

# CITY OF BELLINGHAM

## JUNE 2010 FINANCIAL REPORT

### Highlights

- Citywide revenues of \$87.4 million are at 43% of the annual budget. Operating expenditures of \$70.8 million are at 44% of the annual budget. Capital expenditures of \$13.3 million are at 15% of the annual budget.
- General Fund revenues of \$31.5 million are at 49% of the annual budget. General Fund operating expenditures of \$29.6 million are at 47% of the annual budget.
- The City earned an average of 2.15% on its investments, compared to earnings of 3.28% 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:

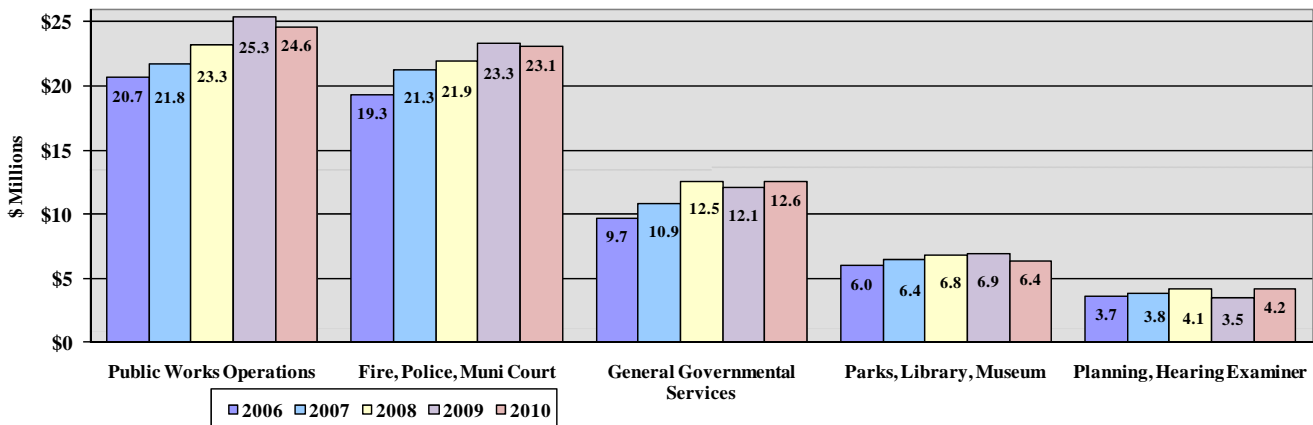
<http://www.cob.org/government/departments/finance/reports.aspx>

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| Citywide – Cash & Investments |       |                 | Citywide – Investment Interest Received |        |                | Citywide – Operating Expenditures       |       |              |
|-------------------------------|-------|-----------------|-----------------------------------------|--------|----------------|-----------------------------------------|-------|--------------|
| 6/30/2010                     | \$    | 128,212,203     | 6/30/2010                               | \$     | 1,370,418      | 6/30/2010                               | \$    | 70,810,932   |
| 6/30/2009                     |       | 139,778,664     | 6/30/2009                               |        | 2,554,158      | 6/30/2009                               |       | 71,204,697   |
| Decrease                      | -8.3% | \$ (11,566,461) | Decrease                                | -46.3% | \$ (1,183,740) | Decrease                                | -0.6% | \$ (393,765) |
| General Fund – Revenues*      |       |                 | General Fund – Operating Expenditures   |        |                | General Fund – Salaries & Benefits Exp. |       |              |
| 6/30/2010                     | \$    | 31,479,164      | 6/30/2010                               | \$     | 29,591,256     | 6/30/2010                               | \$    | 21,370,793   |
| 6/30/2009                     |       | 32,146,643      | 6/30/2009                               |        | 29,832,838     | 6/30/2009                               |       | 22,234,364   |
| Decrease                      | -2.1% | \$ (667,479)    | Decrease                                | -0.8%  | \$ (241,582)   | Decrease                                | -3.9% | \$ (863,571) |

**June Year-to-Date – Citywide Expenses 2006-2010**  
(in millions of dollars)



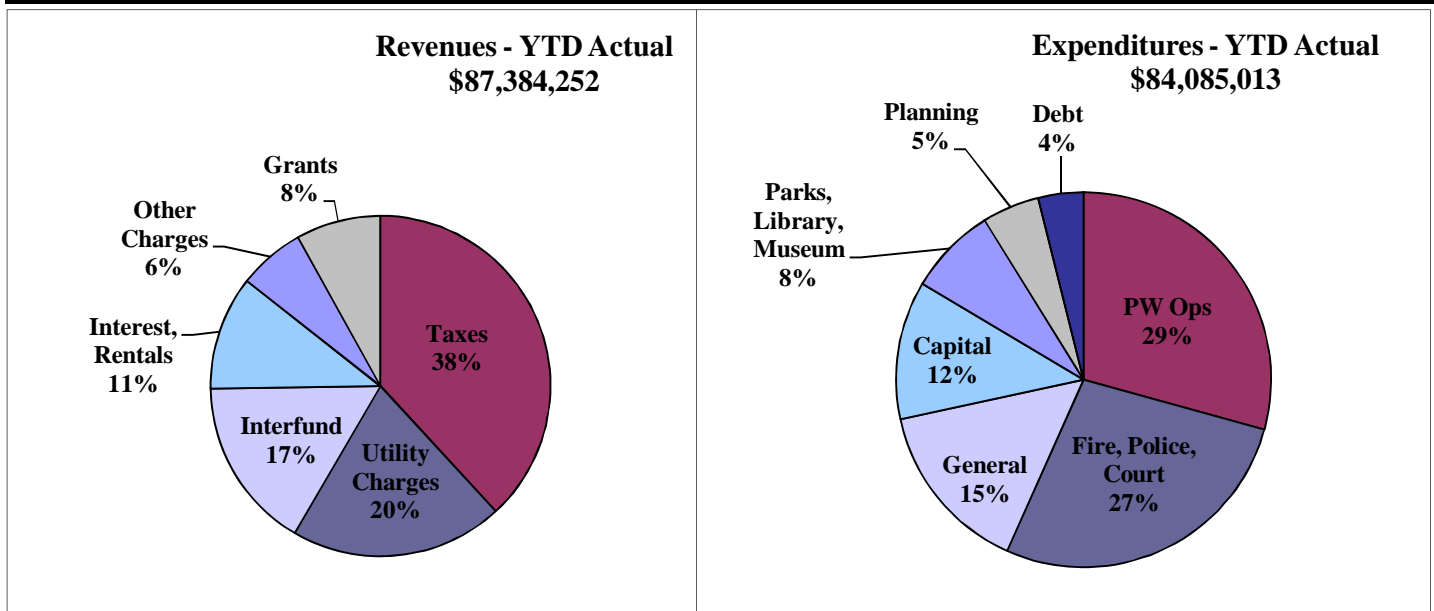
Please refer questions or comments on financial reports to John Carter, Finance Director, or Kipp Drummond, Accounting Manager.

