



# CITY OF **Bend** OREGON



## Comprehensive Annual Financial Report



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For the fiscal year ended  
June 30, 2013

The official logo of the City of Bend, Oregon. It features a stylized mountain range, a river with a dam, and a fence in the foreground, all enclosed within a shield-like border. The word "BEND" is written in a large, bold, serif font across the top, with "OREGON" in a smaller font below it. At the bottom, the year "1905" is displayed, with a circular emblem containing the word "BEND" in the center.

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# **CITY OF BEND, OREGON**

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

Prepared by the City of Bend Finance Department

Sonia Andrews, Finance Director



# CITY OF BEND, OREGON

## COMPREHENSIVE ANNUAL FINANCIAL REPORT Fiscal Year Ended June 30, 2013

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## INTRODUCTORY SECTION



December 13, 2013

Honorable Mayor Jim Clinton  
Members of the City Council and  
Citizens of the City of Bend, Oregon



The Comprehensive Annual Financial Report (CAFR) of the City of Bend, Oregon (the City) for the fiscal year ended June 30, 2013 is hereby submitted.

This report presents the City's financial position as of June 30, 2013 and the results of its operations for the fiscal year then ended. The financial statements and supporting schedules have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and meet the requirements of the standards as prescribed by the Secretary of State Audits Division. We believe the data, as presented, is accurate in all material respects and presented in a manner designed to fairly present the financial position and results of operations of the various funds of the City.

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The accuracy of the City's financial statements and the completeness and fairness of their presentation are the responsibility of City management. The City maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that financial records can be relied upon to produce financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed benefits likely to be derived.

JIM CLINTON  
*Mayor*

JODIE BARRAM  
*Mayor Pro Tem*

VICTOR CHUDOWSKY  
*City Councilor*

DOUG KNIGHT  
*City Councilor*

SALLY RUSSELL  
*City Councilor*

MARK CAPELL  
*City Councilor*

SCOTT RAMSAY  
*City Councilor*

Talbot, Korvola & Warwick LLP, Certified Public Accountants, have issued an unmodified or "clean" opinion on the City's financial statements for the fiscal year ended June 30, 2013. The independent auditor's opinion is located at page 1 in the Financial Section of this report.

GAAP requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A is located on page 5 immediately following the independent auditor's opinion.

ERIC KING  
*City Manager*

## City Profile

The City is located in Central Oregon, just east of the Cascade mountain range and encompasses an area of 32.5 square miles. Originally a small mill town in the early 20th century, Bend is now the largest city in Central Oregon with a population estimate of 77,455. Bend serves as the seat for Deschutes County and as the hub of economic activity in a three-county region including Deschutes, Jefferson and Crook counties. Bend is the principal city of the Bend Metropolitan Statistical Area (Bend MSA).

The City was founded in 1904 and incorporated in 1905. It is organized under a council/manager form of government and is served by a seven member Council. Councilors are elected to four-year terms and select a mayor and mayor pro-tem from among themselves, each for a term of two years. The Council sets policies and enacts ordinances. The City Council hires and directs a City Manager who is the City's Chief Executive Officer. The City Manager is responsible for the administration of the City and manages a staff of eight department heads with approximately 450 full-time equivalent employees.

The City provides a full range of municipal services which include police, fire protection and suppression, emergency medical services, a municipal court, community development and planning, building permit and inspection activities, economic development, water, water reclamation and stormwater operations, construction and maintenance of streets, sidewalks and other public facilities. The City also operates an airport, a cemetery and downtown parking.

In addition to the above general government activities, the City has a Bend Urban Renewal Agency (BURA). BURA is a legally separate entity first established in 1984 to address redevelopment of a 236 acre area of downtown Bend. In 2005, the Juniper Ridge Urban Renewal Plan was adopted for development of approximately 700 acres of land in northeast Bend. In 2008, the Murphy Crossing Urban Renewal Plan was adopted for transportation and public utility improvements in southeast Bend. The accompanying financial statements include the activities of BURA.

The City's budget document is prepared for a 24-month period beginning July 1 of odd-numbered years. The City's budget is prepared in accordance with provisions of the Oregon Local Budget Law (ORS Chapter 294), which provides standard procedures for the preparation, presentation, administration and appraisal of budgets. The law mandates public involvement in budget preparation and public exposure of its proposed programs. The law also requires that the budget be balanced. A budget is prepared for each fund requiring appropriations. Expenditure budgets are appropriated by program or department. Budgeted expenditures at the appropriation level may not legally be overspent.

The budget is presented to the public through public hearings held by a budget committee consisting of an equal number of City Council members and citizens-at-large. After giving due consideration to the input received from the citizens, the City Council adopts a resolution that adopts the budget, authorizes the levying of taxes and sets appropriations. The budget serves as the foundation for the City's financial planning and control.

### **Local Economy and Outlook**

Bend started as a logging town but is now a gateway for many outdoor recreational activities such as mountain biking, fishing, golfing, skiing and rock climbing. The employment base and economic base have expanded to include a variety of businesses serving tourism, government, healthcare, utilities, high technology and research and most recently microbreweries. Over the last 14 years, Bend experienced a large influx of new residents drawn by the lifestyle. Population grew significantly as a result of this influx, by 53% from 2000 to 2013 (50,650 in 2000 to 77,455 in 2013). Low interest rates and easy lending fostered explosive home construction in 2001-2005, causing the rate of home price appreciation in Bend to grow substantially during that period.

The 2008-2009 housing downturn had a significant impact on Bend's housing and economic situation. Unemployment (seasonally adjusted) in the Bend MSA reached 15.5% in June 2009 and home foreclosure activity was the highest in the state. In May 2010, the Federal Housing and Finance Agency released a report in which Bend had the largest price drop in the country, 23% from first quarter of 2009 to the first quarter of 2010.

During fiscal year 2012-13, Bend's economy continued its slow recovery but remains fragile with unemployment at 10.0% as of June 2013. Tourism continued to provide a boost with visitor numbers picking up as national sporting events selected Bend for various championship events. Small businesses across various industries, such as microbreweries, are continuing to expand. The distressed housing market is also showing signs of improvement with 959 housing permits issued during fiscal year 2012-13. Longer term, in-migration will continue to drive the growth in Bend.

## Long-Term Financial Planning

Like many other communities, the City has been confronted with serious budget shortfalls driven by the downturn in real estate development and recession. In response, the City Council took proactive steps to limit new funding requests, reduce expenditures which included staff reductions and implemented other personnel cost savings measures. Despite the reductions made, the City's five-year financial projections reveal structural deficits where revenues are insufficient to support the current level of programs and services being provided to our citizens. Long term funding solutions are still needed for public safety, street maintenance and other basic services. Funding basic services, while maintaining adequate General Fund reserves, remains a top priority for the City's management. The City updates its long term financial projections on an on-going basis and conducts annual financial strategy work sessions with City Council to identify both current and long term funding needs and challenges. The next financial strategy work session has been planned for January 2014 to discuss funding issues and ensure the long term financial stability of the City.

## Major Initiatives

The City anticipates continued growth in population and real estate development with the Oregon State University 4 year university being constructed in Bend. Significant infrastructure improvements are needed to provide additional capacity for the college and other commercial development. Water and sewer capital investments are also needed to meet federal and state mandates and address aging infrastructure. A number of significant initiatives, outlined below are underway in Bend to ensure the City's continued economic health and ability to provide services to its residents and businesses.

***Bridge Creek Intake, Pipeline, and Water Treatment Project*** – The City plans to install a new intake structure, replace two aging pipelines of ten miles each that transport water from its surface water source to the City's Outback site, and install a new water treatment system at the Outback site. The City is required to treat its surface water for Cryptosporidium in order to comply with federal regulatory requirements under the Safe Drinking Water Act (SDWA) and the Environmental Protection Agency's rules implementing the SDWA, known as the LT2 rule. Currently, design for the water pipeline is complete and the City is determining the treatment alternative. The City is awaiting a final decision under the National Environmental Policy Act (NEPA) and a special use permit from the United States Forest Service to begin construction of the pipeline.

***Secondary Treatment Expansion Project*** – Construction of the Secondary Treatment Expansion Project at the Water Reclamation Facility began in April of 2013. The City expects to complete construction of the expansion by the end of calendar year 2015. This project will support residents, businesses, and industry by increasing treatment plant capacity from the current 6 million gallons per day to 8.5 million gallons per day.

***Sewer Collection System Improvements*** – These improvements include expansion of the complex network of underground infrastructure and above ground facilities that collect wastewater throughout the City and convey it to the Water Reclamation Facility for safe and efficient treatment. The City is in the process of updating its Collection System Master Plan (CSMP) to address both short term and long term sewer solutions. A Sewer Infrastructure Advisory Group (SIAG), made up of 18 citizens, has been created to work with City staff and consultants on sewer solutions. Existing sewer interceptor projects have been put on hold pending the outcome of the updated CSMP and work of the SIAG.

***Transportation Infrastructure Improvements*** – On May 17, 2011 voters approved a \$30 million General Obligation Bond to fund various roundabouts and intersection improvements including improvements to Reed Market road. The bond measure will cost taxpayers an average of 22 cents per \$1,000 of assessed value. During fiscal year 2012-13 three roundabouts at Empire & 18<sup>th</sup>, Simpson & Mt. Washington, and Powers & Brookwood were completed. Construction on Phase 1 of the Reed Market project started during fiscal-year 2012-13, with construction on Phase 2 to begin during fiscal year 2013-14.

***Airport Development*** – In the fall of 2010, the City began an Airport Master Plan update to identify current and long term needs of the airport. Subsequent to year-end, on October 2, 2013, the Airport Master Plan was completed and adopted by City Council. Recommendations include a runway extension, construction of a helicopter operations area, traffic pattern modifications and other improvements. Pending award of grant funds, the City plans to begin construction on the helicopter operations area during either fiscal-year 2014 or 2015. Subsequent to year-end, the City received grant funding from the Federal Aviation Administration (FAA), in the amount of \$200,000, for an environmental assessment related to the construction of the helicopter operations area. Construction of Taxiway A was completed during fiscal year 2012-13.

***Accessibility Program*** – In 2004 and 2007, the City entered into settlement agreements with the United States Department of Justice (DOJ) and Disability Rights Oregon (DRO) following a series of inspections initiated by a complaint filed against the City under Title II of the Americans with Disabilities Act of 1990 (ADA). The complaint alleged that the City has not taken steps to provide access to its programs and services. Specifically, City facilities, bus stops and curb ramps had various accessibility issues. As a result of the inspections, the DOJ and DRO identified areas needing improvement. To date, the City has completed structural modifications to city owned buildings including City Hall, public works facilities, fire and police stations, airport facilities and public parking lots. The City also completed access to fixed route bus stops currently administered by Central Oregon Intergovernmental Council (COIC). As of August 5, 2011 the DRO Settlement Agreement was terminated by stipulated motion, therefore the DRO Settlement has been dismissed. The City continues work to assess, prioritize and fix curb ramps throughout the City, conducting a self-evaluation of its programs, policies and procedures to address various areas of ADA compliance. As a result, the City has systematically increased the number of programs accessible to individuals with disabilities and continues to remove public right of way curb ramp and sidewalk barriers.

***Public Safety Funding*** – In 2010, the City Council appointed nine citizens to form the Bend Public Safety Funding Committee and charged them to “study and recommend options to maintain current public safety services over the next five years”. In December 2010, the Committee presented recommendations to City Council which included a variety of cost reduction efforts, reducing personnel costs, prioritizing General Fund expenditures and raising new revenues. In September 2011, the City moved all employees to a high deductible health plan in an effort to reduce personnel costs. Efforts to streamline Police and Fire operations continue to be made. The City also hired a consulting firm to further study funding options for the Fire / Emergency Medical Services department and as a result the City plans to ask voters to approve a Fire District Levy in May 2014 to fund fire operations.

#### **Other Financial Information**

***Independent Audit*** – State statutes require an annual audit by an independent certified public accountant. The accounting firm of Talbot, Korvola & Warwick LLP, selected by the City Council, performed the City's annual audit for the fiscal year ended June 30, 2013. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and revised OMB Circular A-133. The auditor's report on the financial statements and required supplementary information is included in the Financial Section of this report. The auditor's reports related specifically to the single audit are included in the Compliance Section.

***Certificate of Achievement*** – The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bend for its comprehensive annual financial report for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award that is an important recognition of conformance with the highest standards for preparation of state and local government financial reports. The City has received this certificate from the GFOA for 20 consecutive years since June 30, 1993. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that conforms to program standards and satisfies both GAAP and applicable legal requirements. We believe that our current CAFR continues to meet the Certificate of

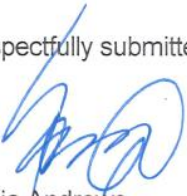


Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

***Distinguished Budget Presentation Award*** – The City also received the Distinguished Budget Presentation Award for its 2011-13 biennial budget from the GFOA. The award represents the City's commitment to meeting the highest principles of governmental budgeting. The budget is rated in four major categories: as a policy document, an operations guide, a financial plan and a communications device. Budget documents must be rated "proficient" in all four categories to receive the award.

***Acknowledgments*** – We wish to thank everyone who contributed to the preparation of this report with special thanks to Brooks Slyter, Heidi Faller, and James Wood for their dedication and expertise in financial reporting. We would also like to express our appreciation to the City Council and the Budget Committee for their interest and support in planning and conducting the operations of the City in a responsible and professional manner.

Respectfully submitted,



Sonia Andrews  
Chief Financial Officer



Eric King  
City Manager

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Bend  
Oregon**

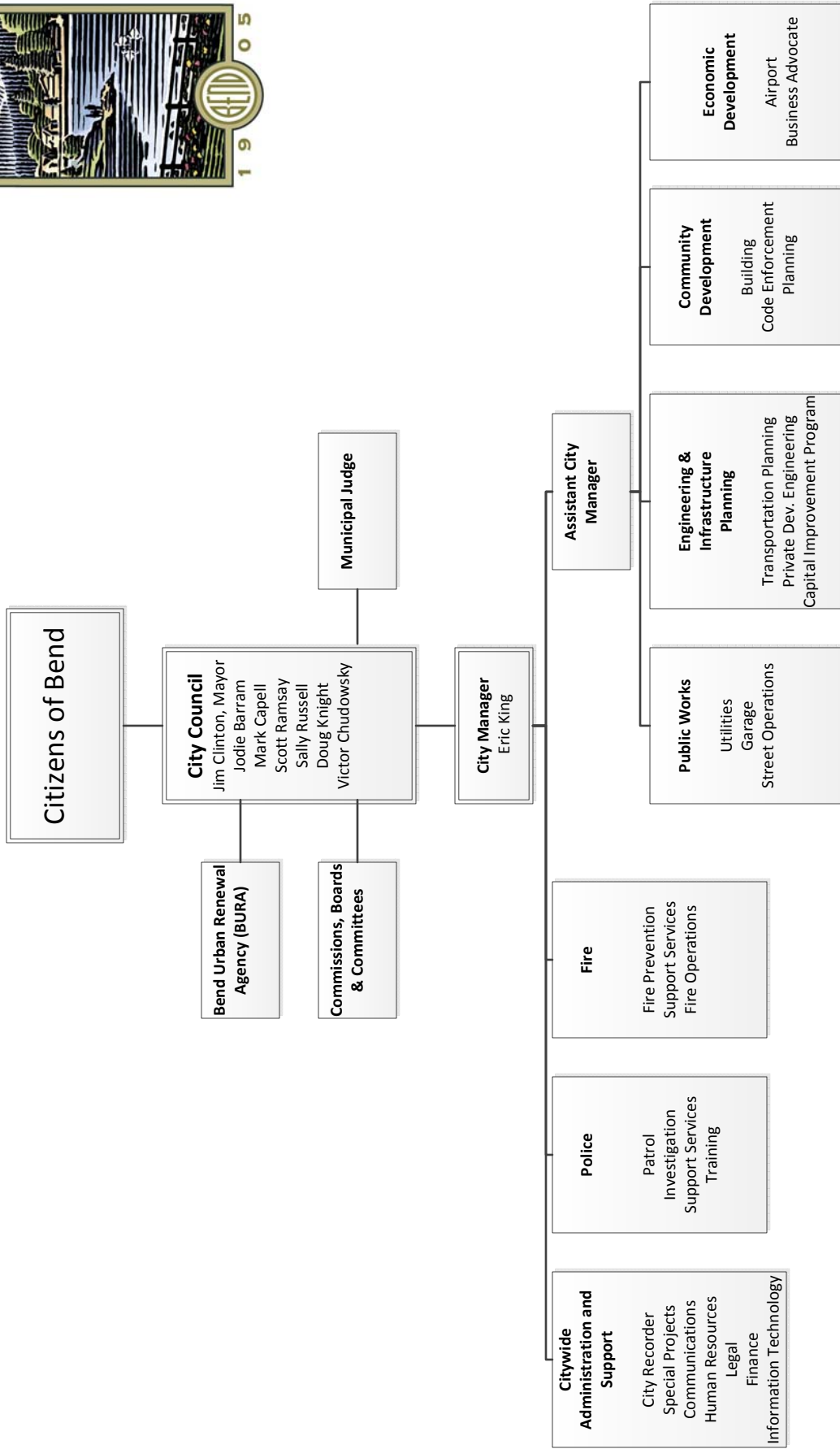
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

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# Organization Chart



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**THE CITY OF BEND, OREGON**

**City Officials as of June 30, 2013**

***Mayor***

Jim Clinton

***Mayor Pro-Tem***

Jodie Barram

***Council Members***

Mark Capell  
Victor Chudowsky  
Doug Knight

Scott Ramsay  
Sally Russell

**City Manager**

Eric King

**Finance Director**

Sonia Andrews

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## FINANCIAL SECTION





**Talbot, Korvola  
& Warwick, LLP**

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& Consultants

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## **INDEPENDENT AUDITOR'S REPORT**

December 13, 2013

Honorable Mayor and City Council  
City of Bend  
Bend, Oregon

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bend, Oregon (the City), as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **OPINIONS**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

Honorable Mayor and City Council  
City of Bend  
December 13, 2013  
Page 2

### **OTHER MATTERS**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Schedules of Funding Progress, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers them to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying budgetary comparison information for the General Fund and major special revenue funds, as listed in the Table of Contents as Required Supplementary Information, is not a required part of the basic financial statements but is presented for purposes of additional analysis, and is required by the Governmental Accounting Standards Board who considers them to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The Required Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Required Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Other Supplementary Information and Other Financial Schedules, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, Other Supplementary Information, and Other Financial Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, Other Supplementary Information, and Other Financial Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

Honorable Mayor and City Council  
City of Bend  
December 13, 2013  
Page 3

**OTHER MATTERS (Continued)**

***Other Information (Continued)***

The Introductory and Statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

***Other Reporting Required by Oregon Minimum Standards***

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 13, 2013, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

**TALBOT, KORVOLA & WARWICK, LLP**  
Certified Public Accountants

By Angelique Whitlow  
Angelique Whitlow, Partner

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year Ended June 30, 2013

This Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the City of Bend, Oregon (the City) for the fiscal year ended June 30, 2013. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

### FINANCIAL HIGHLIGHTS

- The City's assets totaled \$968.5 million at fiscal year-end consisting of \$821.0 million in capital assets, \$90.7 million in unrestricted cash and investments, and \$56.8 million in receivables, prepaid expenses and other assets. Total assets increased by \$42.3 million due mainly to an increase in cash and investments of \$29.8 million, an increase in investments in capital assets of \$12.7 million, and an increase in loans and notes receivable of \$1.7 million, offset by a decrease in amounts due from other governments of \$1.4 million, and a decrease in prepaid expenses, other receivables and other assets of \$0.5 million.
- The City's liabilities totaled \$144.5 million at fiscal year-end consisting of \$116.1 million in long-term debt and \$28.4 million in accounts payable and other liabilities. Total liabilities increased by \$26.9 million from the prior year due mainly to an increase in long term debt of \$24.0 million, an increase of other post-employment benefits payable of \$2.7 million, an increase in other liabilities of \$1.6 million, and an increase in amounts due to developers, deposits and unearned revenue of \$0.3 million, offset by a decrease in accounts and notes payable of \$1.8 million.
- The assets of the City exceeded its liabilities by \$824.0 million at fiscal year-end. Net position consisted of net investment in capital assets of \$738.3 million, unrestricted net position of \$67.8 million, and \$17.9 million of restricted net position for debt service, capital projects, the building program, grant activity and tourism.
- Expenses for governmental activities totaled \$74.3 million in direct program and \$4.2 million in transfers. These activities were funded by \$18.2 million in charges for services, \$25.1 million in grants and contributions and \$37.4 million of general revenues from property and room taxes, franchise fees, investments and gain on sales of capital assets. This resulted in an increase of net position of \$2.2 million.
- Expenses for business-type activities totaled \$30.9 million. These activities were funded by \$36.9 million of charges for services, \$2.8 million in grants and contributions and \$4.4 million of general revenues from investment income and transfers. This resulted in an increase in net position of \$13.2 million.
- The City's general revenues of \$37.6 million for the year consisted of \$25.7 million in property taxes, \$7.2 million in franchise fees, \$3.9 million of transient room taxes, \$0.8 million of investment income and gains on sales of capital assets.
- Unassigned fund balance in the General Fund was \$10.3 million at June 30, 2013, a decrease of \$0.3 million from June 30, 2012. The net decrease resulted mainly from increased public safety program expenditures.

## Management's Discussion and Analysis (Continued)

### OVERVIEW OF THE FINANCIAL STATEMENTS

The City's Comprehensive Annual Financial Report (CAFR) is organized as follows:

- I. Introductory Section
- II. Financial Section
  - a. *Basic Financial Statements* – government-wide and fund financial statements, including notes to the basic financial statements.
  - b. *Required Supplementary Information* – budget and actual schedules for the General Fund and major Special Revenue Funds.
  - c. *Other Supplementary Information* – budget and actual schedules for other major funds and nonmajor funds and includes internal service fund financials.
  - d. *Other Financial Schedules* – schedules of property tax and long-term debt transactions.
- III. Statistical Section
- IV. Compliance Section

The Basic Financial Statements and supplementary information are presented using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The Basic Financial Statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

The Basic Financial Statements present financial information about the City as a whole and about its activities. Following the Basic Financial Statements are Required Supplementary Information and Other Supplementary Information, which provide budgetary comparisons for each fund. Finally, completing the document is a series of other financial and statistical schedules, and the reports by the independent certified public accountants.

All financial statements are presented in whole dollars. Actual amounts may vary due to rounding.

#### **1. Government-wide Financial Statements**

The government-wide financial statements are designed to present the financial picture of the City in a manner similar to a private-sector business, i.e. from the economic resources measurement focus using the accrual basis of accounting.

The Statement of Net Position includes all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Net Position is the difference between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position may be an indicator of whether its financial health is improving or deteriorating.

The Statement of Activities reports all revenues when earned and expenses when incurred regardless of the timing of related cash flows. The focus of the Statement of Activities is to present the major program costs, matching major resources with each. To the extent a program's costs are not recovered by grants and direct charges, the costs are paid from taxes and other general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.



## Management's Discussion and Analysis (Continued)

The government-wide financial statements distinguish programs/functions of the City that are governmental (principally supported by taxes and intergovernmental revenues) from those that are business-type (intended to recover all or a significant portion of their costs through user fees and charges).

Governmental activities of the City are categorized as follows:

- *General government* – includes centralized services such as garage, information technology, facility management, public works administration, public works laboratory, insurance, administration and financial services, legal and risk management, and other general functions not separately identified as a program.
- *Public safety* – includes police, fire and emergency medical services.
- *Public ways and facilities* – includes the City's street maintenance operations, street and local improvement construction and the City's engineering activities.
- *Community and economic development* – includes the City's community development, building inspection, planning, community development block grant program, affordable housing, tourist promotion, and economic improvement district.
- *Permanent Maintenance* – includes the City's cemetery permanent maintenance collections.
- *Urban renewal* – consists of the activities of the Bend Urban Renewal Agency.

Business-type activities include the following:

- Water
- Water Reclamation
- Airport
- Cemetery
- Downtown Parking
- Stormwater

## **2. Fund Financial Statements**

Following the government-wide statements is a section containing fund financial statements. The fund financial statements include statements for governmental funds and proprietary funds. Funds are used to segregate resources for specific activities or objectives.

**Governmental Funds.** The governmental fund statements emphasize available financial resources rather than net position. They are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The following reconciliations are provided to facilitate a comparison between governmental funds as reported in the fund financial statements and governmental activities as reported in the government-wide financial statements:

- A reconciliation of the fund balance reported in the governmental funds Balance Sheet to the net position reported on the government-wide Statement of Net Position, and
- A reconciliation of the change in fund balances reported in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances to the change in net position reported in the government-wide Statement of Activities.

The City has 28 governmental funds. The governmental fund statements present six major funds separately: General Fund, Transportation Operations and Planning, Fire/Emergency Medical Services Fund, System Development Charges (SDC) Fund, the Community Development Block Grant Fund, and the General Obligation Bond Transportation Construction Fund. The other 22 nonmajor funds are combined and presented in a single column as nonmajor governmental funds.

**Proprietary Funds.** Proprietary funds are used to account for activities supported by user charges and where the emphasis is on the sufficiency of revenues to cover expenses. There are two types of proprietary funds – enterprise funds and internal service funds.

## **Management's Discussion and Analysis (Continued)**

The City uses enterprise funds to account for its water, water reclamation, airport, cemetery, downtown parking and stormwater operations. The water and water reclamation funds are presented separately as major funds in the proprietary fund financial statements while the airport, cemetery, downtown parking, and stormwater funds are combined and presented in a single column as nonmajor enterprise funds.

Internal service funds are generally used to accumulate and allocate internally the costs of the City's central services. The City has established an internal service fund with the following divisions – garage, information technology, facility management, engineering, public works administration, public works laboratory, insurance, administration and financial services, legal and risk management. Because the internal service fund activities predominantly benefit governmental rather than business-type functions, their assets and liabilities have been included with governmental activities in the government-wide financial statements.

**Fiduciary Funds.** The fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

### **3. Notes to the Basic Financial Statements**

The notes provide information that is essential for a full understanding of the data presented in the government-wide and fund financial statements (the basic financial statements). Information such as significant accounting policies and detail of certain assets and liabilities are included in the notes which should be read in conjunction with the basic financial statements.

## Management's Discussion and Analysis (Continued)

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section discusses and analyzes significant changes from the prior year in the government-wide financials.

#### Analysis of Net Position

The City's assets exceeded liabilities by \$824.0 million at June 30, 2013. The vast majority of the net position (90%) is invested in capital assets (land, buildings, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The following is a condensed statement of net position and an analysis of the change in the City's financial position from the previous year.

#### Net Position as of June 30th

(in millions)

|                          | Governmental Activities |                 | Business-Type Activities |                 | Total City Net Position |                 |
|--------------------------|-------------------------|-----------------|--------------------------|-----------------|-------------------------|-----------------|
|                          | 2013                    | 2012            | 2013                     | 2012            | 2013                    | 2012            |
| Capital assets, net      | \$ 515.9                | \$ 512.7        | \$ 305.1                 | \$ 295.6        | \$ 821.0                | \$ 808.3        |
| Current and other assets | 101.6                   | 76.5            | 45.9                     | 41.4            | 147.5                   | 117.9           |
| Total assets             | <u>617.5</u>            | <u>589.2</u>    | <u>351.0</u>             | <u>337.0</u>    | <u>968.5</u>            | <u>926.2</u>    |
| Long-term debt           | 74.9                    | 52.7            | 41.2                     | 39.4            | 116.1                   | 92.1            |
| Other liabilities        | 22.1                    | 18.2            | 6.3                      | 7.3             | 28.4                    | 25.5            |
| Total liabilities        | <u>97.0</u>             | <u>70.9</u>     | <u>47.5</u>              | <u>46.7</u>     | <u>144.5</u>            | <u>117.6</u>    |
| Net position             |                         |                 |                          |                 |                         |                 |
| Net investment           |                         |                 |                          |                 |                         |                 |
| in capital assets        | 474.3                   | 474.5           | 264.0                    | 256.2           | 738.3                   | 730.7           |
| Restricted               | 16.6                    | 13.6            | 1.3                      | 0.7             | 17.9                    | 14.3            |
| Unrestricted             | 29.6                    | 30.2            | 38.2                     | 33.4            | 67.8                    | 63.6            |
| Total net position       | <u>\$ 520.5</u>         | <u>\$ 518.3</u> | <u>\$ 303.5</u>          | <u>\$ 290.3</u> | <u>\$ 824.0</u>         | <u>\$ 808.6</u> |

As mentioned earlier, net position may be an indicator of the City's financial position. At the end of the current year, the City's net position balance increased by \$15.4 million from the prior year.

Restricted and unrestricted cash and investments increased \$29.8 million, capital assets increased \$12.7 million, loans and notes receivable increased \$1.7 million, due from other governments decreased \$1.4 million, and other assets decreased \$0.5 million.

Long-term debt increased by \$24.0 million as discussed in further detail in the debt administration section. Other post-employment benefits payable increased \$2.7 million, other liabilities increased by \$1.6 million, and deposits and unearned revenue increased \$0.3 million, offset by a decrease in accounts and notes payable of \$1.8 million.

