

# CITY OF BELLINGHAM

## MAY 2010 FINANCIAL REPORT

### Highlights

- Citywide revenues of \$71.7 million are at 35% of the annual budget. Operating expenditures of \$58.6 million are at 37% of the annual budget. Capital expenditures of \$9.6 million are at 11% of the annual budget.
- General Fund revenues of \$26.4 million are at 42% of the annual budget. General Fund operating expenditures of \$24.5 million are at 39% of the annual budget.
- The City earned an average of 2.33% on its investments, compared to earnings of 3.36% at this same time last year.
- Printed copies of this report are available the public in the Finance Office. Copies of this and prior months reports are posted on the Finance website at:

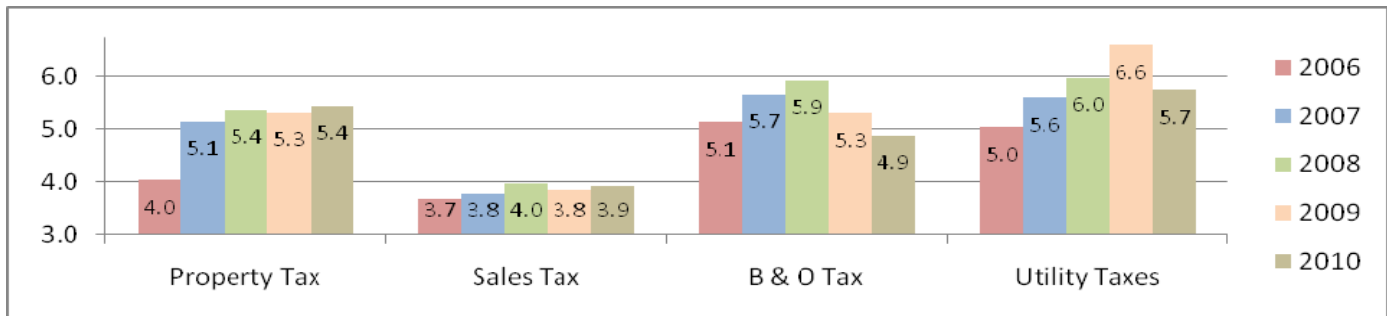
<http://www.cob.org/government/departments/finance/reports.aspx>

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Citywide – Cash & Investments			Citywide – Investment Interest Received			Citywide – Operating Expenditures		
5/31/2010	\$	129,405,935	5/31/2010	\$	1,127,024	5/31/2010	\$	58,550,873
5/31/2009		141,942,493	5/31/2009		2,030,762	5/31/2009		58,780,573
Decrease	-8.8%	\$ (12,536,558)	Decrease	-44.5%	\$ (903,738)	Decrease	-0.4%	\$ (229,700)
General Fund – Revenues*			General Fund – Operating Expenditures			General Fund – Salaries & Benefits Exp.		
5/31/2010	\$	26,436,883	5/31/2010	\$	24,512,957	5/31/2010	\$	17,843,662
5/31/2009		27,366,618	5/31/2009		24,775,687	5/31/2009		18,515,608
Decrease	-3.4%	\$ (929,735)	Decrease	-1.1%	\$ (262,730)	Decrease	-3.6%	\$ (671,946)

### May Year-to-Date – General Fund Major Revenue Sources 2006-2010 in millions of dollars

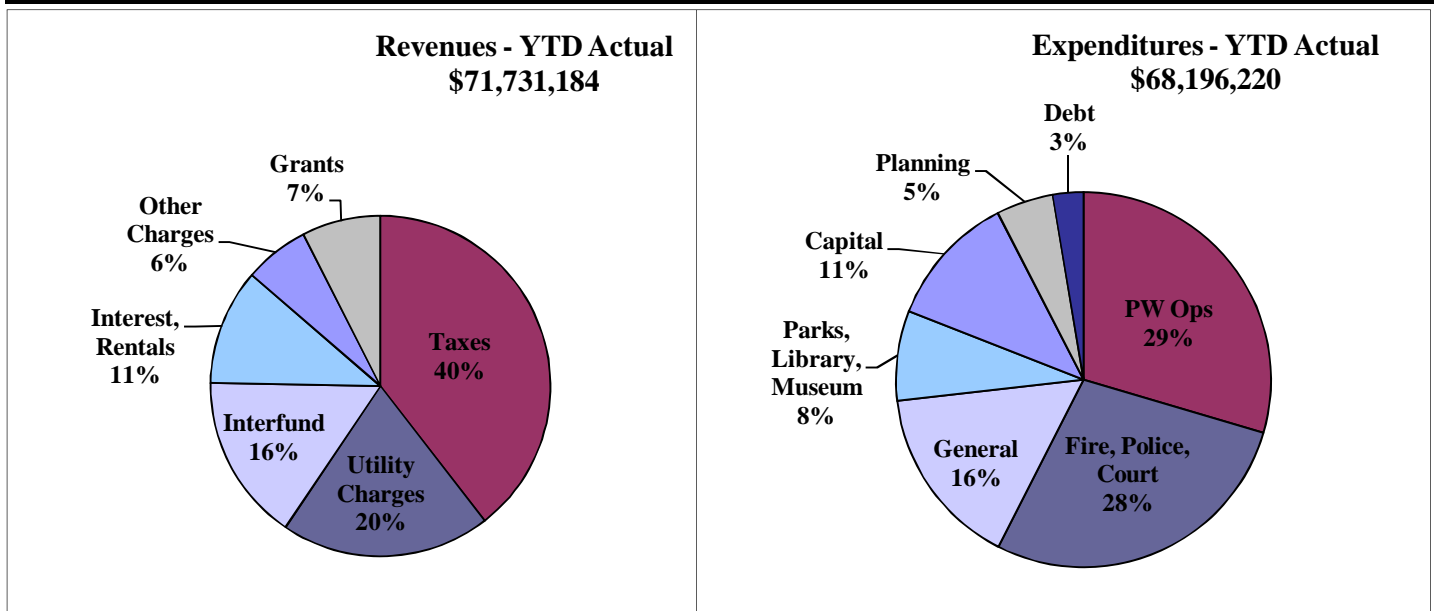


In 2009, the General Fund's share of sales tax revenue was increased from 50% to 57.5%. A substantial portion of utility taxes are levied on basic water and sewer charges. Water rates have gone up every year from 2006 and sewer charges have gone up every year from 2008. Utility tax collections dropped from 2009 to 2010 in part to \$1.2 million drop in electric and natural gas utility taxes.