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

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

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

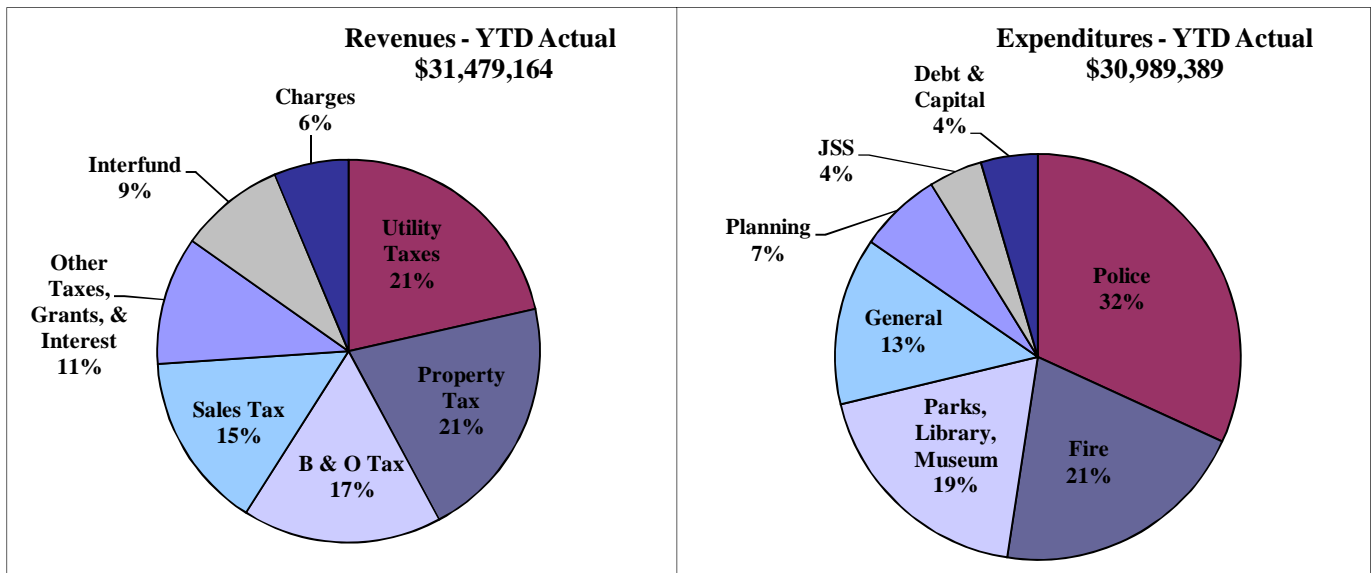
|                                            | Prior<br>YTD          | Current<br>YTD        | Percent<br>Change | Revised<br>Budget    | Percent<br>Act/Bud |
|--------------------------------------------|-----------------------|-----------------------|-------------------|----------------------|--------------------|
| <b>Budgeted Beginning Balance</b>          | \$ 133,923,629        | \$ 119,339,962        | -11%              | \$ 119,339,965       | 100%               |
| <b>Revenues</b>                            |                       |                       |                   |                      |                    |
| Property Taxes                             | 9,810,555             | 9,950,627             | 1                 | 18,705,488           | 53                 |
| Sales Tax                                  | 7,909,013             | 8,043,818             | 2                 | 16,500,000           | 49                 |
| B & O Tax (1)                              | 5,742,932             | 5,314,202             | -7                | 11,132,381           | 48                 |
| Utility Taxes (2)                          | 8,319,097             | 7,376,181             | -11               | 14,637,150           | 50                 |
| Other Taxes (3)                            | 2,856,924             | 2,683,372             | -6                | 5,510,672            | 49                 |
| Grants, Entitlements, Revenue Sharing      | 7,010,897             | 7,054,819             | 1                 | 37,439,420           | 19                 |
| Utility Charges for Services               | 16,363,887            | 17,671,421            | 8                 | 35,496,525           | 50                 |
| Other Charges, Fines, Permits, Licenses    | 5,840,436             | 5,509,738             | -6                | 12,348,012           | 45                 |
| Interest, Rentals, Bonds, Other Revenues   | 11,037,990            | 9,478,749             | -14               | 20,701,509           | 46                 |
| Interfund Sales & Service                  | 11,833,211            | 12,509,429            | 6                 | 24,984,368           | 50                 |
| Interfund Loans & Transfers                | 1,727,803             | 1,791,896             | 4                 | 5,150,750            | 35                 |
| <b>Total Revenues</b>                      | <b>88,452,745</b>     | <b>87,384,252</b>     | <b>-1</b>         | <b>202,606,275</b>   | <b>43</b>          |
| <b>Operating Expenditures</b>              |                       |                       |                   |                      |                    |
| General Governmental Services              | 12,052,946            | 12,558,588            | 4                 | 28,192,521           | 45                 |
| Fire, Police, Municipal Court              | 23,353,080            | 23,057,770            | -1                | 47,975,169           | 48                 |
| Public Works Operations                    | 25,348,113            | 24,611,810            | -3                | 59,405,704           | 41                 |
| Planning, Hearing Examiner                 | 3,535,878             | 4,186,423             | 18                | 10,273,415           | 41                 |
| Libraries, Museums, Parks                  | 6,914,680             | 6,396,341             | -7                | 14,203,196           | 45                 |
| <b>Total Operating Expenditures</b>        | <b>71,204,697</b>     | <b>70,810,932</b>     | <b>-1</b>         | <b>160,050,005</b>   | <b>44</b>          |
| <b>Capital and Debt Expenditures</b>       |                       |                       |                   |                      |                    |
| Capital Expenditures                       | 14,101,278            | 10,015,207            | -29               | 73,913,691           | 14                 |
| Debt Service, Loans, Transfers             | 3,326,606             | 3,258,874             | -2                | 13,736,584           | 24                 |
| <b>Total Capital and Debt Expenditures</b> | <b>17,427,884</b>     | <b>13,274,081</b>     | <b>-24</b>        | <b>87,650,275</b>    | <b>15</b>          |
| <b>Total Expenditures</b>                  | <b>88,632,581</b>     | <b>84,085,013</b>     | <b>-5</b>         | <b>247,700,280</b>   | <b>34</b>          |
| <b>Projected/Budgeted Ending Balance</b>   | <b>\$ 133,743,793</b> | <b>\$ 122,639,201</b> | <b>-8%</b>        | <b>\$ 74,245,960</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

**June 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                               | 6,370,293            | 6,511,817            | 2              | 12,196,478           | 53              |
| Sales Tax                                  | 4,556,042            | 4,693,411            | 3              | 9,500,000            | 49              |
| B & O Tax (1)                              | 5,742,932            | 5,314,202            | -7             | 11,132,381           | 48              |
| Utility Taxes (2)                          | 7,681,565            | 6,754,530            | -12            | 13,357,150           | 51              |
| Other Taxes (3)                            | 1,704,293            | 1,428,365            | -16            | 2,775,672            | 51              |
| Grants, Entitlements, Revenue Sharing      | 880,181              | 1,519,213            | 73             | 3,786,987            | 40              |
| Charges, Fines, Permits, Licenses          | 1,997,115            | 1,986,581            | -1             | 4,114,874            | 48              |
| Interest, Rentals, Bonds, Other Revenues   | 637,054              | 467,283              | -27            | 973,327              | 48              |
| Interfund Sales & Service                  | 2,112,007            | 2,264,162            | 7              | 4,691,641            | 48              |
| Interfund Loans & Transfers                | 465,161              | 539,600              | 16             | 1,120,704            | 48              |
| <b>Total Revenues</b>                      | <b>32,146,643</b>    | <b>31,479,164</b>    | <b>-2</b>      | <b>63,649,214</b>    | <b>49</b>       |
| <b>Operating Expenditures</b>              |                      |                      |                |                      |                 |
| Executive                                  | 616,594              | 518,312              | -16            | 1,341,206            | 39              |
| Legislative                                | 213,946              | 216,555              | 1              | 438,426              | 49              |
| Hearings Examiner                          | 85,996               | 90,969               | 6              | 186,670              | 49              |
| Museum                                     | 730,270              | 693,182              | -5             | 1,475,567            | 47              |
| Library                                    | 1,962,811            | 1,661,046            | -15            | 3,514,121            | 47              |
| Finance                                    | 924,148              | 921,503              | 0              | 2,076,869            | 44              |
| Human Resources                            | 606,074              | 546,538              | -10            | 1,282,548            | 43              |
| Information Technology                     | 1,275,525            | 1,266,857            | -1             | 2,597,804            | 49              |
| Legal                                      | 624,135              | 664,899              | 7              | 1,475,139            | 45              |
| Judicial & Support Services                | 1,386,637            | 1,332,819            | -4             | 3,040,117            | 44              |
| Parks & Recreation                         | 3,581,657            | 3,482,783            | -3             | 7,396,867            | 47              |
| Planning & Community Development           | 1,498,132            | 1,949,972            | 30             | 4,505,167            | 43              |
| Fire                                       | 6,787,271            | 6,384,574            | -6             | 13,285,838           | 48              |
| Police                                     | 9,539,642            | 9,861,247            | 3              | 20,221,792           | 49              |
| <b>Total Operating Expenditures</b>        | <b>29,832,838</b>    | <b>29,591,256</b>    | <b>-1</b>      | <b>62,838,131</b>    | <b>47</b>       |
| <b>Capital and Debt Expenditures</b>       |                      |                      |                |                      |                 |
| Capital Expenditures                       | 248,510              | 101,764              | -59            | 143,069              | 71              |
| Debt Service, Loans, Transfers             | 1,021,776            | 1,296,369            | 27             | 3,870,218            | 33              |
| <b>Total Capital and Debt Expenditures</b> | <b>1,270,286</b>     | <b>1,398,133</b>     | <b>10</b>      | <b>4,013,287</b>     | <b>35</b>       |
| <b>Total Expenditures</b>                  | <b>31,103,124</b>    | <b>30,989,389</b>    | <b>0</b>       | <b>66,851,418</b>    | <b>46</b>       |
| <b>Projected/Budgeted Ending Balance</b>   | <b>\$ 18,370,389</b> | <b>\$ 16,247,246</b> | <b>-12%</b>    | <b>\$ 12,555,267</b> | <b>129%</b>     |



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

| <b>2010 Adopted Budget with Amendments</b>                       | <b>Beginning<br/>Budget</b> | <b>Undesignated</b> | <b>Designated<br/>Balance (1)</b> | <b>Combined<br/>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.*

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

| <b>Park Site Acquisition/Technology Replacement and Reserve/Capital Maintenance/Library Gift Funds #120</b> |              |              |      |              |      |
|-------------------------------------------------------------------------------------------------------------|--------------|--------------|------|--------------|------|
| Budgeted Beginning Balance                                                                                  | \$ 6,250,305 | \$ 3,189,060 | -49  | \$ 3,189,061 | 100  |
| Revenues                                                                                                    | 458,155      | 311,480      | -32  | 648,484      | 48   |
| Expenditures                                                                                                | 949,453      | 368,125      | -61  | 1,928,595    | 19   |
| Projected/Budgeted Ending Balance                                                                           | \$ 5,759,007 | \$ 3,132,415 | -46% | \$ 1,908,950 | 164% |

| <b>Olympic/Oeser Settlement Funds Funds #130</b> |              |              |     |              |      |
|--------------------------------------------------|--------------|--------------|-----|--------------|------|
| Budgeted Beginning Balance                       | \$ 1,491,421 | \$ 1,423,787 | -5  | \$ 1,423,787 | 100  |
| Revenues                                         | 59,975       | 15,617       | -74 | 25,262       | 62   |
| Expenditures                                     | 78,615       | 47,271       | -40 | 1,087,982    | 4    |
| Projected/Budgeted Ending Balance                | \$ 1,472,781 | \$ 1,392,133 | -5% | \$ 361,067   | 386% |

| <b>Real Estate Excise Tax Funds #140</b> |              |              |      |              |      |
|------------------------------------------|--------------|--------------|------|--------------|------|
| Budgeted Beginning Balance               | \$ 6,788,661 | \$ 5,352,549 | -21  | \$ 5,352,549 | 100  |
| Revenues                                 | 1,142,783    | 1,172,368    | 3    | 5,211,195    | 22   |
| Expenditures                             | 1,852,749    | 1,180,100    | -36  | 8,187,215    | 14   |
| Projected/Budgeted Ending Balance        | \$ 6,078,695 | \$ 5,344,817 | -12% | \$ 2,376,529 | 225% |