Management's Discussion and Analysis (Continued)

Analysis of Changes in Net Position

Changes in Net Position  
(in millions)

|                                  | Governmental<br>Activities |                        | Business-Type<br>Activities |                        | Total                  |                        |
|----------------------------------|----------------------------|------------------------|-----------------------------|------------------------|------------------------|------------------------|
|                                  | <u>FY12-13</u>             | <u>FY11-12</u>         | <u>FY12-13</u>              | <u>FY11-12</u>         | <u>FY12-13</u>         | <u>FY11-12</u>         |
| <b>Revenues</b>                  |                            |                        |                             |                        |                        |                        |
| Program revenues:                |                            |                        |                             |                        |                        |                        |
| Charges for services             | \$ 18.2                    | \$ 14.6                | \$ 36.9                     | \$ 34.8                | \$ 55.2                | \$ 49.4                |
| Operating grants & contributions | 13.4                       | 12.2                   | -                           | -                      | 13.4                   | 12.2                   |
| Capital grants & contributions   | 11.7                       | 7.1                    | 2.8                         | 7.8                    | 14.5                   | 14.9                   |
| General revenues:                |                            |                        |                             |                        |                        |                        |
| Taxes                            | 29.6                       | 29.3                   | -                           | -                      | 29.6                   | 29.3                   |
| Franchise fees                   | 7.2                        | 7.2                    | -                           | -                      | 7.2                    | 7.2                    |
| Gain on sale of capital assets   | - *                        | 1.5                    | -                           | -                      | -                      | 1.5                    |
| Investment income                | 0.6                        | 0.3                    | 0.2                         | 0.2                    | 0.8                    | 0.6                    |
| <b>Total revenues</b>            | <b><u>80.7</u></b>         | <b><u>72.2</u></b>     | <b><u>39.9</u></b>          | <b><u>42.8</u></b>     | <b><u>120.7</u></b>    | <b><u>115.0</u></b>    |
| <b>Expenses</b>                  |                            |                        |                             |                        |                        |                        |
| Governmental Activities:         |                            |                        |                             |                        |                        |                        |
| General government               | 15.3                       | 21.2                   | -                           | -                      | 15.3                   | 21.2                   |
| Public safety                    | 30.7                       | 29.0                   | -                           | -                      | 30.7                   | 29.0                   |
| Public ways and facilities       | 18.2                       | 17.3                   | -                           | -                      | 18.2                   | 17.3                   |
| Community & economic development | 7.8                        | 7.0                    | -                           | -                      | 7.8                    | 7.0                    |
| Permanent maintenance            | - *                        | -                      | -                           | -                      | -                      | -                      |
| Urban renewal                    | - *                        | 1.6                    | -                           | -                      | -                      | 1.6                    |
| Interest on long-term debt       | 2.3                        | 1.8                    | -                           | -                      | 2.3                    | 1.8                    |
| Business-type activities:        |                            |                        |                             |                        |                        |                        |
| Water                            | -                          | -                      | 12.6                        | 11.7                   | 12.6                   | 11.7                   |
| Water reclamation                | -                          | -                      | 14.0                        | 12.5                   | 14.0                   | 12.5                   |
| Airport                          | -                          | -                      | 1.0                         | 1.0                    | 1.0                    | 1.0                    |
| Cemetery                         | -                          | -                      | 0.1                         | 0.1                    | 0.1                    | 0.1                    |
| Downtown parking                 | -                          | -                      | 0.9                         | 0.9                    | 0.9                    | 0.9                    |
| Stormwater                       | -                          | -                      | 2.4                         | 2.2                    | 2.4                    | 2.2                    |
| <b>Total expenses</b>            | <b><u>74.3</u></b>         | <b><u>77.8</u></b>     | <b><u>30.9</u></b>          | <b><u>28.4</u></b>     | <b><u>105.3</u></b>    | <b><u>106.2</u></b>    |
| <b>Revenues over expenses</b>    | <b>6.4</b>                 | <b>(5.6)</b>           | <b>9.0</b>                  | <b>14.4</b>            | <b>15.4</b>            | <b>8.8</b>             |
| Transfers                        | (4.2)                      | (2.2)                  | 4.2                         | 2.2                    | 0.0                    | -                      |
| <b>Change in net position</b>    | <b><u>2.2</u></b>          | <b><u>(7.8)</u></b>    | <b><u>13.2</u></b>          | <b><u>16.6</u></b>     | <b><u>15.4</u></b>     | <b><u>8.8</u></b>      |
| Net position, beginning          | 518.3                      | 526.1                  | 290.3                       | 273.7                  | 808.6                  | 799.8                  |
| <b>Net position, ending</b>      | <b><u>\$ 520.5</u></b>     | <b><u>\$ 518.3</u></b> | <b><u>\$ 303.5</u></b>      | <b><u>\$ 290.3</u></b> | <b><u>\$ 824.0</u></b> | <b><u>\$ 808.6</u></b> |

\*Actual amount is too small to report

## Management's Discussion and Analysis (Continued)

### Government-wide Activities

Total revenues from governmental activities increased by \$8.5 million from the prior year. Program revenues increased by \$9.4 million. This increase is due mainly to increased charges for services of \$3.6 million including system development charges, building permits, planning fees, and affordable housing fees. Capital and operating grants and contributions increased \$5.8 million due mainly to an increase of \$4.8 million in public ways and facilities, an increase of \$0.9 million in community and economic development, and an increase of \$0.1 in public safety and general government. Taxes, franchise fees, investment income, and gain on sales of capital assets decreased \$0.9 million.

Governmental expenses decreased by \$3.5 million mainly due to decreases in general government and urban renewal, offset by an increase in public safety, public ways and facilities, community and economic development, and permanent maintenance.

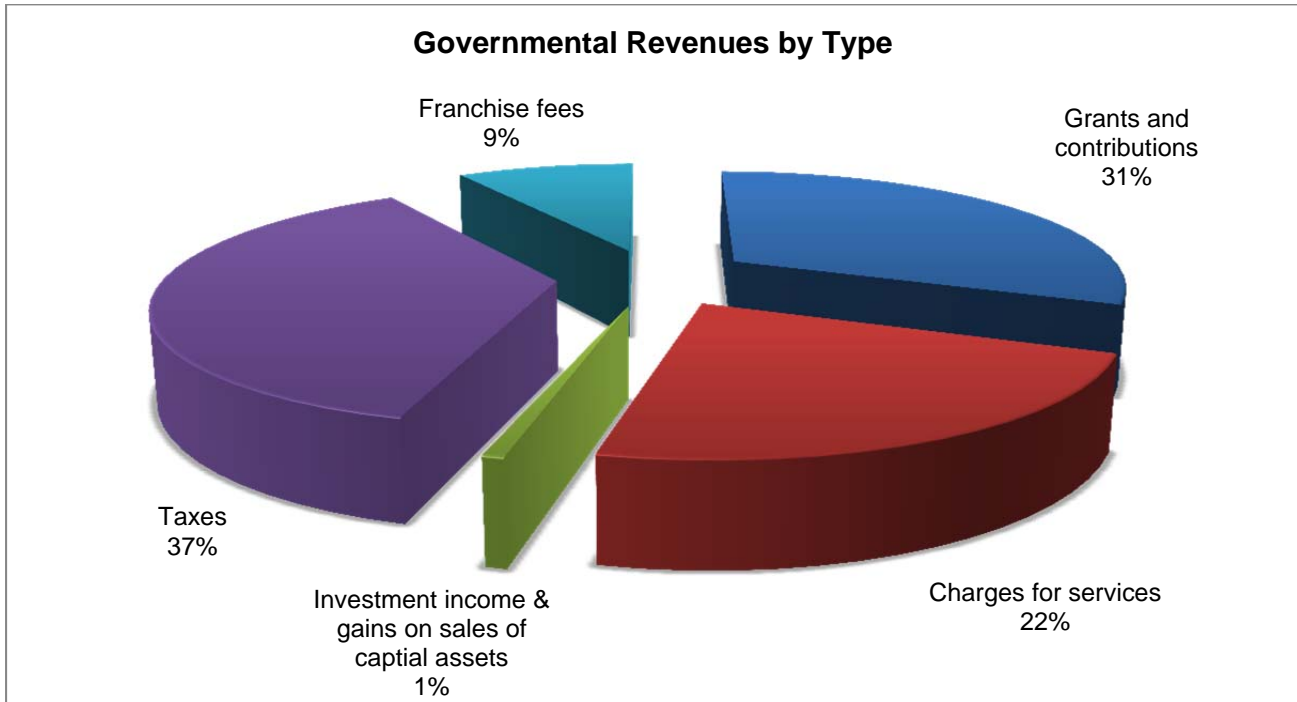
Total revenues from business-type activities decreased by \$2.9 million from the prior year. Increases in charges for services of \$2.1 million are due to higher water reclamation rates (6.0%) and water rates (5.0%). Capital grants and contributions decreased by \$5.0 million, offset by a slight increase in investment income.

Business-type expenses increased overall by \$2.5 million due to increases in water, water reclamation, airport, and stormwater, offset by slight decreases in downtown parking and cemetery program expenses.

Overall, total net position for the City increased by \$15.4 million due mainly to increased charges for service and capital grants and contribution revenues.

### Governmental Activities

As previously mentioned, governmental activities increased the City's net position by \$2.2 million, with revenues totaling \$80.7 million, expenses totaling \$74.3 million, and transfers to business-type activities totaling \$4.2 million. Revenues consisted of taxes of \$29.6 million, operating and capital grants and contributions of \$25.1 million, charges for services of \$18.2 million, franchise fees of \$7.2 million, and \$0.6 million of investment income and gains on sales of capital assets.

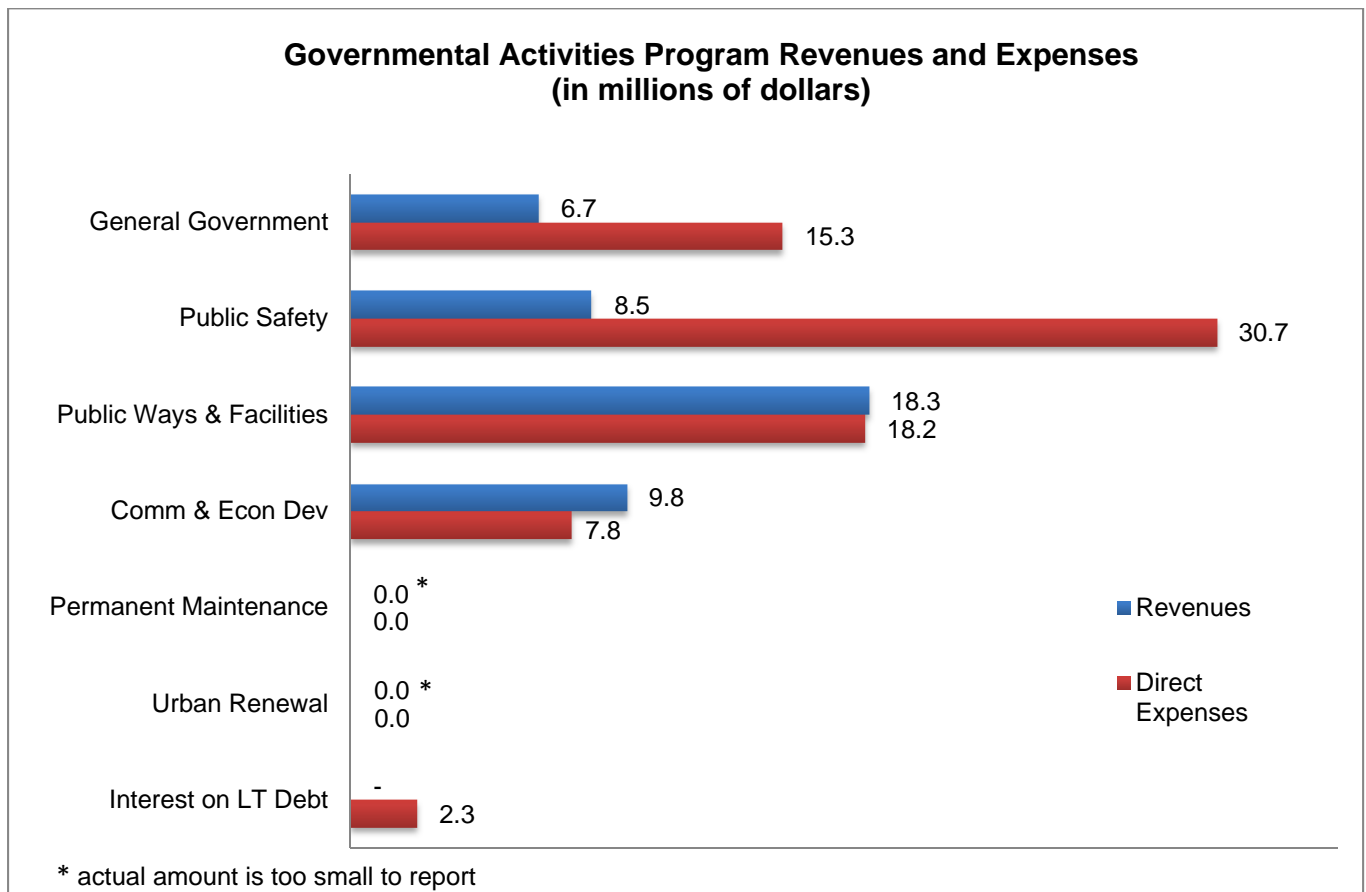


**Management’s Discussion and Analysis (Continued)**

Property taxes decreased by \$0.1 million (0.4%) from the prior year due to a decrease in property tax assessed values. Charges for services increased by \$3.6 million (24.6%) from the prior year due to increased activity in general government, public ways and facilities and community development revenues. Grants and contributions increased by \$5.8 million (30.1%) from the prior year due to increased grant revenues from the public ways and facilities and community and economic development programs.

As discussed earlier, the City’s governmental activities are categorized into the following programs: public safety; public ways and facilities; community and economic development; permanent maintenance; and urban renewal. General government activities are activities not categorized in any of the programs and include central services such as garage, information technology, facility management, public works administration, public works laboratory, insurance, administration and financial services, and legal and risk management.

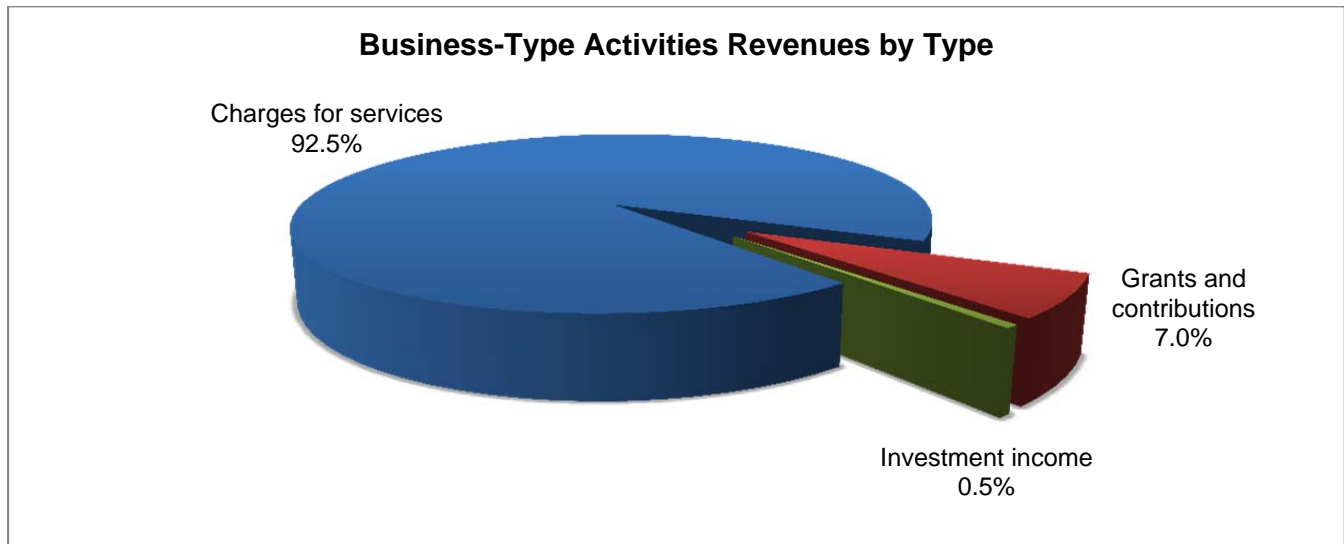
All governmental programs utilize general revenues to support their functions. Some programs such as public safety are dependent on general revenues to fund operations. The following chart compares the revenues and expenditures for each of the City’s programs and shows the extent of each program’s dependence on general revenues for support in the current year.



**Management’s Discussion and Analysis (Continued)**

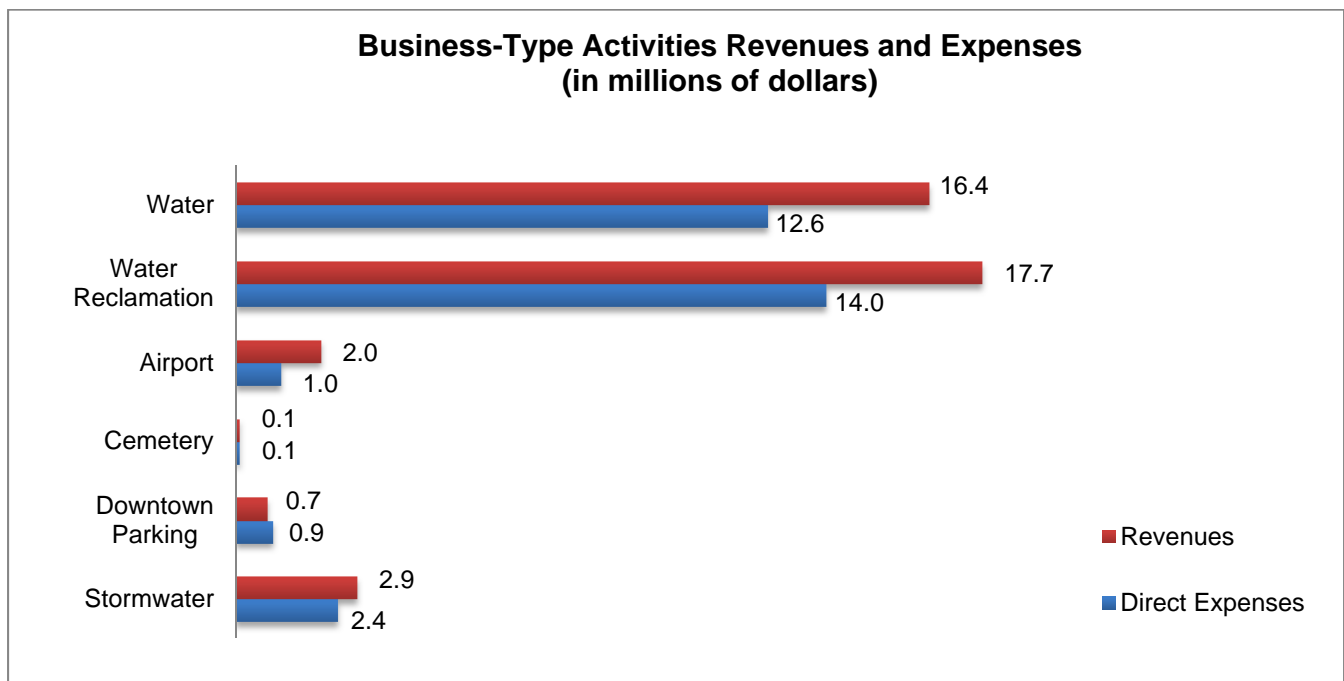
**Business-Type Activities**

Business-type revenues consisted of charges for services of \$36.9 million, grants and contributions of \$2.8 million and \$0.2 million of investment income.



Charges for services accounted for 92.5% of total business-type revenue in fiscal year 2012-13 compared to 81.3% in fiscal year 2011-12. This shift resulted from a decrease in capital grants and contributions of \$5.0 million primarily from decreased contributions of water and water reclamation infrastructure.

Business-type activities are self-supporting and revenues are expected to cover expenses. The following chart shows the sufficiency of revenues generated to cover expenses for each type of business activity.



Revenues for water and water reclamation operations are significantly higher than the respective direct expenses because water and water reclamation rates have been increased to generate revenues for infrastructure spending

## **Management's Discussion and Analysis (Continued)**

over the next five years, and developer contributed assets are recognized as contribution revenue. Airport revenues were significantly higher than direct expenses in the current year due to continued grant revenue related to the construction of Taxiway A. Acquisitions of capital assets and principal payments on long-term debt are not reported as direct expenses, but are reported as additions to assets and reductions to liabilities respectively on the Statement of Net Position. Cemetery and downtown parking revenues are essentially equivalent to the related direct expenses as there are minimal capital improvements and no debt service for these two operations. A stormwater fee was enacted in fiscal year 2007-08 to support the City's stormwater operations and allow the City to make needed improvements to the infrastructure.

## **FUND ANALYSIS**

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

### **Governmental Funds**

The focus of the governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and Permanent Funds.

At the end of the current year, the City's governmental funds had combined ending fund balances of \$63.1 million which is an increase of \$22.5 million. This increase is due mainly to the issuance of long-term debt for transportation construction.

Of the combined ending fund balance of \$63.1 million, \$5.2 million was nonspendable; \$26.6 million was restricted by creditors, grantors or by law; \$14.7 million was committed to specific purposes through council resolution or ordinance; \$6.6 million was assigned by intent of the City to a specific purpose; and \$10.0 million, was unassigned and available for spending by the City within the purposes specified for the City's funds.

The General Fund is the primary operating fund of the City. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$10.3 million, down \$0.3 million (3.2%) from the previous year. The unassigned fund balance represents 29.3% of total General Fund requirements.

The other major governmental funds are the Transportation Operations and Planning, Fire/Emergency Medical Services (EMS) Fund, System Development Charges (SDC) Fund, the Community Development Block Grant (CDBG) Fund, and the General Obligation Bond Construction Fund. The Transportation Operations and Planning Fund balance decreased by \$1.3 million due primarily to capital equipment acquisition from a prior year debt issuance. The Fire/EMS fund balance increased by \$0.4 million due to increased intergovernmental revenues and charges for services. The SDC fund balance increased \$0.8 million due to increased SDC fees being collected. The CDBG fund balance increased slightly due to increased program income from loan repayments. The General Obligation Bond Construction Fund balance increased \$19.6 million due primarily to the issuance of long term debt.



## **Management's Discussion and Analysis (Continued)**

### **Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements where the focus is on the sufficiency of revenues to cover expenses.

Unrestricted net position of the Water Fund and Water Reclamation Fund at the end of the year amounted to \$8.4 million and \$23.6 million, respectively. The growth in unrestricted net position of the Water Fund and the Water Reclamation Fund was \$1.2 million and \$3.3 million respectively, reflecting the implementation of rate increases and debt issuances to fund needed improvements in infrastructure. In the Water Fund, system development charges generated \$2.0 million of revenue and developer contributed infrastructure totaled \$0.6 million. In the Water Reclamation Fund, system development charges generated \$2.1 million of revenue and developer contributed infrastructure totaled \$0.5 million.

System development charges are received in the System Development Charges Fund (a major governmental fund) and transferred to the Water and Water Reclamation Funds as qualifying expenses are incurred. Revenues from system development charges increased in both the Water and Water Reclamation Funds by 104.0% and 75.6% respectively in fiscal year 2012-13 over fiscal year 2011-12.

Other factors concerning the finances of the proprietary funds can be found in the previous discussion of the City's business-type activities.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the biennium budget, General Fund budgeted revenues were increased by \$2.2 million for changes in property tax, transient room tax, and franchise fee estimates; and budgeted expenditures were increased by \$3.7 million for interfund loans, transfers to various operations and reserves, and other financing uses including fire, information technology, and the garage division.

**Management's Discussion and Analysis (Continued)**

**CAPITAL ASSETS**

As of June 30, 2013 the City had invested \$821.0 million in capital assets, net of depreciation, as reflected in the following table. This represents a net increase (additions, disposals and depreciation) of \$12.7 million. Governmental capital assets totaled \$515.9 million while business-type capital assets totaled \$305.1 million.

**Capital Assets as of June 30th**

(in millions, net of depreciation)

|                             | Governmental Activities |                 | Business-Type Activities |                 | Total           |                 |
|-----------------------------|-------------------------|-----------------|--------------------------|-----------------|-----------------|-----------------|
|                             | 2013                    | 2012            | 2013                     | 2012            | 2013            | 2012            |
| Land including right-of-way | \$ 152.7                | \$ 152.6        | \$ 6.9                   | \$ 6.7          | \$ 159.6        | \$ 159.3        |
| Land use rights             | -                       | -               | 1.1                      | 1.1             | 1.1             | 1.1             |
| Artwork                     | 0.7                     | 0.7             | -                        | -               | 0.7             | 0.7             |
| Buildings and improvements  | 16.3                    | 29.7            | 18.2                     | 16.4            | 34.5            | 46.1            |
| Infrastructure              | 331.6                   | 318.0           | 233.0                    | 231.8           | 564.6           | 549.8           |
| Equipment                   | 2.3                     | 1.3             | 2.6                      | 1.3             | 4.9             | 2.6             |
| Vehicles                    | 3.2                     | 3.6             | 0.6                      | 0.8             | 3.8             | 4.4             |
| Software                    | 0.7                     | 0.7             | 0.3                      | 0.3             | 1.0             | 1.0             |
| Construction in progress    | 8.4                     | 6.1             | 42.4                     | 37.2            | 50.8            | 43.3            |
|                             | <u>\$ 515.9</u>         | <u>\$ 512.7</u> | <u>\$ 305.1</u>          | <u>\$ 295.6</u> | <u>\$ 821.0</u> | <u>\$ 808.3</u> |

Major construction projects affecting capital assets for fiscal year 2012-13 are as follows:

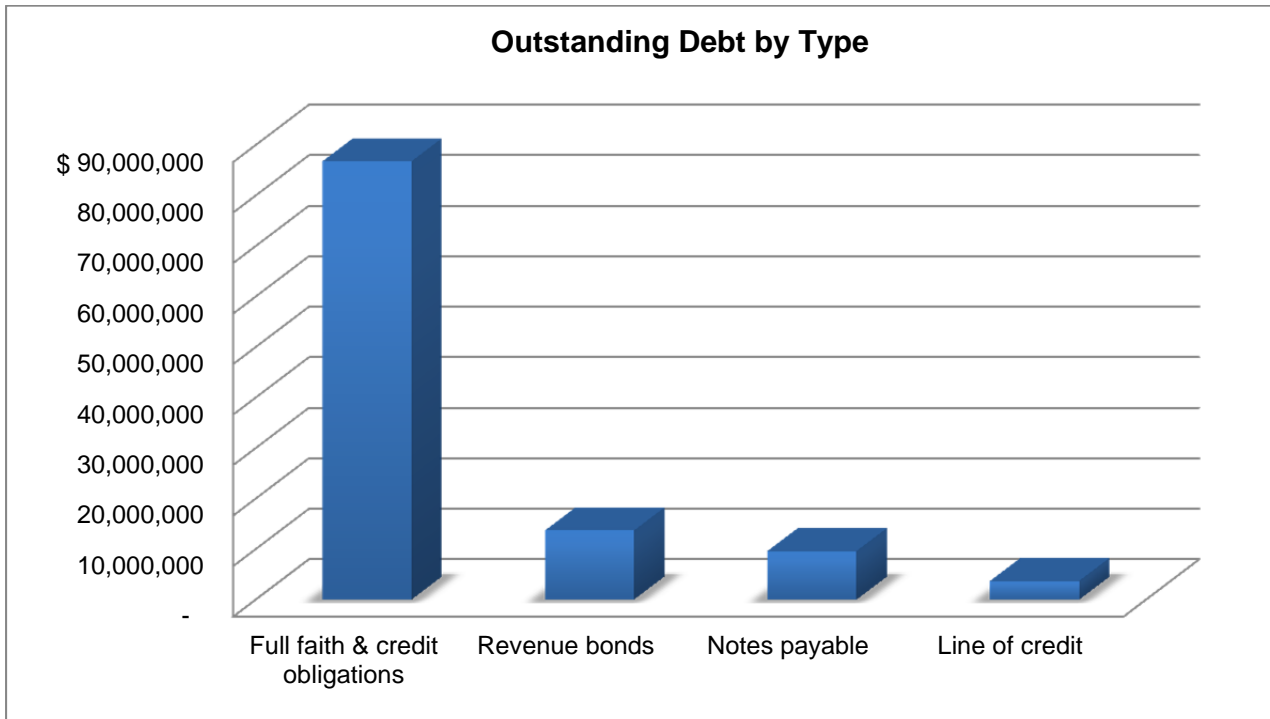
- Street Construction - Construction of various street improvements added \$11.5 million to capital assets. Major projects included street overlays of \$2.1 million, GO Bond projects of \$7.6 million, Murphy Overcrossing project of \$1.1 million, and other street construction and safety projects of \$0.7 million. Developer constructed infrastructure contributed to the City totaled \$1.9 million in the current year.
- Airport Improvements - The City spent \$1.2 million on the Airport Taxiway A Rehabilitation project that was funded primarily by federal and state grants.
- Water Improvements - Improvements to the City's water system added \$6.0 million to capital assets. Projects included the Bridge Creek Pipeline Maintenance project of \$3.1 million, Mountain High Waterline Extension project of \$0.8 million, and other minor projects of \$2.1 million. Developer constructed infrastructure contributed to the City totaled \$0.6 million in the current year.
- Water Reclamation Improvements - Improvements to the water reclamation system added \$7.5 million to capital assets. Major projects included the expansion of the treatment facility of \$4.4 million, collection system master plan of \$1.3 million, collection line rehabilitation of \$0.8 million, southeast interceptor of \$0.6 million, and other water reclamation projects of \$0.4 million. Developer constructed infrastructure totaled \$0.5 million.
- Stormwater Improvements – Improvements to the City's stormwater system added \$0.6 million to capital assets. Projects included the 3<sup>rd</sup> Street Underpass project of \$0.6 million. Developer constructed infrastructure contributed to the City totaled \$0.3 million in the current year.
- Facility Management Improvements – Improvements to the City's building infrastructure added \$0.9 million to capital assets. Projects included the improvements at the Boyd Acres campus of \$0.8 million and other minor projects of \$0.1 million.

Please refer to Note 5 of the basic financial statements for further detailed information on capital assets.

**Management's Discussion and Analysis (Continued)**

**DEBT ADMINISTRATION**

Debt outstanding by type at year-end is as follows:



The City has \$86.8 million of full faith & credit obligations outstanding for airport improvements (\$0.8 million), land acquired (\$2.1 million), street improvements (\$41.6 million), fire and police stations (\$10.0 million), street and fire equipment (\$2.3 million), pension obligation (\$13.1 million) and water and sewer improvements (\$16.9 million). The airport improvement bonds are serviced by airport lease revenues and street improvement bonds are serviced by transportation system development charges. The fire and police station bonds are serviced by property taxes and other discretionary revenues and the equipment bonds are repaid from other tax revenues. The pension obligation bonds are serviced by property taxes and other revenues of the City. The water and sewer improvement bonds are serviced by charges for services.

Revenue bonds outstanding total \$13.7 million and are for water reclamation infrastructure. These bonds are repaid from water reclamation service charges and system development charges.

The City has \$9.6 million of notes payable issued for various water, water reclamation and airport capital improvement projects.

The City also owes \$3.7 million on a long-term line of credit related to Juniper Ridge that will be paid from land sales proceeds and tax increment revenues. During fiscal year 2012-13 the City extended the line of credit until December 31, 2013.

**Management’s Discussion and Analysis (Continued)**

Change in debt outstanding is as follows:

**Outstanding Debt as of June 30th**  
(in millions)

|                                  | <u>Governmental Activities</u> |                | <u>Business-Type Activities</u> |                | <u>Total</u>    |                |
|----------------------------------|--------------------------------|----------------|---------------------------------|----------------|-----------------|----------------|
|                                  | <u>2013</u>                    | <u>2012</u>    | <u>2013</u>                     | <u>2012</u>    | <u>2013</u>     | <u>2012</u>    |
| Full faith & credit obligations  | \$ 69.2                        | \$ 46.8        | \$ 17.6                         | \$ 18.6        | \$ 86.8         | \$ 65.4        |
| Revenue bonds                    | -                              | -              | 13.7                            | 15.0           | 13.7            | 15.0           |
| Notes payable                    | -                              | -              | 9.6                             | 5.6            | 9.6             | 5.6            |
| Line of credit                   | 3.7                            | 5.2            | -                               | -              | 3.7             | 5.2            |
|                                  | <u>72.9</u>                    | <u>52.0</u>    | <u>40.9</u>                     | <u>39.2</u>    | <u>113.8</u>    | <u>91.2</u>    |
| Unamortized premiums & discounts | 2.1                            | 0.7            | 0.2                             | 0.2            | 2.3             | 0.9            |
| Total Outstanding Debt           | <u>\$ 75.0</u>                 | <u>\$ 52.7</u> | <u>\$ 41.1</u>                  | <u>\$ 39.4</u> | <u>\$ 116.1</u> | <u>\$ 92.1</u> |

As of June 30, 2013, the City had \$116.1 million in long-term debt and unamortized premiums and discounts, an increase of \$24.0 million from the prior year. The City has an unamortized balance of premiums and discounts on long-term debt issuances of \$2.3 million that are amortized over the life of the associated debt.

The significant changes in long-term debt include the issuance of \$26.8 million of general obligation full faith and credit bonds to fund street construction, the City also received reimbursements from two State of Oregon Clean Water State Revolving Fund Loans for \$3.8 and \$0.4 million. These increases were offset by \$6.3 million in scheduled principal payments, early repayment of \$1.5 million of the Line of Credit for urban renewal and \$0.6 million for the City Hall Land bonds.

**Debt Limitation and Ratings**

Oregon Revised Statutes provides a limit on non-self-supporting general obligation debt of 3% of the real market value of all taxable property within the City. Based on the fiscal year 2012-13 value, the City’s debt limitation is \$293.8 million. The City is well within its debt limitation with an amount of outstanding debt subject to this limitation of \$85.3 million.

