6</b>	<b>281,088,042</b>	<b>70</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 134,104,136</b>	<b>\$ 118,494,361</b>	<b>-12%</b>	<b>\$ 69,674,783</b>	<b>170%</b>



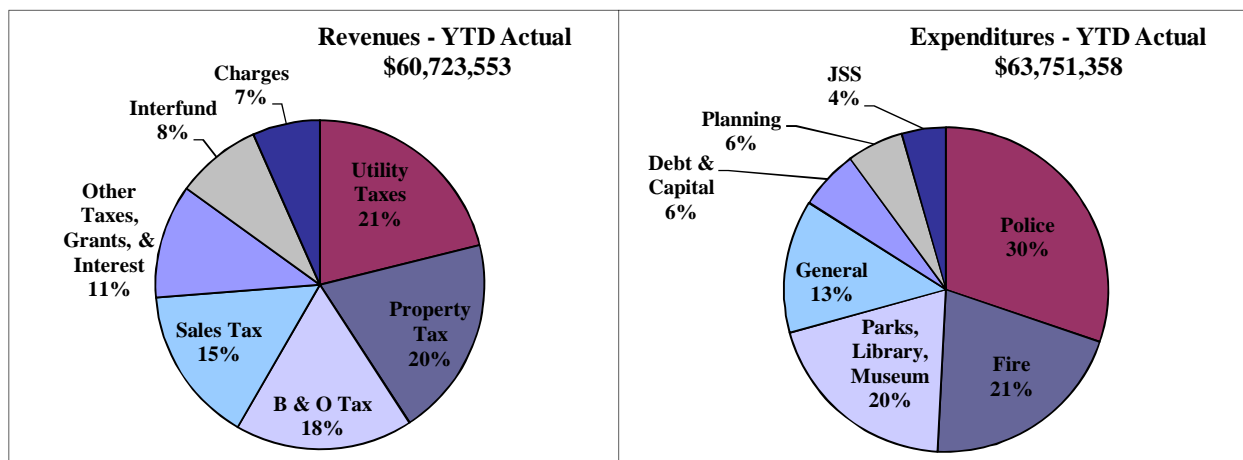
(1) 2009: Despite an increase in utility rates in FY 2009, utility tax revenue was basically flat compared to the prior year. Additionally, \$920K collected in back utility taxes is currently being appealed.

(2) 2008: Includes interfund purchase and sale of the Cornwall property (\$2.45 million in January 2008) and Colony Wharf property (\$3.3 million in March 2008) and an August 2008 bond issuance of \$6.04 million to purchase watershed property.

(3) 2008: Interfund loan between fire and pension funds resulting in a revenue and expense of \$2.25 million for fire truck replacements.

**December 2009**  
**City of Bellingham**  
**General Fund Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	\$ 25,481,318	\$ 17,326,870	-32%	\$ 17,326,870	100%
<b>Revenues</b>					
Property Tax	12,174,093	11,953,381	-2	12,296,000	97
Sales Tax (1)	9,336,840	9,349,664	0	9,716,121	96
B & O Tax	12,098,978	10,636,045	-12	12,032,381	88
Utility Taxes (2)	12,795,235	12,837,468	0	13,341,500	96
Other Taxes (3)	3,033,076	2,750,580	-9	2,880,750	95
Grants, Entitlements, Revenue Sharing	2,555,358	2,684,827	5	3,243,715	83
Charges, Fines, Permits, Licenses	3,981,425	4,019,650	1	4,208,116	96
Interest, Rentals, Bonds, Other Revenues (4)	2,236,432	1,364,997	-39	1,340,632	102
Interfund Sales & Service	4,192,736	4,241,098	1	4,253,707	100
Interfund Loans & Transfers	3,007,042	885,843	-71	1,213,730	73
<b>Total Revenues</b>	<b>65,411,215</b>	<b>60,723,553</b>	<b>-7</b>	<b>64,526,652</b>	<b>94</b>
<b>Operating Expenditures</b>					
Executive	1,767,091	1,375,159	-22	2,136,752	64
Legislative	432,522	420,919	-3	459,742	92
Hearings Examiner	179,256	183,772	3	197,433	93
Museum	1,482,056	1,558,068	5	1,754,266	89
Library	3,932,410	3,782,109	-4	3,939,790	96
Finance (5)	2,458,445	1,857,719	-24	1,996,908	93
Human Resources	1,283,002	1,175,915	-8	1,503,258	78
Information Technology	2,206,210	2,345,710	6	2,588,920	91
Legal	1,314,787	1,271,365	-3	1,544,346	82
Judicial & Support Services	2,756,637	2,833,166	3	3,160,832	90
Parks & Recreation	7,449,800	7,326,696	-2	7,782,135	94
Planning & Community Development	3,263,899	3,406,402	4	4,276,147	80
Fire	14,324,727	13,157,113	-8	14,202,436	93
Police	19,037,333	19,269,157	1	20,418,856	94
<b>Total Operating Expenditures</b>	<b>61,888,175</b>	<b>59,963,270</b>	<b>-3</b>	<b>65,961,821</b>	<b>91</b>
<b>Capital and Debt Expenditures</b>					
Capital Expenditures (6)	8,255,707	427,180	-95	567,502	75
Debt Service, Loans, Transfers	3,296,542	3,360,908	2	4,037,052	83
<b>Total Capital and Debt Expenditures</b>	<b>11,552,249</b>	<b>3,788,088</b>	<b>-67</b>	<b>4,604,554</b>	<b>82</b>
<b>Total Expenditures</b>	<b>73,440,424</b>	<b>63,751,358</b>	<b>-13</b>	<b>70,566,375</b>	<b>90</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 17,452,109</b>	<b>\$ 14,299,065</b>	<b>-18%</b>	<b>\$ 11,287,147</b>	<b>127%</b>



- (1) 2009: Beginning in FY 2009, the General Fund's allocation of sales tax revenue was increased from 50% to 57.5%.
- (2) 2009: Despite an increase in utility rates increased in FY 2009, utility tax revenue was basically flat as compared to the prior year. Additionally, \$920K collected in back utility taxes is currently being appealed.
- (3) 2009: Increase in other taxes revenue largely attributable to an increase in delinquent B & O tax recoveries from FY 2008 as opposed to B&O tax recoveries collected in the prior year.
- (4) 2008: The City received \$1 million from an insurance settlement for toxic land remediation.
- (5) 2008: Finance expenditures include one time costs of \$251K relating to the purchase of the Cornwall property in January 2008 and one time costs of \$339K relating to the purchase of the Colony Wharf property in March 2008.
- (6) 2008: Cornwall property purchase of \$2.45 million and Colony Wharf property purchase of \$3.3 million. And expense of \$2.25 million for fire truck replacements