| <b>Police Special Rev Funds #150</b> |            |              |     |              |      |
|--------------------------------------|------------|--------------|-----|--------------|------|
| Budgeted Beginning Balance           | \$ 834,808 | \$ 1,251,920 | 50  | \$ 1,251,920 | 100  |
| Revenues                             | 164,538    | 176,209      | 7   | 339,414      | 52   |
| Expenditures                         | 203,519    | 168,993      | -17 | 332,817      | 51   |
| Projected/Budgeted Ending Balance    | \$ 795,827 | \$ 1,259,136 | 58% | \$ 1,258,517 | 100% |

| <b>Public Safety Dispatch Fund #160</b> |              |              |     |              |      |
|-----------------------------------------|--------------|--------------|-----|--------------|------|
| Budgeted Beginning Balance              | \$ 1,813,305 | \$ 1,875,504 | 3   | \$ 1,875,504 | 100  |
| Revenues                                | 2,047,441    | 2,046,447    | 0   | 4,173,155    | 49   |
| Expenditures                            | 2,082,671    | 2,305,430    | 11  | 4,557,922    | 51   |
| Projected/Budgeted Ending Balance       | \$ 1,778,075 | \$ 1,616,521 | -9% | \$ 1,490,737 | 108% |

| <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*                                                                      | 2,541,860     | 2,542,009    | 0    | 7,495,206    | 34   |
| Expenditures*                                                                  | 787,239       | 836,840      | 6    | 12,199,126   | 7    |
| Projected/Budgeted Ending Balance                                              | \$ 10,734,294 | \$ 8,051,101 | -25% | \$ 1,642,012 | 490% |

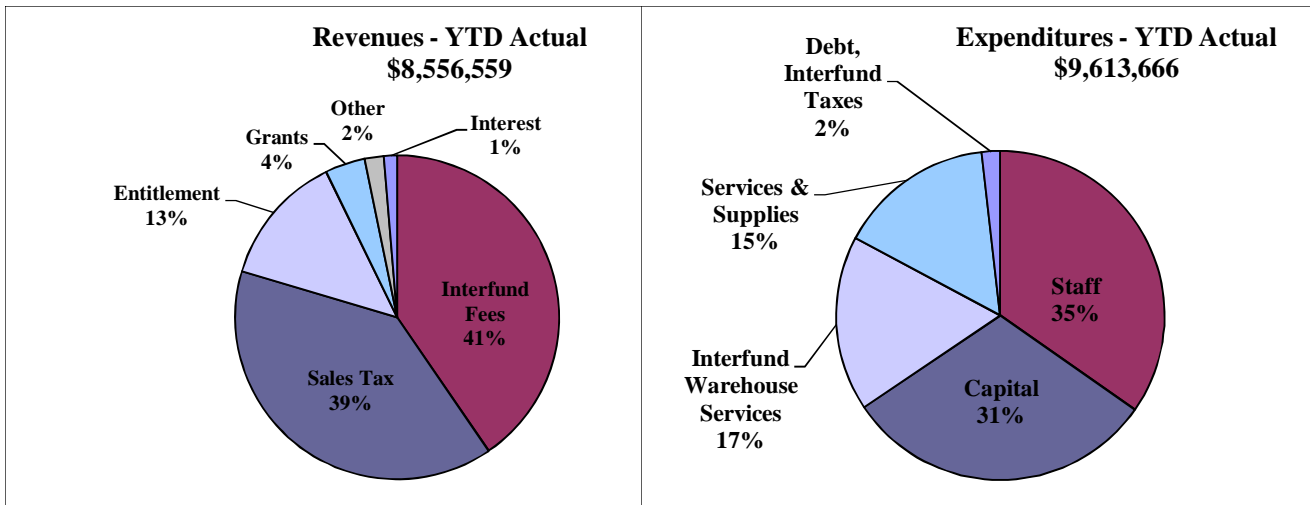
\*2010: Revenue and expense budgets include \$2.0 million for a grant funded project to build an overwater boardwalk that's still in the permitting stage.

| <b>Tourism Fund #180</b>          |            |            |      |            |      |
|-----------------------------------|------------|------------|------|------------|------|
| Budgeted Beginning Balance        | \$ 433,247 | \$ 219,429 | -49  | \$ 219,429 | 100  |
| Revenues                          | 357,924    | 376,320    | 5    | 882,837    | 43   |
| Expenditures                      | 412,070    | 308,060    | -25  | 921,520    | 33   |
| Projected/Budgeted Ending Balance | \$ 379,101 | \$ 287,689 | -24% | \$ 180,746 | 159% |

| <b>Community Development Grants Fund #190 &amp; 191</b> |           |             |        |           |         |
|---------------------------------------------------------|-----------|-------------|--------|-----------|---------|
| Budgeted Beginning Balance                              | \$ 59,558 | \$ 48,126   | -19    | \$ 48,126 | 100     |
| Revenues                                                | 590,268   | 829,029     | 40     | 2,822,451 | 29      |
| Expenditures                                            | 643,217   | 954,982     | 48     | 2,866,277 | 33      |
| Projected/Budgeted Ending Balance                       | \$ 6,609  | \$ (77,827) | -1278% | \$ 4,300  | (1,810) |

**June 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                                                 | 3,352,971           | 3,350,407           | 0              | 7,000,000           | 48              |
| Federal/State Grants                                      | 812,193             | 339,645             | -58            | 13,828,706          | 2               |
| Entitlements                                              | 1,238,091           | 1,127,299           | -9             | 4,060,421           | 28              |
| Interfund Fees                                            | 3,277,558           | 3,461,065           | 6              | 6,686,297           | 52              |
| Investment Interest                                       | 190,722             | 112,624             | -41            | 242,930             | 46              |
| Other Revenues                                            | 312,339             | 165,519             | -47            | 1,054,390           | 16              |
| Other Financing Sources                                   | -                   | -                   | 0              | 8,100               | 0               |
| <b>Total Revenues</b>                                     | <b>9,183,874</b>    | <b>8,556,559</b>    | <b>-7</b>      | <b>32,880,844</b>   | <b>26</b>       |
| <b>Operating Expenditures</b>                             |                     |                     |                |                     |                 |
| Salaries, Wages & Benefits                                | 3,564,461           | 3,337,235           | -6             | 7,119,401           | 47              |
| Supplies                                                  | 297,219             | 245,280             | -17            | 784,498             | 31              |
| Services-Professional, Repairs, Utilities                 | 1,082,979           | 1,230,455           | 14             | 4,371,273           | 28              |
| Intergovernmental Services, Taxes, & Fees                 | 161,987             | 10,237              | -94            | 125,000             | 8               |
| Interfund-Warehouse & Services                            | 1,598,005           | 1,657,071           | 4              | 3,357,145           | 49              |
| <b>Total Operating Expenditures</b>                       | <b>6,704,651</b>    | <b>6,480,278</b>    | <b>-3</b>      | <b>15,757,317</b>   | <b>41</b>       |
| <b>Capital and Debt Expenditures</b>                      |                     |                     |                |                     |                 |
| Capital Outlay                                            | 3,393,201           | 2,965,187           | -13            | 25,809,545          | 11              |
| Debt-(Principal & Interest), Interfund Loans, & Transfers | 208,990             | 168,201             | -20            | 266,300             | 63              |
| <b>Total Capital and Debt Expenditures</b>                | <b>3,602,191</b>    | <b>3,133,388</b>    | <b>-13</b>     | <b>26,075,845</b>   | <b>12</b>       |
| <b>Total Expenditures</b>                                 | <b>10,306,842</b>   | <b>9,613,666</b>    | <b>-7</b>      | <b>41,833,162</b>   | <b>23</b>       |
| <b>Projected/Budgeted Ending Balance</b>                  | <b>\$ 9,370,512</b> | <b>\$ 9,323,827</b> | <b>0%</b>      | <b>\$ 1,428,617</b> | <b>653%</b>     |



**June 2010**  
**City of Bellingham**  
**Enterprise Funds, Revenue/Expenditure Summary**

|                                            | Prior<br>YTD | Current<br>YTD | Percent<br>Change | Revised<br>Budget | Percent<br>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                                   | 2,418,669    | 2,485,768      | 3                 | 5,231,441         | 48                 |
| Expenses                                   | 2,352,725    | 2,775,574      | 18                | 8,449,993         | 33                 |
| Projected/Budgeted Ending Balance          | \$ 3,709,030 | \$ 3,848,609   | 4%                | \$ 919,863        | 418%               |

|                                   |              |              |     |              |      |
|-----------------------------------|--------------|--------------|-----|--------------|------|
| <b>Solid Waste Fund #440</b>      |              |              |     |              |      |
| Budgeted Beginning Balance        | \$ 7,302,549 | \$ 7,384,433 | 1%  | \$ 7,384,433 | 100% |
| Revenues                          | 863,017      | 788,139      | -9  | 1,677,856    | 47   |
| Expenses                          | 383,801      | 518,169      | 35  | 2,379,495    | 22   |
| Projected/Budgeted Ending Balance | \$ 7,781,765 | \$ 7,654,403 | -2% | \$ 6,682,794 | 115% |

|                                   |            |            |      |            |      |
|-----------------------------------|------------|------------|------|------------|------|
| <b>Cemetery Fund #456</b>         |            |            |      |            |      |
| Budgeted Beginning Balance        | \$ 372,134 | \$ 284,814 | -23% | \$ 284,814 | 100% |
| Revenues                          | 258,697    | 307,033    | 19   | 544,830    | 56   |
| Expenses                          | 314,657    | 258,661    | -18  | 545,614    | 47   |
| Projected/Budgeted Ending Balance | \$ 316,174 | \$ 333,186 | 5%   | \$ 284,030 | 117% |