The table below details the City’s most recent Moody’s Investors Service Global Scale ratings. These ratings reflect the recalibration process completed by Moody’s in 2010 and do not reflect a change in credit quality of the securities.

| <u>Issue Type</u>                 | <u>Global Scale Rating</u> |
|-----------------------------------|----------------------------|
| Full Faith and Credit Obligations | Aa3                        |
| Sewer Revenue Bonds               | Aa2                        |
| Water Revenue Bonds               | Aa2                        |
| Urban Renewal Bonds               | A2                         |

Please refer to Note 13 of the basic financial statements for further detailed information on long-term debt.

## **Management's Discussion and Analysis (Continued)**

### **ECONOMIC FACTORS**

The population of the City of Bend as of July 1, 2013, was 77,455, which is 48.0% of Deschutes County's population of 160,144. Between July 1, 2002 and July 1, 2013, the non-annexation population increased by 41.0%. With the growth in population, the City experienced significant building activity in both residential and commercial developments that dramatically fell off with the national housing market crisis. The City of Bend has been slowly recovering from the impacts of the nationwide recession. The recession lowered many of the City's revenue sources including system development charges, developer contributed infrastructure, and community development fees. The recession also significantly slowed the growth rate in property taxes.

In response to the slow economic recovery during fiscal year 2012-13, the City has continued cost constraints at all levels of the organization in order to decrease nonessential expenditures thereby increasing revenues available for core priority programs such as public safety, transportation, and providing water and water reclamation services to its citizens.

The City is dependent on property taxes, charges for services, and grants and contributions to support its operations. Property taxes make up approximately 21% of the City's total revenue sources. In May 1997, Oregon voters approved Measure 50 which rolled back property assessed values to 90 percent of 1995-96 levels, established permanent tax rates, and limited assessed value growth for individual properties to 3% per year plus new construction. The current permanent tax rate for the City of Bend is \$2.8035 per \$1,000 of assessed value which is one of the lowest in Oregon. In the past, significant increases in the number of properties subject to property tax helped mitigate the effects of Measure 50 on property tax revenues. These significant increases ended but property tax revenues decreased 0.4% for fiscal year 2012-13. The gap between current real market values and taxable assessed values has narrowed considerably. New construction and the retirement of the urban renewal area added \$80.0 million in tax assessed values and only 50% of properties continue to grow as allowed by Measure 50, resulting in relatively flat property tax levels for the near term. The low permanent tax rate and minimal growth in the tax base will continue to present challenges in providing services at the current rate without additional sources of revenue.

Both the water and water reclamation rates were increased for fiscal year 2012-13 by 5.0% and 6.0%, respectively. These increases were necessary to finance construction of new and replacement infrastructure.

### **REQUEST FOR INFORMATION**

The City's financial statements are designed to present users with a general overview of the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Sonia Andrews, City of Bend Finance Director, at 710 NW Wall Street, Bend, Oregon 97701. The telephone number for the City's Finance Department is 541-388-5521.

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## BASIC FINANCIAL STATEMENTS





City of Bend, Oregon  
**Statement of Net Position**  
June 30, 2013

|  | <b>Governmental</b>   |    | <b>Business-Type</b>  |    | <b>Total</b>          |
|--|-----------------------|----|-----------------------|----|-----------------------|
|  | <b>Activities</b>     |    | <b>Activities</b>     |    |                       |
| <b>Assets</b>                          |                       |    |                       |    |                       |
| Pooled cash and investments            | \$ 54,452,573         | \$ | 36,234,858            | \$ | 90,687,431            |
| Receivables, net                       | 5,309,734             |    | 5,404,008             |    | 10,713,742            |
| Internal balances                      | 369,600               |    | (369,600)             |    | -                     |
| Due from other governments             | 1,132,942             |    | 1,836,697             |    | 2,969,639             |
| Restricted cash and investments        | 17,820,269            |    | 1,573,785             |    | 19,394,054            |
| Other assets                           | 122,417               |    | 64,230                |    | 186,647               |
| Prepaid pension obligation             | 8,142,196             |    | -                     |    | 8,142,196             |
| Assessments receivable                 | 15,218                |    | 170,222               |    | 185,440               |
| Loans and notes receivable             | 8,682,471             |    | 18,612                |    | 8,701,083             |
| Assets held for resale                 | 4,565,974             |    | -                     |    | 4,565,974             |
| Bond issue costs, net                  | 1,016,022             |    | 893,303               |    | 1,909,325             |
| Non-depreciable capital assets         | 161,751,067           |    | 50,438,202            |    | 212,189,269           |
| Depreciable capital assets, net        | 354,123,317           |    | 254,691,974           |    | 608,815,291           |
| <b>Total Assets</b>                    | <b>617,503,802</b>    |    | <b>350,956,291</b>    |    | <b>968,460,093</b>    |
| <b>Liabilities</b>                     |                       |    |                       |    |                       |
| Accounts payable                       | 2,493,008             |    | 2,990,191             |    | 5,483,198             |
| Accrued liabilities                    | 8,169,125             |    | 1,273,558             |    | 9,442,682             |
| Due to developers                      | 547,010               |    | -                     |    | 547,010               |
| Deposits                               | 635,169               |    | 285,159               |    | 920,328               |
| Unearned revenue                       | 251,640               |    | -                     |    | 251,640               |
| Long-term debt, net                    |                       |    |                       |    |                       |
| Other post-employment benefits payable | 9,928,512             |    | 1,773,160             |    | 11,701,672            |
| Portion due or payable within one year | 8,050,357             |    | 2,980,060             |    | 11,030,416            |
| Portion due or payable after one year  | 66,898,619            |    | 38,174,704            |    | 105,073,323           |
| <b>Total Liabilities</b>               | <b>96,973,438</b>     |    | <b>47,476,831</b>     |    | <b>144,450,269</b>    |
| <b>Net Position</b>                    |                       |    |                       |    |                       |
| Net investment in capital assets       | 474,355,999           |    | 263,975,413           |    | 738,331,412           |
| Restricted for:                        |                       |    |                       |    |                       |
| Debt service                           | 3,132,391             |    | 1,288,626             |    | 4,421,017             |
| Capital projects                       | 10,035,552            |    | -                     |    | 10,035,552            |
| Building program                       | 2,407,582             |    | -                     |    | 2,407,582             |
| Tourism                                | 138,125               |    | -                     |    | 138,125               |
| Permanent maintenance                  | 595,952               |    | -                     |    | 595,952               |
| Grant activity                         | 254,938               |    | -                     |    | 254,938               |
| Unrestricted                           | 29,609,825            |    | 38,215,422            |    | 67,825,246            |
| <b>Total Net Position</b>              | <b>\$ 520,530,363</b> | \$ | <b>\$ 303,479,460</b> | \$ | <b>\$ 824,009,824</b> |

*The accompanying notes are an integral part of the basic financial statements.*

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City of Bend, Oregon  
**Statement of Activities**  
For the fiscal year ended June 30, 2013

|   | Program Revenues      |                      |                                    |                                  | Net (Expenses) Revenues and Changes in Net Position |                          |                       |
|---|-----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|
|   | Direct Expenses       | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                             | Business-Type Activities | Total                 |
| <b>Functions/ Programs</b>                  |                       |                      |                                    |                                  |   |                          |                       |
| <b>Governmental Activities:</b>             |                       |                      |                                    |                                  |   |                          |                       |
| General government                          | \$ 15,299,851         | \$ 6,475,197         | \$ 181,397                         | \$ -                             | \$ (8,643,257)                                      | \$ -                     | \$ (8,643,257)        |
| Public safety                               | 30,694,766            | 3,285,116            | 5,183,101                          | 68,125                           | (22,158,424)  | -                        | (22,158,424)          |
| Public ways and facilities                  | 18,208,047            | 2,507,342            | 4,288,805                          | 11,551,482                       | 139,582   | -                        | 139,582               |
| Community and economic development          | 7,771,289             | 5,957,480            | 3,705,884                          | 100,000                          | 1,992,076   | -                        | 1,992,076             |
| Permanent maintenance                       | 3,732                 | 5,585                | -                                  | -                                | 1,853   | -                        | 1,853                 |
| Urban renewal                               | 29,632                | -                    | -                                  | -                                | (29,632)  | -                        | (29,632)              |
| Interest on long-term debt                  | 2,335,355             | -                    | -                                  | -                                | (2,335,355)   | -                        | (2,335,355)           |
| <b>Total Governmental Activities</b>        | <b>74,342,672</b>     | <b>18,230,721</b>    | <b>13,359,186</b>                  | <b>11,719,607</b>                | <b>(31,033,158)</b>                                 | <b>-</b>                 | <b>(31,033,158)</b>   |
| <b>Business-Type Activities:</b>            |                       |                      |                                    |                                  |   |                          |                       |
| Water                                       | 12,575,680            | 15,815,106           | -                                  | 583,050                          | -   | 3,822,476                | 3,822,476             |
| Water reclamation                           | 13,968,169            | 17,092,386           | -                                  | 579,920                          | -   | 3,704,136                | 3,704,136             |
| Airport                                     | 1,052,964             | 793,502              | -                                  | 1,192,837                        | -   | 933,374                  | 933,374               |
| Cemetery                                    | 82,852                | 65,834               | -                                  | -                                | -   | (17,018)                 | (17,018)              |
| Downtown parking                            | 869,265               | 638,844              | -                                  | 94,350                           | -   | (136,071)                | (136,071)             |
| Stormwater                                  | 2,400,448             | 2,533,739            | -                                  | 316,384                          | -   | 449,675                  | 449,675               |
| <b>Total Business-Type Activities</b>       | <b>30,949,379</b>     | <b>36,939,410</b>    | <b>-</b>                           | <b>2,766,541</b>                 | <b>-</b>  | <b>8,756,573</b>         | <b>8,756,573</b>      |
| <b>Total Activities</b>                     | <b>\$ 105,292,050</b> | <b>\$ 55,170,131</b> | <b>\$ 13,359,186</b>               | <b>\$ 14,486,148</b>             | <b>(31,033,158)</b>                                 | <b>8,756,573</b>         | <b>(22,276,585)</b>   |
| <b>General Revenues:</b>                    |                       |                      |                                    |                                  |   |                          |                       |
| <b>Taxes:</b>                               |                       |                      |                                    |                                  |   |                          |                       |
| Property taxes, levied for general purposes |                       |                      |                                    |                                  | 22,506,869  | -                        | 22,506,869            |
| Property taxes, levied for debt service     |                       |                      |                                    |                                  | 3,142,309   | -                        | 3,142,309             |
| Transient room taxes                        |                       |                      |                                    |                                  | 3,944,861   | -                        | 3,944,861             |
| Franchise fees                              |                       |                      |                                    |                                  | 7,169,773   | -                        | 7,169,773             |
| Unrestricted investment income              |                       |                      |                                    |                                  | 545,759   | 242,557                  | 788,315               |
| Gain on sale of capital assets              |                       |                      |                                    |                                  | 43,246  | -                        | 43,246                |
| Transfers                                   |                       |                      |                                    |                                  | (4,168,885)   | 4,168,885                | -                     |
| <b>Total General Revenues and Transfers</b> |                       |                      |                                    |                                  | <b>33,183,932</b>                                   | <b>4,411,441</b>         | <b>37,595,373</b>     |
| Change in Net Position                      |                       |                      |                                    |                                  | 2,150,774   | 13,168,014               | 15,318,788            |
| Net Position, July 1, 2012                  |                       |                      |                                    |                                  | 518,379,590   | 290,311,446              | 808,691,036           |
| <b>Net Position, June 30, 2013</b>          |                       |                      |                                    |                                  | <b>\$ 520,530,363</b>                               | <b>\$ 303,479,460</b>    | <b>\$ 824,009,824</b> |

The accompanying notes are an integral part of the basic financial statements.

City of Bend, Oregon  
**Balance Sheet**  
 Governmental Funds  
 June 30, 2013

|  | <u>General</u>       | <u>Transportation<br/>Operations<br/>and Planning<br/>Fund</u> | <u>Fire /<br/>Emergency<br/>Medical<br/>Services</u> | <u>System<br/>Development<br/>Charges (SDC)<br/>Fund</u> |
|--|----------------------|--|--|--|
| <b>Assets</b>                              |                      |  |  |  |
| Pooled cash and investments                | \$ 13,635,958        | \$ 2,991,766   | \$ 2,929,097   | \$ -   |
| Restricted cash and investments            | 116,765              | 28,790   | -  | 1,680,757  |
| Receivables:                               |                      |  |  |  |
| Property taxes                             | 1,132,822            | -  | -  | -  |
| Accounts, net                              | 2,590,918            | 47,355   | 663,232  | -  |
| Assessments, net                           | -                    | -  | -  | -  |
| Loans and notes, net                       | 707,656              | -  | -  | 839,420  |
| Interest                                   | 420,193              | -  | -  | -  |
| Due from other funds                       | 430,000              | -  | -  | -  |
| Due from other governments                 | 390,326              | 371,881  | 43,828   | -  |
| Advances to other funds                    | 14,600               | -  | -  | -  |
| Assets held for resale                     | 4,565,974            | -  | -  | -  |
| <b>Total Assets</b>                        | <b>\$ 24,005,213</b> | <b>\$ 3,439,791</b>  | <b>\$ 3,636,156</b>                                  | <b>\$ 2,520,178</b>                                      |
| <b>Liabilities and Fund Balances</b>       |                      |  |  |  |
| Liabilities:                               |                      |  |  |  |
| Accounts payable                           | \$ 202,178           | \$ 626,299   | \$ 87,975  | \$ 1,223   |
| Salaries and benefits payable              | 217,141              | 45,587   | 177,936  | -  |
| Retainage payable                          | -                    | 48,455   | -  | -  |
| Due to developers                          | -                    | -  | -  | 547,010  |
| Other accrued liabilities                  | 3,799,757            | -  | -  | -  |
| Deposits                                   | 116,765              | 28,790   | -  | -  |
| Unavailable revenues                       | 3,054,178            | 5,393  | 449,239  | 839,420  |
| Due to other funds                         | -                    | -  | -  | -  |
| <b>Total Liabilities</b>                   | <b>7,390,020</b>     | <b>754,524</b>   | <b>715,150</b>                                       | <b>1,387,653</b>   |
| Fund Balances (Deficits):                  |                      |  |  |  |
| Nonspendable:                              |                      |  |  |  |
| In form                                    | 4,580,574            | -  | -  | -  |
| Required to remain intact                  | -                    | -  | -  | -  |
| Restricted:                                |                      |  |  |  |
| Externally imposed                         | -                    | -  | -  | -  |
| Imposed by law                             | -                    | -  | -  | 1,132,524  |
| Committed                                  | 1,709,404            | -  | 2,921,006  | -  |
| Assigned                                   | -                    | 2,685,268  | -  | -  |
| Unassigned                                 | 10,325,214           | -  | -  | -  |
| <b>Total Fund Balances (Deficits)</b>      | <b>16,615,193</b>    | <b>2,685,268</b>   | <b>2,921,006</b>                                     | <b>1,132,524</b>   |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 24,005,213</b> | <b>\$ 3,439,791</b>  | <b>\$ 3,636,156</b>                                  | <b>\$ 2,520,178</b>                                      |

The accompanying notes are an integral part of the basic financial statements.

City of Bend, Oregon  
**Balance Sheet (Continued)**

Governmental Funds  
 June 30, 2013

|  | Community<br>Development<br>Block Grant<br>Fund | General<br>Obligation Bond<br>Transportation<br>Construction<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---|--|-----------------------------------|--------------------------------|
| <b>Assets</b>                              |   |  |                                   |                                |
| Pooled cash and investments                | \$ 3,332  | \$ 21,018,758  | \$ 4,152,795                      | \$ 44,731,705                  |
| Restricted cash and investments            | -   | -  | 15,987,942                        | 17,814,255                     |
| Receivables:                               |   |  |                                   |                                |
| Property taxes                             | -   | -  | 127,198                           | 1,260,020                      |
| Accounts, net                              | -   | -  | 300,066                           | 3,601,571                      |
| Assessments, net                           | -   | -  | 15,218                            | 15,218                         |
| Loans and notes, net                       | 4,711,834                                       | -  | 2,423,561                         | 8,682,471                      |
| Interest                                   | -   | -  | -                                 | 420,193                        |
| Due from other funds                       | -   | -  | -                                 | 430,000                        |
| Due from other governments                 | 214,795   | -  | 73,669                            | 1,094,498                      |
| Advances to other funds                    | -   | -  | -                                 | 14,600                         |
| Assets held for resale                     | -   | -  | -                                 | 4,565,974                      |
| <b>Total Assets</b>                        | <b>\$ 4,929,961</b>                             | <b>\$ 21,018,758</b>   | <b>\$ 23,080,449</b>              | <b>\$ 82,630,506</b>           |
| <b>Liabilities and Fund Balances</b>       |   |  |                                   |                                |
| Liabilities:                               |   |  |                                   |                                |
| Accounts payable                           | \$ 128,011                                      | \$ 629,232   | \$ 305,137                        | \$ 1,980,055                   |
| Salaries and benefits payable              | 1,994   | -  | 64,005                            | 506,662                        |
| Retainage payable                          | -   | 13,936   | -                                 | 62,391                         |
| Due to developers                          | -   | -  | -                                 | 547,010                        |
| Other accrued liabilities                  | -   | -  | 901                               | 3,800,658                      |
| Deposits                                   | -   | -  | 483,599                           | 629,155                        |
| Unavailable revenues                       | 4,711,856                                       | -  | 2,866,002                         | 11,926,089                     |
| Due to other funds                         | 75,000  | -  | -                                 | 75,000                         |
| <b>Total Liabilities</b>                   | <b>4,916,861</b>                                | <b>643,167</b>   | <b>3,719,644</b>                  | <b>19,527,020</b>              |
| Fund Balances (Deficits):                  |   |  |                                   |                                |
| Nonspendable:                              |   |  |                                   |                                |
| In form                                    | -   | -  | -                                 | 4,580,574                      |
| Required to remain intact                  | -   | -  | 595,952                           | 595,952                        |
| Restricted:                                |   |  |                                   |                                |
| Externally imposed                         | 13,100  | 20,375,591   | 2,739,753                         | 23,128,444                     |
| Imposed by law                             | -   | -  | 2,407,582                         | 3,540,106                      |
| Committed                                  | -   | -  | 10,075,732                        | 14,706,142                     |
| Assigned                                   | -   | -  | 3,902,006                         | 6,587,274                      |
| Unassigned                                 | -   | -  | (360,220)                         | 9,964,994                      |
| <b>Total Fund Balances (Deficits)</b>      | <b>13,100</b>                                   | <b>20,375,591</b>  | <b>19,360,805</b>                 | <b>63,103,486</b>              |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 4,929,961</b>                             | <b>\$ 21,018,758</b>   | <b>\$ 23,080,449</b>              | <b>\$ 82,630,506</b>           |

The accompanying notes are an integral part of the basic financial statements.

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City of Bend, Oregon

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2013

**Total Fund Balances (Deficits)** \$ 63,103,486

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in funds. 492,946,317

Other assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:

|                            |           |
|----------------------------|-----------|
| Interest receivable        | 11,765    |
| Prepaid pension obligation | 8,142,196 |
| Bond issuance costs        | 821,483   |

Liabilities, including accrued liabilities and bonds payable, that are not due and payable in the current period and therefore, are not reported in the funds:

|                                   |              |
|-----------------------------------|--------------|
| Deferred property taxes           | 1,003,632    |
| Deferred assessments and loan     | 6,112,555    |
| Other unavailable revenues        | 4,558,262    |
| Interest payable                  | (230,936)    |
| Accrued compensated absences      | (2,379,540)  |
| Other post-employment benefits    | (7,866,638)  |
| Accrued health insurance benefits | (29,421)     |
| Long-term debt                    | (64,991,553) |

The internal service fund is used by management to charge costs of certain activities such as garage services, information technology support, facility management, engineering services, public works administration, insurance, legal and risk management, and administration and financial services to individual funds.

The net position of the internal service fund is reported with governmental activities. 19,328,755

**Total Net Position** \$ 520,530,363

*The accompanying notes are an integral part of the basic financial statements.*

City of Bend, Oregon

**Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)**

Governmental Funds

For the fiscal year ended June 30, 2013

|  | <u>General</u>       | <u>Transportation<br/>Operations<br/>and Planning<br/>Fund</u> | <u>Fire /<br/>Emergency<br/>Medical<br/>Services</u> | <u>System<br/>Development<br/>Charges (SDC)<br/>Fund</u> |
|--|----------------------|--|--|--|
| <b>Revenues</b>  |                      |  |  |  |
| Taxes  | \$ 25,658,368        | \$ -   | \$ -   | \$ -   |
| Franchise fees   | 5,588,217            | 493,988  | -  | -  |
| Intergovernmental  | 2,126,539            | 4,939,963  | 2,830,043  | -  |
| Assessments  | -                    | -  | -  | -  |
| Licenses and permits   | 317,946              | 126,738  | -  | -  |
| Charges for services   | 115,323              | 1,005,245  | 2,014,533  | -  |
| System development charges   | -                    | -  | -  | 7,113,462  |
| Contributions  | -                    | -  | 41,700   | -  |
| Fines and forfeitures  | 954,629              | -  | -  | -  |
| Loan repayments  | 9,975                | -  | -  | 136,626  |
| Permanent maintenance fees   | -                    | -  | -  | -  |
| Investment income  | 108,345              | 20,320   | 12,131   | 46,374   |
| Miscellaneous  | 2,294                | 37,022   | 7,130  | -  |
| <b>Total Revenues</b>  | <b>34,881,636</b>    | <b>6,623,276</b>   | <b>4,905,537</b>                                     | <b>7,296,462</b>   |
| <b>Expenditures</b>  |                      |  |  |  |
| Current operating:   |                      |  |  |  |
| General government   | 2,247,715            | -  | -  | -  |
| Public safety  | 17,690,479           | -  | 14,124,277   | -  |
| Public ways and facilities   | -                    | 6,254,938  | -  | 100,471  |
| Community and economic development                                   | -                    | -  | -  | -  |
| Permanent maintenance  | -                    | -  | -  | -  |
| Urban renewal  | -                    | -  | -  | -  |
| Debt service:  |                      |  |  |  |
| Principal  | -                    | 155,000  | 320,600  | -  |
| Interest   | -                    | 45,413   | 63,270   | -  |
| Capital outlay   | 184,942              | 3,430,887  | 178,795  | -  |
| <b>Total Expenditures</b>  | <b>20,123,137</b>    | <b>9,886,237</b>   | <b>14,686,942</b>                                    | <b>100,471</b>   |
| <b>Excess (deficiency) of<br/>revenues over (under) expenditures</b> | <b>14,758,500</b>    | <b>(3,262,962)</b>   | <b>(9,781,405)</b>                                   | <b>7,195,991</b>   |
| <b>Other Financing Sources (Uses)</b>                                |                      |  |  |  |
| Proceeds from sale of assets   | 16,678               | -  | -  | -  |
| Insurance proceeds   | -                    | -  | 16,620   | -  |
| Issuance of long-term debt   | -                    | -  | -  | -  |
| Premium on issuance of long-term debt                                | -                    | -  | -  | -  |
| Interfund loan repayments  | 648                  | -  | -  | -  |
| Transfers in   | 196,407              | 1,993,889  | 10,171,066   | -  |
| Transfers out  | (15,104,012)         | -  | (9,890)  | (6,393,728)  |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(14,890,279)</b>  | <b>1,993,889</b>   | <b>10,177,796</b>                                    | <b>(6,393,728)</b>                                       |
| Net change in fund balances  | (131,779)            | (1,269,073)  | 396,391  | 802,263  |
| Fund Balances (Deficits), July 1, 2012                               | 16,746,972           | 3,954,340  | 2,524,615  | 330,261  |
| <b>Fund Balances (Deficits), June 30, 2013</b>                       | <b>\$ 16,615,193</b> | <b>\$ 2,685,268</b>  | <b>\$ 2,921,006</b>                                  | <b>\$ 1,132,524</b>                                      |

The accompanying notes are an integral part of the basic financial statements.



City of Bend, Oregon

**Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) (Continued)**

Governmental Funds

For the fiscal year ended June 30, 2013

|  | Community<br>Development<br>Block Grant<br><u>Fund</u> | General<br>Obligation Bond<br>Transportation<br>Construction<br><u>Fund</u> | Nonmajor<br>Governmental<br><u>Funds</u> | Total<br>Governmental<br><u>Funds</u> |
|--|--|---|--|---------------------------------------|
| <b>Revenues</b>  |  |   |  |                                       |
| Taxes  | \$ -   | \$ -  | \$ 4,331,533                             | \$ 29,989,901                         |
| Franchise fees   | -  | -   | 1,072,038                                | 7,154,243                             |
| Intergovernmental  | 1,139,245  | -   | 1,709,048                                | 12,744,838                            |
| Assessments  | -  | -   | 157,740                                  | 157,740                               |
| Licenses and permits   | -  | -   | 3,829,785                                | 4,274,469                             |
| Charges for services   | -  | -   | 3,643,540                                | 6,778,641                             |
| System development charges   | -  | -   | -  | 7,113,462                             |
| Contributions  | -  | -   | 62,520                                   | 104,220                               |
| Fines and forfeitures  | -  | -   | -  | 954,629                               |
| Loan repayments  | 234,525  | -   | 807,540                                  | 1,188,666                             |
| Permanent maintenance fees   | -  | -   | 5,585                                    | 5,585                                 |
| Investment income  | (594)  | 139,761   | 146,525                                  | 472,862                               |
| Miscellaneous  | -  | -   | 361                                      | 46,807                                |
| <b>Total Revenues</b>  | <b>1,373,176</b>                                       | <b>139,761</b>  | <b>15,766,214</b>                        | <b>70,986,063</b>                     |
| <b>Expenditures</b>  |  |   |  |                                       |
| Current operating:   |  |   |  |                                       |
| General government   | -  | -   | 18,700                                   | 2,266,415                             |
| Public safety  | -  | -   | 32,771                                   | 31,847,527                            |
| Public ways and facilities   | -  | 182,156   | 1,233,347                                | 7,770,911                             |
| Community and economic development                                   | 1,390,215  | -   | 6,918,376                                | 8,308,591                             |
| Permanent maintenance  | -  | -   | 3,732                                    | 3,732                                 |
| Urban renewal  | -  | -   | 31,970                                   | 31,970                                |
| Debt service:  |  |   |  |                                       |
| Principal  | -  | 1,160,000   | 3,970,800                                | 5,606,400                             |
| Interest   | -  | 8,160   | 2,157,886                                | 2,274,728                             |
| Capital outlay   | -  | 7,554,661   | 2,027,165                                | 13,376,451                            |
| <b>Total Expenditures</b>  | <b>1,390,215</b>                                       | <b>8,904,977</b>  | <b>16,394,745</b>                        | <b>71,486,724</b>                     |
| <b>Excess (deficiency) of<br/>revenues over (under) expenditures</b> | <b>(17,039)</b>  | <b>(8,765,216)</b>  | <b>(628,531)</b>                         | <b>(500,662)</b>                      |
| <b>Other Financing Sources (Uses)</b>                                |  |   |  |                                       |
| Proceeds from sale of assets   | -  | -   | 26,048                                   | 42,726                                |
| Insurance proceeds   | -  | -   | 564                                      | 17,184                                |
| Issuance of long-term debt   | -  | 26,805,000  | -  | 26,805,000                            |
| Premium on issuance of long-term debt                                | -  | 1,550,305   | -  | 1,550,305                             |
| Interfund loan repayments  | -  | -   | -  | 648                                   |
| Transfers in   | 30,000   | -   | 4,352,770                                | 16,744,132                            |
| Transfers out  | -  | -   | (622,875)                                | (22,130,505)                          |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>30,000</b>  | <b>28,355,305</b>   | <b>3,756,507</b>                         | <b>23,029,490</b>                     |
| Net change in fund balances  | 12,961   | 19,590,089  | 3,127,976                                | 22,528,829                            |
| Fund Balances (Deficits), July 1, 2012                               | 139  | 785,502   | 16,232,828                               | 40,574,658                            |
| <b>Fund Balances (Deficits), June 30, 2013</b>                       | <b>\$ 13,100</b>                                       | <b>\$ 20,375,591</b>  | <b>\$ 19,360,805</b>                     | <b>\$ 63,103,486</b>                  |

The accompanying notes are an integral part of the basic financial statements.

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City of Bend, Oregon

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the fiscal year ended June 30, 2013

**Net Change in Fund Balances** \$ 22,528,829

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation was greater than capital outlay.

|                         |                     |           |
|-------------------------|---------------------|-----------|
| Capital asset additions | 13,383,437          |           |
| Depreciation            | <u>(11,942,135)</u> | 1,441,303 |

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

3,118,662

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

|                                     |  |              |
|-------------------------------------|--|--------------|
| Bonds issued                        |  | (26,805,000) |
| Premium on bonds issued             |  | (1,550,305)  |
| Long-term debt principal repayments |  | 5,606,400    |

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

|  |  |             |
|--|--|-------------|
| Accrued interest payable                         |  | (60,627)    |
| Amortization of bond issuance costs              |  | 107,406     |
| Amortization of bond premium and discounts       |  | 105,786     |
| Amortization of prepaid pension obligations      |  | (545,103)   |
| Accrued compensated absences                     |  | (337,086)   |
| Accrued other postemployment benefit obligations |  | (2,028,650) |
| Accrued health insurance benefits                |  | (29,421)    |
| Contributed capital assets                       |  | (115,316)   |

The internal service fund is used by management to charge costs of certain activities such as garage services, information technology support, facility management, engineering services, public works administration, insurance, legal and risk management, and administration and financial services to individual funds.

The net revenues and expenses of the internal service fund are reported with governmental activities.