**December 2009**  
**City of Bellingham**  
**Available General Fund Reserve Report**

<b>2009 Adopted Budget with Amendments</b>	<b>Beginning Budget</b>	<b>Undesignated Balance</b>	<b>Designated Balance (1)</b>	<b>Combined Balance</b>
Adopted Beginning Available Resources	\$ 12,689,183	-	-	-
Adopted Budgeted Revenues	67,242,222	-	-	-
Adopted Budgeted Expenditures	\$ 72,193,313	-	-	-
Adopted Available Ending Unrestricted Balance		\$ -	\$ 7,738,092	\$ 7,738,092
<b>Adjustments affecting Available Ending Balance</b>				
<b>General Fund Budget Ordinances/Transfers:</b>				
2009-04-011 Adjustments to 2009 Beginning Balance		1,413,523	-	1,413,523
2009-04-011 Adjustments to 2009 Beginning Balance		-	3,224,164	3,224,164
2009-04-012 Re-appropriation of encumbered balances from 2008 Budget		(972,000)	-	(972,000)
2009-04-013 Re-appropriation of unencumbered balances from 2008 Budget		(49,013)	-	(49,013)
2009-04-014 Budget amendment reducing revenue and expenditures		(210,000)	-	(210,000)
2009-06-035 Community Dev. project reallocation for admin. services labor		22,052	-	22,052
2009-07-049 Byrne/Jag Recovery Grant for gang prevention/suppression		103,147	-	103,147
2009-11-073 \$343,660 Neighborhood Stabilization Grant Admin. Costs			17,183	17,183
<b>Available Ending Balance 12/31/2009</b>		<b>\$ 307,709</b>	<b>\$ 10,979,439</b>	<b>\$ 11,287,148</b>

**Notes**

*(1) Designated Balance amounts are reserved by Council in the 2009 Revised Budget as follows: General Fund Reserve of \$9,478,330 and Other Departmental Reserves of \$1,501,109.*

**December 2009**  
**City of Bellingham**  
**Special Revenue Funds, Revenue/Expenditure Summary**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Park Site Acquisition/Technology Replacement and Reserve/Capital Maintenance/Library Gift Funds #120</b>					
Budgeted Beginning Balance	\$ 6,285,612	\$ 6,250,305	-1%	\$ 6,250,305	100%
Revenues*	1,081,339	785,036	-27	746,644	105
Expenditures	1,116,645	3,846,281	244	5,798,100	66
Projected/Budgeted Ending Balance	\$ 6,250,306	\$ 3,189,060	-49%	\$ 1,198,849	266%

\*2008: The City transferred \$400K to computer reserve and \$350K to capital maintenance.

<b>Olympic/Oeser Settlement Funds Funds #130</b>					
Budgeted Beginning Balance	\$ 1,356,803	\$ 1,491,421	10%	\$ 1,491,421	100%
Revenues	1,141,173	93,076	-92	123,894	75
Expenditures	1,006,556	160,729	-84	1,197,986	13
Projected/Budgeted Ending Balance	\$ 1,491,420	\$ 1,423,768	-5%	\$ 417,329	341%

<b>Real Estate Excise Tax Funds #140</b>					
Budgeted Beginning Balance	\$ 9,051,120	\$ 6,788,661	-25%	\$ 6,788,661	100%
Revenues*	3,166,382	3,110,655	-2	6,904,555	45
Expenditures	5,428,841	4,546,848	-16	11,284,956	40
Projected/Budgeted Ending Balance	\$ 6,788,661	\$ 5,352,468	-21%	\$ 2,408,260	222%

\*2009: Budgeted revenue projections include grant revenue. 2009 projected REET collections were \$2.8 million with actual 2009 collections of \$1,878,290.

<b>Police Special Rev Funds #150</b>					
Budgeted Beginning Balance	\$ 685,361	\$ 834,808	22%	\$ 834,809	100%
Revenues	510,719	752,684	47	363,864	207
Expenditures	361,271	335,573	-7	565,126	59
Projected/Budgeted Ending Balance	\$ 834,809	\$ 1,251,919	50%	\$ 633,547	198%

<b>Public Safety Dispatch Fund #160</b>					
Budgeted Beginning Balance	\$ 2,033,803	\$ 1,813,305	-11%	\$ 1,813,305	100%
Revenues	3,905,648	4,078,647	4	4,059,670	100
Expenditures	4,117,892	4,020,462	-2	4,244,614	95
Projected/Budgeted Ending Balance	\$ 1,821,559	\$ 1,871,490	3%	\$ 1,628,361	115%

<b>Parks Funds #170 (includes Beyond Greenways III &amp; Park Impact Fees)</b>					
Budgeted Beginning Balance	\$ 8,890,121	\$ 8,979,673	1%	\$ 8,979,673	100%
Revenues*	4,573,747	5,051,263	10	7,099,268	71
Expenditures*	4,484,195	7,685,004	71	14,219,549	54
Projected/Budgeted Ending Balance	\$ 8,979,673	\$ 6,345,932	-29%	\$ 1,859,392	341%

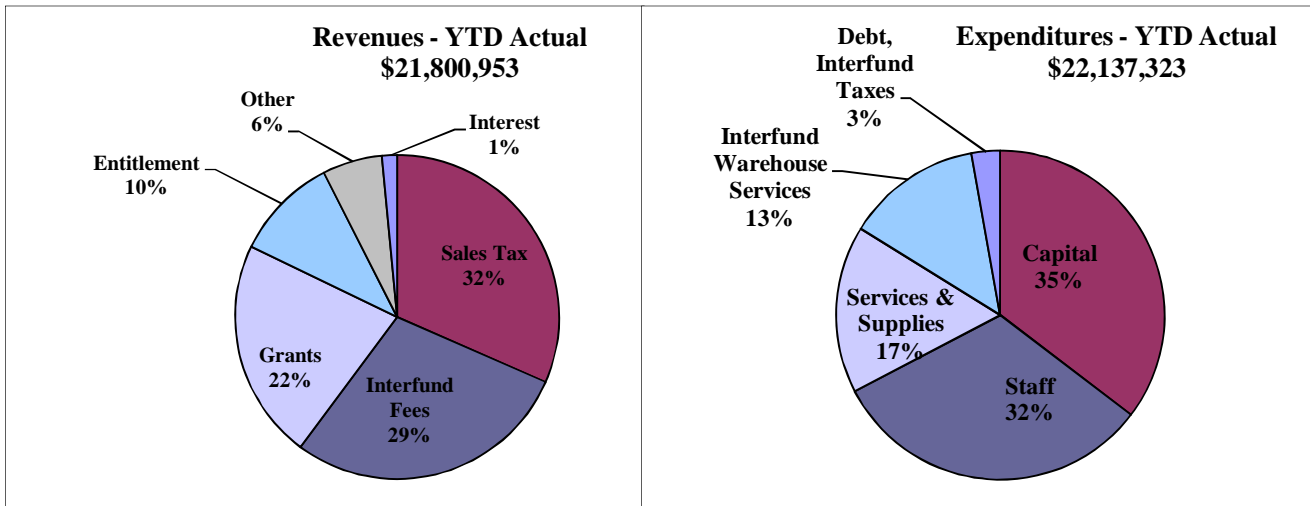
\*2009: Revenue and expense budgets include \$2.1 million for a grant funded project to build an overwater boardwalk that's still in the permitting stage.