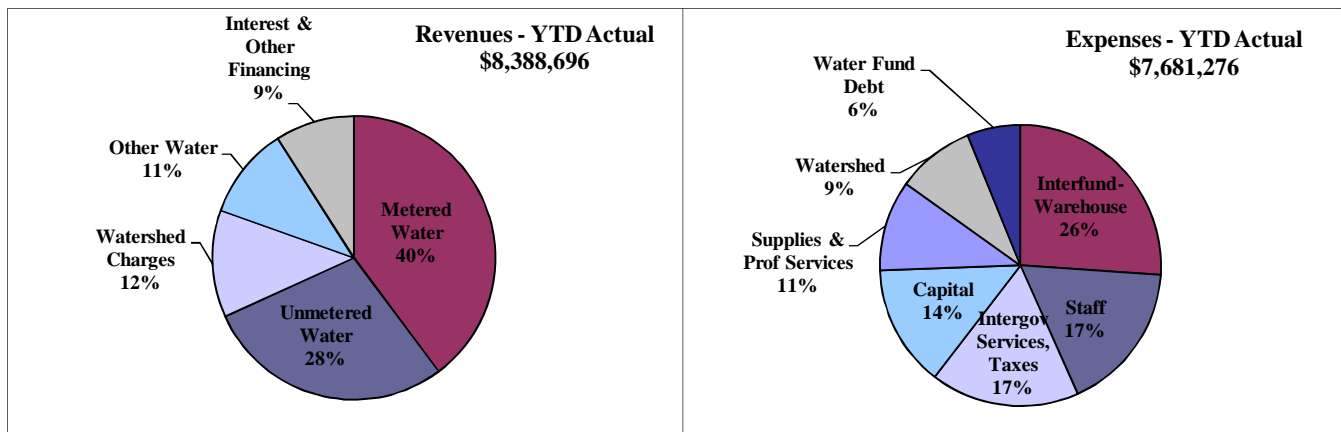
|                                   |            |            |     |            |      |
|-----------------------------------|------------|------------|-----|------------|------|
| <b>Golf Course Fund #460*</b>     |            |            |     |            |      |
| Budgeted Beginning Balance        | \$ 52,877  | \$ 74,549  | 41% | \$ 74,549  | 100% |
| Revenues                          | 94,846     | 96,137     | 1   | 192,256    | 50   |
| Expenses                          | 41,469     | 36,069     | -13 | 155,238    | 23   |
| Projected/Budgeted Ending Balance | \$ 106,254 | \$ 134,617 | 27% | \$ 111,567 | 121% |

|                                       |            |            |     |              |      |
|---------------------------------------|------------|------------|-----|--------------|------|
| <b>Development Services Fund #475</b> |            |            |     |              |      |
| Budgeted Beginning Balance            | \$ 639,391 | \$ 993,068 | 55% | \$ 993,068   | 100% |
| Revenues                              | 1,080,825  | 884,545    | -18 | 1,914,591    | 46   |
| Expenses                              | 1,032,975  | 889,642    | -14 | 1,905,426    | 47   |
| Projected/Budgeted Ending Balance     | \$ 687,241 | \$ 987,971 | 44% | \$ 1,002,233 | 99%  |

|                                                                                                                                                                                                                     |             |             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| <i>Development Services Activity YTD</i>                                                                                                                                                                            | <u>2009</u> | <u>2010</u> |
| <i>Permits</i>                                                                                                                                                                                                      | 311         | 379         |
| <i>Units</i>                                                                                                                                                                                                        | 47          | 35          |
| <i>Valuation (\$millions)</i>                                                                                                                                                                                       | \$45.0      | \$65.5*     |
| <i>*2010: Two projects comprise a significant portion of the total project valuation for the year;<br/>St. Pauls School (\$7.9 million) &amp; Bellingham Technical College Commercial Building (\$21.7 Million)</i> |             |             |

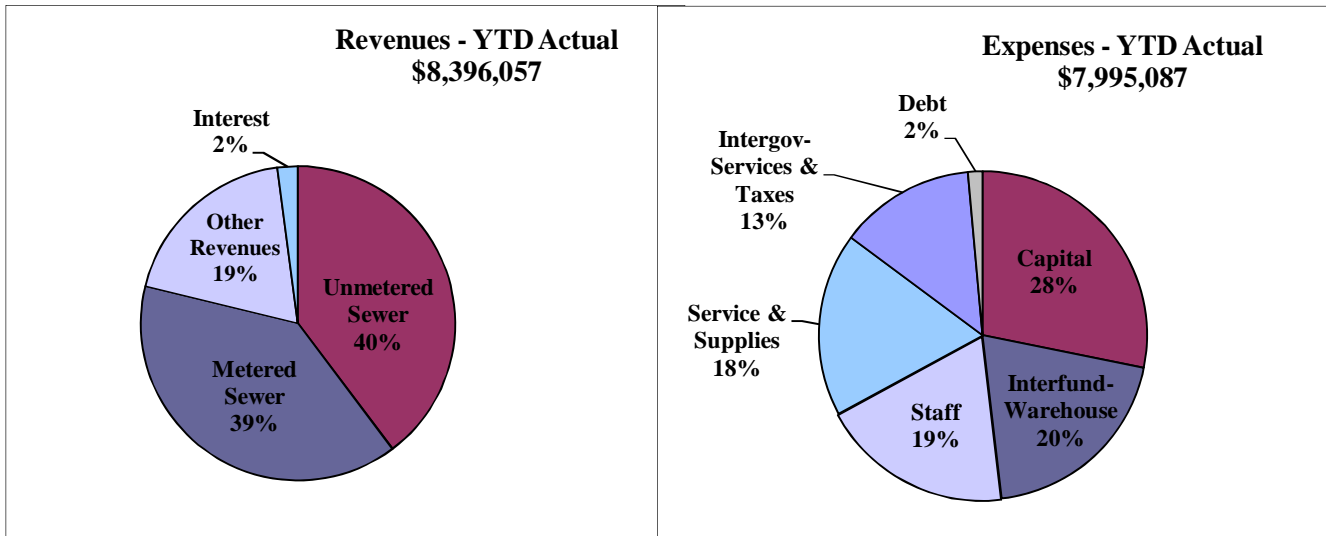
**June 2010**  
**City of Bellingham**  
**Water Fund Operating Statement**

| Water Fund #410                                                     | Prior<br>YTD  | Current<br>YTD | Percent<br>Change | Revised<br>Budget | Percent<br>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                                                     | 2,233,038     | 2,381,994      | 7                 | 4,457,432         | 53                 |
| Metered Water                                                       | 3,108,548     | 3,338,912      | 7                 | 7,136,245         | 47                 |
| Other Water System Charges                                          | 573,199       | 883,282        | 54                | 1,488,592         | 59                 |
| Investment Interest                                                 | 189,432       | 131,438        | -31               | 251,777           | 52                 |
| Other Revenues                                                      | 417,926       | 527,757        | 26                | 812,940           | 65                 |
| Other Financing Sources                                             |               | 72,498         | 100               | 2,930,000         | 2                  |
| <b>Total Revenues</b>                                               | \$ 6,522,143  | \$ 7,335,881   | 12                | \$ 17,076,986     | 43%                |
| <b>Operating Expenses</b>                                           |               |                |                   |                   |                    |
| Salaries, Wages & Benefits                                          | 1,261,606     | 1,327,610      | 5                 | 2,935,182         | 45                 |
| Supplies & Services-Professional, Repairs, Utilities                | 852,439       | 800,935        | -6                | 3,222,628         | 25                 |
| Intergovernmental Services, Taxes, & Fees                           | 1,289,611     | 1,315,970      | 2                 | 2,814,313         | 47                 |
| Interfund-Warehouse & Services                                      | 1,759,484     | 2,000,817      | 14                | 3,998,168         | 50                 |
| <b>Total Operating Expenses</b>                                     | \$ 5,163,140  | \$ 5,445,332   | 5                 | \$ 12,970,291     | 42%                |
| <b>Capital and Debt Expenses</b>                                    |               |                |                   |                   |                    |
| Capital Outlay                                                      | 1,825,934     | 1,074,969      | -41               | 9,533,620         | 11                 |
| Debt-(Principal & Interest), Interfund Loans, & Transfers           | 508,167       | 471,388        | -7                | 943,175           | 50                 |
| <b>Total Capital and Debt Expenses</b>                              | \$ 2,334,101  | \$ 1,546,357   | (34)              | \$ 10,476,795     | 15%                |
| <b>Total Expenses</b>                                               | \$ 7,497,241  | \$ 6,991,689   | (7)               | \$ 23,447,086     | 30%                |
| <b>Projected/Budgeted Ending Balance - Water Operations</b>         | \$ 11,849,668 | \$ 10,868,750  | -8%               | \$ 4,154,458      | 262%               |
| <b>Budgeted Beginning Balance - Watershed Activity</b>              | \$ 4,784,519  | \$ 2,612,501   | -45%              | \$ 2,612,501      | 100%               |
| <b>Revenues</b>                                                     |               |                |                   |                   |                    |
| Watershed Charges                                                   | 1,015,531     | 990,931        | -2                | 2,080,000         | 48                 |
| Demand Charges                                                      | 11,621        | 35,061         | 202               | 25,000            | 140                |
| Investment Interest & Other Revenue                                 | 128,213       | 26,823         | -79               | 23,738            | 113                |
| <b>Total Revenues</b>                                               | 1,155,365     | 1,052,815      | -9                | 2,128,738         | 49                 |
| <b>Operating Expenses</b>                                           |               |                |                   |                   |                    |
| Supplies & Services                                                 | 9,074         | 18,104         | 100               | 104,500           | 17                 |
| Intergovernmental Services, Taxes, & Fees                           | 188,502       | 189,088        | 0                 | 398,253           | 47                 |
| <b>Total Operating Expenses</b>                                     | 197,576       | 207,192        | 5                 | 502,753           | 41                 |
| <b>Capital and Debt Expenses</b>                                    |               |                |                   |                   |                    |
| Capital Outlay                                                      | 1,707,823     | 407,295        | -76               | 1,548,374         | 26                 |
| Debt-(Principal & Interest), Interfund Loans, & Transfers           | 84,200        | 75,100         | -11               | 1,523,883         | 5                  |
| <b>Total Capital and Debt Expenses</b>                              | 1,792,023     | 482,395        | -73               | 3,072,257         | 16                 |
| <b>Total Expenses</b>                                               | 1,989,599     | 689,587        | -65               | 3,575,010         | 19                 |
| <b>Projected/Budgeted Ending Balance - Watershed Activity</b>       | \$ 3,950,285  | \$ 2,975,729   | -25%              | \$ 1,166,229      | 255%               |
| <b>Projected/Budgeted Ending Balance - Water/Watershed Combined</b> | \$ 15,799,953 | \$ 13,844,479  | -12%              | \$ 5,320,687      | 260%               |