713,896

**Change in Net Position**

\$ 2,150,774

*The accompanying notes are an integral part of the basic financial statements.*

City of Bend, Oregon  
**Statement of Fund Net Position**  
Proprietary Funds  
June 30, 2013

|  | Business-Type Activities |                       |                                 |                       | Governmental                |
|--|--------------------------|-----------------------|---------------------------------|-----------------------|-----------------------------|
|  | Enterprise Funds         |                       |                                 | Total                 | Activities                  |
|  | Water                    | Reclamation           | Nonmajor<br>Enterprise<br>Funds |                       | Internal<br>Service<br>Fund |
| <b>Assets</b>                                      |                          |                       |                                 |                       |                             |
| Current assets:                                    |                          |                       |                                 |                       |                             |
| Pooled cash and investments                        | \$ 8,044,105             | \$ 21,455,048         | \$ 6,735,706                    | \$ 36,234,858         | \$ 9,720,867                |
| Receivables:                                       |                          |                       |                                 |                       |                             |
| Accounts, net                                      | 2,484,847                | 2,380,972             | 465,044                         | 5,330,863             | 16,185                      |
| Interest   | -                        | 73,145                | -                               | 73,145                | -                           |
| Due from other governments                         | 5,003                    | 1,480,085             | 351,609                         | 1,836,697             | 38,444                      |
| Other assets                                       | 44,258                   | -                     | -                               | 44,258                | 39,401                      |
| Prepays and deposits                               | 19,972                   | -                     | -                               | 19,972                | 83,017                      |
| Bond issue costs, net                              | 30,345                   | 83,447                | 4,161                           | 117,952               | 17,795                      |
| <b>Total Current Assets</b>                        | <b>10,628,530</b>        | <b>25,472,696</b>     | <b>7,556,520</b>                | <b>43,657,745</b>     | <b>9,915,709</b>            |
| Noncurrent assets:                                 |                          |                       |                                 |                       |                             |
| Restricted cash and investments                    | 255,149                  | 1,288,626             | 30,010                          | 1,573,785             | 6,014                       |
| Assessments receivable, net                        | -                        | 170,222               | -                               | 170,222               | -                           |
| Loans and notes receivable, net                    | -                        | 18,612                | -                               | 18,612                | -                           |
| Bond issue costs, net                              | 2,444                    | 755,801               | 17,105                          | 775,351               | 176,745                     |
| Capital assets, net                                | 104,234,432              | 138,003,258           | 62,892,486                      | 305,130,176           | 22,928,068                  |
| <b>Total Noncurrent Assets</b>                     | <b>104,492,025</b>       | <b>140,236,519</b>    | <b>62,939,601</b>               | <b>307,668,146</b>    | <b>23,110,826</b>           |
| <b>Total Assets</b>                                | <b>115,120,555</b>       | <b>165,709,215</b>    | <b>70,496,121</b>               | <b>351,325,891</b>    | <b>33,026,535</b>           |
| <b>Liabilities</b>                                 |                          |                       |                                 |                       |                             |
| Current liabilities:                               |                          |                       |                                 |                       |                             |
| Accounts payable                                   | 1,099,464                | 1,366,495             | 524,232                         | 2,990,191             | 512,953                     |
| Salaries and benefits payable                      | 43,208                   | 56,923                | 17,627                          | 117,758               | 145,430                     |
| Retainage payable                                  | 170,001                  | 38,670                | 21,429                          | 230,100               | 40,378                      |
| Other accrued liabilities:                         |                          |                       |                                 |                       |                             |
| Compensated absences                               | 225,587                  | 197,138               | 42,912                          | 465,637               | 638,644                     |
| Interest   | 67,652                   | 266,506               | 28,861                          | 363,019               | 31,761                      |
| Insurance claims                                   | 2,909                    | 5,490                 | 1,017                           | 9,416                 | 303,304                     |
| Other  | 2,061                    | 71,971                | 13,595                          | 87,627                | -                           |
| Deposits - restricted                              | 255,149                  | -                     | 30,010                          | 285,159               | 6,014                       |
| Due to other funds                                 | -                        | -                     | 355,000                         | 355,000               | -                           |
| Advances from other funds                          | -                        | -                     | 7,212                           | 7,212                 | -                           |
| Current portion of long-term debt, net             | 938,450                  | 1,838,752             | 202,857                         | 2,980,060             | 1,091,071                   |
| <b>Total Current Liabilities</b>                   | <b>2,804,482</b>         | <b>3,841,945</b>      | <b>1,244,752</b>                | <b>7,891,179</b>      | <b>2,769,555</b>            |
| Noncurrent liabilities:                            |                          |                       |                                 |                       |                             |
| Advances from other funds                          | -                        | -                     | 7,388                           | 7,388                 | -                           |
| Other post-retirement benefits payable             | 669,639                  | 830,835               | 272,687                         | 1,773,160             | 2,061,873                   |
| Long-term debt, net                                | 4,789,896                | 31,788,126            | 1,596,683                       | 38,174,704            | 8,866,352                   |
| <b>Total Noncurrent Liabilities</b>                | <b>5,459,534</b>         | <b>32,618,960</b>     | <b>1,876,757</b>                | <b>39,955,252</b>     | <b>10,928,225</b>           |
| <b>Total Liabilities</b>                           | <b>8,264,016</b>         | <b>36,460,905</b>     | <b>3,121,510</b>                | <b>47,846,431</b>     | <b>13,697,780</b>           |
| <b>Net Position</b>                                |                          |                       |                                 |                       |                             |
| Invested in capital assets,<br>net of related debt | 98,506,086               | 104,376,380           | 61,092,946                      | 263,975,413           | 12,970,644                  |
| Restricted for:                                    |                          |                       |                                 |                       |                             |
| Debt service                                       | -                        | 1,288,626             | -                               | 1,288,626             | -                           |
| Unrestricted                                       | 8,350,453                | 23,583,304            | 6,281,665                       | 38,215,422            | 6,358,111                   |
| <b>Total Net Position</b>                          | <b>\$ 106,856,539</b>    | <b>\$ 129,248,310</b> | <b>\$ 67,374,612</b>            | <b>\$ 303,479,460</b> | <b>\$ 19,328,755</b>        |

The accompanying notes are an integral part of the basic financial statements.

City of Bend, Oregon

**Statement of Revenues, Expenses and Changes in Fund Net Position**

Proprietary Funds

For the fiscal year ended June 30, 2013

|   | Business-Type Activities |                       |                      |                       | Governmental         |
|---|--------------------------|-----------------------|----------------------|-----------------------|----------------------|
|   | Enterprise Funds         |                       |                      |                       | Activities           |
|   | Water                    | Water                 | Nonmajor             | Total                 | Internal             |
|   | Reclamation              | Enterprise            |                      |                       | Service              |
|   |                          | Funds                 |                      |                       | Fund                 |
| <b><u>Operating Revenues</u></b>                        |                          |                       |                      |                       |                      |
| Charges for services                                    | \$ 15,653,943            | \$ 17,078,405         | \$ 4,029,930         | \$ 36,762,279         | \$ 16,752,758        |
| Loan repayments   | -                        | 15,278                | -                    | 15,278                | -                    |
| Miscellaneous   | 161,163                  | 13,980                | 1,988                | 177,132               | 225,193              |
| <b>Total Operating Revenues</b>                         | <b>15,815,106</b>        | <b>17,107,664</b>     | <b>4,031,918</b>     | <b>36,954,689</b>     | <b>16,977,951</b>    |
| <b><u>Operating Expenses</u></b>                        |                          |                       |                      |                       |                      |
| Salaries and benefits                                   | 3,263,248                | 4,166,921             | 1,253,959            | 8,684,128             | 9,678,614            |
| Materials and supplies                                  | 2,938,693                | 2,192,861             | 666,458              | 5,798,012             | 3,982,986            |
| Internal services                                       | 3,402,244                | 3,405,553             | 847,551              | 7,655,348             | 1,446,586            |
| Insurance premiums and claims                           | -                        | -                     | -                    | -                     | 1,113,880            |
| Depreciation  | 2,802,887                | 3,063,913             | 1,555,893            | 7,422,693             | 1,081,305            |
| <b>Total Operating Expenses</b>                         | <b>12,407,073</b>        | <b>12,829,248</b>     | <b>4,323,861</b>     | <b>29,560,182</b>     | <b>17,303,370</b>    |
| <b>Operating income (loss)</b>                          | <b>3,408,034</b>         | <b>4,278,416</b>      | <b>(291,943)</b>     | <b>7,394,507</b>      | <b>(325,419)</b>     |
| <b><u>Nonoperating Revenues (Expenses)</u></b>          |                          |                       |                      |                       |                      |
| Investment income                                       | 51,232                   | 146,413               | 44,912               | 242,557               | 71,479               |
| Interest expense  | (130,938)                | (637,195)             | (74,689)             | (842,822)             | (420,444)            |
| Insurance proceeds                                      | -                        | -                     | -                    | -                     | 34,667               |
| Amortization  | (26,804)                 | (68,785)              | (6,149)              | (101,738)             | 8,276                |
| Interfund loan repayment                                | -                        | -                     | (648)                | (648)                 | -                    |
| Gain (loss) on disposal of assets                       | (10,865)                 | (432,941)             | (183)                | (443,989)             | 520                  |
| <b>Total Nonoperating Revenues</b>                      |                          |                       |                      |                       |                      |
| <b>(Expenses)</b>                                       | <b>(117,376)</b>         | <b>(992,508)</b>      | <b>(36,756)</b>      | <b>(1,146,640)</b>    | <b>(305,503)</b>     |
| <b>Income (loss) before contributions and transfers</b> | <b>3,290,658</b>         | <b>3,285,908</b>      | <b>(328,699)</b>     | <b>6,247,867</b>      | <b>(630,922)</b>     |
| <b><u>Contributions and Transfers</u></b>               |                          |                       |                      |                       |                      |
| Capital grants and contributions                        | 583,050                  | 564,641               | 1,603,571            | 2,751,262             | 127,330              |
| Transfers in  | 2,029,699                | 2,121,247             | 17,938               | 4,168,885             | 1,256,359            |
| Transfers out   | -                        | -                     | -                    | -                     | (38,872)             |
| <b>Total Contributions and Transfers</b>                | <b>2,612,749</b>         | <b>2,685,889</b>      | <b>1,621,509</b>     | <b>6,920,147</b>      | <b>1,344,818</b>     |
| Change in net position                                  | 5,903,408                | 5,971,797             | 1,292,810            | 13,168,014            | 713,896              |
| Net Position, July 1, 2012                              | 100,953,131              | 123,276,513           | 66,081,802           | 290,311,446           | 18,614,859           |
| <b>Net Position, June 30, 2013</b>                      | <b>\$ 106,856,539</b>    | <b>\$ 129,248,310</b> | <b>\$ 67,374,612</b> | <b>\$ 303,479,460</b> | <b>\$ 19,328,755</b> |

The accompanying notes are an integral part of the basic financial statements.

City of Bend, Oregon  
**Statement of Cash Flows**

Proprietary Funds

For the fiscal year ended June 30, 2013

|   | Business-Type Activities |                      |                           |                      | Governmental          |
|---|--------------------------|----------------------|---------------------------|----------------------|-----------------------|
|   | Enterprise Funds         |                      |                           |                      | Activities            |
|   | Water                    | Water Reclamation    | Nonmajor Enterprise Funds | Total                | Internal Service Fund |
| <b>Cash Flows from Operating Activities</b>                     |                          |                      |                           |                      |                       |
| Cash received from customers                                    | \$ 15,508,201            | \$ 16,904,179        | \$ 3,957,795              | \$ 36,370,175        | \$ 618,298            |
| Cash received from interfund services provided                  | 181,099                  | 16,655               | 15,168                    | 212,922              | 16,380,529            |
| Cash paid to employees for services                             | (3,203,073)              | (3,975,462)          | (1,173,963)               | (8,352,498)          | (9,031,927)           |
| Cash paid to suppliers for goods and services                   | (2,726,713)              | (2,253,470)          | (593,606)                 | (5,573,789)          | (5,314,416)           |
| Cash paid for interfund services used                           | (3,402,244)              | (3,405,553)          | (847,551)                 | (7,655,348)          | (1,446,586)           |
| <b>Net Cash From Operating Activities</b>                       | <b>6,357,270</b>         | <b>7,286,348</b>     | <b>1,357,844</b>          | <b>15,001,462</b>    | <b>1,205,897</b>      |
| <b>Cash Flows from Noncapital Financing Activities</b>          |                          |                      |                           |                      |                       |
| Interfund loan repayments                                       | -                        | -                    | (7,650)                   | (7,650)              | -                     |
| Transfers from other funds                                      | 2,029,699                | 2,121,247            | 17,938                    | 4,168,885            | 1,256,359             |
| Transfers to other funds  | -                        | -                    | -                         | -                    | (38,872)              |
| <b>Net Cash From Noncapital Financing Activities</b>            | <b>2,029,699</b>         | <b>2,121,247</b>     | <b>10,288</b>             | <b>4,161,235</b>     | <b>1,217,488</b>      |
| <b>Cash Flows from Capital and Related Financing Activities</b> |                          |                      |                           |                      |                       |
| Advances from other funds for capital activities                | -                        | -                    | 355,000                   | 355,000              | -                     |
| Short-term loan repayment                                       | -                        | -                    | (55,000)                  | (55,000)             | -                     |
| Issuance of debt  | -                        | 4,420,431            | -                         | 4,420,431            | -                     |
| Principal payments on capital debt                              | (853,154)                | (1,345,000)          | (250,882)                 | (2,449,036)          | (1,515,000)           |
| Interest payments on capital debt                               | (175,911)                | (672,456)            | (77,039)                  | (925,406)            | (426,286)             |
| Capital grants and contributions                                | 1                        | 34,583               | 1,894,370                 | 1,928,954            | 7,330                 |
| Proceeds from sale of assets                                    | -                        | 27,920               | -                         | 27,920               | 520                   |
| Acquisition and construction of capital assets                  | (7,573,511)              | (7,222,203)          | (2,454,962)               | (17,250,676)         | (1,055,455)           |
| <b>Net Cash From Capital and Related Financing Activities</b>   | <b>(8,602,576)</b>       | <b>(4,756,724)</b>   | <b>(588,513)</b>          | <b>(13,947,813)</b>  | <b>(2,988,892)</b>    |
| <b>Cash Flows from Investing Activities</b>                     |                          |                      |                           |                      |                       |
| Investment income   | 51,232                   | 146,413              | 44,912                    | 242,557              | 71,479                |
| <b>Net Cash From Investing Activities</b>                       | <b>51,232</b>            | <b>146,413</b>       | <b>44,912</b>             | <b>242,557</b>       | <b>71,479</b>         |
| <b>Net change in pooled cash and investments</b>                | <b>(164,375)</b>         | <b>4,797,285</b>     | <b>824,530</b>            | <b>5,457,440</b>     | <b>(494,028)</b>      |
| Pooled Cash and Investments, July 1, 2012                       | 8,463,629                | 17,946,389           | 5,941,186                 | 32,351,203           | 10,220,909            |
| <b>Pooled Cash and Investments, June 30, 2013</b>               | <b>\$ 8,299,254</b>      | <b>\$ 22,743,674</b> | <b>\$ 6,765,716</b>       | <b>\$ 37,808,643</b> | <b>\$ 9,726,881</b>   |
| <b>Reconciliation to Statement of Net Position</b>              |                          |                      |                           |                      |                       |
| Pooled cash and investments                                     | \$ 8,044,105             | \$ 21,455,048        | \$ 6,735,706              | \$ 36,234,858        | \$ 9,720,867          |
| Restricted cash and investments                                 | 255,149                  | 1,288,626            | 30,010                    | 1,573,785            | 6,014                 |
| <b>Pooled Cash and Investments, June 30, 2013</b>               | <b>\$ 8,299,254</b>      | <b>\$ 22,743,674</b> | <b>\$ 6,765,716</b>       | <b>\$ 37,808,643</b> | <b>\$ 9,726,881</b>   |

The accompanying notes are an integral part of the basic financial statements.

City of Bend, Oregon  
**Statement of Cash Flows (Continued)**  
 Proprietary Funds  
 For the fiscal year ended June 30, 2013

|  | Business-Type Activities<br>Enterprise Funds |                      |                                 |                      | Governmental<br>Activities  |
|--|--|----------------------|---------------------------------|----------------------|-----------------------------|
|  | Water  | Water<br>Reclamation | Nonmajor<br>Enterprise<br>Funds | Total                | Internal<br>Service<br>Fund |
|  |  |                      |                                 |                      |                             |
| <b>Reconciliation of Operating Income (Loss) to<br/>Net Cash From Operating Activities</b>       |  |                      |                                 |                      |                             |
| Operating income (loss)  | \$ 3,408,034                                 | \$ 4,278,416         | \$ (291,943)                    | \$ 7,394,507         | \$ (325,419)                |
| Adjustments to reconcile operating income (loss)<br>to net cash provided by operating activities |  |                      |                                 |                      |                             |
| Depreciation   | 2,802,887                                    | 3,063,913            | 1,555,893                       | 7,422,693            | 1,081,305                   |
| Insurance proceeds   | -  | -                    | -                               | -                    | 34,667                      |
| Change in:   |  |                      |                                 |                      |                             |
| Accounts receivable  | (144,199)                                    | (227,209)            | (57,184)                        | (428,592)            | (30,291)                    |
| Loans, notes and assessments receivable  | 425  | 40,378               | -                               | 40,803               | -                           |
| Due from other funds   | -  | -                    | -                               | -                    | 14,000                      |
| Other assets   | 56,784                                       | -                    | -                               | 56,784               | 2,623                       |
| Prepays and deposits   | (2,905)                                      | -                    | -                               | (2,905)              | (35,893)                    |
| Accounts payable   | 161,292                                      | (68,970)             | 73,481                          | 165,803              | 76,557                      |
| Salaries and benefits payable  | (156)  | 6,192                | 3,578                           | 9,614                | 27,480                      |
| Other post-employment benefits   | 26,366                                       | 136,380              | 65,970                          | 228,716              | 490,465                     |
| Compensated absences payable   | 33,966                                       | 48,888               | 11,403                          | 94,257               | 128,741                     |
| Insurance claims payable   | (2,443)                                      | (2,916)              | (956)                           | (6,314)              | (260,836)                   |
| Other accrued liabilities  | (749)  | 11,277               | (629)                           | 9,900                | -                           |
| Deposits payable   | 17,967                                       | -                    | (1,771)                         | 16,196               | 2,500                       |
| <b>Net Cash From Operating Activities</b>  | <b>\$ 6,357,270</b>                          | <b>\$ 7,286,348</b>  | <b>\$ 1,357,844</b>             | <b>\$ 15,001,462</b> | <b>\$ 1,205,897</b>         |

Noncash Capital and Related Financing Activities

The City received donated Water, Water Reclamation, and Nonmajor Enterprise Funds infrastructure totaling \$578,047, \$513,693, \$316,384, respectively, in the current year.

Acquisition of capital assets financed through accounts, retainage, and interest payable for the current year totaled \$914,695 in the Water Fund, \$1,415,227 in the Water Reclamation Fund, \$457,124 in the Nonmajor Enterprise Funds, and \$177,814 in the Internal Service Fund.

The net book value of capital assets contributed to other funds, or loss on disposal, for Water, Water Reclamation, Nonmajor Enterprise, and Internal Service Funds totaled \$15,549, \$432,941, \$29,825, \$201,810, respectively, in the current year.

The net book value of capital assets contributed from other funds, or gain on disposal, for Water Reclamation, Nonmajor Enterprise, and Internal Service Funds totaled \$16,365, \$94,350, \$305,965, respectively, in the current year.

The \$5,900,516 Clean Water Loan in the Water Reclamation Fund is received on a reimbursement basis. As of year end, \$1,480,085 was not received.

*The accompanying notes are an integral part of the basic financial statements.*

City of Bend, Oregon  
**Statement of Fiduciary Net Position**  
 Fiduciary Fund  
 June 30, 2013

**Agency Fund**

**Assets**

|                          |    |                |
|--------------------------|----|----------------|
| Cash and investments     | \$ | 442,762        |
| Accounts receivable, net |    | 5              |
| <b>Total Assets</b>      |    | <b>442,767</b> |

**Liabilities**

|                          |  |                |
|--------------------------|--|----------------|
| Amounts held for others  |  | 442,767        |
| <b>Total Liabilities</b> |  | <b>442,767</b> |

|                     |           |          |
|---------------------|-----------|----------|
| <b>Net Position</b> | <b>\$</b> | <b>-</b> |
|---------------------|-----------|----------|

*The accompanying notes are an integral part of the basic financial statements.*



# CITY OF BEND, OREGON

## Notes to Basic Financial Statements

Fiscal Year Ended June 30, 2013

### **Note 1 - Summary of Significant Accounting Policies**

The financial statements of the City of Bend, Oregon (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### The Financial Reporting Entity

As required by GAAP, the financial reporting entity consists of the primary government, as well as its component unit, which is a legally separate organization for which the elected officials of the primary government are financially accountable or a legally separate organization that raises and holds economic resources for the direct benefit of the primary government. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The accompanying financial statements present the City of Bend, Oregon (the primary government) and its component unit, the Bend Urban Renewal Agency. The component unit discussed in the next paragraph is blended and reported as if it is part of the City.

*Blended Component Unit* - The Bend Urban Renewal Agency (the Agency), is a legally separate public body corporate and politic, created by ordinance of the City. The Agency's board consists exclusively of members of the City Council. The City can impose its will on the Agency through its ability to modify and approve the Agency's budget and govern the overall policies of the Agency. The services of the Agency are exclusively for the benefit of the City, and the assets, liabilities, revenues and expenses related to the Agency are reported in the government-wide financial statements. The Agency has a June 30 year-end and unless otherwise noted in this report, the accounting policies of this component unit are consistent with those described for the primary government.

The Agency receives funds through tax increment financing pursuant to Oregon Revised Statutes (ORS) 457.420 through 457.450. Separate financial statements for the Agency can be obtained from the finance department of the City of Bend, 710 NW Wall Street, Bend, OR 97701.

#### Organization

The City of Bend, Oregon is a municipal corporation governed by an elected council of seven members. The City (located in Deschutes County) was organized in 1904 and incorporated in 1905 under Article XI of the State of Oregon Constitution. On May 16, 1995, City voters approved the City of Bend Charter of 1995, replacing the previously approved City Charter of 1960. The Bend Charter of 1995 modernizes language utilized and reflects changes in conditions, provides for councilors to be elected to terms of four years rather than two or four years and establishes terms of two years for the mayor and mayor pro-tem. The City operates under a council/manager form of government and provides the following services as authorized by its charter: police, fire, ambulance, municipal court, community and economic development, building, planning, street construction and maintenance, transportation facilities and airport, cemetery, public works, water, water reclamation and stormwater utilities.

## CITY OF BEND, OREGON

### Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

#### **Note 1 - Summary of Significant Accounting Policies (Continued)**

##### Financial Statement Presentation, Measurement Focus and Basis of Accounting

###### Government-wide Financial Statements

The Statement of Financial Position and the Statement of Activities report information on all activities of the primary government and its blended component unit. Governmental activities, which are supported by taxes, franchise fees, intergovernmental revenues and charges for services, are reported separately from business-type activities, which rely on fees charged to external parties for services. The City's Agency fund has been excluded from the government-wide financial statements.

The Statement of Activities presents the direct expenses of a given function/program or business-type activity and the related program revenues categorized into charges for services, operating grants and contributions and capital grants and contributions. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expenses are those costs, usually administrative in nature, that support all City functions and enable direct services to be provided. Program revenues include 1) fees, fines and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes, investment income and other items not included among program revenues are reported as general revenues.

The government-wide financial statements are accounted for using an economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. The City also receives revenue from nonexchange transactions, in which the City receives value without giving equal value in exchange; including property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized when all eligibility requirements have been satisfied. Interfund activity consists of transfers, services provided and/or used, reimbursements, advances, and loans. As a general rule the effect of interfund activity has been eliminated from the governmental-wide financial statements. Exceptions to this general rule include interfund services provided and/or used between the governmental and proprietary funds.

All financial statements are presented in whole dollars. Actual amounts may vary due to rounding.

###### Fund Financial Statements

The City uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate funds. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Governmental funds are used to account for most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the servicing of general long-term debt (debt service funds), the acquisition or construction of capital assets (capital projects funds), the legally restricted funds that only earnings, not principal, may be used for programs (permanent funds).

The governmental fund financial statements are accounted for using a current financial resources measurement focus whereby only current assets and liabilities generally are included in the Balance Sheet, and the Statement of Revenues, Expenditures and Changes in Fund Balance presents increases and decreases in those current fund balances. Governmental funds use the modified accrual basis of accounting where revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available).

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 1 - Summary of Significant Accounting Policies (Continued)**

"Measurable" means the amount can be determined and "available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The City considers property taxes available and susceptible to accrual if they are collected within 60 days after year-end.

Intergovernmental revenues are recognized when all eligibility requirements are met. Eligibility requirements for intergovernmental revenues received on a reimbursement basis (i.e. where monies must be expended on specific projects or for a specific purpose before any amounts are paid to the City) are determined to be met when the underlying expenditures are recorded. Eligibility requirements for intergovernmental revenues which are unrestricted as to purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements are considered to be met at the time of receipt or when susceptible to accrual.

Special assessments and loan repayments are recognized as revenues when received.

Licenses and permits, charges for services and miscellaneous revenues are recognized as revenues when received because they are generally not measurable until actually received.

The following are the City's major governmental funds:

**General Fund** – The General Fund accounts for the City's police and municipal court operations, allocation of general discretionary revenues and other general services of the City not accounted for in any other fund. Principal sources of revenue are property taxes, transient room taxes, franchise fees, intergovernmental revenues and municipal court fines. Primary expenditures are for police and municipal court operations and transfers of general discretionary revenues to other governmental funds.

**Transportation Operations and Planning Fund** – This fund accounts for the City's transportation operations, including street repair, maintenance and lighting, as well as transportation engineering. Resources consist primarily of state highway fund apportionment and support from the General Fund.

**Fire / Emergency Medical Services (EMS) Fund** – This fund accounts for the City's fire protection and emergency medical services. Revenues include General Fund support, fire protection contracts, charges for emergency medical services and Firemed memberships.

**System Development Charges (SDC) Fund** – This fund accounts for the collection of SDC's for the City's street, water, and water reclamation systems. Revenues are used to fund eligible construction projects.

**Community Development Block Grant Fund** – This fund accounts for the City's Community Development Block Grants. The principal sources of revenue include grant receipts, as well as loan repayments from prior grant recipients. Primary expenditures are for the distribution of grants for qualified and/or loans to qualified recipients.

**General Obligation Bond Transportation Construction Fund** – This fund accounts for the City's construction of transportation improvements funded by the general obligation bonds in the City's capital improvement program.

In addition, the City also reports the following fund types:

**Special Revenue Funds** – These funds account for revenue sources that are restricted or committed to finance particular functions or activities.

**Debt Service Funds** – These funds account for resources that are restricted, committed or assigned to the payment of principal and interest on urban renewal bonds, special assessment bonds and general obligation bonds.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Capital Project Funds** – These funds account for revenue sources that are restricted, committed or assigned to capital projects.

**Permanent Funds** – These funds account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments of the City (internal service fund). Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the funds' on-going operations. The principal operating revenues are charges to customers. Operating expenses include cost of sales, personnel costs, administration expenses and depreciation.

All proprietary funds are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. The accrual basis of accounting is utilized by proprietary fund types where revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The following are the City's major enterprise funds:

**Water Fund** – This fund accounts for the maintenance, operation and construction of the City's water intake, purification and delivery systems. Principal sources of revenue are user fees and system development charges.

**Water Reclamation Fund** – This fund accounts for the maintenance, operation and construction of the City's wastewater collection and treatment system. The principal sources of revenue are user fees and system development charges.

Additionally, the City reports the following fund types:

**Internal Service Fund** – The Internal Service Fund accounts for those activities and services furnished internally to other departments within the City on a cost reimbursement basis. Charges are made to the various departments to support these activities. The City has one internal service fund comprised of the following divisions: Garage, Information Technology, Facility Management, Engineering, Public Works Administration, Public Works Laboratory, Insurance, Administration and Financial Services, and Legal and Risk Management. The Garage, Facility Management, Engineering, Public Works Laboratory and Administration and Financial Services divisions charge external customers fees for services. The aggregate of all these divisions is reflected as the Internal Service Fund in the fund financial statements.

Fiduciary Fund

Assets held in a trustee capacity for others and not used to support the City's own programs qualify as fiduciary. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City has the following fiduciary fund:

**Agency Fund** – The agency fund accounts primarily for the assets and liabilities of various monies received on behalf of the Bend Metro Parks and Recreation District. Agency activity is custodial in nature and does not involve the measurement of results of operations.

## CITY OF BEND, OREGON

### Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

#### **Note 1 - Summary of Significant Accounting Policies (Continued)**

##### Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

##### Cash and Investments

The City maintains a common cash and investment pool for all City funds. Investments in the State of Oregon's Local Government Investment Pool (LGIP) are considered short-term and highly liquid where the remaining maturity at the time of purchase is one year or less and are stated at fair value. Fair value of the investment in the LGIP is the same as the value of the pool shares. The LGIP is governed by the Oregon Short Term Fund Board and audited by the Secretary of State, Audits Division.

All investments are stated at fair value. Fair value is determined as the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties. Earnings on pooled cash and investments are credited to each fund monthly based on the average daily balance of each participating fund. Pooled cash and investments have the general characteristics of a demand deposit account in that any participating fund may deposit additional cash at any time and may also withdraw cash at any time without prior notice or penalty.

##### Restricted Cash and Investments

Restricted cash and investments are those whose use is restricted to specific purposes by state statute, bond indenture or otherwise. At June 30, 2013, the City had \$19,394,054 of cash and investments restricted for debt service, construction, the building program, tourism, permanent maintenance, grant activity, and deposits.

##### Inventories and Prepaid Items (Other Assets)

Within the proprietary funds, inventories are valued at lower of cost or market using the first-in/first-out (FIFO) method and are accounted for using the consumption method. Within the governmental funds, inventories are accounted for using the purchases method.

Within the proprietary funds, prepaid items are accounted for using the consumption method. Within the governmental funds, prepaid items are accounted for using the purchases method.

##### Receivables

Property taxes are assessed on a July 1 - June 30 fiscal year basis. The taxes are levied July 1 and property owners have the option of paying the full amount by November 15 or prior to February 15 and receiving a discount or paying in three installments, November 15, February 15 and May 15. Property taxes attach as an enforceable lien July 1 and are considered delinquent if not paid by the following May 15. The County Treasurer is the tax collection agent for all taxing entities within the County. Tax revenue is considered received when in the hands of the County as the intermediary collection agency. In the governmental funds, tax revenue is recognized when collected and available to the City. Taxes receivable at June 30, less tax collections received within sixty days subsequent to year end, are recorded as unavailable revenue. Management has determined that an allowance for uncollectible accounts is not required for property taxes.

Other receivables consist primarily of water, sewer, and stormwater utility receivables; but, also include ambulance, court, community development, and airport receivables. Ambulance and court receivables at June 30, less collections received within sixty days subsequent to year end, are recorded as unavailable revenue. In the proprietary funds, receivables include services provided but not received. The enterprise funds' receivables include billings for residential and commercial customers utilizing the City's water, sewer, and storm water services and are reported net of an allowance for uncollectible amounts based on past performance of uncollectible accounts.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 1 - Summary of Significant Accounting Policies (Continued)**

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Prepaid Pension Obligation

In May 2004, the City issued limited tax pension obligation bonds to make a supplemental lump-sum payment to the Oregon Public Employees Retirement System (PERS). The intent was to prepay a portion of the City's share of the PERS unfunded actuarial liability. Amortization of this supplemental lump-sum payment is recognized as pension expense over the life of the bonds using the straight-line method.

Assets Held for Resale

Assets held for resale are recorded at cost and classified as current asset if expected to be sold within the next fiscal year, and noncurrent if expected to be sold after the next fiscal year.

Capital Assets

Capital assets are stated at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the fair market value of such assets at the date of donation. Capital assets include land, right-of-ways, buildings, improvements, infrastructure, vehicles and equipment costing over \$5,000 with an estimated life of one year or more. Maintenance and repairs that do not add to the value of the assets or extend the assets' lives are charged to expense as incurred and are not capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the related capital assets, except for land, right-of-ways, land use rights and works of art which are considered inexhaustible in nature and are not depreciated. The estimated useful lives of the various categories of assets are as follows:

|                            |                |
|----------------------------|----------------|
| Buildings and improvements | 5 to 75 years  |
| Infrastructure             | 10 to 75 years |
| Vehicles and equipment     | 3 to 20 years  |

Upon disposal of capital assets, the accounts are relieved of the related historical costs and accumulated depreciation, and if appropriate, resulting gains or losses are recognized.

Capitalized Interest

Capital assets of the proprietary funds constructed with tax-exempt borrowing include capitalized interest as part of the costs of the assets. All interest costs of the borrowing less any interest earned on investments acquired with the proceeds of the borrowing are capitalized from the date of the borrowing until the assets are ready for their intended use. For fiscal year ended June 30, 2013 there was \$60,335 of interest capitalized in the Water Fund, and \$370,908 of interest capitalized in the Water Reclamation Fund. Total capitalized interest for the year ended June 30, 2013 was \$431,243.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability reported for unpaid accumulated sick leave since the City by policy does not pay out sick leave banks when employees separate from service with the City. All vacation pay, and related payroll benefits, is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of termination or retirement.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 1 - Summary of Significant Accounting Policies (Continued)**

Other Post Employment Benefits Obligation

In accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for the Post Employment Benefits Other Than Pensions (OPEB)*, the City's net OPEB obligation is actuarially determined and is recognized as a long-term liability in the government-wide financial statements and in the proprietary funds statements. The annual required contribution is recognized on the accrual basis.