<b>Tourism Fund #180</b>					
Budgeted Beginning Balance	\$ 383,171	\$ 433,247	13%	\$ 433,247	100%
Revenues	1,097,920	904,360	-18	1,013,432	89
Expenditures	1,047,845	1,118,178	7	1,212,340	92
Projected/Budgeted Ending Balance	\$ 433,246	\$ 219,429	-49%	\$ 234,339	94%

<b>Community Development Grants Fund #190 &amp; 191</b>					
Budgeted Beginning Balance	\$ 451,483	\$ 59,558	-87%	\$ 59,558	100%
Revenues	2,117,549	3,026,693	43	4,041,185	75
Expenditures	2,509,475	3,047,681	21	4,051,541	75
Projected/Budgeted Ending Balance	\$ 59,557	\$ 38,570	-35%	\$ 49,202	78%

**December 2009**  
**City of Bellingham**  
**Street Funds Operating Statement**

Street Funds #110, Special Revenue	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	\$ 11,071,601	\$ 10,493,480	-5%	\$ 10,493,480	100%
<b>Revenues</b>					
Sales Tax	(1) 9,279,013	6,880,904	-26	7,712,762	89
Federal/State Grants	2,280,030	4,785,853	110	21,593,485	22
Entitlements	2,145,329	2,262,495	5	4,529,326	50
Interfund Fees	6,137,347	6,241,309	2	6,307,854	99
Investment Interest	507,845	326,827	-36	492,206	66
Other Revenues	955,740	1,303,565	36	1,084,890	120
Other Financing Sources	51,768		-100	6,500	0
<b>Total Revenues</b>	<b>21,357,072</b>	<b>21,800,953</b>	<b>2</b>	<b>41,727,023</b>	<b>52</b>
<b>Operating Expenditures</b>					
Salaries, Wages & Benefits	7,094,417	7,067,590	0	7,631,619	93
Supplies	786,408	850,639	8	951,093	89
Services-Professional, Repairs, Utilities	2,613,183	2,806,565	7	4,579,429	61
Intergovernmental Services, Taxes, & Fees	299,388	364,995	22	366,000	100
Interfund-Warehouse & Services	3,024,234	2,956,296	-2	3,206,711	92
<b>Total Operating Expenditures</b>	<b>13,817,630</b>	<b>14,046,085</b>	<b>2</b>	<b>16,734,852</b>	<b>84</b>
<b>Capital and Debt Expenditures</b>					
Capital Outlay	7,780,426	7,832,248	1	34,015,442	23
Debt-(Principal & Interest), Interfund Loans, & Transfers	355,188	258,990	-27	265,490	98
<b>Total Capital and Debt Expenditures</b>	<b>8,135,614</b>	<b>8,091,238</b>	<b>-1</b>	<b>34,280,932</b>	<b>24</b>
<b>Total Expenditures</b>	<b>21,953,244</b>	<b>22,137,323</b>	<b>1</b>	<b>51,015,784</b>	<b>43</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 10,475,429</b>	<b>\$ 10,157,110</b>	<b>-3%</b>	<b>\$ 1,204,719</b>	<b>843%</b>



(1) 2009: Beginning in FY 2009, the Street Fund receives 42.5% of City sales tax revenue, as opposed to 50% in the prior year.

**December 2009**  
**City of Bellingham**  
**Enterprise Funds, Revenue/Expenditure Summary**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Storm &amp; Surface Water Fund #430</b>					
Budgeted Beginning Balance	\$ 3,598,554	\$ 3,643,086	1%	\$ 3,643,086	100%
Revenues	5,257,798	5,049,204	-4	5,168,098	98
Expenses	5,157,357	4,499,810	-13	8,030,000	56
Projected/Budgeted Ending Balance	\$ 3,698,995	\$ 4,192,480	13%	\$ 781,184	537%

<b>Solid Waste Fund #440</b>					
Budgeted Beginning Balance	\$ 2,534,269	\$ 7,302,549	188%	\$ 7,302,549	100%
Revenues*	8,457,417	1,645,160	-81	1,782,896	92
Expenses*	3,688,900	1,211,986	-67	2,376,071	51
Projected/Budgeted Ending Balance	\$ 7,302,786	\$ 7,735,723	6%	\$ 6,709,374	115%

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

<b>Cemetery Fund #456</b>					
Budgeted Beginning Balance	\$ 404,284	\$ 372,134	-8%	\$ 372,134	100%
Revenues	611,923	483,699	-21	507,813	95
Expenses	625,308	584,841	-6	600,576	97
Projected/Budgeted Ending Balance	\$ 390,899	\$ 270,992	-31%	\$ 279,371	97%

<b>Golf Course Fund #460*</b>					
Budgeted Beginning Balance	\$ 58,450	\$ 52,877	-10%	\$ 52,877	100%
Revenues	189,162	194,278	3	182,137	107
Expenses	194,735	171,573	-12	178,010	96
Projected/Budgeted Ending Balance	\$ 52,877	\$ 75,582	43%	\$ 57,004	133%

\*2008: As of January 2008, the Golf Course is operated by a private company under lease from the City.

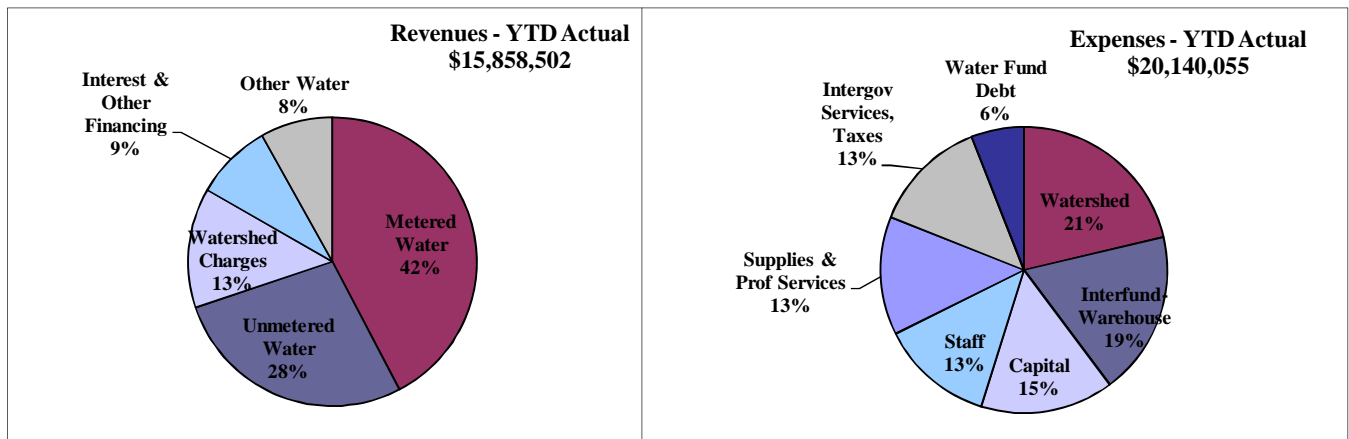
<b>Development Services Fund #475</b>					
Budgeted Beginning Balance	\$ 1,215,916	\$ 639,391	-47%	\$ 639,391	100%
Revenues	2,404,368	2,268,277	-6	1,811,340	125
Expenses	2,973,355	1,913,301	-36	2,030,411	94
Projected/Budgeted Ending Balance	\$ 646,929	\$ 994,367	54%	\$ 420,320	237%

<i>Development Services Activity YTD</i>	<u>2008</u>	<u>2009</u>
<i>Permits</i>	776	669
<i>Units</i>	212	125
<i>Valuation (\$millions)</i>	\$139.3	\$127.5 *

\* Dec 2009 includes \$36MM Miller Hall (WWU) & \$7.5MM Low income housing/mixed use Walton Place