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

**May 2010**  
**City of Bellingham**  
**Citywide, All Funds, Combined Operating Statement**

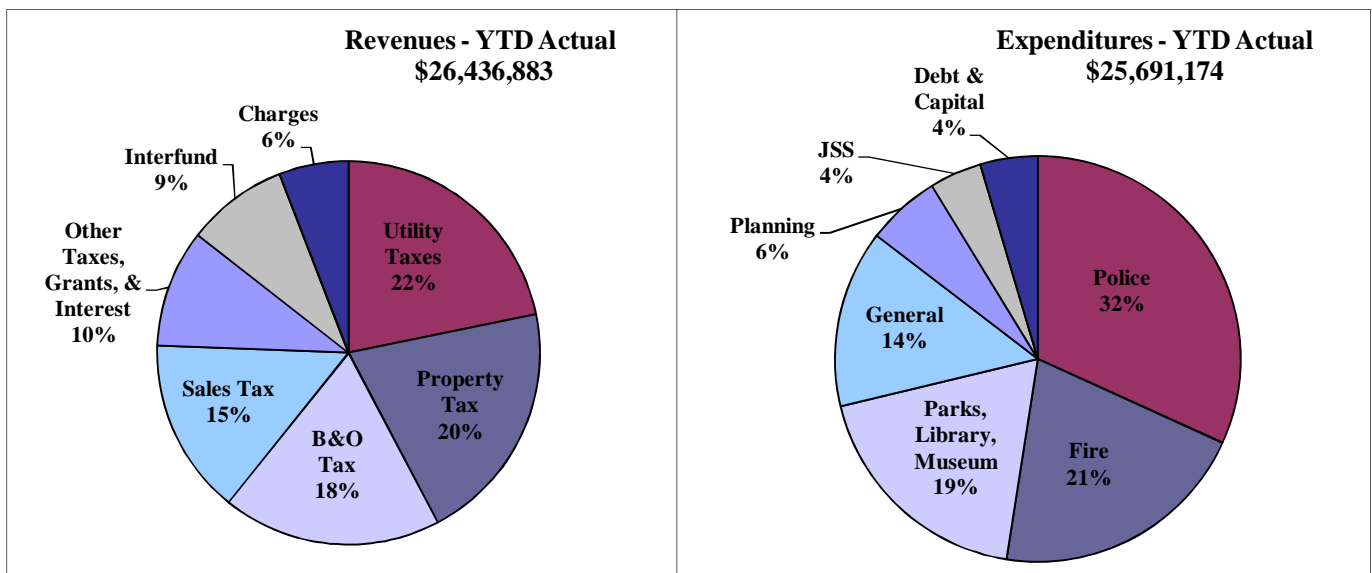
	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	\$ 133,923,629	\$ 119,339,962	-11%	\$ 119,339,965	100%
<b>Revenues</b>					
Property Taxes	8,188,713	8,303,948	1	18,705,488	44
Sales Tax	6,680,400	6,741,993	1	16,500,000	41
B & O Tax (1)	5,310,632	4,879,730	-8	11,132,381	44
Utility Taxes (2)	7,143,664	6,263,522	-12	14,637,150	43
Other Taxes (3)	2,434,034	2,154,914	-11	5,510,672	39
Grants, Entitlements, Revenue Sharing	4,973,783	5,363,720	8	37,239,420	14
Utility Charges for Services	13,160,488	14,291,532	9	35,496,525	40
Other Charges, Fines, Permits, Licenses	4,666,898	4,430,315	-5	12,348,012	36
Interest, Rentals, Bonds, Other Revenues	9,223,755	7,938,809	-14	20,701,509	38
Interfund Sales & Service	9,594,066	10,151,183	6	24,984,368	41
Interfund Loans & Transfers	1,188,625	1,211,518	2	5,150,750	24
<b>Total Revenues</b>	<b>72,565,058</b>	<b>71,731,184</b>	<b>-1</b>	<b>202,406,275</b>	<b>35</b>
<b>Operating Expenditures</b>					
General Governmental Services	10,101,746	10,678,799	6	27,892,521	38
Fire, Police, Municipal Court	19,343,358	19,055,128	-1	47,975,169	40
Public Works Operations	20,634,509	20,171,953	-2	59,465,704	34
Planning, Hearing Examiner	3,018,713	3,345,392	11	10,273,415	33
Libraries, Museums, Parks	5,682,247	5,299,601	-7	14,190,196	37
<b>Total Operating Expenditures</b>	<b>58,780,573</b>	<b>58,550,873</b>	<b>0</b>	<b>159,797,005</b>	<b>37</b>
<b>Capital and Debt Expenditures</b>					
Capital Expenditures	11,340,744	7,839,903	-31	73,666,691	11
Debt Service, Loans, Transfers	1,845,345	1,805,444	-2	13,736,584	13
<b>Total Capital and Debt Expenditures</b>	<b>13,186,089</b>	<b>9,645,347</b>	<b>-27</b>	<b>87,403,275</b>	<b>11</b>
<b>Total Expenditures</b>	<b>71,966,662</b>	<b>68,196,220</b>	<b>-5</b>	<b>247,200,280</b>	<b>28</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 134,522,025</b>	<b>\$ 122,874,926</b>	<b>-9%</b>	<b>\$ 74,545,960</b>	<b>165%</b>



1) B&O tax collections are down due to the ongoing downturn in the local and national economy.  
2) Utility taxes are down in part to a 34% decrease in electric and natural gas utility tax collections.  
3) Other taxes are down from 2009 due in part to a one time collection of delinquent B&O tax penalties of \$277,877 in 2009

**May 2010**  
**City of Bellingham**  
**General Fund Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Budgeted Beginning Balance</b>	\$ 17,326,870	\$ 15,757,471	-9%	\$ 15,757,471	100%
<b>Revenues</b>					
Property Tax	5,316,123	5,433,389	2	12,196,478	45
Sales Tax	3,848,728	3,930,224	2	9,500,000	41
B & O Tax (1)	5,310,632	4,879,730	-8	11,132,381	44
Utility Taxes (2)	6,599,767	5,748,436	-13	13,357,150	43
Other Taxes (3)	1,487,284	1,177,264	-21	2,775,672	42
Grants, Entitlements, Revenue Sharing	637,106	1,062,357	67	3,786,987	28
Charges, Fines, Permits, Licenses	1,628,977	1,552,240	-5	4,114,874	38
Interest, Rentals, Bonds, Other Revenues	473,916	387,967	-18	973,327	40
Interfund Sales & Service	1,676,426	1,855,568	11	4,691,641	40
Interfund Loans & Transfers	387,659	409,708	6	1,120,704	37
<b>Total Revenues</b>	<b>27,366,618</b>	<b>26,436,883</b>	<b>-3</b>	<b>63,649,214</b>	<b>42</b>
<b>Operating Expenditures</b>					
Executive	503,899	452,271	-10	1,341,206	34
Legislative	179,055	179,870	0	438,426	41
Hearings Examiner	74,500	76,036	2	186,670	41
Museum	609,289	583,452	-4	1,475,567	40
Library	1,608,034	1,378,030	-14	3,514,121	39
Finance	760,694	921,720	21	2,076,869	44
Human Resources	513,383	460,929	-10	1,282,548	36
Information Technology	1,095,113	1,065,779	-3	2,597,804	41
Legal	520,974	548,933	5	1,475,139	37
Judicial & Support Services	1,158,255	1,066,369	-8	3,040,117	35
Parks & Recreation	2,939,922	2,864,158	-3	7,383,867	39
Planning & Community Development	1,272,750	1,434,042	13	4,505,167	32
Fire	5,646,423	5,314,271	-6	13,285,838	40
Police	7,893,396	8,167,097	3	20,221,792	40
<b>Total Operating Expenditures</b>	<b>24,775,687</b>	<b>24,512,957</b>	<b>-1</b>	<b>62,825,131</b>	<b>39</b>
<b>Capital and Debt Expenditures</b>					
Capital Expenditures	124,893	95,636	-23	156,069	61
Debt Service, Loans, Transfers	824,281	1,082,581	31	3,870,218	28
<b>Total Capital and Debt Expenditures</b>	<b>949,174</b>	<b>1,178,217</b>	<b>24</b>	<b>4,026,287</b>	<b>29</b>
<b>Total Expenditures</b>	<b>25,724,861</b>	<b>25,691,174</b>	<b>0</b>	<b>66,851,418</b>	<b>38</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 18,968,627</b>	<b>\$ 16,503,180</b>	<b>-13%</b>	<b>\$ 12,555,267</b>	<b>131%</b>



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**May 2010  
City of Bellingham  
Available General Fund Reserve Report**

<b>2010 Adopted Budget with Amendments</b>	<b>Beginning Budget</b>	<b>Undesignated</b>	<b>Designated Balance (1)</b>	<b>Combined Balance</b>
Adopted Beginning Available Resources	\$12,540,767			
Adopted Budgeted Revenues	62,228,881			
Adopted Budgeted Expenditures	\$64,048,727			
<b>Adopted Available Ending Unrestricted Balance</b>		<b>\$ 766,818</b>	<b>\$ 9,954,103</b>	<b>\$10,720,921</b>
<b>Adjustments affecting Available Ending Balance</b>				
<b>General Fund Budget Ordinances/Transfers:</b>				
2010-03-015 Reconciling estimated balance to actual		1,996,030	1,220,674	3,216,704
2010-03-017 Encumbered reappropriations of 2009 expenses to 2010		(819,666)		(819,666)
2010-03-018 Unencumbered reappropriations of 2009 expenses to 20		(309,858)		(309,858)
2010-03-019 Funding for a police sergeant position		(64,998)	-	(64,998)
2010-03-021 Unanticipated tax revenue		12,346		12,346
2010-05-027 Reorganization of staff in planning		4,284		4,284
2010-05-030 Unanticipated grant revenue		12,500		12,500
2010-05-033 Unanticipated settlement costs			\$ (216,965)	(216,965)
<b>Projected 12/31/10 Available Ending Balance</b>		<b>\$ 1,597,456</b>	<b>\$ 11,174,777</b>	<b>\$12,555,268</b>