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

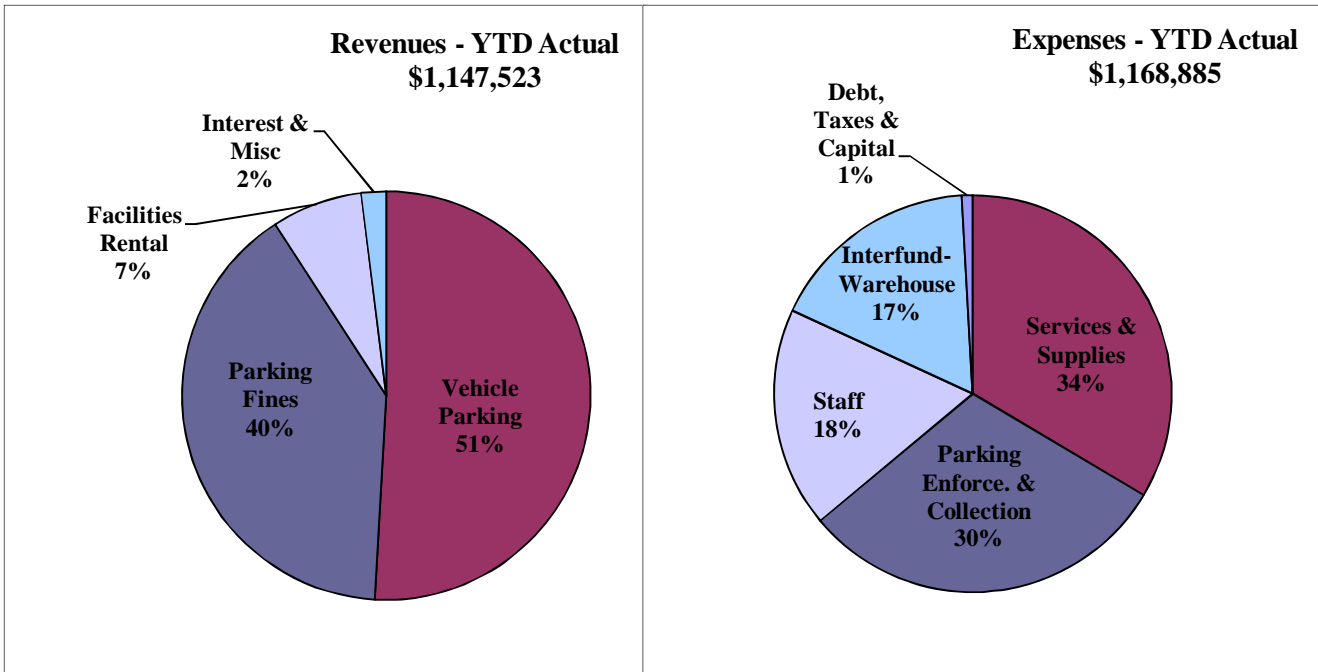
|                                                           | Prior<br>YTD     | Current<br>YTD   | Percent<br>Change | Revised<br>Budget | Percent<br>Act/Bud |
|-----------------------------------------------------------|------------------|------------------|-------------------|-------------------|--------------------|
| <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                                           | 3,134,098        | 3,337,807        | 6                 | 6,583,211         | 51                 |
| Metered Sewer                                             | 3,148,426        | 3,278,075        | 4                 | 6,867,384         | 48                 |
| Investment Interest                                       | 359,042          | 178,694          | -50               | 413,138           | 43                 |
| Other Revenues                                            | 1,342,549        | 1,601,481        | 19                | 2,990,470         | 54                 |
| <b>Total Revenues</b>                                     | <b>7,984,115</b> | <b>8,396,057</b> | <b>5</b>          | <b>16,854,203</b> | <b>50</b>          |
| <b>Operating Expenses</b>                                 |                  |                  |                   |                   |                    |
| Salaries, Wages & Benefits                                | 1,480,925        | 1,510,867        | 2                 | 3,169,651         | 48                 |
| Supplies                                                  | 315,205          | 389,723          | 24                | 799,023           | 49                 |
| Services-Professional, Repairs, Utilities                 | 1,208,054        | 1,056,211        | -13               | 3,682,719         | 29                 |
| Intergovernmental Services, Taxes, & Fees                 | 1,041,381        | 1,071,203        | 3                 | 2,260,283         | 47                 |
| Interfund-Warehouse & Services                            | 1,496,296        | 1,602,561        | 7                 | 3,266,172         | 49                 |
| <b>Total Operating Expenses</b>                           | <b>5,541,861</b> | <b>5,630,565</b> | <b>2</b>          | <b>13,177,848</b> | <b>43</b>          |
| <b>Capital and Debt Expenses</b>                          |                  |                  |                   |                   |                    |
| Capital Outlay                                            | 2,528,401        | 2,249,152        | -11               | 12,004,044        | 19                 |
| Debt-(Principal & Interest), Interfund Loans, & Transfers | 154,818          | 115,370          | -25               | 2,231,645         | 5                  |
| <b>Total Capital and Debt Expenses</b>                    | <b>2,683,219</b> | <b>2,364,522</b> | <b>-12</b>        | <b>14,235,689</b> | <b>17</b>          |
| <b>Total Expenses</b>                                     | <b>8,225,080</b> | <b>7,995,087</b> | <b>-3</b>         | <b>27,413,537</b> | <b>29</b>          |
| <b>Projected/Budgeted Ending Balance</b>                  | \$ 18,565,295    | \$ 15,603,304    | -16%              | \$ 4,643,000      | 336%               |



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 6/30/10, the ratio is estimated at 6.191.

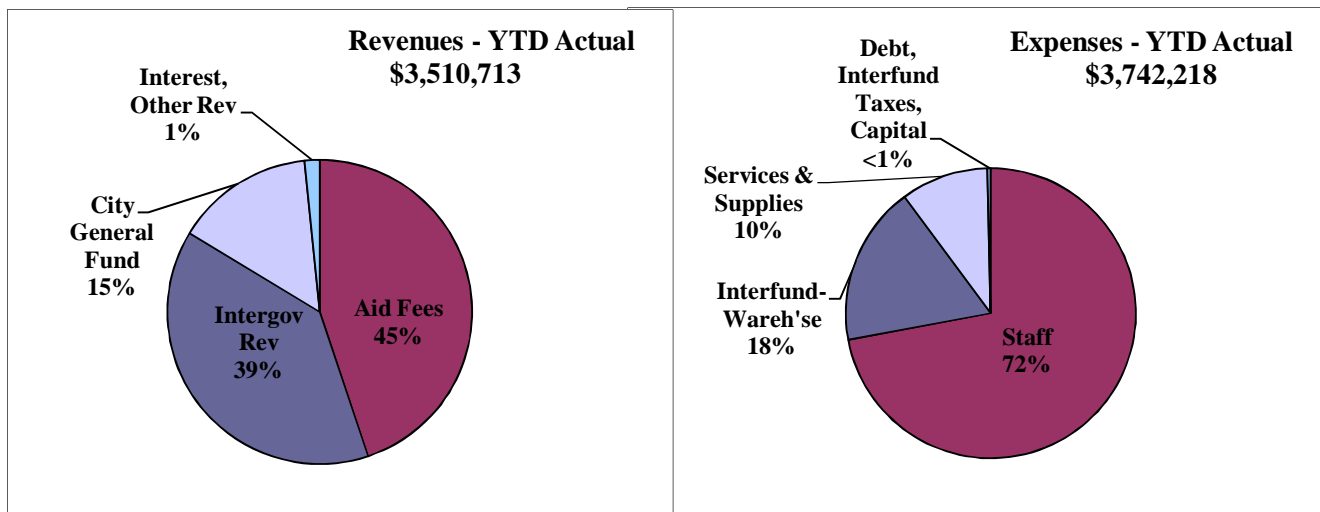
**June 2010**  
**City of Bellingham**  
**Parking Services Fund Operating Statement**