**December 2009**  
**City of Bellingham**  
**Water Fund Operating Statement**

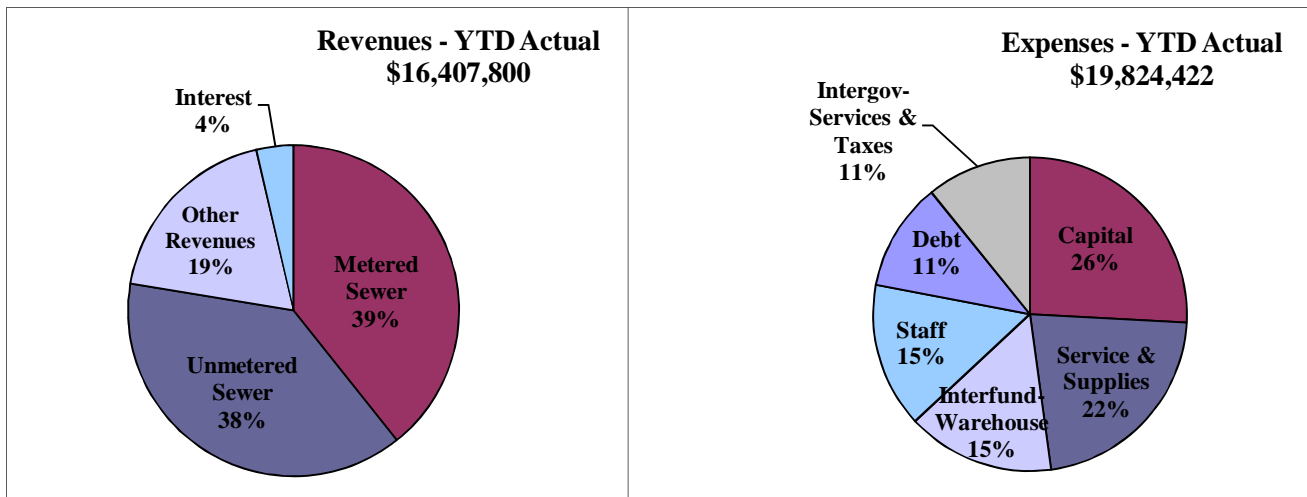
Water Fund #410	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Budgeted Beginning Balance - Water/Watershed Combined</b>	\$ 14,992,015	\$ 17,609,285	17%	\$ 17,609,285	100%
<b>Budgeted Beginning Balance - Water Operations</b>	\$ 14,515,044	\$ 12,824,766	-12%	\$ 12,824,766	100%
<b>Revenues</b>					
Unmetered Water	(1) 4,041,174	4,374,099	8	4,482,000	98
Metered Water	(1) 6,148,915	6,710,101	9	6,135,400	109
Other Water System Charges	(2) 1,761,166	1,286,084	-27	2,587,846	50
Investment Interest	618,075	295,672	-52	556,494	53
Other Revenues	832,121	758,783	-9	733,750	103
Other Financing Sources		66,715	0	2,930,000	0
<b>Total Revenues</b>	\$ 13,401,451	\$ 13,491,454	1%	\$ 17,425,490	77%
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	2,460,385	2,581,355	5	2,676,995	96
Supplies & Services-Professional, Repairs, Utilities	2,196,645	2,682,064	22	3,636,656	74
Intergovernmental Services, Taxes, & Fees	2,345,329	2,630,604	12	2,778,750	95
Interfund-Warehouse & Services	3,776,715	3,718,129	-2	4,004,450	93
<b>Total Operating Expenses</b>	\$ 10,779,074	\$ 11,612,152	8%	\$ 13,096,851	89%
<b>Capital and Debt Expenses</b>					
Capital Outlay	3,153,554	3,033,442	-4	14,191,656	21
Debt-(Principal & Interest), Interfund Loans, & Transfers	1,108,593	1,200,733	8	1,367,819	88
<b>Total Capital and Debt Expenses</b>	\$ 4,262,147	\$ 4,234,175	-66%	\$ 15,559,475	27%
<b>Total Expenses</b>	\$ 15,041,221	\$ 15,846,327	5%	\$ 28,656,326	55%
<b>Projected/Budgeted Ending Balance - Water Operations</b>	\$ 12,875,274	\$ 10,469,893	-19%	\$ 1,593,930	657%
<b>Budgeted Beginning Balance - Watershed Activity</b>	\$ 476,971	\$ 4,784,519	903%	\$ 4,784,519	100%
<b>Revenues</b>					
Watershed Charges	2,102,491	2,086,031	-1	2,080,000	100
Demand Charges	21,705	36,881	70	-	100
Investment Interest & Other Revenue	116,566	244,136	109	23,647	1032
Other Financing Sources	(3) 6,040,000		-100	-	0
<b>Total Revenues</b>	8,280,762	2,367,048	-71	2,103,647	113
<b>Operating Expenses</b>					
Supplies & Services	55,385	39,044	-30	195,166	20
Intergovernmental Services, Taxes, & Fees	391,175	382,241	-2	421,052	91
<b>Total Operating Expenses</b>	446,560	421,285	-6	616,218	68
<b>Capital and Debt Expenses</b>					
Capital Outlay	2,907,654	3,256,626	12	3,805,000	86
Debt-(Principal & Interest), Interfund Loans, & Transfers	618,667	615,817	0	615,817	100
<b>Total Capital and Debt Expenses</b>	3,526,321	3,872,443	10	4,420,817	88
<b>Total Expenses</b>	3,972,881	4,293,728	8	5,037,035	85
<b>Projected/Budgeted Ending Balance - Watershed Activity</b>	\$ 4,784,852	\$ 2,857,839	-40%	\$ 1,851,131	154%
<b>Projected/Budgeted Ending Balance - Water/Watershed Combined</b>	\$ 17,660,126	\$ 13,327,732	-25%	\$ 3,445,061	387%



(1) 2009: Water utility rates increased in FY 2009, resulting in increased utility revenue as compared to the prior year.  
(2) 2009: Decrease from prior year attributable to the decline in water hookup fees as a result of a decrease in new construction.  
(3) 2008: City issued a bond for \$6,040,000 to purchase real property in the watershed to preserve water quality.

**December 2009**  
**City of Bellingham**  
**Wastewater Fund Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Wastewater Fund #420, Enterprise</b>					
<b>Budgeted Beginning Balance</b>	\$ 17,761,257	\$ 18,806,260	6%	\$ 18,806,260	100%
<b>Revenues</b>					
Unmetered Sewer	(1) 5,897,623	6,283,473	7	6,087,806	103
Metered Sewer	(1) 6,232,861	6,449,097	3	6,411,487	101
Investment Interest	829,740	596,771	-28	747,573	80
Other Revenues	(2) 4,925,216	3,078,459	-37	4,126,005	75
Other Financing Sources	25,295	-	-100	-	100
<b>Total Revenues</b>	<b>17,910,735</b>	<b>16,407,800</b>	<b>-8</b>	<b>17,372,871</b>	<b>94</b>
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	2,925,617	2,966,648	1	3,125,399	95
Supplies	817,760	931,537	14	660,142	141
Services-Professional, Repairs, Utilities	2,453,100	3,427,780	40	5,227,934	66
Intergovernmental Services, Taxes, & Fees	2,313,751	2,143,160	-7	2,320,187	92
Interfund-Warehouse & Services	2,917,468	3,019,456	3	3,235,640	93
<b>Total Operating Expenses</b>	<b>11,427,696</b>	<b>12,488,581</b>	<b>9</b>	<b>14,569,302</b>	<b>86</b>
<b>Capital and Debt Expenses</b>					
Capital Outlay	3,063,799	5,121,550	67	11,365,556	45
Debt-(Principal & Interest), Interfund Loans, & Transfers	2,220,820	2,214,291	0	2,212,802	100
<b>Total Capital and Debt Expenses</b>	<b>5,284,619</b>	<b>7,335,841</b>	<b>39</b>	<b>13,578,358</b>	<b>54</b>
<b>Total Expenses</b>	<b>16,712,315</b>	<b>19,824,422</b>	<b>19</b>	<b>28,147,660</b>	<b>70</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 18,959,677</b>	<b>\$ 15,389,638</b>	<b>-19%</b>	<b>\$ 8,031,471</b>	<b>192%</b>