Notes

*Designated balance amounts are reserved by council in the 2010 revised budget as follows: General Fund (GF) non departmental reserves of \$9,601,037 and GF departmental reserves of \$1,356,775.*

**May 2010**  
**City of Bellingham**  
**Special Revenue Funds, Revenue/Expenditure Summary**

<b>Park Site Acquisition/Technology Replacement and Reserve/Capital Maintenance/Library Gift Funds #12</b>					
Budgeted Beginning Balance	\$ 6,250,305	\$ 3,189,060	-49	\$ 3,189,061	100
Revenues	434,973	225,483	-48	648,484	35
Expenditures	680,327	313,172	-54	1,928,595	16
Projected/Budgeted Ending Balance	\$ 6,004,951	\$ 3,101,371	-48%	\$ 1,908,950	162%

<b>Olympic/Oeser Settlement Funds Funds #130</b>					
Budgeted Beginning Balance	\$ 1,491,421	\$ 1,423,787	-5	\$ 1,423,787	100
Revenues	54,400	12,947	-76	25,262	51
Expenditures	61,480	36,888	-40	1,087,982	3
Projected/Budgeted Ending Balance	\$ 1,484,341	\$ 1,399,846	-6%	\$ 361,067	388%

<b>Real Estate Excise Tax Funds #140</b>					
Budgeted Beginning Balance	\$ 6,788,661	\$ 5,352,549	-21	\$ 5,352,549	100
Revenues	977,631	952,540	-3	5,211,195	18
Expenditures	1,480,628	863,187	-42	8,187,215	11
Projected/Budgeted Ending Balance	\$ 6,285,664	\$ 5,441,902	-13%	\$ 2,376,529	229%

<b>Police Special Rev Funds #150</b>					
Budgeted Beginning Balance	\$ 834,808	\$ 1,251,920	50	\$ 1,251,920	100
Revenues	161,506	172,947	7	339,414	51
Expenditures	166,681	146,129	-12	332,817	44
Projected/Budgeted Ending Balance	\$ 829,633	\$ 1,278,738	54%	\$ 1,258,517	102%

<b>Public Safety Dispatch Fund #160</b>					
Budgeted Beginning Balance	\$ 1,813,305	\$ 1,875,504	3	\$ 1,875,504	100
Revenues	1,284,341	1,273,063	-1	4,173,155	31
Expenditures	1,765,230	1,971,546	12	4,557,922	43
Projected/Budgeted Ending Balance	\$ 1,332,416	\$ 1,177,021	-12%	\$ 1,490,737	79%

<b>Parks Funds #170 (includes Beyond Greenways III &amp; Park Impact Fees)</b>					
Budgeted Beginning Balance	\$ 8,979,673	\$ 6,345,932	-29	\$ 6,345,932	100
Revenues*	1,984,419	2,080,224	5	7,495,206	28
Expenditures*	714,391	681,192	-5	12,199,126	6
Projected/Budgeted Ending Balance	\$ 10,249,701	\$ 7,744,964	-24%	\$ 1,642,012	472%

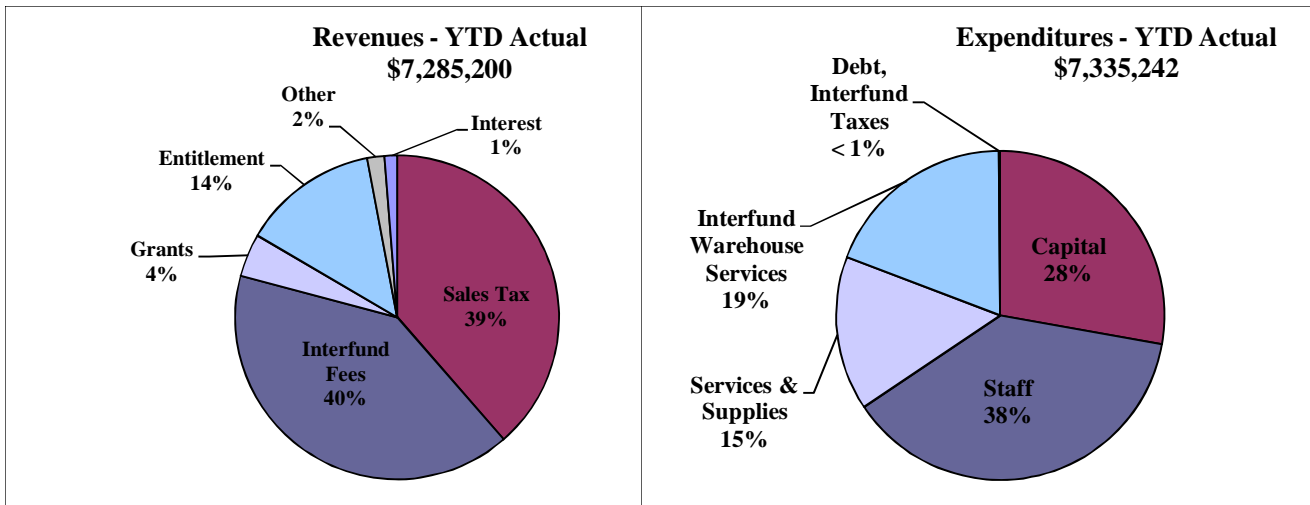
\*2010: Revenue and expense budgets include \$2.0 million for a grant funded project to build an overwater boardwalk that's still in the permitting stage.

<b>Tourism Fund #180</b>					
Budgeted Beginning Balance	\$ 433,247	\$ 219,429	-49	\$ 219,429	100
Revenues	287,228	307,822	7	882,837	35
Expenditures	339,104	252,536	-26	921,520	27
Projected/Budgeted Ending Balance	\$ 381,371	\$ 274,715	-28%	\$ 180,746	152%

<b>Community Development Grants Fund #190 &amp; 191</b>					
Budgeted Beginning Balance	\$ 59,558	\$ 48,126	-19	\$ 48,126	100
Revenues	172,564	559,336	224	2,822,451	20
Expenditures	575,527	831,663	45	2,866,277	29
Projected/Budgeted Ending Balance	\$ (343,405)	\$ (224,201)	-35%	\$ 4,300	

**May 2010**  
**City of Bellingham**  
**Street Funds Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Street Funds #110, Special Revenue</b>					
<b>Budgeted Beginning Balance</b>	\$ 10,493,480	\$ 10,380,934	-1%	\$ 10,380,935	100%
<b>Revenues</b>					
Sales Tax	2,831,673	2,811,769	-1	7,000,000	40
Federal/State Grants	791,134	313,561	-60	13,628,706	2
Entitlements	718,989	989,884	38	4,060,421	24
Interfund Fees	2,807,211	2,953,105	5	6,686,297	44
Investment Interest	153,225	93,571	-39	242,930	39
Other Revenues	266,746	123,310	-54	1,054,390	12
Other Financing Sources	-	-	0	8,100	0
<b>Total Revenues</b>	<b>7,568,978</b>	<b>7,285,200</b>	<b>-4</b>	<b>32,680,844</b>	<b>22</b>
<b>Operating Expenditures</b>					
Salaries, Wages & Benefits	2,976,218	2,771,544	-7	7,119,401	39
Supplies	244,488	196,935	-19	784,498	25
Services-Professional, Repairs, Utilities	926,002	915,519	-1	4,371,273	21
Intergovernmental Services, Taxes, & Fees	90,691	9,872	-89	125,000	8
Interfund-Warehouse & Services	1,365,557	1,400,626	3	3,357,145	42
<b>Total Operating Expenditures</b>	<b>5,602,956</b>	<b>5,294,496</b>	<b>-6</b>	<b>15,757,317</b>	<b>34</b>
<b>Capital and Debt Expenditures</b>					
Capital Outlay	2,482,195	2,040,746	-18	25,609,545	8
Debt-(Principal & Interest), Interfund Loans, & Transfers	40,000	-	-100	266,300	0
<b>Total Capital and Debt Expenditures</b>	<b>2,522,195</b>	<b>2,040,746</b>	<b>-19</b>	<b>25,875,845</b>	<b>8</b>
<b>Total Expenditures</b>	<b>8,125,151</b>	<b>7,335,242</b>	<b>-10</b>	<b>41,633,162</b>	<b>18</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 9,937,307</b>	<b>\$ 10,330,892</b>	<b>4%</b>	<b>\$ 1,428,617</b>	<b>723%</b>