|                                                           | 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                                           | 568,581           | 583,941             | 3              | 1,575,787           | 37              |
| Parking Infraction Fines                                  | 366,036           | 458,522             | 25             | 850,200             | 54              |
| Facilities Rental                                         | 84,573            | 82,380              | -3             | 134,111             | 61              |
| Investment Interest                                       | 20,804            | 15,006              | -28            | 31,597              | 47              |
| Other Revenues                                            | 8,157             | 7,674               | -6             | 16,800              | 46              |
| <b>Total Revenues</b>                                     | <b>1,048,151</b>  | <b>1,147,523</b>    | <b>9</b>       | <b>2,608,495</b>    | <b>44</b>       |
| <b>Operating Expenses</b>                                 |                   |                     |                |                     |                 |
| Salaries, Wages & Benefits                                | 200,338           | 209,339             | 4              | 447,170             | 47              |
| Supplies                                                  | 30,171            | 253,207             | 739            | 295,294             | 86              |
| Services-Professional, Repairs, Utilities                 | 406,892           | 138,736             | -66            | 622,344             | 22              |
| Intergovernmental Services, Taxes, & Fees                 | 3,854             | 3,435               | -11            | 7,770               | 44              |
| Parking Infraction Enforcement/Collection                 | 331,046           | 355,643             | 7              | 711,286             | 50              |
| Interfund-Warehouse & Services                            | 209,148           | 201,512             | -4             | 338,127             | 60              |
| <b>Total Operating Expenses</b>                           | <b>1,181,449</b>  | <b>1,161,872</b>    | <b>-2</b>      | <b>2,421,991</b>    | <b>48</b>       |
| <b>Debt Expenses</b>                                      |                   |                     |                |                     |                 |
| Debt-(Principal & Interest), Interfund Loans, & Transfers | 9,070             | 7,013               | -23            | 134,024             | 5               |
| <b>Total Debt Expenses</b>                                | <b>9,070</b>      | <b>7,013</b>        | <b>-23</b>     | <b>134,024</b>      | <b>5</b>        |
| <b>Total Expenses</b>                                     | <b>1,190,519</b>  | <b>1,168,885</b>    | <b>-2</b>      | <b>2,556,015</b>    | <b>46</b>       |
| <b>Projected/Budgeted Ending Balance</b>                  | <b>\$ 857,601</b> | <b>\$ 1,160,334</b> | <b>35%</b>     | <b>\$ 1,234,176</b> | <b>94%</b>      |



**June 2010**  
**City of Bellingham**  
**Medic One Fund Operating Statement**

|                                                      | Prior<br>YTD         | Current<br>YTD    | Percent<br>Change | Revised<br>Budget | Percent<br>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) 259,051          | 260,868           | 1                 | 522,396           | 50                 |
| Less Transfers of Special Purpose Tax to Whatcom Cty | (1)(a) (259,051)     | (260,868)         | 0                 | (522,396)         | 50                 |
| Ambulance & Emergency Aid Fees                       | 1,890,830            | 1,574,514         | -17               | 3,486,668         | 45                 |
| City of Bellingham - General Fund                    | 513,055              | 518,186           | 1                 | 1,036,371         | 50                 |
| Intergovernmental Revenue - Whatcom County & others  | (2) 1,775,647        | 1,362,368         | -23               | 3,323,218         | 41                 |
| Investment Interest                                  | 33,901               | 14,983            | -56               | 33,086            | 45                 |
| Other Revenues & Financing Sources                   | 23,708               | 40,662            | 72                | 1,000             | 4066               |
| <b>Total Revenues</b>                                | <b>(3) 4,237,141</b> | <b>3,510,713</b>  | <b>-17</b>        | <b>7,880,343</b>  | <b>45</b>          |
| <b>Operating Expenses</b>                            |                      |                   |                   |                   |                    |
| Salaries, Wages & Benefits                           | 2,606,179            | 2,696,685         | 3                 | 5,308,323         | 51                 |
| Supplies                                             | 185,625              | 166,820           | -10               | 560,244           | 30                 |
| Services-Professional, Repairs, Utilities            | 202,279              | 201,102           | -1                | 403,420           | 50                 |
| Intergovernmental Services, Taxes, & Fees            | 10,530               | 13,237            | 26                | 37,394            | 35                 |
| Interfund-Warehouse & Services                       | 731,518              | 664,374           | -9                | 1,459,522         | 46                 |
| <b>Total Operating Expenses</b>                      | <b>3,736,131</b>     | <b>3,742,218</b>  | <b>0</b>          | <b>7,768,903</b>  | <b>48</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>3,736,131</b>     | <b>3,742,218</b>  | <b>0</b>          | <b>8,040,719</b>  | <b>47</b>          |
| <b>Projected/Budgeted Ending Balance</b>             | <b>\$ 1,271,291</b>  | <b>\$ 566,242</b> | <b>-55%</b>       | <b>\$ 637,371</b> | <b>89%</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 6/30/10 - \_ Whatcom County has contributed \$695.2 thousand from its General Fund. Medic One has recognized \$667.1 thousand in revenue in 2010 from the Whatcom County EMS Fund.

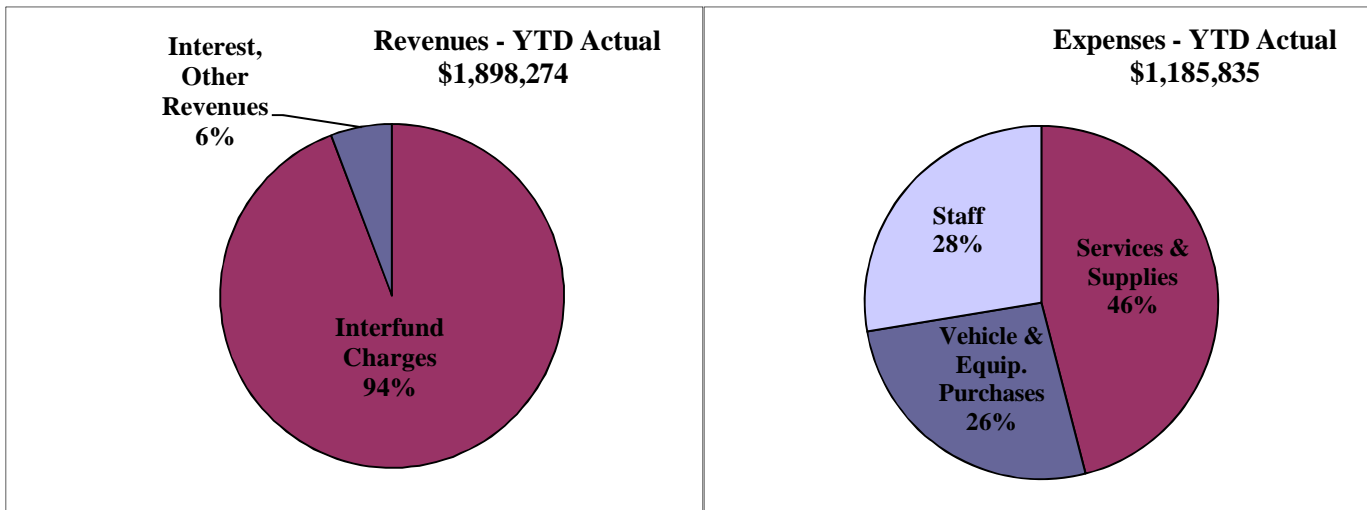
(3) 2010: Revenues are down from 2009 in part to: uncollected 2010 payments from the Whatcom County EMS Fund of \$194,000; delays in billing local fire districts for dispatch fees (budgeted for \$130,000); and decreases in some Medicare billing rates and a change in the national Medicare software that delayed Medicare billings for several months.