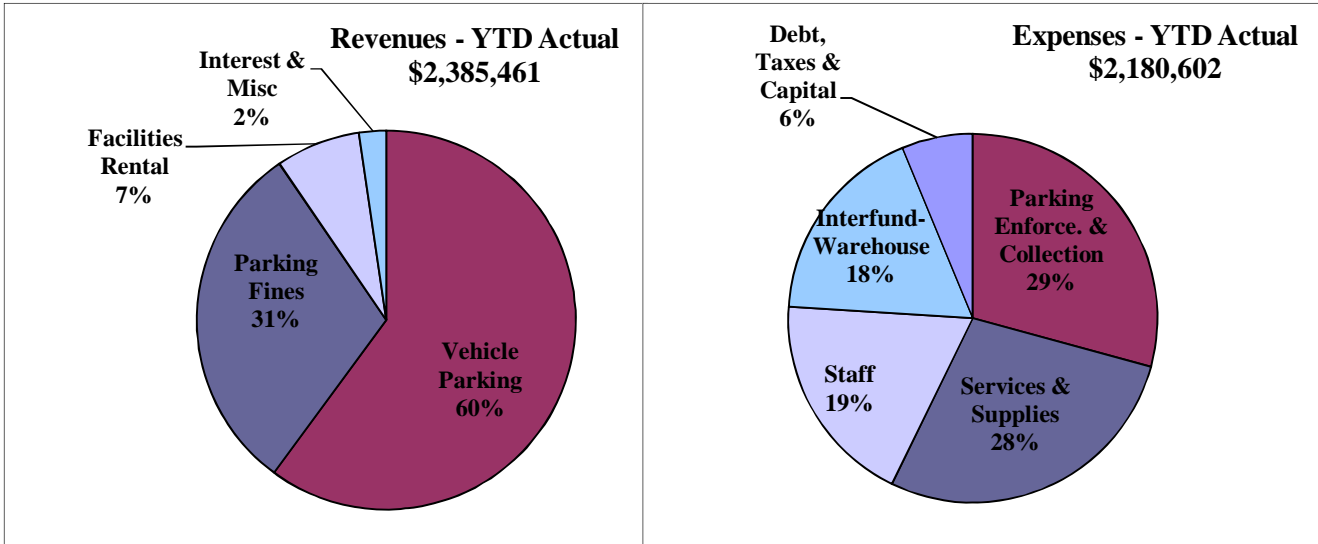


(1) 2009: Wastewater utility rates increased in FY 2009, resulting in increased utility revenue as compared to the prior year.  
(2) 2008: Includes one time sewer hook up fee of \$2 million for Encogen Northwest Plant.

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 12/31/08, the ratio was 6.13. At 12/31/09, the ratio is estimated at 4.74.

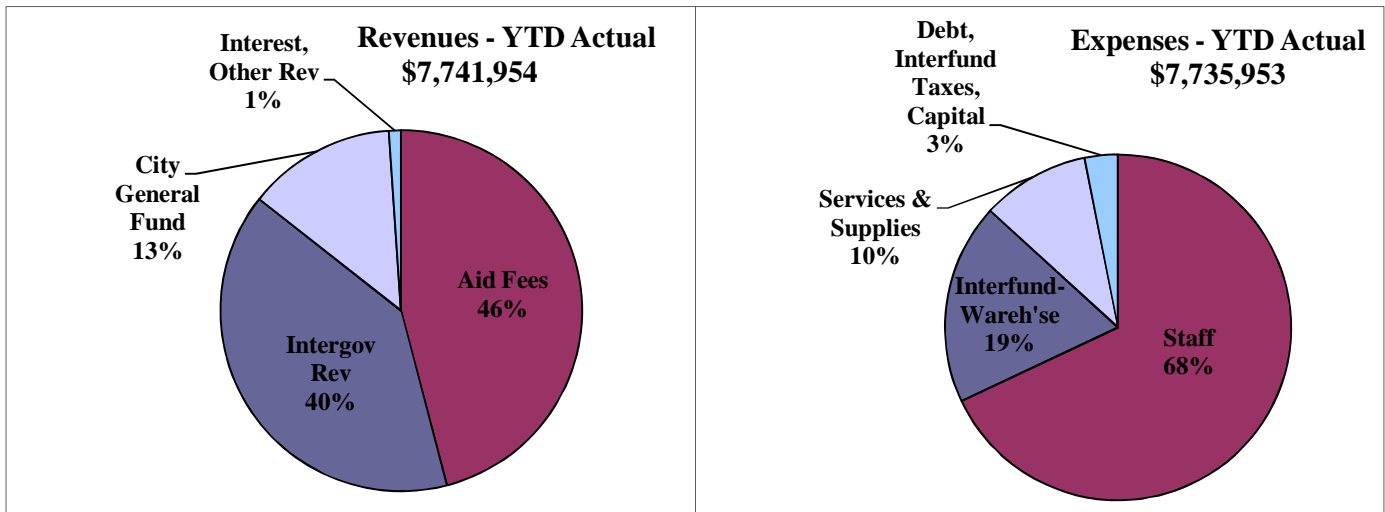
**December 2009**  
**City of Bellingham**  
**Parking Services Fund Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Parking Fund #465, Enterprise</b>					
<b>Budgeted Beginning Balance</b>	\$ 1,902,902	\$ 999,969	-47%	\$ 999,969	100%
<b>Revenues</b>					
Vehicle Parking	1,383,233	1,434,062	4	1,476,082	97
Parking Infraction Fines	706,654	723,470	2	850,000	85
Facilities Rental	173,492	172,900	0	134,111	129
Investment Interest	98,834	36,067	-64	91,945	39
Miscellaneous Revenues	20,147	18,962	-6	19,500	97
<b>Total Revenues</b>	<b>2,382,360</b>	<b>2,385,461</b>	<b>0</b>	<b>2,571,638</b>	<b>93</b>
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	376,711	408,851	9	436,461	94
Supplies	91,690	124,940	36	153,275	82
Services-Professional, Repairs, Utilities	324,560	485,527	50	770,855	63
Intergovernmental Services, Taxes, & Fees	9,669	8,873	-8	9,770	91
Parking Infraction Enforcement/Collection	624,952	637,293	2	674,531	94
Interfund-Warehouse & Services	266,437	388,007	46	354,902	109
<b>Total Operating Expenses</b>	<b>1,694,019</b>	<b>2,053,491</b>	<b>21</b>	<b>2,399,794</b>	<b>86</b>
<b>Capital and Debt Expenses</b>					
Capital Outlay	1,589,107		-100	-	0
Debt-(Principal & Interest), Interfund Loans, & Transfers	131,224	127,111	-3	128,140	99
<b>Total Capital and Debt Expenses</b>	<b>1,720,331</b>	<b>127,111</b>	<b>-93</b>	<b>128,140</b>	<b>99</b>
<b>Total Expenses</b>	<b>3,414,350</b>	<b>2,180,602</b>	<b>-36</b>	<b>2,527,934</b>	<b>86</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 870,912</b>	<b>\$ 1,204,828</b>	<b>38%</b>	<b>\$ 1,043,673</b>	<b>115%</b>