**May 2010**  
**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	\$ 3,643,086	\$ 4,138,415	14%	\$ 4,138,415	100%
Revenues	1,911,368	1,948,553	2	5,231,441	37
Expenses	1,748,671	2,230,776	28	8,449,993	26
Projected/Budgeted Ending Balance	\$ 3,805,783	\$ 3,856,192	1%	\$ 919,863	419%

<b>Solid Waste Fund #440</b>					
Budgeted Beginning Balance	\$ 7,302,549	\$ 7,384,433	1%	\$ 7,384,433	100%
Revenues	713,850	641,628	-10	1,677,856	38
Expenses	322,110	417,729	30	2,379,495	18
Projected/Budgeted Ending Balance	\$ 7,694,289	\$ 7,608,332	-1%	\$ 6,682,794	114%

<b>Cemetery Fund #456</b>					
Budgeted Beginning Balance	\$ 372,134	\$ 284,814	-23%	\$ 284,814	100%
Revenues	215,549	235,216	9	544,830	43
Expenses	260,413	212,267	-18	545,614	39
Projected/Budgeted Ending Balance	\$ 327,270	\$ 307,763	-6%	\$ 284,030	108%

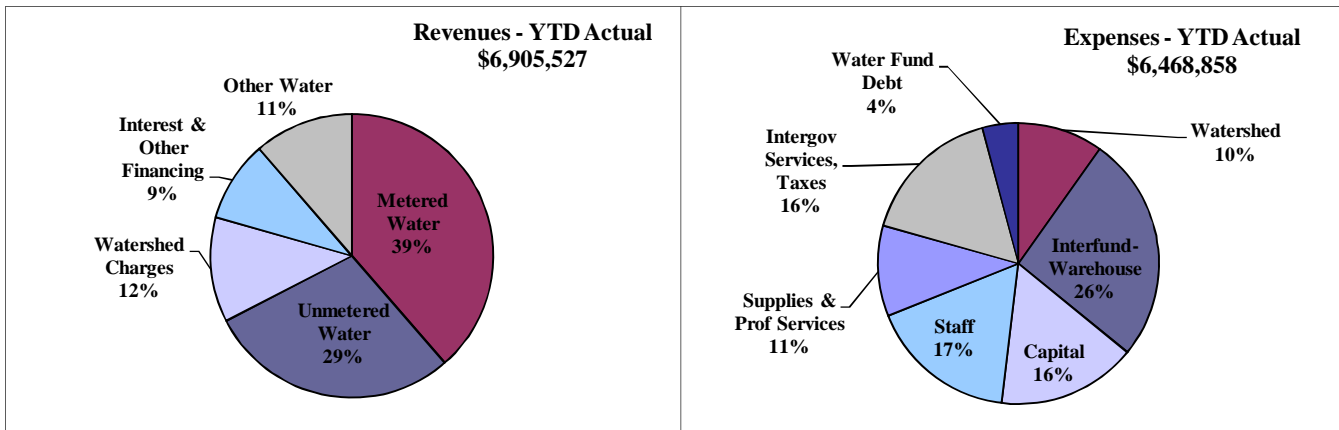
<b>Golf Course Fund #460*</b>					
Budgeted Beginning Balance	\$ 52,877	\$ 74,549	41%	\$ 74,549	100%
Revenues	79,032	80,064	1	192,256	42
Expenses	27,807	31,174	12	155,238	20
Projected/Budgeted Ending Balance	\$ 104,102	\$ 123,439	19%	\$ 111,567	111%

<b>Development Services Fund #475</b>					
Budgeted Beginning Balance	\$ 639,391	\$ 993,068	55%	\$ 993,068	100%
Revenues	793,063	716,862	-10	1,914,591	37
Expenses	885,403	758,318	-14	1,905,426	40
Projected/Budgeted Ending Balance	\$ 547,051	\$ 951,612	74%	\$ 1,002,233	95%

<i>Development Services Activity YTD</i>	<u>2009</u>	<u>2010</u>
<i>Permits</i>	218	296
<i>Units</i>	36	28
<i>Valuation (\$millions)</i>	\$32.1	\$51.1*
<i>*2010: Two projects comprise a significant portion of the total project valuation for the year; St. Pauls School (\$7.9 million) &amp; Bellingham Technical College Commercial Building (\$21.7 Million)</i>		

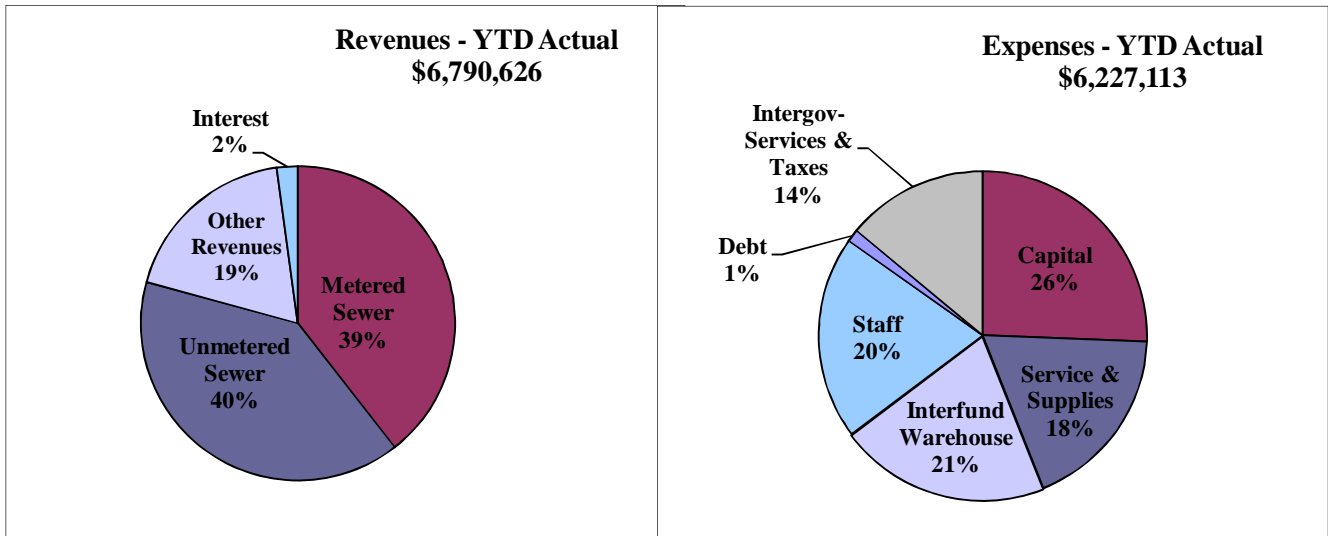
May 2010  
City of Bellingham  
Water Fund Operating Statement