Long-term Debt and Bond Issuance Costs

Long-term debt is reported as a liability in the Statement of Net Position and proprietary fund financial statements. The related bond discounts, premiums and issuance costs are deferred and amortized over the term of the bonds using the straight-line method. In the governmental fund financial statements, the bond discounts, premiums and issuance costs are recognized when incurred and not deferred. The face amount of the debt issued and premiums received are reported as other financing sources while discounts are reported as other financing uses. Bond issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the governmental fund financial statements.

Fund Balances

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either legally or contractually required to be maintained intact, or are in a nonspendable form such as assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council passes a resolution that places specific constraints on how the resources may be used. The City Council can modify or rescind the resolution at any time through passage of an additional resolution.

Resources that are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" during the adoption of the biennial budget. The City's Finance Director or designee uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's Comprehensive Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

Finally, GASB Statement No. 54 requires a spending policy, as it relates to ending fund balance. The following hierarchy applies to the order in which funds are spent in all governmental funds:

1. Restricted Fund Balance
2. Committed Fund Balance
3. Assigned Fund Balance
4. Unassigned Fund Balance

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 1 - Summary of Significant Accounting Policies (Continued)**

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

City Council authorized the establishment of a stabilization reserve in fiscal year 2009-10 to provide temporary support to minimize the impacts to citizens of severe economic downturns or major unforeseen events and to enhance the City's credit rating. Additions to the stabilization reserves may include investment earnings and excess revenues and/or additional allocations from the General Fund. The stabilization funds may be spent for City Council approved temporary support for critical basic services and operations meeting the General Fund Stabilization Fund Policy. The stabilization balance as of June 30, 2013 was \$1,641,404.

**Note 2 - Cash and Investments**

The City maintains a common cash and investment pool for all City funds. The types of investments in which the City may invest are restricted by State of Oregon statutes and a Council adopted investment policy. Authorized investments include general obligations of the United States Government and its agencies, obligations of the States of Oregon, California, Idaho and Washington that have a rating of AA (or equivalent) or better, A-1 rated commercial paper and banker's acceptances, AA (or equivalent) rated corporate bonds, time deposits, repurchase agreements and the State of Oregon Local Government Investment Pool.

At June 30, 2013, the City's cash and investments are comprised of the following:

|   |    |                       |
|---|----|-----------------------|
| Cash on hand  | \$ | 6,250                 |
| Deposits with financial institutions                                  |    | 5,613,590             |
| Deposits with trust custodians  |    | 596,627               |
| Investments:  |    |                       |
| State of Oregon Local Government Investment Pool                      |    | 40,529,193            |
| Corporate notes   |    | 22,165,052            |
| U.S. agency obligations   |    | 22,000,539            |
| Obligations of the States of Oregon, California, Idaho and Washington |    | 19,612,996            |
| Total pooled cash and investments                                     |    | <u>\$ 110,524,247</u> |

Cash and investments are reflected on the basic financial statements as follows:

|                                 | Governmental<br>Activities | Business-Type<br>Activities | Agency<br>Fund    | Total                 |
|---------------------------------|----------------------------|-----------------------------|-------------------|-----------------------|
| Pooled cash and investments     | \$ 54,452,573              | \$ 36,234,858               | \$ 442,762        | \$ 91,130,193         |
| Restricted cash and investments | 17,820,269                 | 1,573,785                   | -                 | 19,394,054            |
|                                 | <u>\$ 72,272,842</u>       | <u>\$ 37,808,643</u>        | <u>\$ 442,762</u> | <u>\$ 110,524,247</u> |

Deposits with Financial Institutions

The City's cash deposits with financial institutions are in a public funds checking account and a Public Funds Savings Account that is insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The total cash in bank is \$6,429,068, of these deposits \$6,179,068 was not insured by the FDIC as of June 30, 2013. The uninsured cash deposits are part of the Public Funds Collateralization Program. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. Bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank loss.



CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 2 - Cash and Investments (Continued)**

ORS Chapter 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS Chapter 295 creates a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected.

Interest Rate Risk

As a means to limit exposure to fair value loss arising from interest rates, the City's investment policy requires that at least half of the City's investments mature in less than one year. Investment maturity limitations and actual maturities for the City's investments are as follows:

| <u>Maturity</u>     | <u>Minimum Investment</u> | <u>Actual at June 30, 2013</u> |
|---------------------|---------------------------|--------------------------------|
| Less than 30 days   | 10%                       | 43%                            |
| Less than 12 months | 50%                       | 62%                            |
| Less than 18 months | 65%                       | 71%                            |
| Less than 7 years   | 100%                      | 100%                           |

Credit Risk

The City's investment policy limits investments in commercial paper and corporate bonds to specific bond ratings as determined by nationally recognized rating agencies. Commercial paper must be rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch at the time of purchase by each service which rates the commercial paper. Corporate bonds must be rated at least AA by Standard & Poor's, Aa by Moody's, or AA by Fitch. In addition, ownership of commercial paper and corporate bonds is limited to a combined total of 35% of the portfolio with no more than 5% of the portfolio held in any one issuer. At June 30, 2013, the City was in compliance with the above policy requirements with commercial paper and corporate bonds totaling 21% of the portfolio. Investments in obligations of the States of Oregon, California, Idaho and Washington must be rated AA (or an equivalent rating) or better and ownership of such obligations is limited to 25% of the portfolio with no more than 10% held in any one issuer.

The State of Oregon Local Government Pool and money market account are unrated. Investments held at June 30, 2013 are categorized by rating as follows:

| <u>Investor Service Rating</u> | <u>U.S. Agency Obligations</u> | <u>State / Local Obligations</u> | <u>Corporate Notes</u> |
|--------------------------------|--------------------------------|----------------------------------|------------------------|
| Prime (AAA, Aaa, AAA)*         | \$ 22,000,539                  | \$ -                             | \$ 102,686             |
| High Grade (AA, Aa, AA)*       | -                              | 18,599,066                       | 22,062,366             |
| High Grade (SP-1, MIG 1, F-1)* | -                              | 1,013,930                        | -                      |
|                                | <u>\$ 22,000,539</u>           | <u>\$ 19,612,996</u>             | <u>\$ 22,165,052</u>   |

\*Respectively, the rating agencies are as followed: Standard & Poor's, Moody's, Fitch.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy limits its exposure to custodial credit risk by requiring that all security transactions entered into by the City be conducted on a delivery-versus-payment basis. Securities are to be held by a third party custodian in a segregated account. For each transaction, the broker or securities dealer issues a confirmation ticket to the City listing the specific instrument, issue, rating, coupon, maturity, CUSIP number, purchase or sale price, yield, transaction date, and other pertinent information. At June 30, 2013, the City does not have investments exposed to custodial credit risk.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 3 - Assessments, Loans and Notes Receivable**

Assessments receivable consist of amounts levied against benefited property owners for the cost of public improvements and attach as an enforceable lien on the property until paid. All the City's assessment loans are made over a period of 10 years and bear interest ranging from 5.00% to 7.50%. Promissory notes consist of business development loans/grants made over a period of 2 years with no interest, System Development Charge (SDC) deferrals and loans over a period of 9 months to 10 years and bear interest ranging from 5% to 12%, building permit and energy efficiency upgrade deferrals due upon the sale/transfer of the property with no interest, and Community Development and Affordable Housing loans with variable terms.

Assessments, loans and notes receivable consisted of the following at June 30, 2013:

| <u>Assessments Receivable</u>   | Governmental<br><u>Activities</u> | Business-type<br><u>Activities</u> |
|---|-----------------------------------|------------------------------------|
| Assessments receivable for downtown economic improvements   | \$ 15,218                         | \$ -                               |
| Assessments receivable for local improvements, 10 year terms<br>with 5% to 7.25% interest   | -                                 | 199,712                            |
| Allowance for uncollectible assessments   | -                                 | (29,490)                           |
| Total Assessments Receivable  | 15,218                            | 170,222                            |
| <br><u>Loans and Notes Receivable</u>   |                                   |                                    |
| Promissory notes receivable for business development forgivable<br>loans/grants, various terms with 0% interest   | 68,000                            | -                                  |
| Promissory notes receivable for system development charges and<br>improvement fees, 1 to 10 year terms with 6% to 7.5% interest   | 182,762                           | 22,123                             |
| Promissory notes receivable for system development charge deferrals<br>due the earlier of 9 months or the issuance of the certificate of occupancy,<br>interest accrues at 12% if payment is late | 346,455                           | -                                  |
| Promissory notes receivable for system development charges and<br>improvement fees, up to 3 year terms with 0% interest   | 310,203                           | -                                  |
| Promissory notes receivable for building permits and energy efficiency upgrade<br>deferrals due upon property sale/transfer, 0% interest  | 201,452                           | -                                  |
| Community development block grant loans to qualified individuals or<br>organizations, various terms with 0% to 2% interest  | 4,711,834                         | -                                  |
| Affordable Housing Loans to qualified organizations   | 2,207,109                         | -                                  |
| Low interest deferred loans to downtown businesses for urban renewal  | 15,000                            | -                                  |
| Promissory note receivable for sale of transit facilities to Central Oregon<br>Intergovernmental Council (C.O.I.C.), 20 year term, 0% interest  | 639,656                           | -                                  |
| Allowance for uncollectible loans and notes receivable  | -                                 | (3,511)                            |
| Total Loans and Notes Receivable  | 8,682,471                         | 18,612                             |
| Total Assessments, Loans and Notes Receivables  | \$ 8,697,689                      | \$ 188,834                         |

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 4 - Assets Held for Resale**

The City has improvements to land held for resale in the Juniper Ridge Urban Renewal Area.

|                         | Balance       |           |           |             |               | Balance |  |
|-------------------------|---------------|-----------|-----------|-------------|---------------|---------|--|
| Governmental activities | June 30, 2012 | Increases | Decreases | Adjustments | June 30, 2013 |         |  |
| Assets held for resale  | \$ 4,572,823  | \$ -      | \$ -      | \$ (6,849)  | \$ 4,565,974  |         |  |

**Note 5 - Capital Assets**

Governmental capital asset activity for the year ended June 30, 2013 was as follows:

| Governmental activities                        | Balance<br>June 30, 2012 | Increases    | Decreases    | Transfers/<br>Adjustments | Balance<br>June 30, 2013 |
|--|--------------------------|--------------|--------------|---------------------------|--------------------------|
| Capital assets not depreciated:                |                          |              |              |                           |                          |
| Land including right-of-way                    | \$ 152,568,050           | \$ -         | \$ (178,000) | \$ 294,098                | \$ 152,684,148           |
| Works of art                                   | 719,215                  | -            | -            | -                         | 719,215                  |
| Construction in progress                       | 6,108,318                | 12,561,071   | (40,878)     | (10,280,807)              | 8,347,704                |
| Total capital assets not<br>being depreciated  | 159,395,583              | 12,561,071   | (218,878)    | (9,986,709)               | 161,751,067              |
| Capital assets being depreciated:              |                          |              |              |                           |                          |
| Buildings and improvements                     | 36,362,732               | -            | -            | (12,646,262)              | 23,716,470               |
| Infrastructure                                 | 484,428,055              | 1,937,746    | (415)        | 22,517,724                | 508,883,110              |
| Equipment                                      | 6,131,629                | 1,506,211    | (576,976)    | 120,783                   | 7,181,647                |
| Vehicles                                       | 11,502,593               | 269,843      | (100,914)    | 17,515                    | 11,689,037               |
| Software                                       | 2,210,392                | 216,708      | (131,479)    | -                         | 2,295,621                |
| Total capital assets<br>being depreciated      | 540,635,401              | 3,930,508    | (809,784)    | 10,009,760                | 553,765,885              |
| Less accumulated depreciation for:             |                          |              |              |                           |                          |
| Buildings and improvements                     | 6,650,370                | 760,145      | -            | -                         | 7,410,515                |
| Infrastructure                                 | 166,381,421              | 10,874,686   | -            | -                         | 177,256,107              |
| Equipment                                      | 4,837,956                | 562,122      | (576,976)    | 65,561                    | 4,888,663                |
| Vehicles                                       | 7,916,540                | 671,192      | (97,074)     | 33,880                    | 8,524,538                |
| Software                                       | 1,538,929                | 155,295      | (131,479)    | -                         | 1,562,745                |
| Total accumulated depreciation                 | 187,325,216              | 13,023,440   | (805,529)    | 99,441                    | 199,642,568              |
| Total capital assets<br>being depreciated, net | 353,310,185              | (9,092,932)  | (4,255)      | 9,910,319                 | 354,123,317              |
| Governmental activities<br>capital assets, net | \$ 512,705,768           | \$ 3,468,139 | \$ (223,133) | \$ (76,390)               | \$ 515,874,384           |

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 5 - Capital Assets (Continued)**

Depreciation expense was charged to governmental activities as follows:

Governmental activities

|  |                      |
|--|----------------------|
| General government                           | \$ 1,081,306         |
| Public safety                                | 659,247              |
| Public ways and facilities                   | 11,274,013           |
| Community and economic development           | 7,063                |
| Urban Renewal                                | <u>1,811</u>         |
| Governmental activities depreciation expense | <u>\$ 13,023,440</u> |

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 5 - Capital Assets (Continued)**

Business-type capital asset activity for the year ended June 30, 2013 was as follows:

| <u>Business-type activities</u>              | Balance<br>June 30, 2012 | Increases    | Decreases    | Transfers/<br>Adjustments | Balance<br>June 30, 2013 |
|--|--------------------------|--------------|--------------|---------------------------|--------------------------|
| Capital assets not depreciated:              |                          |              |              |                           |                          |
| Land including right-of-way                  | \$ 6,718,582             | \$ -         | \$ -         | \$ 233,500                | \$ 6,952,082             |
| Land use rights                              | 1,069,183                | -            | -            | -                         | 1,069,183                |
| Construction in progress                     | 37,200,444               | 14,483,314   | (183)        | (9,266,638)               | 42,416,937               |
| Total capital assets not being depreciated   | 44,988,209               | 14,483,314   | (183)        | (9,033,138)               | 50,438,202               |
| Capital assets being depreciated:            |                          |              |              |                           |                          |
| Buildings and improvements                   | 25,094,893               | 10,739       | -            | (833,279)                 | 24,272,353               |
| Equipment                                    | 8,910,060                | 468,601      | (289,105)    | (1,733,484)               | 7,356,072                |
| Vehicles                                     | 3,413,916                | 25,707       | (2,079)      | (17,515)                  | 3,420,029                |
| Software                                     | 722,624                  | 29,900       | (18,498)     | -                         | 734,026                  |
| Water infrastructure                         | 106,123,618              | 1,480,729    | -            | 2,942,470                 | 110,546,817              |
| Water reclamation infrastructure             | 145,341,839              | 513,693      | (595,732)    | 4,876,644                 | 150,136,444              |
| Stormwater infrastructure                    | 35,633,974               | 316,384      | -            | 120,192                   | 36,070,550               |
| Other infrastructure                         | 16,493,906               | -            | -            | 3,655,059                 | 20,148,965               |
| Total capital assets being depreciated       | 341,734,831              | 2,845,753    | (905,414)    | 9,010,087                 | 352,685,256              |
| Less accumulated depreciation for:           |                          |              |              |                           |                          |
| Buildings and improvements                   | 8,712,556                | 494,288      | -            | (3,193,850)               | 6,012,994                |
| Equipment                                    | 7,601,536                | 449,149      | (274,108)    | (3,005,629)               | 4,770,948                |
| Vehicles                                     | 2,582,588                | 281,936      | (2,079)      | (33,880)                  | 2,828,565                |
| Software                                     | 395,819                  | 101,072      | (18,498)     | -                         | 478,393                  |
| Water infrastructure                         | 23,482,059               | 2,557,267    | -            | 437                       | 26,039,763               |
| Water reclamation infrastructure             | 35,001,681               | 2,528,519    | (139,004)    | 6,416,030                 | 43,807,226               |
| Stormwater infrastructure                    | 12,014,947               | 679,973      | -            | -                         | 12,694,920               |
| Other infrastructure                         | 1,312,533                | 330,489      | -            | (282,549)                 | 1,360,473                |
| Total accumulated depreciation               | 91,103,718               | 7,422,693    | (433,689)    | (99,441)                  | 97,993,282               |
| Total capital assets being depreciated, net  | 250,631,114              | (4,576,940)  | (471,725)    | 9,109,528                 | 254,691,974              |
| Business-type activities capital assets, net | \$ 295,619,323           | \$ 9,906,374 | \$ (471,908) | \$ 76,390                 | \$ 305,130,176           |

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 5 - Capital Assets (Continued)**

Depreciation expense was charged to business-type activities as follows:

| <u>Business-type activities</u>               |                            |
|---|----------------------------|
| Water   | \$ 2,802,887               |
| Water reclamation                             | 3,063,913                  |
| Nonmajor                                      |                            |
| Airport                                       | 476,332                    |
| Parking                                       | 341,798                    |
| Stormwater                                    | 726,463                    |
| Cemetery                                      | <u>11,300</u>              |
| Business-type activities depreciation expense | <u><u>\$ 7,422,693</u></u> |

**Note 6 - Lease Obligations**

The City leases fire stations from the Deschutes County Rural Fire Protection District No. 2 under operating lease agreements expiring in June 2050 with options to renew for five successive terms of ten years each. Lease payments are due semi-annually on December 1 and June 1 each year. Rental expense for the fiscal year ended June 30, 2013 totaled \$226,518. Minimum future lease payments not including annual consumer price index adjustments are \$227,468 each fiscal year from 2014 through 2050.

**Note 7 - Lease Receivables**

The City is the lessor of numerous ground and hangar leases associated with the municipal airport. Most of these leases carry 20 year terms with current leases expiring through 2032. In general, the leases call for monthly rent payments based on square footage as defined in each lease agreement. Total lease revenue included in the Airport Fund for the fiscal year ended June 30, 2013 is \$679,116. Cost of leased assets totaled \$1,947,061 at June 30, 2013 with a carrying amount of \$1,213,993 and current year depreciation of \$41,134.

**Note 8 - Due To / From Other Funds**

The City provided interim financing for the following funds due to delayed grant funding reimbursements.

| <u>Amount</u> | <u>Description</u>  |
|---------------|---|
| \$ 75,000     | Due to the General Fund from the Community Development Block Grant Fund |
| 355,000       | Due to the General Fund from Nonmajor Enterprise Funds                  |

These amounts are non-interest bearing and are repaid in the following fiscal year.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 9 - Advances**

On June 16, 2010 the city council authorized a \$35,000 advance from the General Fund to the Downtown Parking Fund to provide the necessary financing of capital expenditures. The loan matures on June 30, 2015 with an interest rate of 3%. Revenues from building rental and other operating revenues will be utilized to repay the loan. For the fiscal year ended June 30, 2013, the remaining outstanding balance is \$14,600.

**Note 10 – Short-Term Note Payable**

On June 27, 2012 the City obtained a bank loan in the amount of \$3,000,000 to provide interim financing for capital street improvements before permanent debt financing was issued in September 2012. The note carried interest at a variable bank rate and was repaid in full on September 20, 2012.

|           | Balance at<br><u>June 30, 2012</u> | <u>Additions</u> | <u>Reductions</u> | Balance at<br><u>June 30, 2013</u> |
|-----------|------------------------------------|------------------|-------------------|------------------------------------|
| Bank loan | \$ 1,160,000                       | -                | (1,160,000)       | -                                  |

**Note 11 - Interfund Transfers**

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. During fiscal year 2012-13, the City made the following interfund transfers between its governmental activities and business-type activities:

| Amount    | Description   |
|-----------|---|
| \$ 4,000  | From the General Fund to the Nonmajor Enterprise Funds for general operations   |
| 2,029,699 | From the Nonmajor Governmental Funds to the Water Fund to transfer system development charges for eligible expenses             |
| 2,121,247 | From the Nonmajor Governmental Funds to the Water Reclamation Fund to transfer system development charges for eligible expenses |
| 13,938    | From the Nonmajor Governmental Funds to the Nonmajor Enterprise Funds for general operations                                    |

**Note 12 - Compensated Absences**

Change in compensated absences during the fiscal year ended June 30, 2013 was as follows and are included in accrued liabilities on the Statement of Net Position:

|                          | Balance at<br><u>June 30, 2012</u> | <u>Earned</u>       | <u>Used</u>           | Balance at<br><u>June 30, 2013</u> | Due within<br><u>one year</u> |
|--------------------------|------------------------------------|---------------------|-----------------------|------------------------------------|-------------------------------|
| Governmental activities  | \$ 2,552,355                       | \$ 2,845,033        | \$ (2,379,205)        | \$ 3,018,183                       | \$ 2,474,910                  |
| Business-type activities | 371,381                            | 505,456             | (411,200)             | 465,637                            | 381,823                       |
|                          | <u>\$ 2,923,736</u>                | <u>\$ 3,350,489</u> | <u>\$ (2,790,405)</u> | <u>\$ 3,483,821</u>                | <u>\$ 2,856,733</u>           |

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 13 - Long-Term Debt**

In the following paragraphs and charts, long-term debt information is presented separately with respect to governmental and business-type activities. The following tables present current year changes in those obligations and the current portions due for each issue.

| <u>Governmental activities:</u>                                   | Original<br>Issue | Interest<br>Rate | Maturity |
|---|-------------------|------------------|----------|
| Full faith & credit obligations                                   |                   |                  |          |
| Transportation & fire equipment,<br>series 2003                   | \$ 13,050,800     | 2.00% to 4.50%   | 12/01/22 |
| Pension obligation bonds, series 2004                             | 13,725,000        | 2.13% to 6.095%  | 06/01/28 |
| Police expansion and ambulance,<br>series 2006                    | 4,950,000         | 3.75% to 6.00%   | 12/01/31 |
| Cooley road, police expansion,<br>and fire equipment, series 2008 | 4,425,000         | 3.00% to 4.25%   | 12/01/27 |
| Fire stations, series 2010, refinance<br>series 1999              | 3,225,000         | 3.23%            | 06/01/24 |
| Transportation system, series 2010,<br>refinance series 2000      | 4,103,000         | 2.84%            | 06/01/21 |
| Accessibility, series 2010  | 3,265,000         | 2.62%            | 06/30/24 |
| City hall land, series 2010, refinance<br>series 2005             | 3,600,000         | 3.65%            | 06/01/15 |
| Street equipment, series 2012                                     | 1,425,000         | 1.66%            | 12/01/26 |
| Police facility, series 2012, refinance<br>series 2002            | 4,670,000         | 2.60%            | 12/01/26 |
| General obligation bonds, series 2012                             | 26,805,000        | 2.62%            | 06/01/32 |
| Line of credit  | 6,000,000         | variable         | 12/31/13 |



CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 13 - Long-Term Debt (Continued)**

| <u>Governmental activities:</u>                                   | Balance at<br>June 30, 2012 | Additions            | Reductions/<br>Adjustments | Balance at<br>June 30, 2013 | Due within<br>one year |
|---|-----------------------------|----------------------|----------------------------|-----------------------------|------------------------|
| Full faith & credit obligations                                   |                             |                      |                            |                             |                        |
| Transportation & fire equipment,<br>series 2003                   | \$ 7,411,400                | \$ -                 | \$ (626,400)               | \$ 6,785,000                | \$ 565,000             |
| Pension obligation bonds, series 2004                             | 13,285,000                  | -                    | (230,000)                  | 13,055,000                  | 285,000                |
| Police expansion and ambulance,<br>series 2006                    | 4,000,000                   | -                    | (265,000)                  | 3,735,000                   | 275,000                |
| Cooley road, police expansion,<br>and fire equipment, series 2008 | 3,925,000                   | -                    | (215,000)                  | 3,710,000                   | 220,000                |
| Fire stations, series 2010,<br>refinance series 1999              | 2,700,000                   | -                    | (185,000)                  | 2,515,000                   | 190,000                |
| Transportation system, series 2010,<br>refinance series 2000      | 3,388,000                   | -                    | (335,000)                  | 3,053,000                   | 340,000                |
| Accessibility, series 2010  | 2,805,000                   | -                    | (195,000)                  | 2,610,000                   | 195,000                |
| City hall land, series 2010, refinance<br>series 2005             | 3,200,000                   | -                    | (1,100,000)                | 2,100,000                   | 700,000                |
| Street equipment, series 2012                                     | 1,425,000                   | -                    | (155,000)                  | 1,270,000                   | 165,000                |
| Police facility series 2012,<br>refinance series 2002             | 4,670,000                   | -                    | (300,000)                  | 4,370,000                   | 245,000                |
| General obligation bonds, series 2012                             | -                           | 26,805,000           | (855,000)                  | 25,950,000                  | 1,030,000              |
| Line of credit  | 5,208,850                   | -                    | (1,500,000)                | 3,708,850                   | 3,708,850              |
| Long-term debt obligations  | 52,018,250                  | 26,805,000           | (5,961,400)                | 72,861,850                  | 7,918,850              |
| Premiums and discounts  | 668,678                     | 1,550,305            | (131,857)                  | 2,087,126                   | 131,507                |
| Total governmental activities                                     | <u>\$ 52,686,928</u>        | <u>\$ 28,355,305</u> | <u>\$ (6,093,257)</u>      | <u>\$ 74,948,976</u>        | <u>\$ 8,050,357</u>    |

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 13 - Long-Term Debt (Continued)**

| <u>Business-type activities:</u>             | Original<br>Issue | Interest<br>Rate | Maturity |
|--|-------------------|------------------|----------|
| Full faith & credit obligations              |                   |                  |          |
| Airport, series 2003, refinance series 1993  | \$ 279,200        | 2.00% to 3.70%   | 12/01/13 |
| Stormwater equipment, series 2008            | 275,000           | 3.00%            | 12/01/12 |
| Airport, series 2010, refinance series 1999  | 1,057,000         | 2.60%            | 06/01/19 |
| Water RZEDB, series 2010                     | 2,300,000         | 3.05%            | 11/01/30 |
| Water, series 2010, refinance series 2000    | 2,175,000         | 1.56%            | 11/01/13 |
| Sewer RZEDB, series 2010                     | 10,730,000        | 3.05%            | 11/01/30 |
| Sewer, series 2012, refinance series 2002    | 3,185,000         | 2.04%            | 12/01/26 |
| Revenue bonds                                |                   |                  |          |
| Sewer, series 2002                           | 5,500,000         | 1.77% to 5.04%   | 11/01/22 |
| Sewer, series 2005                           | 7,585,000         | 3.00% to 4.00%   | 11/01/20 |
| Sewer, series 2008                           | 10,000,000        | 3.50% to 4.50%   | 10/31/28 |
| Notes payable                                |                   |                  |          |
| Pacific Aviation Composites                  | 655,000           | 5.01%            | 12/01/17 |
| Airport Eastside Improvement                 | 867,335           | 4.00% to 4.375%  | 12/01/31 |
| Safe Drinking Water Revolving Loan Fund Loan | 2,806,500         | 3.83%            | 12/01/31 |
| Clean Water State Revolving Fund Loan R14510 | 5,482,336         | 3.32%            | 10/01/33 |
| Clean Water State Revolving Fund Loan R14512 | 18,833,534        | 2.44%            | 11/01/30 |

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 13 - Long-Term Debt (Continued)**

| <u>Business-type activities:</u>             | Balance at<br>June 30, 2012 | Additions           | Reductions/<br>Adjustments | Balance at<br>June 30, 2013 | Due within<br>one year |
|--|-----------------------------|---------------------|----------------------------|-----------------------------|------------------------|
| <b>Full faith &amp; credit obligations</b>   |                             |                     |                            |                             |                        |
| Airport, series 2003, refinance series 1993  | \$ 58,600                   | \$ -                | \$ (28,600)                | \$ 30,000                   | \$ 30,000              |
| Stormwater equipment, series 2008            | 60,000                      | -                   | (60,000)                   | -                           | -                      |
| Airport, series 2010, refinance series 1999  | 812,000                     | -                   | (90,000)                   | 722,000                     | 90,000                 |
| Water RZEDB, series 2010                     | 2,300,000                   | -                   | -                          | 2,300,000                   | 105,909                |
| Water, series 2010, refinance series 2000    | 1,475,000                   | -                   | (750,000)                  | 725,000                     | 725,000                |
| Sewer RZEDB, series 2010                     | 10,730,000                  | -                   | -                          | 10,730,000                  | 494,091                |
| Sewer, series 2012, refinance series 2002    | 3,185,000                   | -                   | (70,000)                   | 3,115,000                   | 270,000                |
| <b>Revenue bonds</b>                         |                             |                     |                            |                             |                        |
| Sewer, series 2002                           | 255,000                     | -                   | (255,000)                  | -                           | -                      |
| Sewer, series 2005                           | 5,745,000                   | -                   | (645,000)                  | 5,100,000                   | 670,000                |
| Sewer, series 2008                           | 8,960,000                   | -                   | (375,000)                  | 8,585,000                   | 390,000                |
| <b>Notes payable</b>                         |                             |                     |                            |                             |                        |
| Pacific Aviation Composite                   | 344,584                     | -                   | (48,000)                   | 296,584                     | 54,333                 |
| Airport Eastside Improvement                 | 754,155                     | -                   | (24,282)                   | 729,873                     | 24,453                 |
| Safe Drinking Water Revolving Loan Fund Loan | 2,806,500                   | -                   | (103,154)                  | 2,703,346                   | 107,541                |
| Clean Water State Revolving Fund Loan R14510 | 1,662,419                   | 3,819,917           | -                          | 5,482,336                   | -                      |
| Clean Water State Revolving Fund Loan R14512 | -                           | 418,180             | -                          | 418,180                     | N/A                    |
| Long-term debt obligations                   | 39,148,258                  | 4,238,097           | (2,449,036)                | 40,937,318                  | 2,961,327              |
| Premiums and discounts                       | 240,668                     | -                   | (23,223)                   | 217,445                     | 18,733                 |
| <b>Total business-type activities</b>        | <b>\$ 39,388,926</b>        | <b>\$ 4,238,097</b> | <b>\$ (2,472,260)</b>      | <b>\$ 41,154,763</b>        | <b>\$ 2,980,060</b>    |

| <u>Total long-term debt obligations:</u> | Governmental<br>Activities | Business-type<br>Activities | Total                 | Due within one<br>year |
|--|----------------------------|-----------------------------|-----------------------|------------------------|
| Full faith & credit                      | \$ 69,153,000              | \$ 17,622,000               | \$ 86,775,000         | \$ 5,925,000           |
| Revenue bonds                            | -                          | 13,685,000                  | 13,685,000            | 1,060,000              |
| Notes payable                            | -                          | 9,630,318                   | 9,630,318             | 186,326                |
| Line of credit                           | 3,708,850                  | -                           | 3,708,850             | 3,708,850              |
| Long-term debt obligations               | 72,861,850                 | 40,937,318                  | 113,799,168           | 10,880,176             |
| Premiums and discounts                   | 2,087,126                  | 217,445                     | 2,304,571             | 150,240                |
| <b>Total long-term debt obligations</b>  | <b>\$ 74,948,976</b>       | <b>\$ 41,154,763</b>        | <b>\$ 116,103,739</b> | <b>\$ 11,030,416</b>   |

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 13 - Long-Term Debt (Continued)**

Annual debt service requirements to maturity for the City's obligations are as follows:

| Year ending<br>June 30 | Governmental activities |                      | Business-type activities |                      | Total                 |                      |
|------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|----------------------|
|                        | Principal               | Interest             | Principal                | Interest             | Principal             | Interest             |
| 2014                   | \$ 7,918,850            | \$ 2,759,954         | \$ 2,961,327             | \$ 1,610,335         | \$ 10,880,177         | \$ 4,370,289         |
| 2015                   | 5,060,000               | 2,594,329            | 2,499,014                | 1,483,244            | 7,559,014             | 4,077,573            |
| 2016                   | 3,800,000               | 2,405,342            | 2,579,834                | 1,403,093            | 6,379,834             | 3,808,435            |
| 2017                   | 3,970,000               | 2,277,034            | 2,651,016                | 1,315,148            | 6,621,016             | 3,592,182            |
| 2018                   | 4,015,000               | 2,131,865            | 2,737,582                | 1,221,393            | 6,752,582             | 3,353,258            |
| 2019-2023              | 22,058,000              | 8,077,836            | 11,381,314               | 4,698,171            | 33,439,314            | 12,776,007           |
| 2024-2028              | 18,440,000              | 3,469,899            | 9,514,025                | 2,569,645            | 27,954,025            | 6,039,544            |
| 2029-2033              | 7,600,000               | 585,066              | 6,006,085                | 533,222              | 13,606,085            | 1,118,288            |
| 2034                   | -                       | -                    | 188,942                  | 3,136                | 188,942               | 3,136                |
|                        | <u>\$ 72,861,850</u>    | <u>\$ 24,301,325</u> | <u>\$ 40,519,139</u>     | <u>\$ 14,837,387</u> | <u>\$ 113,380,989</u> | <u>\$ 39,138,711</u> |

Debt Service requirements for the water reclamation Clean Water Loan of \$418,180 is not included in the schedule above. The debt service schedule for that obligation will be determined when the project is complete.