**December 2009**  
**City of Bellingham**  
**Medic One Fund Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Medic One Fund #470, Enterprise</b>					
<b>Budgeted Beginning Balance</b>	\$ 579,521	\$ 770,281	33%	\$ 770,281	100%
<b>Revenues</b>					
Special Purpose Tax	(1) 605,321	534,395	-12	552,275	97
Less Transfers of Special Purpose Tax to Whatcom Cty	(1)(a) (605,321)	(534,395)	-11	(552,275)	97
Ambulance & Emergency Aid Fees	3,550,562	3,556,993	0	3,420,812	104
City of Bellingham - General Fund	1,015,951	1,026,110	1	1,026,110	100
Intergovernmental Revenue - Whatcom County & others	(2) 2,303,076	3,072,481	33	3,365,174	91
Investment Interest	79,532	58,587	-26	62,581	94
Other Revenues & Financing Sources	33,914	27,783	-18	1,000	2778
<b>Total Revenues</b>	<b>6,983,035</b>	<b>7,741,954</b>	<b>11</b>	<b>7,875,677</b>	<b>98</b>
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	4,531,728	5,261,894	16	5,178,123	102
Supplies	498,024	432,599	-13	589,640	73
Services-Professional, Repairs, Utilities	272,376	350,041	29	448,157	78
Intergovernmental Services, Taxes, & Fees	20,863	25,173	21	41,894	60
Interfund-Warehouse & Services	1,361,620	1,451,344	7	1,457,731	100
<b>Total Operating Expenses</b>	<b>6,684,611</b>	<b>7,521,051</b>	<b>13</b>	<b>7,715,545</b>	<b>97</b>
<b>Capital &amp; Debt Expenses</b>					
Capital Outlay	107,664	214,902	100	369,286	58
Debt-(Principal & Interest), Interfund Loans, & Transfers			0	-	0
<b>Total Capital &amp; Debt Expenses</b>	<b>107,664</b>	<b>214,902</b>	<b>100</b>	<b>369,286</b>	<b>58</b>
<b>Total Expenses</b>	<b>6,792,275</b>	<b>7,735,953</b>	<b>14</b>	<b>8,084,831</b>	<b>96</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 770,281</b>	<b>\$ 776,282</b>	<b>1%</b>	<b>\$ 561,127</b>	<b>138%</b>



(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) 2009: Per Interlocal Agreement (through 12/13/09), Whatcom County has contributed \$1.38 million from its General Fund. Medic One has recognized \$1.60 million in revenue in 2009 from the Whatcom County EMS Fund.

**December 2009**  
**City of Bellingham**  
**Internal Service Funds, Revenue/Expenditure Summary**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Purchasing &amp; Materials Mgt Fund #520</b>					
Budgeted Beginning Balance	\$ 428,628	\$ 480,654	12%	\$ 480,654	100%
Revenues	2,138,793	2,294,913	7	2,267,830	101
Expenses	2,097,658	2,113,673	1	2,131,150	99
Projected/Budgeted Ending Balance	\$ 469,763	\$ 661,894	41%	\$ 617,334	107%

<b>Facilities Administration Fund #530</b>					
Budgeted Beginning Balance	\$ 1,198,122	\$ 1,310,659	9%	\$ 1,310,659	100%
Revenues	2,228,160	2,060,845	-8	2,127,261	97
Expenses	2,118,386	2,778,963	31	2,998,846	93
Projected/Budgeted Ending Balance	\$ 1,307,896	\$ 592,541	-55%	\$ 439,074	135%

<b>Telecommunication Fund #540</b>					
Budgeted Beginning Balance	\$ 955,032	\$ 511,032	-46%	\$ 511,032	100%
Revenues	420,927	358,222	-15	404,805	88
Expenses*	864,927	363,344	-58	398,216	91
Projected/Budgeted Ending Balance	\$ 511,032	\$ 505,910	-1%	\$ 517,621	98%

\*2009: Decrease in expenses from the prior year largely attributable to one time project expenses in FY 2008 relating to the installation of a new Citywide telephone system.

<b>Claims &amp; Litigation Fund #550</b>					
Budgeted Beginning Balance	\$ 4,944,015	\$ 4,558,617	-8%	\$ 4,558,617	100%
Revenues	1,011,305	1,293,380	28	1,235,982	105
Expenses	1,396,703	1,461,593	5	1,640,136	89
Projected/Budgeted Ending Balance	\$ 4,558,617	\$ 4,390,404	-4%	\$ 4,154,463	106%

<b>Unemployment Compensation Fund #561</b>					
Budgeted Beginning Balance	\$ 275,296	\$ 223,840	-19%	\$ 223,840	100%
Revenues*	11,167	557,157	4889	588,584	95
Expenses**	62,623	187,086	199	198,385	94
Projected/Budgeted Ending Balance	\$ 223,840	\$ 593,911	165%	\$ 614,039	97%

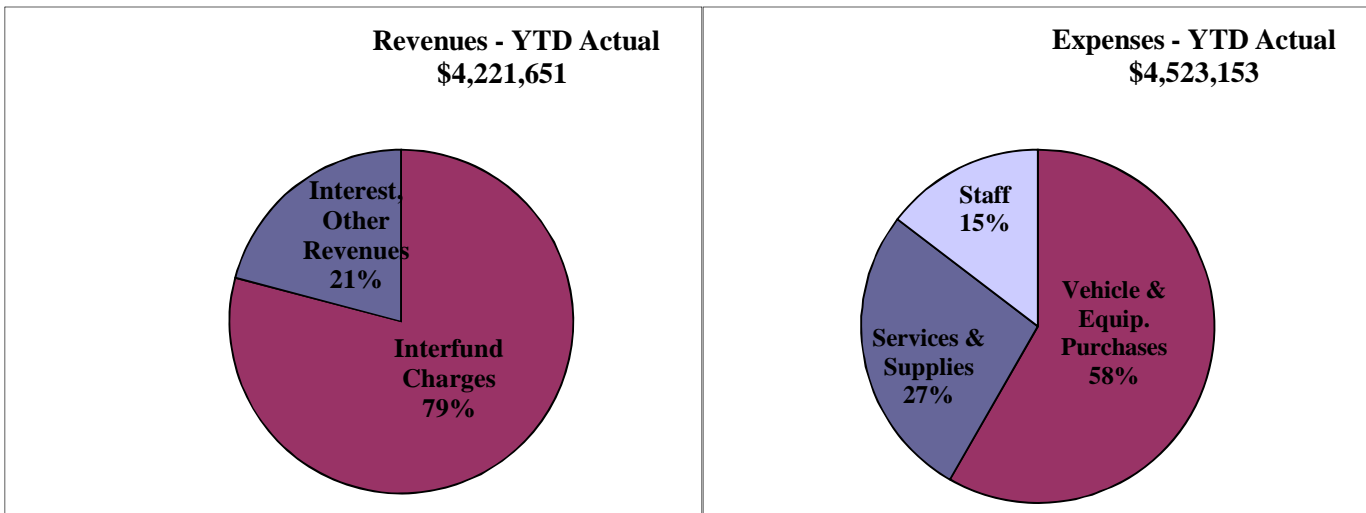
\*2009: Increase in revenue attributable to the City using savings from a temporary reduction in life insurance costs (\$120K for FY 2009) and from a decrease in employer's contribution to PERS (\$400K for FY 2009) to increase its unemployment reserves. \*\*2009: Received additional authorization from Council to increase unemployment expenses by \$40,000 in February, 2010.