Water Fund #410	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Budgeted Beginning Balance - Water/Watershed Combined</b>	\$ 17,609,285	\$ 13,137,059	-25%	\$ 13,137,059	100%
<b>Budgeted Beginning Balance - Water Operations</b>	\$ 12,824,766	\$ 10,524,558	-18%	\$ 10,524,558	100%
<b>Revenues</b>					
Unmetered Water	1,867,130	1,988,367	6	4,457,432	45
Metered Water	2,423,265	2,667,973	10	7,136,245	37
Other Water System Charges	466,425	783,590	68	1,488,592	53
Investment Interest	156,089	108,688	-30	251,777	43
Other Revenues	367,529	448,351	22	812,940	55
Other Financing Sources	-	60,415	100	2,930,000	2
<b>Total Revenues</b>	\$ 5,280,438	\$ 6,057,384	15	\$ 17,076,986	35%
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	1,058,211	1,099,077	4	2,935,182	37
Supplies & Services-Professional, Repairs, Utilities	709,949	677,157	-5	3,222,628	21
Intergovernmental Services, Taxes, & Fees	867,916	1,063,162	22	2,814,313	38
Interfund-Warehouse & Services	1,476,787	1,683,257	14	3,998,168	42
<b>Total Operating Expenses</b>	\$ 4,112,863	\$ 4,522,653	10	\$ 12,970,291	35%
<b>Capital and Debt Expenses</b>					
Capital Outlay	1,639,082	1,040,194	-37	9,533,620	11
Debt-(Principal & Interest), Interfund Loans, & Transfers	273,116	269,737	-1	943,175	29
<b>Total Capital and Debt Expenses</b>	\$ 1,912,198	\$ 1,309,931	(31)	\$ 10,476,795	13%
<b>Total Expenses</b>	\$ 6,025,061	\$ 5,832,584	(3)	\$ 23,447,086	25%
<b>Projected/Budgeted Ending Balance - Water Operations</b>	\$ 12,080,143	\$ 10,749,358	-11%	\$ 4,154,458	259%
<b>Budgeted Beginning Balance - Watershed Activity</b>	\$ 4,784,519	\$ 2,612,501	-45%	\$ 2,612,501	100%
<b>Revenues</b>					
Watershed Charges	815,347	804,423	-1	2,080,000	39
Demand Charges	7,107	21,514	203	25,000	86
Investment Interest & Other Revenue	99,781	22,206	-78	23,738	94
<b>Total Revenues</b>	922,235	848,143	-8	2,128,738	40
<b>Operating Expenses</b>					
Supplies & Services	7,299	14,229	95	104,500	14
Intergovernmental Services, Taxes, & Fees	152,034	152,167	0	398,253	38
<b>Total Operating Expenses</b>	159,333	166,396	4	502,753	33
<b>Capital and Debt Expenses</b>					
Capital Outlay	1,707,823	407,295	-76	1,548,374	26
Debt-(Principal & Interest), Interfund Loans, & Transfers	70,167	62,583	-11	1,523,883	4
<b>Total Capital and Debt Expenses</b>	1,777,990	469,878	-74	3,072,257	15
<b>Total Expenses</b>	1,937,323	636,274	-67	3,575,010	18
<b>Projected/Budgeted Ending Balance - Watershed Activity</b>	\$ 3,769,431	\$ 2,824,370	-25%	\$ 1,166,229	242%
<b>Projected/Budgeted Ending Balance - Water/Watershed Combined</b>	\$ 15,849,574	\$ 13,573,728	-14%	\$ 5,320,687	255%



**May 2010**  
**City of Bellingham**  
**Wastewater Fund Operating Statement**

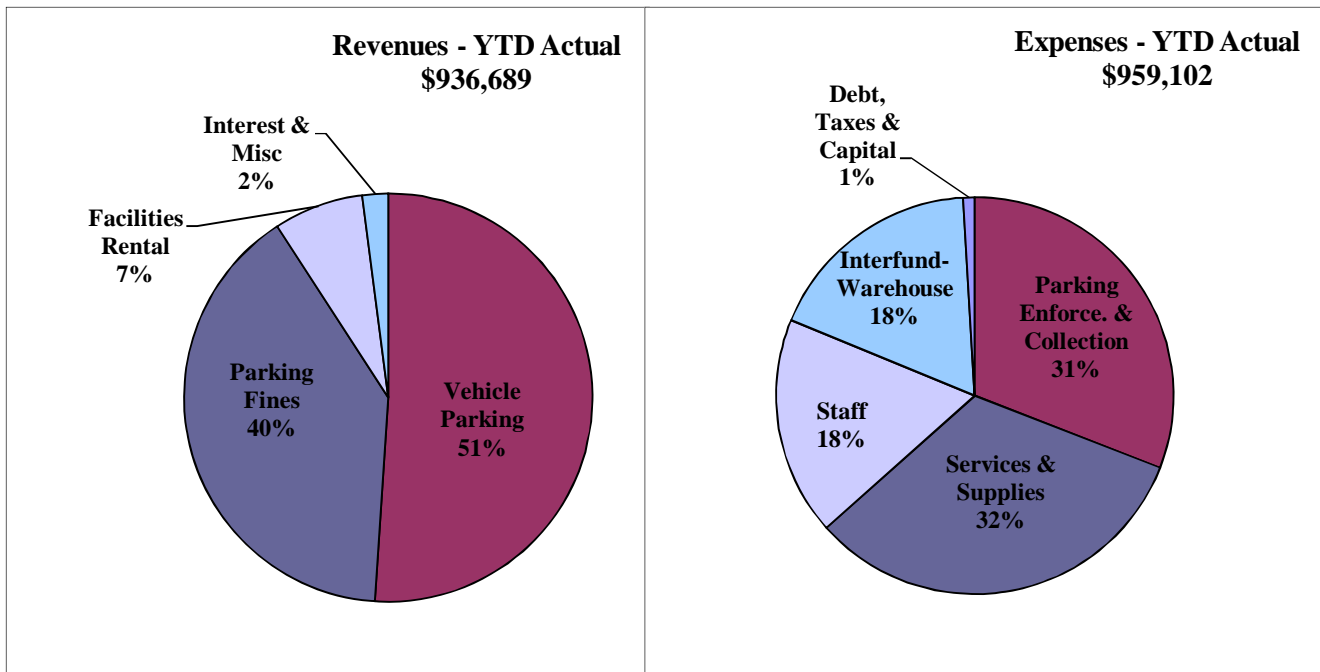
	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Wastewater Fund #420, Enterprise</b>					
<b>Budgeted Beginning Balance</b>	\$ 18,806,260	\$ 15,202,334	-19%	\$ 15,202,334	100%
<b>Revenues</b>					
Unmetered Sewer	2,546,051	2,702,701	6	6,583,211	41
Metered Sewer	2,530,022	2,678,464	6	6,867,384	39
Investment Interest	287,795	147,550	-49	413,138	36
Other Revenues	1,145,276	1,261,911	10	2,990,470	42
<b>Total Revenues</b>	<b>6,509,144</b>	<b>6,790,626</b>	<b>4</b>	<b>16,854,203</b>	<b>40</b>
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	1,232,962	1,249,505	1	3,169,651	39
Supplies	240,202	320,163	33	799,023	40
Services-Professional, Repairs, Utilities	873,854	825,859	-5	3,682,719	22
Intergovernmental Services, Taxes, & Fees	864,827	870,605	1	2,260,283	39
Interfund-Warehouse & Services	1,210,278	1,293,228	7	3,266,172	40
<b>Total Operating Expenses</b>	<b>4,422,123</b>	<b>4,559,360</b>	<b>3</b>	<b>13,177,848</b>	<b>35</b>
<b>Capital and Debt Expenses</b>					
Capital Outlay	2,093,557	1,591,932	-24	12,004,044	13
Debt-(Principal & Interest), Interfund Loans, & Transfers	108,304	75,821	-30	2,231,645	3
<b>Total Capital and Debt Expenses</b>	<b>2,201,861</b>	<b>1,667,753</b>	<b>-24</b>	<b>14,235,689</b>	<b>12</b>
<b>Total Expenses</b>	<b>6,623,984</b>	<b>6,227,113</b>	<b>-6</b>	<b>27,413,537</b>	<b>23</b>
<b>Projected/Budgeted Ending Balance</b>	\$ 18,691,420	\$ 15,765,847	-16%	\$ 4,643,000	340%



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 12/31/09, the ratio was 4.74. At 5/31/10, the ratio is estimated at 6.02.