The balance of unamortized premiums and discounts on long-term debt issuances is \$2,304,571, which is amortized over the life of the associated debt.

All bond reserve requirements were met at the time of issuance and the City is in compliance with any ongoing reserve requirements. The City is in compliance with the bond covenants regarding debt service coverage. The City is also in compliance with federal arbitrage regulations for applicable debt issuances.

Full Faith & Credit Obligations

In prior years, the City issued full faith & credit obligations to provide financing for the construction of police and fire facilities, airport, stormwater, and street infrastructure and equipment, and to partially fund unfunded pension costs attributable to the unfunded actuarial liability in the Public Employees' Retirement System plan in which the City participates. These bonds are backed by the full faith and credit of the City with stated interest rates on specific maturities ranging from 1.56% to 6.095% and maturities through fiscal year 2032.

New Debt Issuances On September 20, 2012 the City issued \$26,805,000 in full faith & credit general obligations with an interest rate of 2.62% and maturity in fiscal year 2032. The proceeds of the obligations are being used to finance the cost of capital construction and capital improvement to City streets, including new construction and improvements and repairs to city streets, bicycle lanes, sidewalks and related improvements and to repay interim financing.

Revenue Bonds

The City issued revenue bonds to provide funds for major expansions of the City's water and water reclamation systems. The revenue bonds are not backed by the full faith and credit of the City, but are secured and serviced by the pledged net revenues of the respective operations. The revenue bonds include a rate covenant requiring the City to maintain net revenues from its water and water reclamation operations at a minimum of 1.25 times the debt service of each operation. The City was in compliance with the rate covenant for the year ended June 30, 2013. The outstanding bonds have stated interest rates on specific maturities ranging from 3.0% to 4.5% and maturities through fiscal year 2029.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 13 - Long-Term Debt (Continued)**

Notes Payable

The City has long-term notes payable to the State of Oregon Business Development Department (OBDD) to provide funding for airport, water and water reclamation infrastructure improvements. The notes have maturities through fiscal year 2034 and stated interest rates on specific maturities of 2.44% to 5.01%. Revenues from the airport, water, and water reclamation operations are utilized to repay the respective notes.

OBDD provided notes payable for airport infrastructure improvements with an outstanding balance of \$1,026,457.

During fiscal year 2009-10, the City was awarded a State of Oregon Business Development Department (OBDD) Safe Drinking Water Revolving Loan Fund (SDWRLF) Note for \$2,806,500. The water projects funded by this notes include the Shiloh Well Rehabilitation, Pilot Butte Well No. 4 Control Building, Timber Ridge Water Line Replacement, and the Fixed Base Automation Meter Reading System and Meter Replacement. As of June 30, 2013, all projects were completed and the City complied with all terms and activities as set forth in the loan agreement. The SDWRLF Note has an interest rate of 3.83% and repayment began December 2012.

In May 2011, Council approved a loan of \$5,482,336 from the Oregon Department of Environmental Quality (ODEQ) for the Wastewater Treatment Plant upgrade. The loan has an interest rate of 3.32% and repayment will be required annually following project completion. This loan is drawn on a reimbursement basis, and as of June 30, 2013 the City has requested reimbursement of \$5,482,336.

The City applied for additional funding from the ODEQ for the Wastewater Treatment Plant upgrade and was awarded another loan of \$14,484,130 in October 2011. The loan term is 20 years with an interest rate of 2.71% with no prepayment penalties and an annual fee of 0.5% of the outstanding loan amount. This loan is drawn on a reimbursement basis and as of June 30, 2013 there is no outstanding balance.

In September 2012, Council approved another loan of \$18,833,534 from the ODEQ for the Wastewater Treatment Plant upgrade. The loan has an interest rate of 2.44% and repayment will be required annually following project completion. This loan is drawn on a reimbursement basis and as of June 30, 2013 the City has requested reimbursement of \$418,180.

Long-Term Line of Credit

On May 30, 2013 the City extended the maturity date of the line of credit with Bank of America to December 31, 2013. As of June 30, 2013 the City had an outstanding balance of \$3,708,850 on the line of credit which provides funding for Juniper Ridge development. The line of credit is available up to \$6,000,000 with interest paid quarterly on the outstanding balance at a variable interest rate. The interest rate is determined as the LIBOR Fixed Rate or 64% of the Prime Rate minus a spread of four-tenths percent at the discretion of the City. The interest rate as of June 30, 2013 was 1.32%.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 14 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City obtains insurance policies from commercial suppliers and annual premiums are paid for the following coverages: general and automobile liability limit of \$10,000,000 per occurrence or \$30,000,000 in the aggregate; commercial property blanket building and contents limit \$100,000,000; a cyber liability up to \$1,000,000; a public employee dishonesty bond for claims up to \$100,000 covering the Finance Director; a blanket fidelity bond at \$500,000; and various real, personal and inland marine property coverage for replacement costs. The City also carries \$1,000,000 commercial insurance for workers' compensation and \$10,000,000 for airport liability. Employee health, life and disability coverages are also maintained. Settled claims from these risks have not exceeded commercial insurance limits in any of the past three fiscal years.

An Insurance Division in the City's Internal Service Fund accounts for the City's risk management activities. All funds of the City participate in the Insurance Division. Amounts payable to the Insurance Division are based on cost estimates necessary to pay premiums, and if applicable, prior and current year claims and to establish a reserve for catastrophic losses. Workers' compensation is insured under a retrospective plan where premiums are accrued based on contributions and paid losses.

A liability for workers' compensation claims is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable.

| <u>Fiscal Year</u> | Claims Incurred             |                                   |                       |                              |
|--------------------|-----------------------------|-----------------------------------|-----------------------|------------------------------|
|                    | Balance at<br><u>July 1</u> | and Changes in<br><u>Estimate</u> | Claims<br><u>Paid</u> | Balance at<br><u>June 30</u> |
| 2010-2011          | \$ 242,899                  | \$ 554,626                        | \$ (375,798)          | \$ 421,727                   |
| 2011-2012          | 421,727                     | 668,491                           | (545,537)             | 544,681                      |
| 2012-2013          | 544,681                     | 408,063                           | (657,074)             | 295,670                      |

The City implemented a high-deductible health insurance plan city-wide during fiscal year 2011-12. The City shares responsibility for 62.5% of the co-insurance claims on this plan with employees. The City has recognized an estimated co-insurance liability of \$46,471 for the probable and reasonable co-insurance claims.

**Note 15 - Participation in Public Employees' Retirement System**

Plan Description

The City is a participating employer in the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system established under Oregon Revised Statutes 238.600 that acts as a common investment and administrative agent for public employers in the State of Oregon. OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute.

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of a defined benefit program (Pension Program) and a defined contribution portion (the Individual Account Program (IAP)). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on type of service (general versus public safety).

Both OPERS and OPSRP are administered by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Retirement System, PO Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS website at [www.oregon.gov/PERS](http://www.oregon.gov/PERS).

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 15 - Participation in Public Employees' Retirement System (Continued)**

Funding Policy

The rate of employers' contributions to OPERS is determined periodically by OPERS based on actuarial valuations performed at least every two years. The City is required by ORS 238.225 to contribute at an actuarially determined rate. For fiscal year 2012-13, the City was required to contribute 12.42% of covered OPERS employees' salaries. For OPSRP employees, the City contributed 9.88% of eligible police and fire salaries and 7.17% of eligible general service salaries to the plan. These contribution rates were determined based on actuarial valuations as of December 31, 2009 and are effective for the period beginning July 1, 2011 through June 30, 2013. These rates include the effect of side account rate offsets, but exclude contributions to the Individual Account Program (IAP) and debt service for pension obligation bonds.

Members of OPERS and OPSRP are required to contribute 6% of their salary covered under the plan. Pursuant to collective bargaining agreements, the required employee contribution of 6% of covered compensation is paid by the City for all OPERS and OPSRP eligible employees. Effective January 1, 2004, this 6% contribution is remitted to the Individual Account Program. The contribution requirements for plan members and the City are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost

For fiscal year 2012-13, the City's annual pension cost for OPERS was equal to the City's required and actual contributions and consisted of \$3,562,522 for the City's required share. The City also paid the employees' contribution of \$1,870,708. The following table presents the three-year trend information:

Three Year Trend Information

| <u>Fiscal Year</u> | <u>Annual Pension Cost (APC)</u> | <u>Contribution</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|--------------------|----------------------------------|---------------------|--------------------------------------|-------------------------------|
| 2010-11            | \$ 2,354,923                     | \$ 2,354,923        | 100%                                 | \$ -                          |
| 2011-12            | 3,562,706                        | 3,562,706           | 100%                                 | -                             |
| 2012-13            | 3,562,522                        | 3,562,522           | 100%                                 | -                             |

Actuarial Methods and Assumptions

The actuarial assumptions include:

- An underlying long-term assumed rate of inflation of 2.75% compounded annually and an assumed rate of healthcare cost inflation graded from 6.9% in 2012 to 4.5% in 2029.
- An investment rate of return of 8.0% compounded annually.
- Interest crediting of 8.0% annually on regular account balances and 8.25% on variable account balances.
- Projected general wage inflation of 3.75% per year.

The actuarial valuation method used is the Projected Unit Credit (PUC) method. Plan assets are valued at market-value, excluding reserves. The Employer's unfunded actuarial liability is being amortized as a level percentage of combined valuation payroll over 16 to 20 year closed period.

The City issued \$13,725,000 of pension obligation bonds during fiscal year 2003-04 and made a \$13,122,795 lump sum contribution towards its unfunded actuarial liability which was determined to be at a fair value of \$11,070,258 on December 31, 2011. The lump sum contribution is being amortized through June 1, 2028 to provide employer contribution rate relief and the current year amortization expense totaled \$545,103. With the lump sum contribution, the City's employer rate was reduced by 2.99% effective July 1, 2011.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 16 - Other Post Employment Benefits (OPEB)**

The City has adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The OPEB for the City combines three separate plans. The City provides an implicit rate subsidy for retiree Health Insurance Continuation premiums, a stand alone plan for employees meeting certain eligibility requirements, and a contribution to the State of Oregon's OPERS cost-sharing multiple-employer defined benefit plan.

**Health Insurance Continuation and Stand Alone Plans**

Plan Description

The OPEB for the City includes an implicit rate subsidy for retiree health insurance. Per ORS 243.303, the City provides a single-employer plan to provide retirees with group health and dental insurance from the date of retirement to age 65 and the premium cannot be separately rated from the group for health care insurance coverage of officers and employees of the City. Retirees pay the full premium for coverage elected unless the premium is paid for by the City as described below. Providing the same rate to retirees as provided to active employees constitutes an implicit rate subsidy for OPEB. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements.

Based on negotiated union agreements, the City provides retiree health benefits to retired employees with at least 15 years of service prior to retirement when the retiree reaches age 62 (age 60 for emergency personnel). The City will pay the premium for retiree coverage if the retiree has continuously maintained City retiree or OPERS group insurance since date of retirement until the qualifying age of 62 (age 60 for emergency personnel). The City will pay the OPERS sponsored supplement to Medicare insurance beginning at age 65 if the retiree has continuously maintained coverage. The City is not responsible for any costs associated with retiree health care insurance coverage including Medicare and supplement to Medicare insurance for non-represented employees hired after December 31, 2010, COBEA members hired after August 31, 2011, Fire Association employees hired after June 30, 2012, and Police Association employees hired after June 30, 2013. As of July 1, 2012 the total number of plan participants is 518: 437 active, 81 inactive.

Funding Policy

The City has not established a trust fund to supplement the costs for the net OPEB obligation, but during fiscal year 2011-12 the City began funding contributions to offset the net OPEB obligation. Contribution requirements are negotiated between the City and union representatives. The City's funding policy provides for contributions at amounts sufficient to fund benefits on a pay-as-you-go basis.



CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 16 - Other Post Employment Benefits (OPEB) (Continued)**

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The amortization of the City's unfunded liability is calculated as a level percent of payroll over 15 years on a rolling (open) basis.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes to the City's net OPEB obligation.

|   | <u>For the Year Ended<br/>June 30, 2013</u> |
|---|---|
| <u>Determination of Annual Required Contribution</u>        |   |
| Normal cost at year end                                     | \$ 1,279,846                                |
| Amortization of Unfunded Actuarial Accrued Liability (UAAL) | 1,407,552                                   |
| Annual required contribution (ARC)                          | <u>\$ 2,687,398</u>                         |
| <br><u>Determination of Net OPEB Obligation</u>             |   |
| Annual required contribution                                | \$ 2,687,398                                |
| Interest on prior year net OPEB obligation                  | 438,652                                     |
| Adjustment to annual required contribution                  | (683,099)                                   |
| Annual OPEB expense   | <u>2,442,951</u>                            |
| Benefit payments  | <u>(489,105)</u>                            |
| Increase in net OPEB obligation                             | 1,953,846                                   |
| Net OPEB obligation - beginning of year                     | <u>9,747,826</u>                            |
| Net OPEB obligation - end of year                           | <u>\$ 11,701,672</u>                        |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2011-13 were as follows.

| Year ended<br><u>June 30</u> | Annual<br><u>OPEB Cost</u> | OPEB<br><u>Contribution</u> | Percentage of<br><u>Cost Contributed</u> | Net OPEB<br><u>Obligation</u> |
|------------------------------|----------------------------|-----------------------------|--|-------------------------------|
| 2011                         | \$ 2,832,037               | \$ 591,975                  | 21%                                      | \$ 7,470,317                  |
| 2012                         | 2,886,987                  | 609,478                     | 21%                                      | 9,747,826                     |
| 2013                         | 2,442,951                  | 489,105                     | 20%                                      | 11,701,672                    |

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 16 - Other Post Employment Benefits (OPEB) (Continued)**

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012 was as follows:

|   |                      |
|---|----------------------|
| Actuarial accrued liability (AAL)                   | \$ 19,220,844        |
| Actuarial value of plan assets                      | -                    |
| Unfunded actuarial accrued liability (UAAL)         | <u>\$ 19,220,844</u> |
| Funded ratio (actuarial value of plan assets / AAL) | 0%                   |
| Covered payroll                                     | \$ 31,066,648        |
| UAAL / covered payroll                              | 61.9%                |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employments, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members), and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and the plan members. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

In the July 1, 2012 actuarial valuation, the projected unit credit cost method (PUC) was used. Plan assets are valued at market-value, excluding reserves. The actuarial assumptions included a discount rate of 4.5% for unfunded liabilities based on the expected long-term annual investment returns for Oregon's LGIP pool and comparable investments. An annual healthcare cost trend rate of 8.0%, reduced incrementally to an ultimate rate of 5%, is assumed. The rates include projected annual payroll increases of 3.75%. Retirement and withdrawal rates were based on the OPERS in its actuarial valuations of retirement benefits.

**OPERS Retirement Health Insurance Account (RHIA)**

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS), the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and Required Supplementary Information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or by calling (888) 320-7377.

## CITY OF BEND, OREGON

### Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

#### **Note 16 - Other Post Employment Benefits (OPEB) (Continued)**

##### Funding Policy

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59% of annual covered payroll for Tier 1 & 2 and 0.50% for OPSRP. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to RHIA for the years ended June 30, 2013, June 30, 2012, and June 30, 2011 were \$173,353, \$172,059 and \$80,847, respectively, which equaled 100% of the required contributions for each of the three years.

#### **Note 17 - Deferred Compensation Plan**

The City has a deferred compensation plan created in accordance with the Internal Revenue Code Section 457(g). The plan is administered by independent plan administrators through administrative service agreements. The plan is available to all employees of the City. Employees may defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death or financial hardship. The plan's assets are held in custodial accounts for the exclusive benefit of participants and beneficiaries and are not subject to the claims of the City's creditors, nor can they be used by the City for any purpose other than the payment of benefits to the plan participants. Accordingly, these plan assets and related liability are not recorded in the City's basic financial statements.

#### **Note 18 - Commitment and Contingencies**

At June 30, 2013 the City was committed on outstanding construction, engineering, consulting, service and equipment purchase contracts totaling \$8,636,444 in the governmental activities, and \$65,234,626 in the business-type activities.

The City has agreements to reimburse various developers for the construction of certain street, water and water reclamation infrastructure through system development charges or recovery fees collected from properties established as reimbursement or recovery areas. As of June 30, 2013 amounts collected and potentially due to developers totaled \$547,010 and are recorded as a liability in the System Development Charges Fund.

Various immaterial claims and lawsuits against the City are pending. These claims are either covered by insurance or are the types which are normal in view of the City's operations. City management believes the total amount of liability, if any, which may arise from such claims and lawsuits beyond that which is covered by insurance would not have a material effect on the City's financial condition or its ability to carry on its activities substantially as now conducted.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2013

**Note 19 - Subsequent Events**

In September 2012, Central Oregon Landwatch filed a federal lawsuit against the United States Forest Service (U.S. Forest Service) claiming the agency failed to adequately perform environmental review under the National Environmental Policy Act (NEPA) as it relates to the Special Use Permit granted for the City's Bridge Creek Pipeline Maintenance project. In October 2012, a federal judge issued a preliminary injunction stopping the project until summary judgment on the merits. The City withdrew its permit application and submitted a revised application. The U.S. Forest Service has prepared a new environmental assessment and issued a new special use permit to begin construction on the project. Central Oregon Landwatch has filed another lawsuit against the U.S. Forest Service. There is no risk of a monetary judgment against the City, but the City may have stranded investments if the surface water project is not able to proceed.

On November 22, 2013, the City refunded the 2003 transportation full faith and credit obligations. The 2003 debt obligations were issued to finance transportation projects and had an outstanding balance of \$6,785,000 with an interest rate of 4.03%. The refunding bonds carry a 1.5% interest rate and mature in 2021. Net present value savings from the refunding totaled \$816,736.

On November 22, 2013, BURA issued an Urban Renewal Tax Increment Note to refinance the Juniper Ridge Line of Credit. The Line of Credit was scheduled to mature in December 2013 and had an outstanding balance of \$3,708,850. The tax increment note is a 10 year loan that carries a 1.5% interest rate and matures in 2023.

REQUIRED SUPPLEMENTARY INFORMATION



## **GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS**

### General Fund

This fund accounts for the City's police and municipal court operations, allocation of general discretionary revenues and other general services of the City not accounted for in any other fund. Principal sources of revenue are property taxes, transient room taxes, franchise fees, intergovernmental revenues and municipal court fines. Primary expenditures are for police and municipal court operations and transfers of general discretionary revenues to other governmental funds.

### Transportation Operations and Planning Fund

This fund accounts for the City's street maintenance and transportation engineering operations that are funded mainly by state highway apportionment, garbage franchise fees, charges for services, and allocation of general discretionary revenues.

### Fire / Emergency Medical Services Fund

This fund accounts for the operations of the Fire/EMS department which are funded primarily by general discretionary revenues, fire protection contracts and charges for emergency medical services.

### System Development Charges (SDC) Fund

This fund accounts for the collection of system development charges for street, water and water reclamation systems. Revenues are used to fund eligible construction projects.

### Community Development Block Grant Fund

This fund accounts for monies received from Community Development Block Grants. Revenues include grant receipts, as well as loan repayments from prior grant recipients. Expenditures are for the distribution of grants for qualified projects and/or loans to qualified recipients.





City of Bend, Oregon

**General Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                     | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with<br>Final Budget<br>Positive<br><u>(Negative)</u> |
|--|------------------------|---------------------|----------------------------|----------------------------|--|--|
|  | <u>Original</u>        | <u>Final</u>        |                            |                            |  |  |
| <b>Revenues</b>  |                        |                     |                            |                            |  |  |
| Property taxes:  |                        |                     |                            |                            |  |  |
| Current year's property tax levy                                     | \$ 40,042,800          | \$ 41,864,400       | \$ 21,266,461              | \$ 21,740,428              | \$ 43,006,889                          | \$ 1,142,489   |
| Delinquent property taxes  | 1,611,800              | 1,662,500           | 1,177,579                  | 1,156,531                  | 2,334,110                              | 671,610  |
| Transient room taxes   | 4,802,600              | 4,894,400           | 2,501,726                  | 2,761,409                  | 5,263,134                              | 368,734  |
| Franchise fees   | 12,089,100             | 12,182,500          | 5,707,637                  | 5,588,217                  | 11,295,853                             | (886,647)  |
| Intergovernmental  | 4,501,900              | 4,626,500           | 2,126,175                  | 2,126,539                  | 4,252,715                              | (373,785)  |
| Licenses and permits   | 616,700                | 616,700             | 308,847                    | 317,946                    | 626,793                                | 10,093   |
| Charges for services:  |                        |                     |                            |                            |  |  |
| Charges to others  | 186,300                | 181,700             | 80,326                     | 101,029                    | 181,355                                | (345)  |
| Charges to other City funds  | 59,400                 | 40,300              | 31,200                     | 14,294                     | 45,494                                 | 5,194  |
| Fines and forfeitures  | 2,182,600              | 2,182,600           | 1,108,133                  | 954,629                    | 2,062,762                              | (119,838)  |
| Loan repayments  | -                      | -                   | 10,000                     | 9,975                      | 19,975                                 | 19,975   |
| Investment income  | 168,200                | 145,400             | 93,700                     | 96,712                     | 190,412                                | 45,012   |
| Miscellaneous  | 500                    | 5,000               | 20,051                     | 2,294                      | 22,345                                 | 17,345   |
| <b>Total Revenues</b>  | <b>66,261,900</b>      | <b>68,402,000</b>   | <b>34,431,834</b>          | <b>34,870,003</b>          | <b>69,301,837</b>                      | <b>899,837</b>   |
| <b>Expenditures</b>  |                        |                     |                            |                            |  |  |
| Accessibility  | 533,992                | 424,647             | 207,202                    | 146,702                    | 353,904                                | 70,743   |
| Municipal court  | 1,138,371              | 1,161,624           | 550,374                    | 576,898                    | 1,127,272                              | 34,352   |
| Code enforcement   | 240,403                | 280,449             | 123,444                    | 144,459                    | 267,903                                | 12,546   |
| Business advocacy  | 616,610                | 703,416             | 259,066                    | 340,274                    | 599,339                                | 104,077  |
| Community projects   | -                      | 2,205,419           | 1,046,164                  | 1,038,982                  | 2,085,146                              | 120,273  |
| Police   | 35,845,791             | 36,330,078          | 17,318,447                 | 17,875,422                 | 35,193,869                             | 1,136,209  |
| Nondepartmental  | 2,905,800              | 784,400             | -                          | 400                        | 400                                    | 784,000  |
| Contingency  | 7,243,263              | 6,675,858           | -                          | -                          | -                                      | 6,675,858  |
| <b>Total Expenditures</b>  | <b>48,524,230</b>      | <b>48,565,891</b>   | <b>19,504,697</b>          | <b>20,123,137</b>          | <b>39,627,834</b>                      | <b>8,938,057</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>17,737,670</b>      | <b>19,836,109</b>   | <b>14,927,137</b>          | <b>14,746,866</b>          | <b>29,674,004</b>                      | <b>9,837,895</b>   |
| <b>Other Financing Sources (Uses)</b>                                |                        |                     |                            |                            |  |  |
| Proceeds from sale of assets   | -                      | -                   | 735,371                    | 16,678                     | 752,049                                | 752,049  |
| Advances to other governments  | (120,000)              | (180,000)           | (45,000)                   | (50,000)                   | (95,000)                               | 85,000   |
| Repayments from other governments                                    | 120,000                | 150,000             | 135,000                    | 45,000                     | 180,000                                | 30,000   |
| Advances to other funds  | (800,000)              | (1,154,250)         | (80,000)                   | (430,000)                  | (510,000)                              | 644,250  |
| Interfund loan repayments  | 1,315,300              | 1,865,300           | 42,650                     | 87,650                     | 130,300                                | (1,735,000)  |
| Transfers out  | (26,322,400)           | (29,634,289)        | (14,231,184)               | (15,104,012)               | (29,335,196)                           | 299,093  |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(25,807,100)</b>    | <b>(28,953,239)</b> | <b>(13,443,163)</b>        | <b>(15,434,684)</b>        | <b>(28,877,847)</b>                    | <b>75,392</b>  |
| Net change in fund balance   | (8,069,430)            | (9,117,130)         | 1,483,975                  | (687,818)                  | 796,157                                | 9,913,287  |

City of Bend, Oregon

**General Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual (Continued)

For the fiscal year ended June 30, 2013

|                                      | <u>Biennium Budget</u> |              | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with<br>Final Budget<br>Positive<br><u>(Negative)</u> |
|--------------------------------------|------------------------|--------------|----------------------------|----------------------------|--|--|
|                                      | <u>Original</u>        | <u>Final</u> |                            |                            |  |  |
| Beginning Fund Balance               | \$ 8,069,430           | \$ 9,117,130 | \$ 9,117,058               | \$ 10,601,032              | \$ 9,117,058                           | \$ (72)  |
| <b>Ending Fund Balance (Deficit)</b> | <b>\$ -</b>            | <b>\$ -</b>  | <b>\$ 10,601,032</b>       | <b>\$ 9,913,214</b>        | <b>\$ 9,913,214</b>                    | <b>\$ 9,913,214</b>  |

**Reconciliation of Budgetary basis to GAAP basis**

|  |                        |
|--|------------------------|
| Total Other Financing Sources (Uses) - Budgetary Basis   | \$ (15,434,684)        |
| Advances to other governments reported as other financing uses on the budgetary basis are reported as receivables on the GAAP basis                    | 50,000                 |
| Repayments from other governments reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis | (45,000)               |
| Advances to other funds reported as other financing uses on the budgetary basis are reported as assets on the GAAP basis                               | 430,000                |
| Repayments from other funds reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis       | (87,002)               |
| Reduction of contributed assets not reported on the budgetary basis are reported as contribution expense on the GAAP basis                             | (6,849)                |
| <b>Total Other Financing Sources (Uses) - GAAP Basis</b>   | <b>\$ (15,093,535)</b> |

City of Bend, Oregon

**Transportation Operations and Planning Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | <u>FY2011-12<br/>Actual</u> | <u>FY2012-13<br/>Actual</u> | <u>Total Actual<br/>Budget<br/>Basis</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|------------------------|--------------------|-----------------------------|-----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>       |                             |                             |  |   |
| <b>Revenues</b>  |                        |                    |                             |                             |  |   |
| Franchise fees   | \$ 1,001,000           | \$ 987,900         | \$ 480,079                  | \$ 493,988                  | \$ 974,068                               | \$ (13,832)   |
| Intergovernmental:   |                        |                    |                             |                             |  |   |
| State highway fund apportionment                                     | 8,998,700              | 8,669,300          | 4,184,908                   | 4,223,474                   | 8,408,382                                | (260,918)   |
| Grants and agreements  | 1,100,000              | 1,150,000          | 877,237                     | 716,489                     | 1,593,726                                | 443,726   |
| Licenses and permits   | 47,800                 | 68,200             | 51,383                      | 126,738                     | 178,121                                  | 109,921   |
| Charges for services:  |                        |                    |                             |                             |  |   |
| Charges to others  | 51,800                 | 51,800             | 25,542                      | 63,307                      | 88,849                                   | 37,049  |
| Charges to other City funds  | 1,555,000              | 2,071,100          | 948,119                     | 941,938                     | 1,890,057                                | (181,043)   |
| Investment income  | 28,800                 | 23,900             | 13,003                      | 20,320                      | 33,322                                   | 9,422   |
| Miscellaneous  | 60,800                 | 60,800             | 24,261                      | 37,022                      | 61,283                                   | 483   |
| <b>Total Revenues</b>  | <b>12,843,900</b>      | <b>13,083,000</b>  | <b>6,604,532</b>            | <b>6,623,276</b>            | <b>13,227,807</b>                        | <b>144,807</b>  |
| <b>Expenditures</b>  |                        |                    |                             |                             |  |   |
| Current:   |                        |                    |                             |                             |  |   |
| Personal services  | 6,689,352              | 6,543,319          | 3,081,188                   | 3,151,033                   | 6,232,220                                | 311,099   |
| Materials and services   | 3,386,820              | 3,134,942          | 1,500,899                   | 1,476,087                   | 2,976,986                                | 157,956   |
| Interfund charges  | 3,579,400              | 3,486,500          | 1,797,547                   | 1,627,818                   | 3,425,365                                | 61,135  |
| Debt service   | 117,700                | 204,900            | -                           | 200,413                     | 200,413                                  | 4,488   |
| Capital outlay   | 4,516,000              | 5,299,889          | 1,614,101                   | 3,430,887                   | 5,044,988                                | 254,901   |
| Contingency  | 1,411,764              | 346,875            | -                           | -                           | -  | 346,875   |
| Reserved for construction  | 25,000                 | 25,000             | -                           | -                           | -  | 25,000  |
| <b>Total Expenditures</b>  | <b>19,726,036</b>      | <b>19,041,425</b>  | <b>7,993,734</b>            | <b>9,886,237</b>            | <b>17,879,971</b>                        | <b>1,161,454</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(6,882,136)</b>     | <b>(5,958,425)</b> | <b>(1,389,202)</b>          | <b>(3,262,962)</b>          | <b>(4,652,164)</b>                       | <b>1,306,261</b>  |
| <b>Other Financing Sources (Uses)</b>                                |                        |                    |                             |                             |  |   |
| Issuance of long-term debt   | 1,400,000              | -                  | 1,425,000                   | -                           | 1,425,000                                | 1,425,000   |
| Premium on issuance of long-term debt                                | -                      | -                  | 102,883                     | -                           | 102,883                                  | 102,883   |
| Transfers in   | 3,440,936              | 3,754,825          | 1,612,033                   | 1,993,889                   | 3,605,922                                | (148,903)   |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>4,840,936</b>       | <b>3,754,825</b>   | <b>3,139,917</b>            | <b>1,993,889</b>            | <b>5,133,806</b>                         | <b>1,378,981</b>  |
| Net change in fund balance   | (2,041,200)            | (2,203,600)        | 1,750,714                   | (1,269,073)                 | 481,642                                  | 2,685,242   |
| Beginning Fund Balance (Deficit)                                     | 2,041,200              | 2,203,600          | 2,203,626                   | 3,954,340                   | 2,203,626                                | 26  |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 3,954,340</b>         | <b>\$ 2,685,268</b>         | <b>\$ 2,685,268</b>                      | <b>\$ 2,685,268</b>   |