<b>Worker's Comp Self-Insurance Fund #562</b>					
Budgeted Beginning Balance	\$ 913,892	\$ 865,003	-5%	\$ 865,003	100%
Revenues	626,880	586,675	-6	582,536	101
Expenses	709,633	724,679	2	766,407	95
Projected/Budgeted Ending Balance	\$ 831,139	\$ 726,999	-13%	\$ 681,132	107%

<b>Health Benefits Fund #565</b>					
Budgeted Beginning Balance	\$ 1,272,460	\$ 1,502,465	18%	\$ 1,502,465	100%
Revenues	10,168,736	10,854,059	7	10,910,559	99
Expenses	9,953,334	10,435,697	5	11,128,298	94
Projected/Budgeted Ending Balance	\$ 1,487,862	\$ 1,920,827	29%	\$ 1,284,726	150%

**December 2009  
City of Bellingham  
Fleet Fund Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Fleet Fund #510, Internal Service</b>					
<b>Budgeted Beginning Balance</b>	\$ 5,675,532	\$ 5,897,881	4%	\$ 5,897,881	100%
<b>Revenues</b>					
Operating Revenues - Interfund	(1) 5,577,724	3,339,009	-40	3,092,865	108
Investment Interest	266,388	180,807	-32	204,011	89
Other Miscellaneous Revenues	2,685	2,242	-16	-	0
Other Financing Sources	218,782	699,593	220	200,000	350
<b>Total Revenues</b>	<b>6,065,579</b>	<b>4,221,651</b>	<b>-30</b>	<b>3,496,876</b>	<b>121</b>
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	643,171	661,783	3	685,637	97
Supplies	322,372	328,621	2	332,863	99
Services-Professional, Repairs, Utilities	243,231	201,972	-17	236,589	85
Interfund-Parts, Services & Supplies	664,884	693,607	4	777,773	89
<b>Total Operating Expenses</b>	<b>1,873,658</b>	<b>1,885,983</b>	<b>1</b>	<b>2,032,862</b>	<b>93</b>
<b>Capital &amp; Debt Expenses</b>					
Capital Outlay - Vehicles & Equipment	3,969,267	2,637,170	-34	2,902,267	91
Debt-(Principal & Interest), Interfund Loans, & Transfers	-	-	0	-	0
<b>Total Capital &amp; Debt Expenses</b>	<b>3,969,267</b>	<b>2,637,170</b>	<b>-34</b>	<b>2,902,267</b>	<b>91</b>
<b>Total Expenses</b>	<b>5,842,925</b>	<b>4,523,153</b>	<b>-23</b>	<b>4,935,129</b>	<b>92</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 5,898,186</b>	<b>\$ 5,596,379</b>	<b>-5%</b>	<b>\$ 4,459,628</b>	<b>125%</b>



(1) 2008: Includes a transfer in from the General Fund of \$2.25 million for fire truck replacement purchases.

**December 2009**  
**City of Bellingham**  
**Cash and Investments Report**

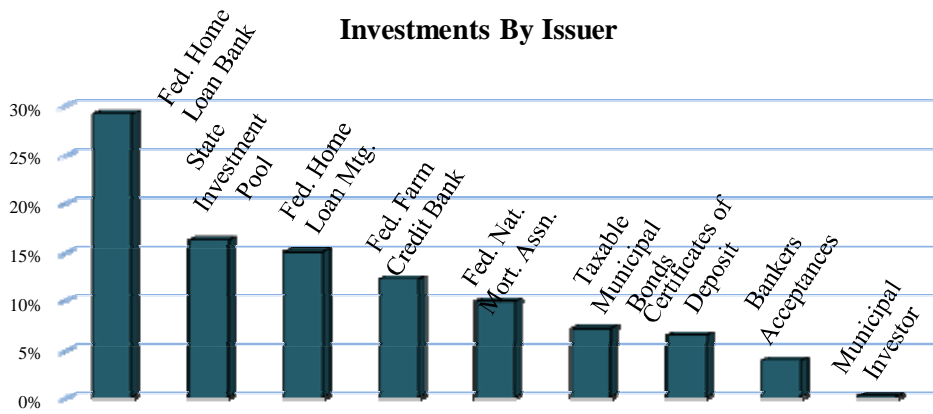
<b>Unrestricted-Cash &amp; Investments</b>	Prior Month Ending Bal.	Cash Increase	Cash Decrease	Current Ending Bal.
General Fund	\$ 7,539,979	\$ 8,502,877	\$ 8,094,586	\$ 7,948,270
General Fund Reserve	8,651,884	28,726		8,680,610
Street	8,187,860	4,095,070	1,316,762	10,966,168
Arterial, Paths - Street Funds	46,467	8,455		54,921
Technology Replacement and Reserve	1,655,868	5,468	85,187	1,576,148
Park Acquisition	247,612	822		248,434
Capital Maintenance	1,706,897	283,173	614,454	1,375,617
Library Gift	51,983	1,093	2,810	50,266
Settlement Funds	1,451,523	4,808	23,511	1,432,820
Real Estate Excise Tax Funds	5,849,269	197,983	901,287	5,145,965
Police Special Revenue Funds	1,292,855	12,650	64,295	1,241,210
Public Safety Dispatch	1,457,651	923,902	314,430	2,067,123
Park Funds	6,187,996	824,072	425,969	6,586,098
Tourism	423,464	69,212	206,787	285,889
Community Development Block Grant	(1,154)	115,003	113,849	
Home Investment Partnership Grant	18,751	432,049	450,800	
<b>Debt &amp; LID Funds</b>	<b>1,133,403</b>	<b>609,137</b>	<b>1,267,315</b>	<b>475,225</b>
<b>Construction</b>				
Water	5,399,052	4,741,161	4,729,957	5,410,255
Wastewater	12,564,909	1,936,436	1,797,483	12,703,862
Storm/Surface Water Utility	4,061,992	482,977	359,310	4,185,659
Solid Waste	7,539,796	55,150	262,457	7,332,489
Cemetery	(43,721)	146,975	39,302	63,953
Golf Course	167,182	114,022	189,384	91,821
Parking Services	1,034,442	407,711	186,843	1,255,310
Medic One	1,150,652	944,154	804,711	1,290,095
Development Services	872,055	343,344	145,672	1,069,727
Fleet Administration	5,482,667	330,865	147,911	5,665,621
Purchasing/Material Management	687,417	187,623	120,912	754,128
Facilities Administration	783,790	201,411	253,780	731,421
Telecommunications	506,371	34,554	28,268	512,656
Claims and Litigation	4,192,226	230,846	29,088	4,393,984
Unemployment Compensation	628,436	55,838	148	684,126
Workers Comp Self-Insurance	660,469	97,110	41,049	716,530
Health Benefits	1,884,803	891,050	851,680	1,924,173
Fire and Police Pension Funds	9,358,665	900,471	439,357	9,819,779
Trust & Deposit Funds	2,819,517	2,087,347	4,760,491	146,373
Payroll & Accounts Payable Funds	3,040,508	16,506,914	19,547,422	
Greenways Endowment	3,397,329	120,772	126,282	3,391,820
Natural Resources Protect & Restore	1,601,449	126,094	1,734	1,725,809
<b>Total Cash &amp; Investments</b>	<b>113,692,314</b>	<b>47,057,325</b>	<b>48,745,283</b>	<b>112,004,355</b>
<b>Restricted Cash &amp; Investments -Debt, Construction</b>				
Water (Restricted for Debt & Construction)	10,010,644	360,544	1,425,284	8,945,903
Wastewater (Restricted for Debt & Construction)	3,335,552	429,047	27,225	3,737,375
Solid Waste - Restricted for Debt Svc P&I	498,455	58,093	498,455	58,093
Cemetery - Preneed Trust & Endowed Care	502,833	1,069	110,578	393,325
Parking - Restricted for Debt Svc P&I	22,338	11,169		33,506
<b>Total Restricted Cash &amp; Investments</b>	<b>14,369,822</b>	<b>859,922</b>	<b>2,061,542</b>	<b>13,168,202</b>
<b>Total City Funds Available</b>	<b>\$ 128,062,136</b>	<b>\$ 47,917,247</b>	<b>\$ 50,806,825</b>	<b>\$ 125,172,557</b>
<b>Discrete Component Units (Restricted)</b>				
Public Facilities District	\$ 2,387,434	\$ 1,509,536	\$ 1,182,510	\$ 2,714,460
Public Development Authority	58,775	40,000	63,537	35,238
<b>Total Discrete Component Unit Funds</b>	<b>\$ 2,446,209</b>	<b>\$ 1,549,536</b>	<b>\$ 1,246,047</b>	<b>\$ 2,749,698</b>