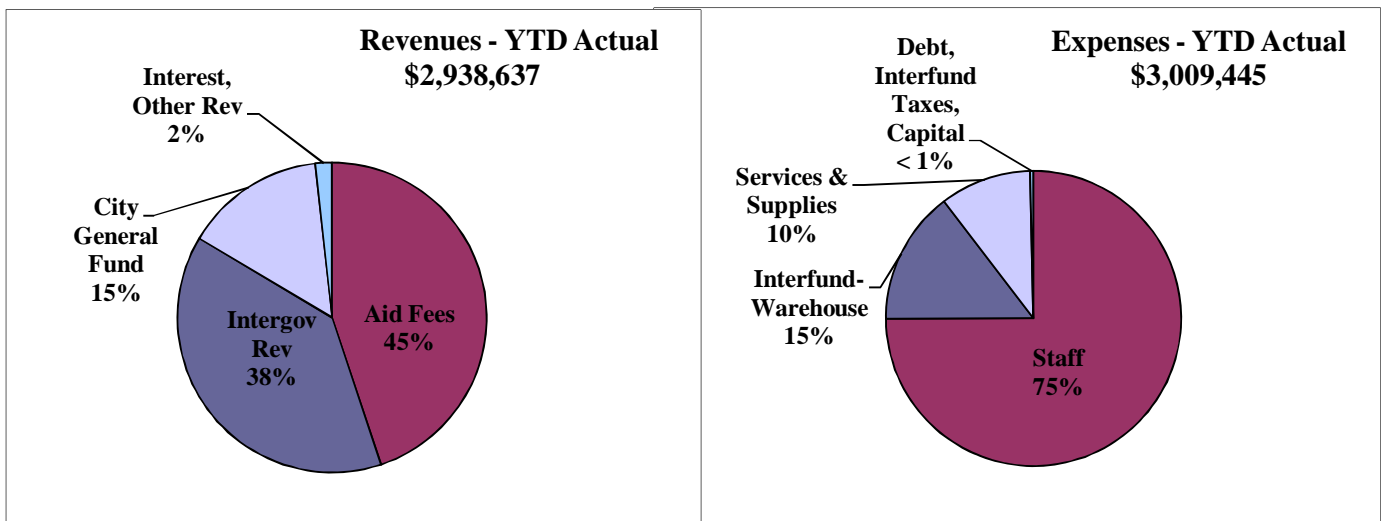
**May 2010**  
**City of Bellingham**  
**Parking Services Fund Operating Statement**

	Prior YTD	Current YTD	Percent Change	Revised Budget	Percent Act/Bud
<b>Parking Fund #465, Enterprise</b>					
<b>Budgeted Beginning Balance</b>	\$ 999,969	\$ 1,181,696	18%	\$ 1,181,696	100%
<b>Revenues</b>					
Vehicle Parking	467,170	478,138	2	1,575,787	30
Parking Infraction Fines	307,810	372,783	21	850,200	44
Facilities Rental	72,344	66,750	-8	134,111	50
Investment Interest	16,901	12,435	-26	31,597	39
Other Revenues	7,139	6,583	-8	16,800	39
<b>Total Revenues</b>	<b>871,364</b>	<b>936,689</b>	<b>7</b>	<b>2,608,495</b>	<b>36</b>
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	166,301	170,500	3	447,170	38
Supplies	16,724	236,664	1315	295,294	80
Services-Professional, Repairs, Utilities	325,556	75,365	-77	622,344	12
Intergovernmental Services, Taxes, & Fees	3,619	3,230	-11	7,770	42
Parking Infraction Enforcement/Collection	275,871	296,369	7	711,286	42
Interfund-Warehouse & Services	176,296	171,130	-3	338,127	51
<b>Total Operating Expenses</b>	<b>964,367</b>	<b>953,258</b>	<b>-1</b>	<b>2,421,991</b>	<b>39</b>
<b>Debt Expenses</b>					
Debt-(Principal & Interest), Interfund Loans, & Transfers	7,558	5,844	-23	134,024	4
<b>Total Debt Expenses</b>	<b>7,558</b>	<b>5,844</b>	<b>-23</b>	<b>134,024</b>	<b>4</b>
<b>Total Expenses</b>	<b>971,925</b>	<b>959,102</b>	<b>-1</b>	<b>2,556,015</b>	<b>38</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 899,408</b>	<b>\$ 1,159,283</b>	<b>29%</b>	<b>\$ 1,234,176</b>	<b>94%</b>



**May 2010**  
**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>	\$ 770,281	\$ 797,747	4%	\$ 797,747	100%
<b>Revenues</b>					
Special Purpose Tax	(1) 218,202	219,821	1	522,396	42
Less Transfers of Special Purpose Tax to Whatcom Cty	(1)(a) (218,202)	(219,821)	0	(522,396)	42
Ambulance & Emergency Aid Fees	1,595,864	1,319,574	-17	3,486,668	38
City of Bellingham - General Fund	427,546	431,821	1	1,036,371	42
Intergovernmental Revenue - Whatcom County & others	(2) 1,495,216	1,135,306	-24	3,323,218	34
Investment Interest	26,886	12,945	-52	33,086	39
Other Revenues & Financing Sources	23,476	38,991	66	1,000	3899
<b>Total Revenues</b>	<b>3,568,988</b>	<b>2,938,637</b>	<b>-18</b>	<b>7,880,343</b>	<b>37</b>
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	2,231,557	2,255,016	1	5,308,323	42
Supplies	160,178	130,437	-19	560,244	23
Services-Professional, Repairs, Utilities	173,952	172,106	-1	403,420	43
Intergovernmental Services, Taxes, & Fees	8,593	10,418	21	37,394	28
Interfund-Warehouse & Services	466,289	441,468	-5	1,459,522	30
<b>Total Operating Expenses</b>	<b>3,040,569</b>	<b>3,009,445</b>	<b>-1</b>	<b>7,768,903</b>	<b>39</b>
<b>Capital Expenses</b>					
Capital Outlay	-	-	0	271,816	0
<b>Total Capital Expenses</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>271,816</b>	<b>0</b>
<b>Total Expenses</b>	<b>3,040,569</b>	<b>3,009,445</b>	<b>-1</b>	<b>8,040,719</b>	<b>37</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 1,298,700</b>	<b>\$ 726,939</b>	<b>-44%</b>	<b>\$ 637,371</b>	<b>114%</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.

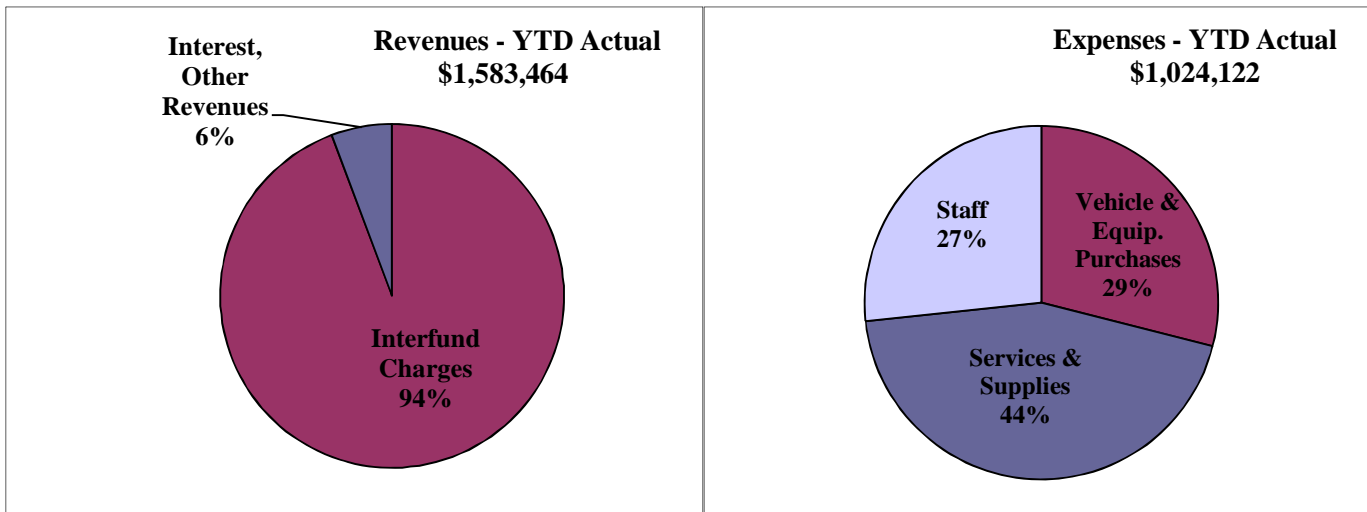
(2) 2010: Per Interlocal Agreement (through 5/31/10 - Whatcom County has contributed \$579.4 thousand from its General Fund. Medic One has recognized \$556 thousand in revenue in 2010 from the Whatcom County EMS Fund.