**June 2010**  
**City of Bellingham**  
**Internal Service Funds, Revenue/Expenditure Summary**

|                                                                            | Prior<br>YTD | Current<br>YTD | Percent<br>Change | Revised<br>Budget | Percent<br>Act/Bud |
|----------------------------------------------------------------------------|--------------|----------------|-------------------|-------------------|--------------------|
| <b>Purchasing &amp; Materials Mgt Fund #520</b>                            |              |                |                   |                   |                    |
| Budgeted Beginning Balance                                                 | \$ 480,654   | \$ 664,002     | 38%               | \$ 664,002        | 100%               |
| Revenues                                                                   | 1,085,753    | 1,047,523      | -4                | 2,129,516         | 49                 |
| Expenses                                                                   | 1,460,026    | 1,420,727      | -3                | 2,131,443         | 67                 |
| Projected/Budgeted Ending Balance                                          | \$ 106,381   | \$ 290,798     | 173%              | \$ 662,075        | 44%                |
| <b>Facilities Administration Fund #530</b>                                 |              |                |                   |                   |                    |
| Budgeted Beginning Balance                                                 | \$ 1,310,659 | \$ 591,738     | -55%              | \$ 591,738        | 100%               |
| Revenues                                                                   | 1,135,179    | 1,119,141      | -1                | 2,078,323         | 54                 |
| Expenses                                                                   | 1,331,322    | 1,064,274      | -20               | 2,378,789         | 45                 |
| Projected/Budgeted Ending Balance                                          | \$ 1,114,516 | \$ 646,605     | -42%              | \$ 291,272        | 222%               |
| <b>Telecommunication Fund #540</b>                                         |              |                |                   |                   |                    |
| Budgeted Beginning Balance                                                 | \$ 511,032   | \$ 505,910     | -1%               | \$ 505,910        | 100%               |
| Revenues                                                                   | 173,714      | 109,276        | -37               | 227,798           | 48                 |
| Expenses*                                                                  | 168,994      | 218,841        | 29                | 405,072           | 54                 |
| Projected/Budgeted Ending Balance                                          | \$ 515,752   | \$ 396,345     | -23%              | \$ 328,636        | 121%               |
| <b>Claims &amp; Litigation Fund #550</b>                                   |              |                |                   |                   |                    |
| Budgeted Beginning Balance                                                 | \$ 4,558,617 | \$ 4,390,404   | -4%               | \$ 4,390,404      | 100%               |
| Revenues                                                                   | 533,266      | 549,498        | 3                 | 1,103,429         | 50                 |
| Expenses                                                                   | 203,191      | 249,082        | 23                | 1,372,017         | 18                 |
| Projected/Budgeted Ending Balance                                          | \$ 4,888,692 | \$ 4,690,820   | -4%               | \$ 4,121,816      | 114%               |
| <b>Unemployment Compensation Fund #561</b>                                 |              |                |                   |                   |                    |
| Budgeted Beginning Balance                                                 | \$ 223,840   | \$ 593,911     | 165%              | \$ 593,911        | 100%               |
| Revenues                                                                   | 60,897       | 82,024         | 35                | 180,620           | 45                 |
| Expenses*                                                                  | 46,835       | 128,501        | 174               | 621,871           | 21                 |
| Projected/Budgeted Ending Balance                                          | \$ 237,902   | \$ 547,434     | 130%              | \$ 152,660        | 359%               |
| <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                                                                   | 313,611      | 347,467        | 11                | 670,534           | 52                 |
| Expenses                                                                   | 369,493      | 275,296        | -25               | 757,905           | 36                 |
| Projected/Budgeted Ending Balance                                          | \$ 809,121   | \$ 799,762     | -1%               | \$ 640,220        | 125%               |
| <b>Health Benefits Fund #565</b>                                           |              |                |                   |                   |                    |
| Budgeted Beginning Balance                                                 | \$ 1,502,465 | \$ 1,919,300   | 28%               | \$ 1,919,300      | 100%               |
| Revenues                                                                   | 6,009,904    | 5,866,909      | -2                | 10,852,824        | 54                 |
| Expenses                                                                   | 5,283,484    | 5,502,467      | 4                 | 11,229,993        | 49                 |
| Projected/Budgeted Ending Balance                                          | \$ 2,228,885 | \$ 2,283,742   | 2%                | \$ 1,542,131      | 148%               |

**June 2010  
City of Bellingham  
Fleet Fund Operating Statement**

|                                           | Prior<br>YTD        | Current<br>YTD      | Percent<br>Change | Revised<br>Budget   | Percent<br>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            | 1,623,703           | 1,788,864           | 10                | 3,738,268           | 48                 |
| Investment Interest                       | 105,942             | 64,665              | -39               | 123,106             | 53                 |
| Other Miscellaneous Revenues              |                     | 1,240               | 100               | -                   | 0                  |
| Other Financing Sources                   | 135,424             | 43,505              | -68               | 150,000             | 29                 |
| <b>Total Revenues</b>                     | <b>1,865,069</b>    | <b>1,898,274</b>    | <b>2</b>          | <b>4,011,374</b>    | <b>47</b>          |
| <b>Operating Expenses</b>                 |                     |                     |                   |                     |                    |
| Salaries, Wages & Benefits                | 329,300             | 327,629             | -1                | 694,148             | 47                 |
| Supplies                                  | 156,067             | 125,674             | -19               | 328,848             | 38                 |
| Services-Professional, Repairs, Utilities | 99,644              | 72,568              | -27               | 234,390             | 31                 |
| Interfund-Parts, Services & Supplies      | 352,193             | 347,243             | -1                | 757,972             | 46                 |
| <b>Total Operating Expenses</b>           | <b>937,204</b>      | <b>873,114</b>      | <b>-7</b>         | <b>2,015,358</b>    | <b>43</b>          |
| <b>Capital Expenses</b>                   |                     |                     |                   |                     |                    |
| Capital Outlay - Vehicles & Equipment     | 1,650,892           | 312,721             | -81               | 784,022             | 40                 |
| <b>Total Capital Expenses</b>             | <b>1,650,892</b>    | <b>312,721</b>      | <b>-81</b>        | <b>784,022</b>      | <b>40</b>          |
| <b>Total Expenses</b>                     | <b>2,588,096</b>    | <b>1,185,835</b>    | <b>-54</b>        | <b>2,799,380</b>    | <b>42</b>          |
| <b>Projected/Budgeted Ending Balance</b>  | <b>\$ 5,174,854</b> | <b>\$ 6,300,675</b> | <b>22%</b>        | <b>\$ 6,800,230</b> | <b>93%</b>         |



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

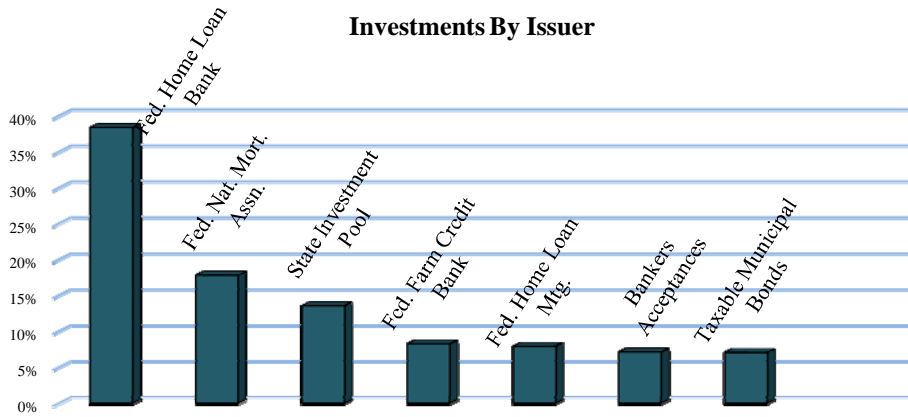
| <b>Unrestricted-Cash &amp; Investments</b>                   | Prior Month<br>Ending Bal. | Cash<br>Increase     | Cash<br>Decrease     | Current<br>Ending Bal. |
|--------------------------------------------------------------|----------------------------|----------------------|----------------------|------------------------|
| General Fund                                                 | \$ 8,522,742               | \$ 5,594,190         | \$ 5,431,669         | 8,685,263              |
| General Fund Reserve                                         | 7,849,950                  | -                    |                      | 7,849,950              |
| Street                                                       | 10,666,335                 | 1,046,585            | 2,039,138            | 9,673,782              |
| Arterial, Paths - Street Funds                               | 58,720                     | 794                  |                      | 59,514                 |
| Technology Replacement and Reserve                           | 1,462,305                  | 2,792                | 5,955                | 1,459,142              |
| Park Acquisition                                             | 250,706                    | 480                  |                      | 251,186                |
| Capital Maintenance                                          | 1,359,768                  | 80,789               | 89,639               | 1,350,918              |
| Library Gift                                                 | 43,353                     | 42,628               | 3,620                | 82,361                 |
| Settlement Funds                                             | 1,402,273                  | 2,670                | 10,803               | 1,394,140              |
| Real Estate Excise Tax Funds                                 | 5,473,068                  | 219,828              | 292,881              | 5,400,015              |
| Police Special Revenue Funds                                 | 1,279,746                  | 22,255               | 16,703               | 1,285,298              |
| Public Safety Dispatch                                       | 1,191,781                  | 773,330              | 331,880              | 1,633,231              |
| Park Funds                                                   | 7,908,257                  | 461,785              | 136,979              | 8,233,063              |
| Tourism                                                      | 275,383                    | 68,498               | 56,192               | 287,689                |
| Community Development Block Grant                            | (190,097)                  | 222,920              | 119,670              | (86,847)               |
| Home Investment Partnership Grant                            | (33,690)                   | 53,695               | 3,174                | 16,831                 |
| <b>Debt &amp; LID Funds</b>                                  | <b>759,396</b>             | <b>420,389</b>       | <b>458,442</b>       | <b>721,343</b>         |
| Water                                                        | 5,531,372                  | 1,547,980            | 1,454,020            | 5,625,332              |
| Wastewater                                                   | 11,683,781                 | 1,531,504            | 2,016,490            | 11,198,795             |
| Storm/Surface Water Utility                                  | 3,924,566                  | 425,546              | 504,177              | 3,845,935              |
| Solid Waste                                                  | 7,412,425                  | 152,274              | 118,045              | 7,446,654              |
| Cemetery                                                     | 64,523                     | 64,438               | 41,700               | 87,261                 |
| Golf Course                                                  | 138,636                    | 49,809               | 38,290               | 150,155                |
| Parking Services                                             | 1,224,099                  | 209,721              | 217,409              | 1,216,411              |
| Medic One                                                    | 789,698                    | 608,402              | 768,678              | 629,422                |
| Development Services                                         | 975,263                    | 171,051              | 133,099              | 1,013,215              |
| Fleet Administration                                         | 6,215,636                  | 277,423              | 165,405              | 6,327,654              |
| Purchasing/Material Management                               | 764,667                    | 165,801              | 113,882              | 816,586                |
| Facilities Administration                                    | 643,277                    | 161,908              | 147,230              | 657,955                |
| Telecommunications                                           | 418,948                    | 15,534               | 27,361               | 407,121                |
| Claims and Litigation                                        | 4,643,740                  | 86,693               | 37,684               | 4,692,749              |
| Unemployment Compensation                                    | 533,773                    | 13,816               | 156                  | 547,433                |
| Workers Comp Self-Insurance                                  | 736,319                    | 51,719               | 26,610               | 761,428                |
| Health Benefits                                              | 2,268,961                  | 879,168              | 900,567              | 2,247,562              |
| Fire and Police Pension Funds                                | 9,984,649                  | 313,438              | 272,822              | 10,025,265             |
| Trust & Deposit Funds                                        | 2,124,690                  | 690,707              | 2,090,483            | 724,914                |
| Payroll & Accounts Payable Funds                             | 2,533,140                  | 10,956,994           | 10,957,023           | 2,533,111              |
| Greenways Endowment                                          | 3,536,135                  | 104,459              | 123,333              | 3,517,261              |
| Natural Resources Protect & Restore                          | 1,718,460                  | 3,292                | 5,924                | 1,715,828              |
| <b>Total Cash &amp; Investments</b>                          | <b>116,146,754</b>         | <b>27,495,305</b>    | <b>29,157,133</b>    | <b>114,484,926</b>     |
| <b>Restricted Cash &amp; Investments -Debt, Construction</b> |                            |                      |                      |                        |
| Water (Restricted for Debt & Construction)                   | 8,280,789                  | 300,600              | 58,568               | 8,522,821              |
| Wastewater (Restricted for Debt & Construction)              | 4,132,965                  | 363,419              | 21,872               | 4,474,512              |
| Solid Waste - Restricted for Debt Svc P&I                    | 348,560                    | 58,093               | 191,060              | 215,593                |
| Cemetery - Preneed Trust & Endowed Care                      | 414,527                    | 9,250                | 2,933                | 420,844                |
| Parking - Restricted for Debt Svc P&I                        | 82,338                     | 11,169               |                      | 93,507                 |
| <b>Total Restricted Cash &amp; Investments</b>               | <b>13,259,179</b>          | <b>742,531</b>       | <b>274,433</b>       | <b>13,727,277</b>      |
| <b>Total Citywide Funds</b>                                  | <b>\$ 129,405,933</b>      | <b>\$ 28,237,836</b> | <b>\$ 29,431,566</b> | <b>128,212,203</b>     |
| <b>Discrete Component Units (Restricted)</b>                 |                            |                      |                      |                        |
| Public Facilities District                                   | \$ 2,819,227               | \$ 178,425           | \$ 498,343           | 2,499,309              |
| Public Development Authority                                 | 71,138                     | 33,470               | 31,880               | 72,728                 |
| <b>Total Discrete Component Unit Funds</b>                   | <b>\$ 2,890,365</b>        | <b>\$ 211,895</b>    | <b>\$ 530,223</b>    | <b>2,572,037</b>       |