**December 2009**  
**City of Bellingham**  
**Investment Summary**

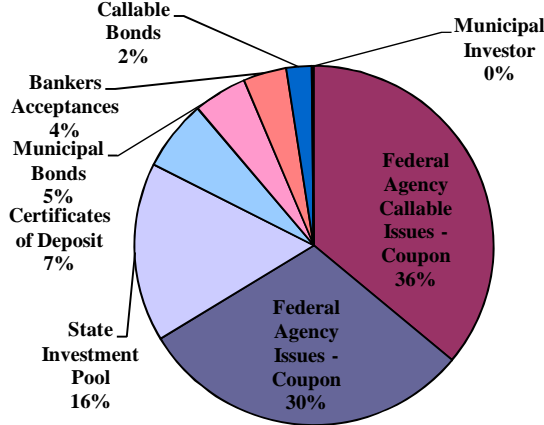
Portfolio Summary	Book Value	Term in Years	YTM/C 365Equiv.
<b>Investments By Type</b>			
State Investment Pool	\$ 20,422,975	0.0	0.34%
Municipal Investor	282,179	0.0	0.25%
Certificates of Deposit	8,000,000	1.0	1.58%
Bankers Acceptances	4,977,750	0.5	0.93%
Federal Agency Issues - Coupon	38,242,741	2.0	2.82%
Federal Agency Callable Issues - Coupon	45,540,324	3.2	2.44%
Municipal Bonds	6,062,758	2.2	2.55%
Municipal Callable Bonds	2,834,041	3.9	3.90%
<b>Investments - Total &amp; Average</b>	<b>\$ 126,362,768</b>	<b>2.1</b>	<b>2.13%</b>
Year to Date Interest Received	\$ 4,483,384		
Year to Date Interest Earned	\$ 4,696,028		
Effective Rate of Return on Interest Earned	2.95%		

Note: This report details all investments managed by the City of Bellingham, which includes funds held by the Bellingham Whatcom Public Facilities District and the Public Development Authority, which are legally separate from the City.

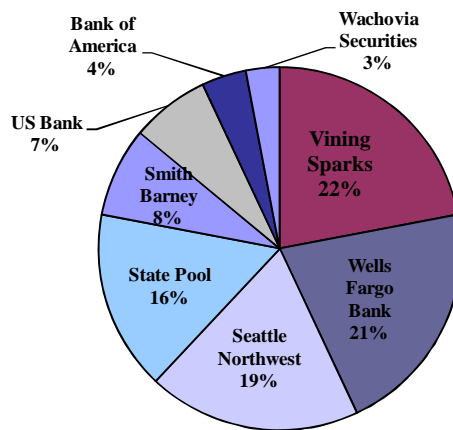
**Investments By Issuer**



**Municipal 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 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%
December 2008	51	142,696,311	3.68%	1.82%	3.66%
March 2009	44	136,003,941	3.10%	1.03%	3.35%
June 2009	41	138,180,725	2.82%	0.74%	3.01%
September 2009	37	127,276,435	2.63%	0.47%	2.69%
December 2009	33	\$ 126,362,768	2.13%	0.34%	2.38%

## City of Bellingham Discrete Component Units

### December 2009 The Bellingham Whatcom Public Facilities District Operating Statement

Public Facilities District	Prior YTD	Current YTD	Percent Change	Annual Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	\$ 11,775,339	\$ 4,152,327	-65%	\$ 4,152,327	100%
<b>Revenues</b>					
Sales Tax Rebate	1,136,083	1,006,526	-11	1,185,769	85
Interest Income	360,651	95,721	-73	46,905	204
Other Income	107,680	8,767	-92	2,544	345
Intergovernmental Revenue	2,800,000		-100	-	0
G.O. Bond Proceeds			0	-	0
Grant Revenue	1,737,502	1,634,296	-6	758,809	215
Misc Revenue	125	37,545	29936	-	100
<b>Total Revenues</b>	6,142,041	2,782,855	-55	1,994,027	140
<b>Operating Expenditures</b>					
Salaries & Benefits	67,842	47,036	-31	73,404	64
Supplies & Miscellaneous	3,175	35,788	1027	840	4260
Insurance	5,459	8,352	53	5,623	149
Services-Professional, Repairs, Utilities	20,918	40,680	94	23,271	175
Intergovernmental Services	16,239	11,788	-27	136,701	9
<b>Total Operating Expenditures</b>	113,633	143,644	26	239,839	60
<b>Capital and Debt Expenditures</b>					
Capital Costs	12,693,437	2,843,399	-78	4,311,135	66
Debt-Principal & Interest	995,050	1,121,644	13	1,136,770	99
<b>Total Capital and Debt Expenditures</b>	13,688,487	3,965,043	-71	5,447,905	73
<b>Total Expenditures</b>	13,802,120	4,108,687	-70	5,687,744	72
<b>Projected/Budgeted Ending Balance</b>	\$ 4,115,260	\$ 2,826,495	-31%	\$ 458,610	616%

### December 2009 Bellingham Public Development Authority\* Operating Statement

Public Development Authority	Prior YTD	Current YTD	Percent Change	Annual Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	\$ -	\$ 7,610	\$ -	\$ 7,610	100%
<b>Revenues</b>					
Interest Income	61	723	1085	-	100
Other Income	15,000	250,000	1567	350,000	71
<b>Total Revenues</b>	15,061	250,723	1565	350,000	72
<b>Operating Expenditures</b>					
Salaries & Benefits	41	68,683	167420	134,430	51
Supplies & Miscellaneous		6,141	0	16,110	38
Insurance		8,297	0	-	100
Services-Professional, Repairs, Utilities	5,018	169,059	3,269	189,460	89
Intergovernmental Services	2,393	1,043	-56	10,000	10
<b>Total Operating Expenditures</b>	7,452	253,223	3,298	350,000	72
<b>Capital and Debt Expenditures</b>					
Capital Costs	-	-	0	-	0
Debt-Principal & Interest	-	-	0	-	0
<b>Total Capital and Debt Expenditures</b>	-	-	0	-	0
<b>Total Expenditures</b>	7,452	253,223	3,298	350,000	72
<b>Projected/Budgeted Ending Balance</b>	\$ 7,609	\$ 5,110	-33%	\$ 7,610	67%

\*The PDA began operations in November of 2008.