**May 2010**  
**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	\$ 480,654	\$ 664,002	38%	\$ 664,002	100%
Revenues	901,432	855,008	-5	2,129,516	40
Expenses	1,190,594	1,172,835	-1	2,131,443	55
Projected/Budgeted Ending Balance	\$ 191,492	\$ 346,175	81%	\$ 662,075	52%
<b>Facilities Administration Fund #530</b>					
Budgeted Beginning Balance	\$ 1,310,659	\$ 591,738	-55%	\$ 591,738	100%
Revenues	945,136	940,463	0	2,078,323	45
Expenses	1,150,957	901,682	-22	2,378,789	38
Projected/Budgeted Ending Balance	\$ 1,104,838	\$ 630,519	-43%	\$ 291,272	216%
<b>Telecommunication Fund #540</b>					
Budgeted Beginning Balance	\$ 511,032	\$ 505,910	-1%	\$ 505,910	100%
Revenues	144,820	93,878	-35	227,798	41
Expenses*	138,300	189,871	37	405,072	47
Projected/Budgeted Ending Balance	\$ 517,552	\$ 409,917	-21%	\$ 328,636	125%
<b>Claims &amp; Litigation Fund #550</b>					
Budgeted Beginning Balance	\$ 4,558,617	\$ 4,390,404	-4%	\$ 4,390,404	100%
Revenues	440,655	457,349	4	1,103,429	41
Expenses	174,849	204,699	17	1,072,017	19
Projected/Budgeted Ending Balance	\$ 4,824,423	\$ 4,643,054	-4%	\$ 4,421,816	105%
<b>Unemployment Compensation Fund #561</b>					
Budgeted Beginning Balance	\$ 223,840	\$ 593,911	165%	\$ 593,911	100%
Revenues	40,192	68,207	70	180,620	38
Expenses*	46,688	128,345	175	621,871	21
Projected/Budgeted Ending Balance	\$ 217,344	\$ 533,773	146%	\$ 152,660	350%
<i>*Unemployment payments are made quarterly on a reimbursement basis.</i>					
<b>Worker's Comp Self-Insurance Fund #562</b>					
Budgeted Beginning Balance	\$ 865,003	\$ 727,591	-16%	\$ 727,591	100%
Revenues	261,205	289,206	11	670,534	43
Expenses	318,877	241,924	-24	757,905	32
Projected/Budgeted Ending Balance	\$ 807,331	\$ 774,873	-4%	\$ 640,220	121%
<b>Health Benefits Fund #565</b>					
Budgeted Beginning Balance	\$ 1,502,465	\$ 1,919,300	28%	\$ 1,919,300	100%
Revenues	5,094,517	4,950,749	-3	10,852,824	46
Expenses	4,404,662	4,577,911	4	11,229,993	41
Projected/Budgeted Ending Balance	\$ 2,192,320	\$ 2,292,138	5%	\$ 1,542,131	149%

**May 2010  
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>	\$ 5,897,881	\$ 5,588,236	-5%	\$ 5,588,236	100%
<b>Revenues</b>					
Operating Revenues - Interfund	1,340,206	1,492,397	11	3,738,268	40
Investment Interest	85,421	52,860	-38	123,106	43
Other Miscellaneous Revenues	-	1,217	100	-	0
Other Financing Sources	135,074	36,990	-73	150,000	25
<b>Total Revenues</b>	<b>1,560,701</b>	<b>1,583,464</b>	<b>1</b>	<b>4,011,374</b>	<b>39</b>
<b>Operating Expenses</b>					
Salaries, Wages & Benefits	276,495	272,995	-1	694,148	39
Supplies	130,308	105,841	-19	328,848	32
Services-Professional, Repairs, Utilities	78,741	56,340	-28	234,390	24
Interfund-Parts, Services & Supplies	298,991	292,109	-2	757,972	39
<b>Total Operating Expenses</b>	<b>784,535</b>	<b>727,285</b>	<b>-7</b>	<b>2,015,358</b>	<b>36</b>
<b>Capital Expenses</b>					
Capital Outlay - Vehicles & Equipment	1,112,288	296,837	-73	784,022	38
<b>Total Capital Expenses</b>	<b>1,112,288</b>	<b>296,837</b>	<b>-73</b>	<b>784,022</b>	<b>38</b>
<b>Total Expenses</b>	<b>1,896,823</b>	<b>1,024,122</b>	<b>-46</b>	<b>2,799,380</b>	<b>37</b>
<b>Projected/Budgeted Ending Balance</b>	<b>\$ 5,561,759</b>	<b>\$ 6,147,578</b>	<b>11%</b>	<b>\$ 6,800,230</b>	<b>90%</b>



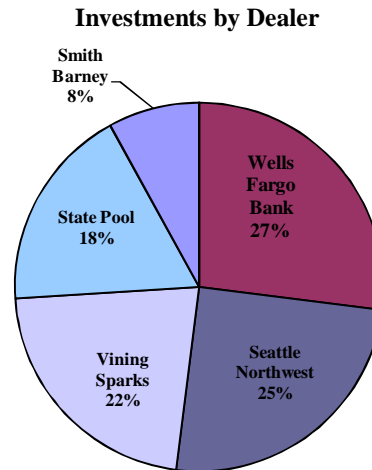
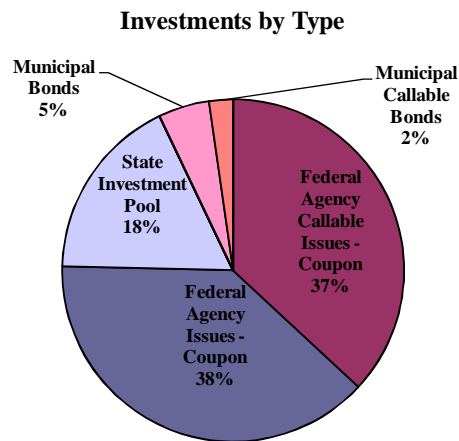
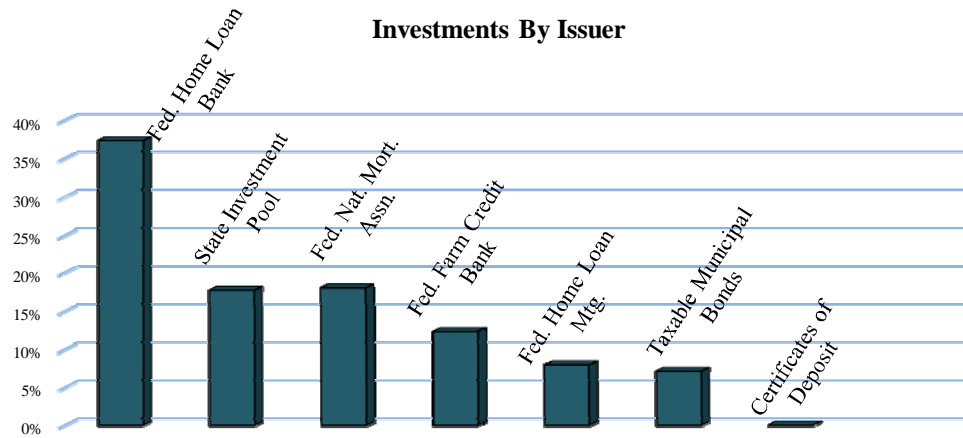
**May 2010**  
**City of Bellingham**  
**Cash and Investments Report**