**June 2010  
City of Bellingham  
Investment Summary**

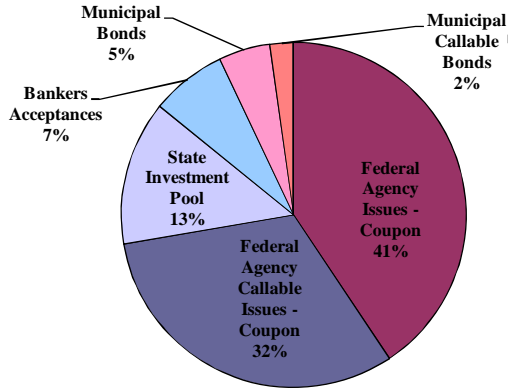
| <b>Portfolio Summary<br/>Investments By Type</b> | <b>Book Value</b>    | <b>Term in Years</b> | <b>YTM/C 365Equiv.</b> |
|--------------------------------------------------|----------------------|----------------------|------------------------|
| State Investment Pool                            | \$ 17,071,356        | 0.0                  | 0.30%                  |
| Federal Agency Issues - Coupon                   | 51,286,502           | 2.2                  | 2.04%                  |
| Federal Agency Callable Issues - Coupon          | 39,988,750           | 3.8                  | 2.43%                  |
| Bankers Acceptances                              | 8,973,266            | 0.4                  | 0.72%                  |
| Municipal Bonds                                  | 6,062,758            | 2.2                  | 2.55%                  |
| Municipal Callable Bonds                         | 2,832,477            | 3.8                  | 3.90%                  |
| <b>Investments - Total &amp; Average</b>         | <b>\$126,215,109</b> | <b>2.3</b>           | <b>1.90%</b>           |
| Year to Date Interest Received                   | \$ 1,400,817         |                      |                        |
| Year to Date Interest Earned                     | \$ 1,742,595         |                      |                        |
| Effective Rate of Return on Interest Earned      | 2.15%                |                      |                        |

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.

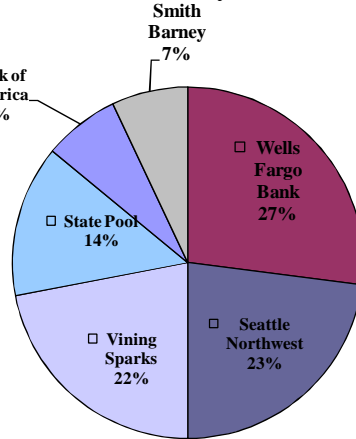
**Investments By Issuer**



**Investments by Type**



**Investments by Dealer**



**Investment Activity Summary**

| Month / Year  | Total Securities | Total                 |                    |                 | 3-Yr. Rolling 2-Year Treasury |
|---------------|------------------|-----------------------|--------------------|-----------------|-------------------------------|
|               |                  | Investment Book Value | YTM 365 Equivalent | State Pool Rate |                               |
| 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%                         |
| June 2010     | 31               | \$126,215,109         | 1.90%              | 0.30%           | 1.72%                         |

## City of Bellingham Discrete Component Units

### June 2010 The Bellingham Whatcom Public Facilities District Operating Statement

| Public Facilities District                 | Prior<br>YTD | Current<br>YTD | Percent<br>Change | Annual<br>Budget | Percent<br>Act/Bud |
|--------------------------------------------|--------------|----------------|-------------------|------------------|--------------------|
| <b>Budgeted Beginning Balance</b>          | \$ 4,152,327 | \$ 2,909,696   | -30%              | \$ 2,909,696     | 100%               |
| <b>Revenues</b>                            |              |                |                   |                  |                    |
| Sales Tax Rebate                           | 487,254      | 489,190        | 0                 | 1,000,000        | 49                 |
| Interest Income                            | 62,659       | 30,892         | -51               | 69,583           | 44                 |
| Other Income                               | 3,651        | 5,294          | 45                | 12,600           | 42                 |
| Grant Revenue                              | 373,903      | 119,256        | -68               | 321,734          | 37                 |
| Misc Revenue                               | 37,545       |                | -100              | -                | 0                  |
| <b>Total Revenues</b>                      | 965,012      | 644,632        | -33               | 1,403,917        | 46                 |
| <b>Operating Expenditures</b>              |              |                |                   |                  |                    |
| Salaries & Benefits                        | 29,535       | 3,828          | -87               | 4,818            | 79                 |
| Supplies & Miscellaneous                   | 191          | 1,457          | 663               | 150              | 971                |
| Insurance                                  | 3,379        |                | -100              | 5,000            | 0                  |
| Services-Professional, Repairs, Utilities  | 13,838       | 61,142         | 342               | 8,321            | 735                |
| Intergovernmental Services                 | 4,026        | 10,993         | 173               | 35,000           | 31                 |
| <b>Total Operating Expenditures</b>        | 50,969       | 77,420         | 52                | 53,289           | 145                |
| <b>Capital and Debt Expenditures</b>       |              |                |                   |                  |                    |
| Capital Costs                              | 2,646,228    | 492,418        | -81               | 1,607,104        | 31                 |
| Debt-Principal & Interest                  | 567,243      | 565,591        | 0                 | 1,112,740        | 51                 |
| <b>Total Capital and Debt Expenditures</b> | 3,213,471    | 1,058,009      | -67               | 2,719,844        | 39                 |
| <b>Total Expenditures</b>                  | 3,264,440    | 1,135,429      | -65               | 2,773,133        | 41                 |
| <b>Projected/Budgeted Ending Balance</b>   | \$ 1,852,899 | \$ 2,418,899   | 31%               | \$ 1,540,480     | 157%               |

### June 2010 Bellingham Public Development Authority \* Operating Statement

| Public Development Authority              | Prior<br>YTD | Current<br>YTD | Percent<br>Change | Annual<br>Budget | Percent<br>Act/Bud |
|-------------------------------------------|--------------|----------------|-------------------|------------------|--------------------|
| <b>Budgeted Beginning Balance</b>         | \$ 7,610     | \$ 5,113       | \$ (33)           | \$ 5,111         | 100%               |
| <b>Revenues</b>                           |              |                |                   |                  |                    |
| Interest Income                           | 133          | 356            | 168               | 5,023            | 7                  |
| Other Income                              | 50,000       | 300,000        | 500               | 500,000          | 60                 |
| <b>Total Revenues</b>                     | 50,133       | 300,356        | 499               | 505,023          | 59                 |
| <b>Operating Expenditures</b>             |              |                |                   |                  |                    |
| Salaries & Benefits                       | 6,902        | 109,587        | 1488              | 214,080          | 51                 |
| Supplies & Miscellaneous                  | 2,583        | 3,723          | 44                | 13,594           | 27                 |
| Insurance                                 | 3,664        | 1,682          | -54               | 5,000            | 34                 |
| Services-Professional, Repairs, Utilities | 33,368       | 122,720        | 268               | 262,784          | 47                 |
| Intergovernmental Services                | 495          | 918            | 85                | 10,000           | 9                  |
| <b>Total Operating Expenditures</b>       | 47,012       | 238,630        | 408               | 505,458          | 47                 |
| <b>Projected/Budgeted Ending Balance</b>  | \$ 10,731    | \$ 66,839      | 523%              | \$ 4,676         | 1429%              |

\* The Bellingham Public Development Authority began operations in the Fall of 2008. It has been slowly ramping up operations and hired a full time Executive Director in October, 2009.