City of Bend, Oregon

**Fire / Emergency Medical Services Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|   | <u>Biennium Budget</u> |                     | <u>FY2011-12</u>    | <u>FY2012-13</u>    | <u>Total Actual</u> | <u>Variance with</u> |
|---|------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
|   | <u>Original</u>        | <u>Final</u>        |                     |                     |                     |                      |
|   |                        |                     | <u>Actual</u>       | <u>Actual</u>       | <u>Basis</u>        | <u>Positive</u>      |
|   |                        |                     |                     |                     |                     | <u>(Negative)</u>    |
| <b>Revenues</b>                             |                        |                     |                     |                     |                     |                      |
| Intergovernmental                           | \$ 5,069,100           | \$ 5,370,900        | \$ 2,672,799        | \$ 2,830,043        | \$ 5,502,842        | \$ 131,942           |
| Charges for services:                       |                        |                     |                     |                     |                     |                      |
| Charges to others                           | 4,658,800              | 4,331,600           | 2,173,726           | 2,011,916           | 4,185,642           | (145,958)            |
| Charges to other City funds                 | 5,800                  | 5,700               | 3,157               | 2,617               | 5,773               | 73                   |
| Contributions                               | -                      | -                   | -                   | 41,700              | 41,700              | 41,700               |
| Investment income                           | 3,200                  | 2,900               | 10,227              | 12,131              | 22,358              | 19,458               |
| Miscellaneous                               | 12,100                 | 12,100              | 9,259               | 7,130               | 16,389              | 4,289                |
| <b>Total Revenues</b>                       | <b>9,749,000</b>       | <b>9,723,200</b>    | <b>4,869,167</b>    | <b>4,905,537</b>    | <b>9,774,705</b>    | <b>51,505</b>        |
| <b>Expenditures</b>                         |                        |                     |                     |                     |                     |                      |
| Current:                                    |                        |                     |                     |                     |                     |                      |
| Personal services                           | 23,815,528             | 23,822,616          | 11,499,869          | 11,752,731          | 23,252,600          | 570,016              |
| Materials and services                      | 2,310,460              | 2,242,460           | 961,620             | 1,045,660           | 2,007,280           | 235,180              |
| Interfund charges                           | 2,928,700              | 2,964,000           | 1,540,718           | 1,325,886           | 2,866,605           | 97,395               |
| Debt service                                | 771,600                | 771,600             | 387,401             | 383,870             | 771,271             | 329                  |
| Capital outlay                              | -                      | 392,500             | 27,622              | 178,795             | 206,417             | 186,083              |
| Contingency                                 | 355,912                | 49,085              | -                   | -                   | -                   | 49,085               |
| Reserved for maintenance                    | 50,000                 | 50,000              | -                   | -                   | -                   | 50,000               |
| Reserved for future capital                 | 300,000                | 1,601,339           | -                   | -                   | -                   | 1,601,339            |
| <b>Total Expenditures</b>                   | <b>30,532,200</b>      | <b>31,893,600</b>   | <b>14,417,231</b>   | <b>14,686,942</b>   | <b>29,104,173</b>   | <b>2,789,427</b>     |
| <b>Excess (deficiency) of revenues</b>      |                        |                     |                     |                     |                     |                      |
| <b>    over (under) expenditures</b>        | <b>(20,783,200)</b>    | <b>(22,170,400)</b> | <b>(9,548,064)</b>  | <b>(9,781,405)</b>  | <b>(19,329,469)</b> | <b>2,840,931</b>     |
| <b>Other Financing Sources (Uses)</b>       |                        |                     |                     |                     |                     |                      |
| Insurance proceeds                          | -                      | -                   | 24,551              | 16,620              | 41,171              | 41,171               |
| Transfers in                                | 18,740,600             | 19,774,400          | 9,650,500           | 10,171,066          | 19,821,566          | 47,166               |
| Transfers out                               | (13,000)               | (13,000)            | (11,420)            | (9,890)             | (21,310)            | (8,310)              |
| <b>Total Other Financing Sources (Uses)</b> | <b>18,727,600</b>      | <b>19,761,400</b>   | <b>9,663,631</b>    | <b>10,177,796</b>   | <b>19,841,427</b>   | <b>80,027</b>        |
| Net change in fund balance                  | (2,055,600)            | (2,409,000)         | 115,568             | 396,391             | 511,959             | 2,920,959            |
| Beginning Fund Balance (Deficit)            | 2,055,600              | 2,409,000           | 2,409,047           | 2,524,615           | 2,409,047           | 47                   |
| <b>Ending Fund Balance (Deficit)</b>        | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ 2,524,615</b> | <b>\$ 2,921,006</b> | <b>\$ 2,921,006</b> | <b>\$ 2,921,006</b>  |

City of Bend, Oregon

**System Development Charges (SDC) Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                     | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|---------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>        |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                     |                            |                            |  |   |
| System development charges   | \$ 5,998,100           | \$ 11,825,600       | \$ 4,132,587               | \$ 7,113,462               | \$ 11,246,049                          | \$ (579,551)                                  |
| Loan repayments  | 118,300                | 129,600             | 81,363                     | 136,626                    | 217,989                                | 88,389  |
| Investment income  | 65,300                 | 55,900              | 25,547                     | 46,374                     | 71,921                                 | 16,021  |
| <b>Total Revenues</b>  | <b>6,181,700</b>       | <b>12,011,100</b>   | <b>4,239,496</b>           | <b>7,296,462</b>           | <b>11,535,959</b>                      | <b>(475,141)</b>                              |
| <b>Expenditures</b>  |                        |                     |                            |                            |  |   |
| Current:   |                        |                     |                            |                            |  |   |
| Materials and services   | -                      | 70,400              | 23,635                     | 3,471                      | 27,106                                 | 43,294  |
| Interfund charges  | 194,000                | 194,000             | 97,000                     | 97,000                     | 194,000                                | -   |
| <b>Total Expenditures</b>  | <b>194,000</b>         | <b>264,400</b>      | <b>120,635</b>             | <b>100,471</b>             | <b>221,106</b>                         | <b>43,294</b>                                 |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>5,987,700</b>       | <b>11,746,700</b>   | <b>4,118,861</b>           | <b>7,195,991</b>           | <b>11,314,852</b>                      | <b>(431,848)</b>                              |
| <b>Other Financing Sources (Uses)</b>                                |                        |                     |                            |                            |  |   |
| Transfers out  | (5,987,700)            | (11,746,700)        | (3,788,600)                | (6,393,728)                | (10,182,328)                           | 1,564,372                                     |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(5,987,700)</b>     | <b>(11,746,700)</b> | <b>(3,788,600)</b>         | <b>(6,393,728)</b>         | <b>(10,182,328)</b>                    | <b>1,564,372</b>                              |
| Net change in fund balance   | -                      | -                   | 330,261                    | 802,263                    | 1,132,524                              | 1,132,524                                     |
| Beginning Fund Balance (Deficit)                                     | -                      | -                   | -                          | 330,261                    | -                                      | -   |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ 330,261</b>          | <b>\$ 1,132,524</b>        | <b>\$ 1,132,524</b>                    | <b>\$ 1,132,524</b>                           |

City of Bend, Oregon

**Community Development Block Grant Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with<br>Final Budget<br>Positive<br><u>(Negative)</u> |
|--|------------------------|------------------|----------------------------|----------------------------|--|--|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |  |  |
| <b>Revenues</b>  |                        |                  |                            |                            |  |  |
| Intergovernmental  | \$ 1,396,111           | \$ 2,440,061     | \$ 813,846                 | \$ 1,139,245               | \$ 1,953,091                           | \$ (486,970)   |
| Loan repayments  | 56,000                 | 46,400           | 72,707                     | 234,525                    | 307,232                                | 260,832  |
| Investment income  | 1,600                  | 400              | (474)                      | (594)                      | (1,068)                                | (1,468)  |
| <b>Total Revenues</b>  | <b>1,453,711</b>       | <b>2,486,861</b> | <b>886,078</b>             | <b>1,373,176</b>           | <b>2,259,254</b>                       | <b>(227,607)</b>   |
| <b>Expenditures</b>  |                        |                  |                            |                            |  |  |
| Current:   |                        |                  |                            |                            |  |  |
| Personal services  | 335,345                | 362,545          | 194,129                    | 128,841                    | 322,970                                | 39,575   |
| Materials and services   | 1,116,346              | 2,235,320        | 481,384                    | 1,124,797                  | 1,606,181                              | 629,139  |
| Interfund charges  | 63,500                 | 461,900          | 280,729                    | 136,577                    | 417,307                                | 44,593   |
| Contingency  | 4,720                  | 3,296            | -                          | -                          | -                                      | 3,296  |
| <b>Total Expenditures</b>  | <b>1,519,911</b>       | <b>3,063,061</b> | <b>956,242</b>             | <b>1,390,215</b>           | <b>2,346,457</b>                       | <b>716,604</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(66,200)</b>        | <b>(576,200)</b> | <b>(70,164)</b>            | <b>(17,039)</b>            | <b>(87,203)</b>                        | <b>488,997</b>   |
| <b>Other Financing Sources (Uses)</b>                                |                        |                  |                            |                            |  |  |
| Interfund loan proceeds  | -                      | 300,000          | 25,000                     | 75,000                     | 100,000                                | (200,000)  |
| Interfund loan repayment   | (300,000)              | (100,000)        | (35,000)                   | (25,000)                   | (60,000)                               | 40,000   |
| Transfers in   | 60,000                 | 70,000           | 60,300                     | 30,000                     | 90,300                                 | 20,300   |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(240,000)</b>       | <b>270,000</b>   | <b>50,300</b>              | <b>80,000</b>              | <b>130,300</b>                         | <b>(139,700)</b>   |
| Net change in fund balance   | (306,200)              | (306,200)        | (19,864)                   | 62,961                     | 43,097                                 | 349,297  |
| Beginning Fund Balance (Deficit)                                     | 306,200                | 306,200          | 45,003                     | 25,139                     | 45,003                                 | (261,197)  |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 25,139</b>           | <b>\$ 88,100</b>           | <b>\$ 88,100</b>                       | <b>\$ 88,100</b>   |

**Reconciliation of Budgetary basis to GAAP basis**

|   |                  |
|---|------------------|
| Total Other Financing Sources - Budgetary Basis   | \$ 80,000        |
| Interfund loan proceeds reported as other financing source on the budgetary basis is reported as a liability on the GAAP basis                  | (75,000)         |
| Repayment of short-term loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis | 25,000           |
| <b>Total Other Financing Sources - GAAP Basis</b>   | <b>\$ 30,000</b> |

City of Bend, Oregon  
**Other Postemployment Benefit Plans**  
 Schedule of Funding Progress and Employer Contributions  
 For the fiscal year ended June 30, 2013  
 (in thousands)

| Actuarial Valuation Date | Actuarial Value of Assets | <u>Funding Progress</u>           |                     |              |                        | Covered Payroll | UAAL as a Percentage of Covered Payroll | <u>Employer Contributions</u> |                        |  |
|--------------------------|---------------------------|-----------------------------------|---------------------|--------------|------------------------|-----------------|---|-------------------------------|------------------------|--|
|                          |                           | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) | Funded Ratio | Fiscal Year Ended Date |                 |   | Annual OPEB Cost              | Percentage Contributed |  |
| 7/1/2007                 | \$ -                      | \$ 18,757                         | \$ 18,757           | 0%           | \$ 32,259              | 58%             | 6/30/2008                               | \$ -                          | -                      |  |
|                          |                           |                                   |                     |              |                        |                 | 6/30/2009                               | 3,130                         | 17%                    |  |
| 7/1/2009                 | -                         | 22,829                            | 22,829              | 0%           | 30,451                 | 75%             | 6/30/2010                               | 3,376                         | 20%                    |  |
| 7/1/2010                 | -                         | 20,603                            | 20,603              | 0%           | 31,669                 | 65%             | 6/30/2011                               | 2,832                         | 21%                    |  |
|                          |                           |                                   |                     |              |                        |                 | 6/30/2012                               | 2,887                         | 21%                    |  |
| 7/1/2012                 | -                         | 19,221                            | 19,221              | 0%           | 31,067                 | 62%             | 6/30/2013                               | 2,443                         | 20%                    |  |

Notes:

Year over year change in the AAL reflects the anticipated cost savings from the implementation of the high deductible insurance plan.

Select actuarial assumptions used: 50% of future retirees electing coverage are assumed to cover a spouse as well; males are assumed to be three years older than their female spouses; 100% of active members immediately eligible for City-paid health care coverage are assumed to elect coverage upon retirement for their lifetime; 2012-13 annual claims costs for an age 64 retiree or spouse are assumed to be \$10,914. Demographic assumptions were revised to match (as closely as possible) those developed in the 2011 experience study for Oregon PERS.

CITY OF BEND, OREGON

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2013

Required Supplementary Information includes budgetary comparisons for the General Fund, the Transportation Operations & Planning Fund, the Fire/Emergency Medical Service Fund, the System Development Charges Fund, and the Community Development Block Grant Fund. The budgetary comparison information for all other funds can be found in Other Supplementary Information which follows this section.

**Note 1 – Budgetary Information**

Municipal budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budget Law) and generally accepted accounting principles (GAAP). The City Manager is responsible for submitting a proposed budget to the Citizens Budget Committee comprised of the City Council and an equal number of citizens of the City. The City is required to prepare a budget for each fund that is balanced in accordance with Oregon Revised Statutes. Each fund is budgeted on the modified accrual basis of accounting.

The Citizens' Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget and submits it to the City Council for final adoption. The approved expenditures for each fund may not be increased by more than 10 percent by Council without returning to the Citizens Budget Committee for a second approval. After the Council adopts the budget and certifies the total ad valorem taxes to be levied, no additional tax levy may be made for that budget period.

The City Council legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and sets the level by which expenditures and other uses cannot legally exceed appropriations. In the General Fund and the Internal Service Fund, the levels of budgetary control established by resolution are set at the department level. For all other funds, the levels of budgetary control are personal services, materials and services, debt service, capital outlay, transfers and operating contingency.

Appropriations lapse at the end of the biennium for goods or services not yet received. The City Council may modify the budget by transferring appropriations between levels of control and by adopting supplemental budgets. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publications in newspapers and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. Supplemental appropriations were approved by the City Council for the 2011-13 biennium. All appropriations terminate on June 30, 2013.



OTHER SUPPLEMENTARY INFORMATION



City of Bend, Oregon  
**General Fund and Major Special Revenue Funds**  
 Schedule of Expenditures and Other Uses by Appropriation Levels  
 For the biennium ended June 30, 2013

|   | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------|----------------------------|-------------------------------------|
| <b><u>General Fund</u></b>                                |                      |                            |                                     |
| Accessibility program                                     | \$ 265,847           | \$ 195,367                 | \$ 70,480                           |
| Municipal court program                                   | 881,322              | 848,674                    | 32,648                              |
| Code enforcement program                                  | 234,949              | 224,308                    | 10,641                              |
| Business advocacy program                                 | 645,616              | 541,950                    | 103,666                             |
| Community projects program                                | 2,205,419            | 2,085,146                  | 120,273                             |
| Police program  | 30,664,480           | 30,257,988                 | 406,492                             |
| Nondepartmental   | 9,700                | -                          | 9,700                               |
| Transfers   | 36,233,339           | 35,176,930                 | 1,056,409                           |
| Capital outlay  | 943,600              | 237,667                    | 705,933                             |
| Special payment   | 774,300              | -                          | 774,300                             |
| Contingency   | 6,675,858            | -                          | 6,675,858                           |
|   | <b>\$ 79,534,430</b> | <b>\$ 69,568,029</b>       | <b>\$ 9,966,401</b>                 |
| <b><u>Transportation Operations and Planning Fund</u></b> |                      |                            |                                     |
| Personal services   | \$ 6,543,319         | \$ 6,232,220               | \$ 311,099                          |
| Materials and services                                    | 3,134,942            | 2,976,986                  | 157,956                             |
| Transfers   | 3,486,500            | 3,425,365                  | 61,135                              |
| Debt service  | 204,900              | 200,413                    | 4,488                               |
| Capital outlay  | 5,299,889            | 5,044,988                  | 254,901                             |
| Contingency   | 346,875              | -                          | 346,875                             |
| Other requirements  | 25,000               | -                          | 25,000                              |
|   | <b>\$ 19,041,425</b> | <b>\$ 17,879,971</b>       | <b>\$ 1,161,454</b>                 |
| <b><u>Fire/ Emergency Medical Services Fund</u></b>       |                      |                            |                                     |
| Personal services   | \$ 23,822,616        | \$ 23,252,600              | \$ 570,016                          |
| Materials and services                                    | 2,242,460            | 2,007,280                  | 235,180                             |
| Transfers   | 2,977,000            | 2,887,914                  | 89,086                              |
| Debt service  | 771,600              | 771,271                    | 329                                 |
| Capital outlay  | 392,500              | 206,417                    | 186,083                             |
| Contingency   | 49,085               | -                          | 49,085                              |
| Other requirements  | 1,651,339            | -                          | 1,651,339                           |
|   | <b>\$ 31,906,600</b> | <b>\$ 29,125,483</b>       | <b>\$ 2,781,117</b>                 |
| <b><u>System Development Charges (SDC) Fund</u></b>       |                      |                            |                                     |
| Materials and services                                    | \$ 70,400            | \$ 27,106                  | \$ 43,294                           |
| Transfers   | 11,940,700           | 10,376,328                 | 1,564,372                           |
|   | <b>\$ 12,011,100</b> | <b>\$ 10,403,434</b>       | <b>\$ 1,607,666</b>                 |
| <b><u>Community Development Block Grant</u></b>           |                      |                            |                                     |
| Personal services   | \$ 362,545           | \$ 322,970                 | \$ 39,575                           |
| Materials and services                                    | 2,235,320            | 1,606,181                  | 629,139                             |
| Transfers   | 561,900              | 477,307                    | 84,593                              |
| Contingency   | 3,296                | -                          | 3,296                               |
|   | <b>\$ 3,163,061</b>  | <b>\$ 2,406,457</b>        | <b>\$ 756,604</b>                   |

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## **MAJOR ENTERPRISE FUNDS**

### Water Fund

This fund accounts for the maintenance, operation and construction of the City's water intake, purification and delivery systems. Primary revenues are user fees and system development charges.

### Water Reclamation Fund

This fund accounts for the maintenance, operation and construction of the City's wastewater collection and treatment system. Primary revenues are user fees and system development charges.



City of Bend, Oregon

**Water Fund**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                     | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|---------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>        |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                     |                            |                            |  |   |
| Intergovernmental  | \$ 126,800             | \$ 156,800          | \$ 53,573                  | \$ 52,230                  | \$ 105,803                             | \$ (50,997)                                   |
| Charges for services:  |                        |                     |                            |                            |  |   |
| Charges to others  | 29,148,900             | 28,860,300          | 14,515,783                 | 15,472,844                 | 29,988,628                             | 1,128,328                                     |
| Charges to other City funds                                      | 439,800                | 391,250             | 173,299                    | 181,099                    | 354,398                                | (36,852)                                      |
| Loan repayments  | 200                    | 100                 | -                          | -                          | -                                      | (100)   |
| Investment income  | 121,800                | 110,300             | 73,157                     | 51,232                     | 124,389                                | 14,089  |
| Miscellaneous  | 260,700                | 257,500             | 116,265                    | 161,163                    | 277,429                                | 19,929  |
| <b>Total Revenues</b>  | <b>30,098,200</b>      | <b>29,776,250</b>   | <b>14,932,079</b>          | <b>15,918,568</b>          | <b>30,850,647</b>                      | <b>1,074,397</b>                              |
| <b>Expenses</b>  |                        |                     |                            |                            |  |   |
| Current:   |                        |                     |                            |                            |  |   |
| Personal services  | 7,435,995              | 7,236,641           | 3,390,790                  | 3,238,276                  | 6,629,066                              | 607,575                                       |
| Materials and services   | 7,704,820              | 6,883,119           | 2,640,095                  | 2,934,009                  | 5,574,104                              | 1,309,015                                     |
| Interfund charges  | 6,318,000              | 6,620,500           | 3,098,783                  | 3,418,091                  | 6,516,874                              | 103,626                                       |
| Debt service   | 4,069,100              | 3,184,400           | 931,509                    | 1,091,654                  | 2,023,163                              | 1,161,237                                     |
| Capital outlay   | 48,433,400             | 34,967,600          | 9,949,074                  | 5,964,324                  | 15,913,398                             | 19,054,202                                    |
| Contingency  | 5,108,053              | 4,531,273           | -                          | -                          | -                                      | 4,531,273                                     |
| Reserved for rate stabilization                                  | 1,000,000              | 1,000,000           | -                          | -                          | -                                      | 1,000,000                                     |
| Reserved for debt service  | 2,759,732              | 2,000,000           | -                          | -                          | -                                      | 2,000,000                                     |
| Reserved for construction  | -                      | 5,774,317           | -                          | -                          | -                                      | 5,774,317                                     |
| <b>Total Expenses</b>  | <b>82,829,100</b>      | <b>72,197,850</b>   | <b>20,010,251</b>          | <b>16,646,355</b>          | <b>36,656,605</b>                      | <b>35,541,245</b>                             |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>(52,730,900)</b>    | <b>(42,421,600)</b> | <b>(5,078,172)</b>         | <b>(727,786)</b>           | <b>(5,805,958)</b>                     | <b>36,615,642</b>                             |
| <b>Other Financing Sources (Uses)</b>                            |                        |                     |                            |                            |  |   |
| Insurance proceeds   | -                      | -                   | 3,575                      | -                          | 3,575                                  | 3,575   |
| Issuance of long-term debt                                       | 38,675,000             | 28,160,000          | -                          | -                          | -                                      | (28,160,000)                                  |
| Transfers in   | 1,604,000              | 1,809,700           | 994,998                    | 2,029,699                  | 3,024,697                              | 1,214,997                                     |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>40,279,000</b>      | <b>29,969,700</b>   | <b>998,573</b>             | <b>2,029,699</b>           | <b>3,028,272</b>                       | <b>(26,941,428)</b>                           |
| Net change in fund balance                                       | (12,451,900)           | (12,451,900)        | (4,079,599)                | 1,301,913                  | (2,777,686)                            | 9,674,214                                     |
| Beginning Fund Balance (Deficit)                                 | 12,451,900             | 12,451,900          | 11,575,999                 | 7,496,400                  | 11,575,999                             | (875,901)                                     |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ 7,496,400</b>        | <b>\$ 8,798,313</b>        | <b>\$ 8,798,313</b>                    | <b>\$ 8,798,313</b>                           |

City of Bend, Oregon

**Water Fund**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

**Reconciliation of Budgetary basis to GAAP basis**

|  |                             |
|--|-----------------------------|
| Total Revenues - Budgetary Basis   | \$ 15,918,568               |
| Revenues reported on the budgetary basis related to capitalized interest subsidy are reported as assets on the GAAP basis                            | (47,227)                    |
| Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis                                 | <u>578,047</u>              |
| <b>Total Revenues - GAAP Basis</b>   | <b><u>\$ 16,449,388</u></b> |
| <br>   |                             |
| Total Expenses - Budgetary Basis   | \$ 16,646,355               |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis | 24,972                      |
| Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis   | (6,083,049)                 |
| Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis               | (853,154)                   |
| Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis   | 2,802,887                   |
| Amortization of bond issue costs, premiums, and discounts are not reported on the budgetary basis but are reported as an expense on the GAAP basis   | <u>26,804</u>               |
| <b>Total Expenses - GAAP Basis</b>   | <b><u>\$ 12,564,815</u></b> |
| <br>   |                             |
| Other Financing Sources (Uses) - Budgetary Basis   | \$ 2,029,699                |
| Loss on disposal of asset reported as an expense on the GAAP basis   | <u>(10,865)</u>             |
| <b>Other Financing Sources - GAAP Basis</b>  | <b><u>\$ 2,018,834</u></b>  |



City of Bend, Oregon  
**Water Reclamation Fund**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|   | <u>Biennium Budget</u> |                   | <u>FY2011-12</u>     | <u>FY2012-13</u>     | <u>Total Actual</u>  | <u>Variance with</u> |
|---|------------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
|   | <u>Original</u>        | <u>Final</u>      |                      |                      |                      | <u>Final Budget</u>  |
|   |                        |                   | <u>Actual</u>        | <u>Actual</u>        | <u>Budget</u>        | <u>Positive</u>      |
|   |                        |                   |                      |                      | <u>Basis</u>         | <u>(Negative)</u>    |
| <b>Revenues</b>                             |                        |                   |                      |                      |                      |                      |
| Intergovernmental                           | \$ 660,300             | \$ 660,300        | \$ 229,219           | \$ 249,726           | \$ 478,945           | \$ (181,355)         |
| Charges for services:                       |                        |                   |                      |                      |                      |                      |
| Charges to others                           | 32,357,600             | 32,034,100        | 15,939,485           | 17,061,750           | 33,001,236           | 967,136              |
| Charges to other City funds                 | 35,800                 | 33,650            | 16,551               | 16,655               | 33,206               | (444)                |
| Loan repayments                             | 32,600                 | 22,850            | 19,655               | 15,278               | 34,934               | 12,084               |
| Contributions                               | -                      | -                 | 10,641               | -                    | 10,641               | 10,641               |
| Investment income                           | 135,600                | 175,300           | 114,921              | 146,413              | 261,334              | 86,034               |
| Miscellaneous                               | 28,800                 | 28,800            | 13,024               | 13,980               | 27,005               | (1,795)              |
| <b>Total Revenues</b>                       | <b>33,250,700</b>      | <b>32,955,000</b> | <b>16,343,498</b>    | <b>17,503,804</b>    | <b>33,847,301</b>    | <b>892,301</b>       |
| <b>Expenses</b>                             |                        |                   |                      |                      |                      |                      |
| Current:                                    |                        |                   |                      |                      |                      |                      |
| Personal services                           | 8,122,076              | 8,215,991         | 3,670,216            | 4,032,232            | 7,702,448            | 513,543              |
| Materials and services                      | 5,185,310              | 4,517,433         | 1,944,479            | 2,192,861            | 4,137,340            | 380,093              |
| Interfund charges                           | 6,102,300              | 6,523,300         | 3,002,197            | 3,419,606            | 6,421,803            | 101,497              |
| Debt service                                | 7,727,200              | 5,537,700         | 2,409,547            | 2,568,246            | 4,977,793            | 559,907              |
| Capital outlay                              | 50,079,300             | 14,359,600        | 3,430,166            | 7,581,785            | 11,011,951           | 3,347,649            |
| Contingency                                 | 2,455,214              | 350,206           | -                    | -                    | -                    | 350,206              |
| Reserved for debt service                   | 4,122,900              | 677,000           | -                    | -                    | -                    | 677,000              |
| Reserved for construction                   | -                      | 16,219,120        | -                    | -                    | -                    | 16,219,120           |
| <b>Total Expenses</b>                       | <b>83,794,300</b>      | <b>56,400,350</b> | <b>14,456,605</b>    | <b>19,794,730</b>    | <b>34,251,335</b>    | <b>22,149,015</b>    |
| <b>Excess (deficiency) of revenues</b>      |                        |                   |                      |                      |                      |                      |
| <b>over (under) expenses</b>                | (50,543,600)           | (23,445,350)      | 1,886,892            | (2,290,926)          | (404,034)            | 23,041,316           |
| <b>Other Financing Sources (Uses)</b>       |                        |                   |                      |                      |                      |                      |
| Proceeds from sale of assets                | -                      | -                 | -                    | 27,920               | 27,920               | 27,920               |
| Insurance proceeds                          | -                      | -                 | 3,576                | -                    | 3,576                | 3,576                |
| Issuance of long-term debt                  | 34,255,000             | 10,670,800        | 4,847,419            | 4,238,097            | 9,085,516            | (1,585,284)          |
| Premium on issuance of long-term debt       | -                      | -                 | 322,770              | -                    | 322,770              | 322,770              |
| Payment to refunded bond escrow agent       | -                      | (3,507,800)       | (3,451,397)          | -                    | (3,451,397)          | 56,403               |
| Transfers in                                | 2,022,600              | 2,016,350         | 1,207,760            | 2,121,247            | 3,329,007            | 1,312,657            |
| <b>Total Other Financing Sources (Uses)</b> | <b>36,277,600</b>      | <b>9,179,350</b>  | <b>2,930,128</b>     | <b>6,387,264</b>     | <b>9,317,392</b>     | <b>138,042</b>       |
| Net change in fund balance                  | (14,266,000)           | (14,266,000)      | 4,817,020            | 4,096,338            | 8,913,358            | 23,179,358           |
| Beginning Fund Balance (Deficit)            | 14,266,000             | 14,266,000        | 15,808,436           | 20,625,456           | 15,808,436           | 1,542,436            |
| <b>Ending Fund Balance (Deficit)</b>        | <b>\$ -</b>            | <b>\$ -</b>       | <b>\$ 20,625,456</b> | <b>\$ 24,721,794</b> | <b>\$ 24,721,794</b> | <b>\$ 24,721,794</b> |

City of Bend, Oregon  
**Water Reclamation Fund**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

**Reconciliation of Budgetary basis to GAAP basis**

|  |                             |
|--|-----------------------------|
| Total Revenues - Budgetary Basis   | \$ 17,503,804               |
| Revenues reported on the budgetary basis related to capitalized interest subsidy are reported as assets on the GAAP basis                            | (215,143)                   |
| Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis                                 | 530,058                     |
| <b>Total Revenues - GAAP Basis</b>   | <u><u>\$ 17,818,719</u></u> |
| <br>   |                             |
| Total Expenses - Budgetary Basis   | \$ 19,794,730               |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis | 134,690                     |
| Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis   | (8,181,889)                 |
| Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis               | (1,345,000)                 |
| Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis   | 3,063,913                   |
| Amortization of bond issue costs, premiums, and discounts are not reported on the budgetary basis but are reported as an expense on the GAAP basis   | 68,785                      |
| <b>Total Expenses - GAAP Basis</b>   | <u><u>\$ 13,535,229</u></u> |
| <br>   |                             |
| Total Other Financing Sources (Uses) - Budgetary Basis   | \$ 6,387,264                |
| Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis      | (4,238,097)                 |
| Loss on disposal of asset reported as an expense on the GAAP basis   | (460,861)                   |
| <b>Total Other Financing Sources (Uses) - GAAP Basis</b>   | <u><u>\$ 1,688,307</u></u>  |