<b>Unrestricted-Cash &amp; Investments</b>	Prior Month Ending Bal.	Cash Increase	Cash Decrease	Current Ending Bal.
General Fund	\$ 3,989,688	\$ 9,905,747	\$ 5,372,693	8,522,742
General Fund Reserve	7,849,950	-		7,849,950
Street	10,253,306	1,664,369	1,251,341	10,666,334
Arterial, Paths - Street Funds	57,885	835		58,720
Technology Replacement and Reserve	1,530,676	3,532	71,903	1,462,305
Park Acquisition	250,113	593		250,706
Capital Maintenance	1,322,709	40,821	3,761	1,359,769
Library Gift	45,606	36	2,290	43,352
Settlement Funds	1,410,678	3,327	11,732	1,402,273
Real Estate Excise Tax Funds	5,319,386	374,965	221,283	5,473,068
Police Special Revenue Funds	1,319,614	16,893	56,761	1,279,746
Public Safety Dispatch	1,386,640	123,385	318,244	1,191,781
Park Funds	6,294,537	1,881,041	267,320	7,908,258
Tourism	265,653	68,809	59,079	275,383
Community Development Block Grant	(126,480)	32,206	95,822	(190,096)
Home Investment Partnership Grant	(459,489)	454,621	28,821	(33,689)
<b>Debt &amp; LID Funds</b>	<b>584,233</b>	<b>176,660</b>	<b>1,497</b>	<b>759,396</b>
Water	5,811,593	2,173,060	2,450,968	5,533,685
Wastewater	11,945,391	1,338,461	1,600,072	11,683,780
Storm/Surface Water Utility	3,803,809	429,319	308,562	3,924,566
Solid Waste	7,557,361	32,980	177,916	7,412,425
Cemetery	53,546	57,712	46,734	64,524
Golf Course	130,893	28,683	20,939	138,637
Parking Services	1,202,639	180,974	159,513	1,224,100
Medic One	800,273	553,428	564,003	789,698
Development Services	926,540	183,283	134,560	975,263
Fleet Administration	6,128,842	390,803	304,009	6,215,636
Purchasing/Material Management	748,779	152,764	136,876	764,667
Facilities Administration	644,358	160,321	161,402	643,277
Telecommunications	421,109	9,532	11,694	418,947
Claims and Litigation	4,620,081	85,032	61,373	4,643,740
Unemployment Compensation	647,371	14,123	127,721	533,773
Workers Comp Self-Insurance	711,640	49,459	24,780	736,319
Health Benefits	2,281,010	876,466	888,515	2,268,961
Fire and Police Pension Funds	9,162,937	1,218,917	397,205	9,984,649
Trust & Deposit Funds	6,667,202	4,023,864	8,566,376	2,124,690
Payroll & Accounts Payable Funds	2,521,213	10,574,237	10,562,311	2,533,139
Greenways Endowment	3,373,347	184,691	21,903	3,536,135
Natural Resources Protect & Restore	1,723,714	4,091	9,345	1,718,460
<b>Total Cash &amp; Investments</b>	<b>113,178,353</b>	<b>37,470,040</b>	<b>34,499,324</b>	<b>116,149,069</b>
<b>Restricted Cash &amp; Investments -Debt, Construction</b>				
Water (Restricted for Debt & Construction)	8,380,866	271,646	374,035	8,278,477
Wastewater (Restricted for Debt & Construction)	3,806,628	344,078	17,741	4,132,965
Solid Waste - Restricted for Debt Svc P&I	290,466	58,093		348,559
Cemetery - Preneed Trust & Endowed Care	409,790	7,027	2,290	414,527
Parking - Restricted for Debt Svc P&I	71,169	11,169		82,338
<b>Total Restricted Cash &amp; Investments</b>	<b>12,958,919</b>	<b>692,013</b>	<b>394,066</b>	<b>13,256,866</b>
<b>Total Citywide Funds</b>	<b>\$ 126,137,272</b>	<b>\$ 38,162,053</b>	<b>\$ 34,893,390</b>	<b>129,405,935</b>
<b>Discrete Component Units (Restricted)</b>				
Public Facilities District	\$ 2,725,683	\$ 188,804	\$ 95,260	2,819,227
Public Development Authority	(14,578)	133,418	47,702	71,138
<b>Total Discrete Component Unit Funds</b>	<b>\$ 2,711,105</b>	<b>\$ 322,222</b>	<b>\$ 142,962</b>	<b>2,890,365</b>

**May 2010  
City of Bellingham  
Investment Summary**

<b>Portfolio Summary</b>	<b>Book Value</b>	<b>Term in Years</b>	<b>YTM/C 365Equiv.</b>
<b>Investments By Type</b>			
State Investment Pool	\$ 22,066,579	0.0	0.27%
Federal Agency Issues - Coupon	48,384,889	2.1	2.43%
Federal Agency Callable Issues - Coupon	46,488,750	3.7	2.40%
Municipal Bonds	6,062,758	2.2	2.55%
Municipal Callable Bonds	2,832,477	3.9	3.90%
<b>Investments - Total &amp; Average</b>	<b>\$ 125,835,453</b>	<b>2.4</b>	<b>2.08%</b>
Year to Date Interest Received	\$ 1,152,658		
Year to Date Interest Earned	\$ 1,283,617		
Effective Rate of Return on Interest Earned	2.33%		

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.



<b>Investment Activity Summary</b>					
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%
December 2009	33	126,362,768	2.13%	0.34%	2.38%
January 2010	33	123,901,507	2.29%	0.34%	2.26%
February 2010	32	125,829,243	2.13%	0.27%	2.16%
March 2010	32	126,854,336	2.17%	0.23%	2.06%
April 2010	32	124,606,145	2.20%	0.24%	1.96%
May 2010	31	\$ 125,835,453	2.08%	0.27%	1.84%

## City of Bellingham Discrete Component Units

### May 2010 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>	\$ 4,152,327	\$ 2,909,696	-30%	\$ 2,909,696	100%
<b>Revenues</b>					
Sales Tax Rebate	410,028	411,551	0	1,000,000	41
Interest Income	54,742	26,114	-52	69,583	38
Other Income	2,734	4,415	61	12,600	35
Grant Revenue	287,512	119,256	-59	321,734	37
Misc Revenue	37,545	-	-100	-	0
<b>Total Revenues</b>	792,561	561,336	-29	1,403,917	40
<b>Operating Expenditures</b>					
Salaries & Benefits	24,383	3,780	-84	4,818	78
Supplies & Miscellaneous	179	1,457	714	150	971
Insurance	3,379	-	-100	5,000	0
Services-Professional, Repairs, Utilities	13,078	60,762	365	8,321	730
Intergovernmental Services	3,424	10,460	205	35,000	30
<b>Total Operating Expenditures</b>	44,443	76,459	72	53,289	143
<b>Capital and Debt Expenditures</b>					
Capital Costs	2,500,503	492,220	-80	1,607,104	31
Debt-Principal & Interest	472,116	471,326	0	1,112,740	42
<b>Total Capital and Debt Expenditures</b>	2,972,619	963,546	-68	2,719,844	35
<b>Total Expenditures</b>	3,017,062	1,040,005	-66	2,773,133	38
<b>Projected/Budgeted Ending Balance</b>	\$ 1,927,826	\$ 2,431,027	26%	\$ 1,540,480	158%

### May 2010 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	\$ 5,113	\$ (33)	\$ 5,111	100%
<b>Revenues</b>					
Interest Income	87	220	153	5,023	4
Other Income	50,000	266,667	433	500,000	53
<b>Total Revenues</b>	50,087	266,887	433	505,023	53
<b>Operating Expenditures</b>					
Salaries & Benefits	5,163	91,355	1669	214,080	43
Supplies & Miscellaneous	2,392	1,966	-18	13,594	14
Insurance	3,664	1,682	-54	5,000	100
Services-Professional, Repairs, Utilities	27,074	105,954	291	262,784	40
Intergovernmental Services	372	918	147	10,000	9
<b>Total Operating Expenditures</b>	38,665	201,875	422	505,458	40
<b>Projected/Budgeted Ending Balance</b>	\$ 19,032	\$ 70,125	268%	\$ 4,676	1500%

\*The PDA began operations in November of 2008.