City of Bend, Oregon  
**Other Major Funds**

Schedule of Expenses and Other Uses by Appropriation Levels  
 For the biennium ended June 30, 2013

|                                      | <u>Appropriation</u> | <u>Actual Expenses</u> | <u>Variance Positive (Negative)</u> |
|--------------------------------------|----------------------|------------------------|-------------------------------------|
| <b><u>Water Fund</u></b>             |                      |                        |                                     |
| Personal services                    | \$ 7,236,641         | \$ 6,629,066           | \$ 607,575                          |
| Materials and services               | 6,883,119            | 5,574,104              | 1,309,015                           |
| Transfers                            | 6,620,500            | 6,516,874              | 103,626                             |
| Debt service                         | 3,184,400            | 2,023,163              | 1,161,237                           |
| Capital outlay                       | 34,967,600           | 15,913,398             | 19,054,202                          |
| Contingency                          | 4,531,273            | -                      | 4,531,273                           |
| Reserves                             | 8,774,317            | -                      | 8,774,317                           |
|                                      | <b>\$ 72,197,850</b> | <b>\$ 36,656,605</b>   | <b>\$ 35,541,245</b>                |
| <b><u>Water Reclamation Fund</u></b> |                      |                        |                                     |
| Personal services                    | \$ 8,215,991         | \$ 7,702,448           | \$ 513,543                          |
| Materials and services               | 4,517,433            | 4,137,340              | 380,093                             |
| Transfers                            | 6,523,300            | 6,421,803              | 101,497                             |
| Debt service                         | 9,045,500            | 8,429,190              | 616,310                             |
| Capital outlay                       | 14,359,600           | 11,011,951             | 3,347,649                           |
| Contingency                          | 350,206              | -                      | 350,206                             |
| Reserves                             | 16,896,120           | -                      | 16,896,120                          |
|                                      | <b>\$ 59,908,150</b> | <b>\$ 37,702,732</b>   | <b>\$ 22,205,418</b>                |

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**NONMAJOR GOVERNMENTAL AND  
ENTERPRISE FUNDS**



City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 June 30, 2013

|                                 | <b>Special<br/>Revenue<br/>Funds</b> | <b>Debt Service<br/>Funds</b> | <b>Capital<br/>Projects<br/>Funds</b> | <b>Permanent<br/>Funds</b> | <b>Total</b>         |
|---------------------------------|--------------------------------------|-------------------------------|---------------------------------------|----------------------------|----------------------|
| <b>Assets</b>                   |                                      |                               |                                       |                            |                      |
| Pooled cash and investments     | \$ 4,152,795                         | \$ -                          | \$ -                                  | \$ -                       | \$ 4,152,795         |
| Restricted cash and investments | 2,982,273                            | 3,108,030                     | 9,301,357                             | 596,282                    | 15,987,942           |
| Receivables:                    |                                      |                               |                                       |                            |                      |
| Property taxes                  | -                                    | 127,198                       | -                                     | -                          | 127,198              |
| Accounts, net                   | 149,923                              | -                             | 150,143                               | -                          | 300,066              |
| Assessments, net                | 15,218                               | -                             | -                                     | -                          | 15,218               |
| Loans and notes, net            | 2,423,561                            | -                             | -                                     | -                          | 2,423,561            |
| Due from other governments      | -                                    | -                             | 73,669                                | -                          | 73,669               |
| <b>Total Assets</b>             | <b>\$ 9,723,770</b>                  | <b>\$ 3,235,228</b>           | <b>\$ 9,525,169</b>                   | <b>\$ 596,282</b>          | <b>\$ 23,080,449</b> |

**Liabilities and Fund Balances**

Liabilities:

|                               |                  |                |                |            |                  |
|-------------------------------|------------------|----------------|----------------|------------|------------------|
| Accounts payable              | \$ 189,535       | \$ -           | \$ 115,272     | \$ 330     | \$ 305,137       |
| Salaries and benefits payable | 64,005           | -              | -              | -          | 64,005           |
| Other accrued liabilities     | -                | -              | 901            | -          | 901              |
| Deposits                      | 480,049          | -              | 3,550          | -          | 483,599          |
| Unavailable revenues          | 2,444,386        | 102,838        | 318,779        | -          | 2,866,002        |
| <b>Total Liabilities</b>      | <b>3,177,975</b> | <b>102,838</b> | <b>438,502</b> | <b>330</b> | <b>3,719,644</b> |

Fund balances (deficits):

Nonspendable:

Required to remain intact

|   |   |   |         |         |
|---|---|---|---------|---------|
| - | - | - | 595,952 | 595,952 |
|---|---|---|---------|---------|

Restricted:

Externally imposed

|         |           |         |   |           |
|---------|-----------|---------|---|-----------|
| 196,324 | 1,666,921 | 876,508 | - | 2,739,753 |
|---------|-----------|---------|---|-----------|

Imposed by law

|           |   |   |   |           |
|-----------|---|---|---|-----------|
| 2,407,582 | - | - | - | 2,407,582 |
|-----------|---|---|---|-----------|

Committed

|           |   |           |   |            |
|-----------|---|-----------|---|------------|
| 2,088,336 | - | 7,987,396 | - | 10,075,732 |
|-----------|---|-----------|---|------------|

Assigned

|           |           |         |   |           |
|-----------|-----------|---------|---|-----------|
| 1,853,553 | 1,465,470 | 582,983 | - | 3,902,006 |
|-----------|-----------|---------|---|-----------|

Unassigned

|   |   |           |   |           |
|---|---|-----------|---|-----------|
| - | - | (360,220) | - | (360,220) |
|---|---|-----------|---|-----------|

|                                       |                  |                  |                  |                |                   |
|---------------------------------------|------------------|------------------|------------------|----------------|-------------------|
| <b>Total Fund Balances (Deficits)</b> | <b>6,545,795</b> | <b>3,132,391</b> | <b>9,086,667</b> | <b>595,952</b> | <b>19,360,805</b> |
|---------------------------------------|------------------|------------------|------------------|----------------|-------------------|

|  |                     |                     |                     |                   |                      |
|--|---------------------|---------------------|---------------------|-------------------|----------------------|
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 9,723,770</b> | <b>\$ 3,235,228</b> | <b>\$ 9,525,169</b> | <b>\$ 596,282</b> | <b>\$ 23,080,449</b> |
|--|---------------------|---------------------|---------------------|-------------------|----------------------|

City of Bend, Oregon

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)**

Nonmajor Governmental Funds

For the fiscal year ended June 30, 2013

|  | <b>Special<br/>Revenue<br/>Funds</b> | <b>Debt Service<br/>Funds</b> | <b>Capital<br/>Projects<br/>Funds</b> | <b>Permanent<br/>Funds</b> | <b>Total</b>         |
|--|--------------------------------------|-------------------------------|---------------------------------------|----------------------------|----------------------|
| <b>Revenues</b>  |                                      |                               |                                       |                            |                      |
| Property taxes   | \$ -                                 | \$ 3,148,080                  | \$ -                                  | \$ -                       | \$ 3,148,080         |
| Transient room taxes   | 1,183,453                            | -                             | -                                     | -                          | 1,183,453            |
| Franchise fees   | -                                    | -                             | 1,072,038                             | -                          | 1,072,038            |
| Intergovernmental  | 287,208                              | 226,518                       | 1,195,321                             | -                          | 1,709,048            |
| Assessments  | 157,740                              | -                             | -                                     | -                          | 157,740              |
| Licenses and permits   | 3,829,785                            | -                             | -                                     | -                          | 3,829,785            |
| Charges for services   | 2,471,189                            | 1,088,716                     | 83,635                                | -                          | 3,643,540            |
| Contributions  | 43,666                               | -                             | 18,854                                | -                          | 62,520               |
| Permanent maintenance fees   | -                                    | -                             | -                                     | 5,585                      | 5,585                |
| Loan repayments  | 800,037                              | -                             | 7,503                                 | -                          | 807,540              |
| Investment income  | 41,943                               | 37,624                        | 49,761                                | 17,197                     | 146,525              |
| Miscellaneous  | 361                                  | -                             | -                                     | -                          | 361                  |
| <b>Total Revenues</b>  | <b>8,815,382</b>                     | <b>4,500,939</b>              | <b>2,427,112</b>                      | <b>22,781</b>              | <b>15,766,214</b>    |
| <b>Expenditures</b>  |                                      |                               |                                       |                            |                      |
| Current:   |                                      |                               |                                       |                            |                      |
| General government   | -                                    | 18,700                        | -                                     | -                          | 18,700               |
| Public safety  | 26,476                               | 6,295                         | -                                     | -                          | 32,771               |
| Public ways and facilities   | 378,854                              | -                             | 854,492                               | -                          | 1,233,347            |
| Community and economic development                                   | 6,918,376                            | -                             | -                                     | -                          | 6,918,376            |
| Permanent maintenance  | -                                    | -                             | -                                     | 3,732                      | 3,732                |
| Urban renewal  | 4,421                                | -                             | 27,549                                | -                          | 31,970               |
| Debt service:  |                                      |                               |                                       |                            |                      |
| Principal  | -                                    | 2,900,000                     | 1,070,800                             | -                          | 3,970,800            |
| Interest   | -                                    | 1,643,860                     | 514,025                               | -                          | 2,157,886            |
| Capital outlay   | 189,030                              | -                             | 1,838,135                             | -                          | 2,027,165            |
| <b>Total Expenditures</b>  | <b>7,517,157</b>                     | <b>4,568,856</b>              | <b>4,305,001</b>                      | <b>3,732</b>               | <b>16,394,745</b>    |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>1,298,226</b>                     | <b>(67,917)</b>               | <b>(1,877,889)</b>                    | <b>19,050</b>              | <b>(628,531)</b>     |
| <b>Other Financing Sources (Uses)</b>                                |                                      |                               |                                       |                            |                      |
| Proceeds from sale of assets   | -                                    | -                             | 26,048                                | -                          | 26,048               |
| Insurance proceeds   | 564                                  | -                             | -                                     | -                          | 564                  |
| Transfers in   | 1,145,937                            | 6,100                         | 3,200,733                             | -                          | 4,352,770            |
| Transfers out  | (34,102)                             | (581,685)                     | 6,849                                 | (13,938)                   | (622,875)            |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>1,112,400</b>                     | <b>(575,585)</b>              | <b>3,233,630</b>                      | <b>(13,938)</b>            | <b>3,756,507</b>     |
| Net change in fund balances  | 2,410,625                            | (643,502)                     | 1,355,741                             | 5,112                      | 3,127,976            |
| Fund Balances (Deficits), July 1, 2012                               | 4,135,170                            | 3,775,892                     | 7,730,926                             | 590,840                    | 16,232,828           |
| <b>Fund Balances (Deficits), June 30, 2013</b>                       | <b>\$ 6,545,795</b>                  | <b>\$ 3,132,391</b>           | <b>\$ 9,086,667</b>                   | <b>\$ 595,952</b>          | <b>\$ 19,360,805</b> |



## **NONMAJOR SPECIAL REVENUE FUNDS**

### BURA General Fund

This fund accounts for the operation and general service related to Urban Renewal.

### Police Grant Fund

This fund accounts for the grant revenues and expenditures of the police department.

### Energy American Recovery and Reinvestment Act (ARRA) Grant Fund

This fund accounts for grant revenues and expenditures received for energy efficient related projects.

### Building Fund

This fund accounts for the City's building inspection and compliance operations. The principal sources of revenues are permit fees and other fees charged for services provided.

### Planning Fund

This fund accounts for the City's current and long-range planning activities. Revenues include plan review fees and transfers from other City funds.

### Private Development Engineering

This fund accounts for private development engineering plan reviews and other engineering services. Revenues are engineering fees used to cover operating expenses.

### Affordable Housing Fund

This fund accounts for the affordable housing program. Funding is provided by a fee of 1/3 of 1% of the total building permit valuation for all building permits issued. Expenditures are for housing opportunities for residents at or below 80% of median income.

### Tourism Fund

This fund accounts for tourist promotion and economic development activities sponsored by the City. The principal source of revenue is transient room tax allocations. Expenditures are to other agencies to promote tourism and economic development efforts.

### Economic Improvement District Fund

This fund accounts for the collection and disbursement of assessments from the Downtown Economic Improvement District and disbursement of those assessments.

### Police Reserve Fund

This fund accounts for the reserves of the police department.



City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 June 30, 2013

|   | BURA<br>General<br>Fund | Police<br>Grant<br>Fund | Energy<br>ARRA Grant<br>Fund | Building<br>Fund    |
|---|-------------------------|-------------------------|------------------------------|---------------------|
| <b><u>Assets</u></b>                        |                         |                         |                              |                     |
| Pooled cash and investments                 | \$ 463,582              | \$ -                    | \$ -                         | -                   |
| Restricted cash and investments             | -                       | -                       | 58,199                       | 2,455,673           |
| Receivables:                                |                         |                         |                              |                     |
| Accounts, net                               | -                       | -                       | -                            | 498                 |
| Assessments, net                            | -                       | -                       | -                            | -                   |
| Loans and notes receivable, net             | 15,000                  | -                       | 201,452                      | -                   |
| <b>Total Assets</b>                         | <b>\$ 478,582</b>       | <b>\$ -</b>             | <b>\$ 259,651</b>            | <b>\$ 2,456,170</b> |
| <b><u>Liabilities and Fund Balances</u></b> |                         |                         |                              |                     |
| Liabilities:                                |                         |                         |                              |                     |
| Accounts payable                            | \$ -                    | \$ -                    | \$ -                         | 3,884               |
| Salaries and benefits payable               | -                       | -                       | -                            | 32,559              |
| Deposits                                    | -                       | -                       | -                            | 11,648              |
| Unavailable revenues                        | 15,000                  | -                       | 201,452                      | 498                 |
| <b>Total Liabilities</b>                    | <b>15,000</b>           | <b>-</b>                | <b>201,452</b>               | <b>48,589</b>       |
| Fund balances (deficits):                   |                         |                         |                              |                     |
| Restricted:                                 |                         |                         |                              |                     |
| Externally imposed                          | -                       | -                       | 58,199                       | -                   |
| Imposed by law                              | -                       | -                       | -                            | 2,407,582           |
| Committed                                   | -                       | -                       | -                            | -                   |
| Assigned                                    | 463,582                 | -                       | -                            | -                   |
| <b>Total Fund Balances (Deficits)</b>       | <b>463,582</b>          | <b>-</b>                | <b>58,199</b>                | <b>2,407,582</b>    |
| <b>Total Liabilities and Fund Balances</b>  | <b>\$ 478,582</b>       | <b>\$ -</b>             | <b>\$ 259,651</b>            | <b>\$ 2,456,170</b> |

City of Bend, Oregon  
**Combining Balance Sheet (Continued)**  
 Nonmajor Special Revenue Funds  
 June 30, 2013

|  | Planning<br>Fund    | Private<br>Development<br>Engineering<br>Fund | Affordable<br>Housing<br>Fund | Tourism<br>Fund   |
|--|---------------------|---|-------------------------------|-------------------|
| <b>Assets</b>                              |                     |   |                               |                   |
| Pooled cash and investments                | \$ 1,038,966        | \$ 382,317                                    | \$ 1,631,202                  | \$ 13,360         |
| Restricted cash and investments            | 122,448             | 345,954                                       | -                             | -                 |
| Receivables:                               |                     |   |                               |                   |
| Accounts, net                              | 5,275               | 1,900   | -                             | 142,251           |
| Assessments, net                           | -                   | -   | -                             | -                 |
| Loans and notes receivable, net            | -                   | -   | 2,207,109                     | -                 |
| <b>Total Assets</b>                        | <b>\$ 1,166,689</b> | <b>\$ 730,170</b>                             | <b>\$ 3,838,311</b>           | <b>\$ 155,611</b> |
| <b>Liabilities and Fund Balances</b>       |                     |   |                               |                   |
| Liabilities:                               |                     |   |                               |                   |
| Accounts payable                           | \$ 2,441            | \$ 481  | \$ 161,727                    | \$ 17,485         |
| Salaries and benefits payable              | 22,842              | 7,448   | 1,156                         | -                 |
| Deposits                                   | 122,448             | 345,954                                       | -                             | -                 |
| Unavailable revenues                       | 5,275               | -   | 2,207,109                     | -                 |
| <b>Total Liabilities</b>                   | <b>153,006</b>      | <b>353,883</b>                                | <b>2,369,993</b>              | <b>17,485</b>     |
| Fund balances (deficits):                  |                     |   |                               |                   |
| Restricted:                                |                     |   |                               |                   |
| Externally imposed                         | -                   | -   | -                             | 138,125           |
| Imposed by law                             | -                   | -   | -                             | -                 |
| Committed                                  | -                   | -   | 1,468,319                     | -                 |
| Assigned                                   | 1,013,683           | 376,288                                       | -                             | -                 |
| <b>Total Fund Balances (Deficits)</b>      | <b>1,013,683</b>    | <b>376,288</b>                                | <b>1,468,319</b>              | <b>138,125</b>    |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 1,166,689</b> | <b>\$ 730,170</b>                             | <b>\$ 3,838,311</b>           | <b>\$ 155,611</b> |

City of Bend, Oregon  
**Combining Balance Sheet (Continued)**  
 Nonmajor Special Revenue Funds  
 June 30, 2013

|   | <b>Economic<br/>Improvement<br/>District<br/>Fund</b> |               | <b>Police<br/>Reserve<br/>Fund</b> |                | <b>Total</b>        |
|---|---|---------------|------------------------------------|----------------|---------------------|
| <b><u>Assets</u></b>                        |   |               |                                    |                |                     |
| Pooled cash and investments                 | \$  | 3,350         | \$                                 | 620,017        | \$ 4,152,795        |
| Restricted cash and investments             |   | -             |                                    | -              | 2,982,273           |
| Receivables:                                |   |               |                                    |                |                     |
| Accounts, net                               |   | -             |                                    | -              | 149,923             |
| Assessments, net                            |   | 15,218        |                                    | -              | 15,218              |
| Loans and notes receivable, net             |   | -             |                                    | -              | 2,423,561           |
| <b>Total Assets</b>                         | <b>\$</b>   | <b>18,568</b> | <b>\$</b>                          | <b>620,017</b> | <b>\$ 9,723,770</b> |
| <b><u>Liabilities and Fund Balances</u></b> |   |               |                                    |                |                     |
| Liabilities:                                |   |               |                                    |                |                     |
| Accounts payable                            | \$  | 3,516         | \$                                 | -              | \$ 189,535          |
| Salaries and benefits payable               |   | -             |                                    | -              | 64,005              |
| Deposits                                    |   | -             |                                    | -              | 480,049             |
| Unavailable revenues                        |   | 15,052        |                                    | -              | 2,444,386           |
| <b>Total Liabilities</b>                    |   | <b>18,568</b> |                                    | <b>-</b>       | <b>3,177,975</b>    |
| Fund balances (deficits):                   |   |               |                                    |                |                     |
| Restricted:                                 |   |               |                                    |                |                     |
| Externally imposed                          |   | -             |                                    | -              | 196,324             |
| Imposed by law                              |   | -             |                                    | -              | 2,407,582           |
| Committed                                   |   | -             |                                    | 620,017        | 2,088,336           |
| Assigned                                    |   | -             |                                    | -              | 1,853,553           |
| <b>Total Fund Balances (Deficits)</b>       |   | <b>-</b>      |                                    | <b>620,017</b> | <b>6,545,795</b>    |
| <b>Total Liabilities and Fund Balances</b>  | <b>\$</b>   | <b>18,568</b> | <b>\$</b>                          | <b>620,017</b> | <b>\$ 9,723,770</b> |

City of Bend, Oregon  
**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances (Deficits)**

Nonmajor Special Revenue Funds  
For the fiscal year ended June 30, 2013

|  | <b>BURA<br/>General<br/>Fund</b> | <b>Police<br/>Grant<br/>Fund</b> | <b>Energy<br/>ARRA Grant<br/>Fund</b> | <b>Building<br/>Fund</b> |
|--|----------------------------------|----------------------------------|---------------------------------------|--------------------------|
| <b><u>Revenues</u></b>   |                                  |                                  |                                       |                          |
| Transient room taxes   | \$ -                             | \$ -                             | \$ -                                  | \$ -                     |
| Intergovernmental  | -                                | 26,425                           | 260,784                               | -                        |
| Assessments  | -                                | -                                | -                                     | -                        |
| Licenses and permits   | -                                | -                                | -                                     | 3,829,785                |
| Charges for services   | -                                | -                                | -                                     | 1,962                    |
| Contributions  | -                                | -                                | 43,666                                | -                        |
| Loan repayments  | 15,000                           | -                                | 50,336                                | -                        |
| Investment income  | 2,373                            | 51                               | 408                                   | 13,100                   |
| Miscellaneous  | -                                | -                                | -                                     | 354                      |
| <b>Total Revenues</b>  | <b>17,373</b>                    | <b>26,476</b>                    | <b>355,194</b>                        | <b>3,845,201</b>         |
| <b><u>Expenditures</u></b>   |                                  |                                  |                                       |                          |
| Current:   |                                  |                                  |                                       |                          |
| Public safety  | -                                | 26,476                           | -                                     | -                        |
| Public ways and facilities   | -                                | -                                | -                                     | -                        |
| Community and economic development                                   | -                                | -                                | 142,888                               | 2,672,832                |
| Urban renewal  | 4,421                            | -                                | -                                     | -                        |
| Capital outlay   | -                                | -                                | 189,030                               | -                        |
| <b>Total Expenditures</b>  | <b>4,421</b>                     | <b>26,476</b>                    | <b>331,918</b>                        | <b>2,672,832</b>         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>12,952</b>                    | <b>-</b>                         | <b>23,276</b>                         | <b>1,172,369</b>         |
| <b><u>Other Financing Sources (Uses)</u></b>                         |                                  |                                  |                                       |                          |
| Insurance proceeds   | -                                | -                                | -                                     | 564                      |
| Transfers in   | -                                | -                                | -                                     | 17,373                   |
| Transfers out  | -                                | -                                | -                                     | -                        |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>-</b>                         | <b>-</b>                         | <b>-</b>                              | <b>17,937</b>            |
| Net change in fund balance   | 12,952                           | -                                | 23,276                                | 1,190,306                |
| Fund Balances (Deficits), July 1, 2012                               | 450,630                          | -                                | 34,923                                | 1,217,275                |
| <b>Fund Balances (Deficits), June 30, 2013</b>                       | <b>\$ 463,582</b>                | <b>\$ -</b>                      | <b>\$ 58,199</b>                      | <b>\$ 2,407,582</b>      |

City of Bend, Oregon  
**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances (Deficits) (Continued)**

Nonmajor Special Revenue Funds  
For the fiscal year ended June 30, 2013

|  | Planning<br>Fund    | Private<br>Development<br>Engineering<br>Fund | Affordable<br>Housing<br>Fund | Tourism<br>Fund   |
|--|---------------------|---|-------------------------------|-------------------|
| <b>Revenues</b>  |                     |   |                               |                   |
| Transient room taxes   | \$ -                | \$ -  | \$ -                          | \$ 1,183,453      |
| Intergovernmental  | -                   | -   | -                             | -                 |
| Assessments  | -                   | -   | -                             | -                 |
| Licenses and permits   | -                   | -   | -                             | -                 |
| Charges for services   | 1,711,049           | 355,365                                       | 402,813                       | -                 |
| Contributions  | -                   | -   | -                             | -                 |
| Loan repayments  | -                   | -   | 734,702                       | -                 |
| Investment income  | 5,530               | 4,336   | 12,002                        | (15)              |
| Miscellaneous  | 6                   | 1   | -                             | -                 |
| <b>Total Revenues</b>  | <b>1,716,585</b>    | <b>359,702</b>                                | <b>1,149,516</b>              | <b>1,183,437</b>  |
| <b>Expenditures</b>  |                     |   |                               |                   |
| Current:   |                     |   |                               |                   |
| Public safety  | -                   | -   | -                             | -                 |
| Public ways and facilities   | -                   | 378,854                                       | -                             | -                 |
| Community and economic development                                   | 1,757,955           | -   | 1,049,686                     | 1,137,162         |
| Urban renewal  | -                   | -   | -                             | -                 |
| Capital outlay   | -                   | -   | -                             | -                 |
| <b>Total Expenditures</b>  | <b>1,757,955</b>    | <b>378,854</b>                                | <b>1,049,686</b>              | <b>1,137,162</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(41,370)</b>     | <b>(19,152)</b>                               | <b>99,830</b>                 | <b>46,275</b>     |
| <b>Other Financing Sources (Uses)</b>                                |                     |   |                               |                   |
| Insurance proceeds   | -                   | -   | -                             | -                 |
| Transfers in   | 900,764             | 120,000                                       | -                             | -                 |
| Transfers out  | (1,997)             | (2,105)                                       | (30,000)                      | -                 |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>898,768</b>      | <b>117,895</b>                                | <b>(30,000)</b>               | <b>-</b>          |
| Net change in fund balance   | 857,398             | 98,743  | 69,830                        | 46,275            |
| Fund Balances (Deficits), July 1, 2012                               | 156,285             | 277,545                                       | 1,398,489                     | 91,850            |
| <b>Fund Balances (Deficits), June 30, 2013</b>                       | <b>\$ 1,013,683</b> | <b>\$ 376,288</b>                             | <b>\$ 1,468,319</b>           | <b>\$ 138,125</b> |

City of Bend, Oregon  
**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances (Deficits) (Continued)**

Nonmajor Special Revenue Funds  
For the fiscal year ended June 30, 2013

|  | Economic<br>Improvement<br>District<br><u>Fund</u> | Police<br>Reserve<br><u>Fund</u> | <u>Total</u>        |
|--|--|----------------------------------|---------------------|
| <b><u>Revenues</u></b>   |  |                                  |                     |
| Transient room taxes   | \$ -   | \$ -                             | \$ 1,183,453        |
| Intergovernmental  | -  | -                                | 287,208             |
| Assessments  | 157,740  | -                                | 157,740             |
| Licenses and permits   | -  | -                                | 3,829,785           |
| Charges for services   | -  | -                                | 2,471,189           |
| Contributions  | -  | -                                | 43,666              |
| Loan repayments  | -  | -                                | 800,037             |
| Investment income  | 113  | 4,045                            | 41,943              |
| Miscellaneous  | -  | -                                | 361                 |
| <b>Total Revenues</b>  | <b>157,853</b>                                     | <b>4,045</b>                     | <b>8,815,382</b>    |
| <b><u>Expenditures</u></b>   |  |                                  |                     |
| Current:   |  |                                  |                     |
| Public safety  | -  | -                                | 26,476              |
| Public ways and facilities   | -  | -                                | 378,854             |
| Community and economic development                                   | 157,853  | -                                | 6,918,376           |
| Urban renewal  | -  | -                                | 4,421               |
| Capital outlay   | -  | -                                | 189,030             |
| <b>Total Expenditures</b>  | <b>157,853</b>                                     | <b>-</b>                         | <b>7,517,157</b>    |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>-</b>   | <b>4,045</b>                     | <b>1,298,226</b>    |
| <b><u>Other Financing Sources (Uses)</u></b>                         |  |                                  |                     |
| Insurance proceeds   | -  | -                                | 564                 |
| Transfers in   | -  | 107,800                          | 1,145,937           |
| Transfers out  | -  | -                                | (34,102)            |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>-</b>   | <b>107,800</b>                   | <b>1,112,400</b>    |
| Net change in fund balance   | -  | 111,845                          | 2,410,625           |
| Fund Balances (Deficits), July 1, 2012                               | -  | 508,173                          | 4,135,170           |
| <b>Fund Balances (Deficits), June 30, 2013</b>                       | <b>\$ -</b>  | <b>\$ 620,017</b>                | <b>\$ 6,545,795</b> |



City of Bend, Oregon

**Bend Urban Renewal Agency (BURA) General Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                  |                            |                            |  |   |
| Rental income:   |                        |                  |                            |                            |  |   |
| Rent from others   | \$ 61,400              | \$ 30,700        | \$ 17,933                  | \$ -                       | \$ 17,933                              | \$ (12,767)                                   |
| Loan repayments  | -                      | -                | -                          | 15,000                     | 15,000                                 | 15,000  |
| Investment income  | 300                    | 2,200            | (61)                       | 2,373                      | 2,312                                  | 112   |
| <b>Total Revenues</b>  | <b>61,700</b>          | <b>32,900</b>    | <b>17,871</b>              | <b>17,373</b>              | <b>35,245</b>                          | <b>2,345</b>                                  |
| <b>Expenditures</b>  |                        |                  |                            |                            |  |   |
| Current:   |                        |                  |                            |                            |  |   |
| Materials and services   | 23,800                 | 16,200           | 11,115                     | 4,421                      | 15,536                                 | 664   |
| Interfund charges  | 9,000                  | 4,400            | 3,601                      | -                          | 3,601                                  | 799   |
| Capital outlay   | -                      | 13,900           | 13,761                     | -                          | 13,761                                 | 139   |
| Contingency  | 28,700                 | 12,200           | -                          | -                          | -                                      | 12,200  |
| Reserve  | -                      | 461,000          | -                          | -                          | -                                      | 461,000                                       |
| <b>Total Expenditures</b>  | <b>61,500</b>          | <b>507,700</b>   | <b>28,477</b>              | <b>4,421</b>               | <b>32,898</b>                          | <b>474,802</b>                                |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>200</b>             | <b>(474,800)</b> | <b>(10,606)</b>            | <b>12,952</b>              | <b>2,346</b>                           | <b>477,146</b>                                |
| <b>Other Financing Sources (Uses)</b>                                |                        |                  |                            |                            |  |   |
| Transfers in   | -                      | 474,900          | 460,742                    | -                          | 460,742                                | (14,158)                                      |
| Transfers out  | (200)                  | (100)            | -                          | -                          | -                                      | 100   |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(200)</b>           | <b>474,800</b>   | <b>460,742</b>             | <b>-</b>                   | <b>460,742</b>                         | <b>(14,058)</b>                               |
| Net change in fund balance   | -                      | -                | 450,136                    | 12,952                     | 463,088                                | 463,088                                       |
| Beginning Fund Balance (Deficit)                                     | -                      | -                | 494                        | 450,630                    | 494                                    | 494   |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 450,630</b>          | <b>\$ 463,582</b>          | <b>\$ 463,582</b>                      | <b>\$ 463,582</b>                             |

City of Bend, Oregon  
**Police Grant Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |               | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br>Basis | Variance with                                 |
|--|------------------------|---------------|----------------------------|----------------------------|---------------------------------|---|
|  | <u>Original</u>        | <u>Final</u>  |                            |                            |                                 | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |               |                            |                            |                                 |   |
| Intergovernmental  | \$ 43,200              | \$ 98,700     | \$ 71,502                  | \$ 26,425                  | \$ 97,926                       | \$ (774)                                      |
| Investment income  | -                      | -             | 172                        | 51                         | 223                             | 223   |
| <b>Total Revenues</b>  | <b>43,200</b>          | <b>98,700</b> | <b>71,673</b>              | <b>26,476</b>              | <b>98,149</b>                   | <b>(551)</b>                                  |
| <b>Expenditures</b>  |                        |               |                            |                            |                                 |   |
| Current:   |                        |               |                            |                            |                                 |   |
| Materials and services   | -                      | 58,461        | 32,653                     | 26,476                     | 59,128                          | (667)   |
| Capital outlay   | 43,200                 | 40,239        | 39,193                     | -                          | 39,193                          | 1,046   |
| <b>Total Expenditures</b>  | <b>43,200</b>          | <b>98,700</b> | <b>71,846</b>              | <b>26,476</b>              | <b>98,322</b>                   | <b>378</b>                                    |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | -                      | -             | (173)                      | -                          | (173)                           | (173)   |
| Beginning Fund Balance (Deficit)                                     | -                      | -             | 173                        | -                          | 173                             | 173   |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>   | <b>\$ -</b>                | <b>\$ -</b>                | <b>\$ -</b>                     | <b>\$ -</b>                                   |

City of Bend, Oregon  
**Energy ARRA Grant Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br><u>Budget</u><br><u>Basis</u> | Variance with  |
|--|------------------------|----------------|----------------------------|----------------------------|---|--|
|  | <u>Original</u>        | <u>Final</u>   |                            |                            |   | Final Budget<br><u>Positive</u><br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                |                            |                            |   |  |
| Intergovernmental  | \$ 305,700             | \$ 612,750     | \$ 301,588                 | \$ 260,784                 | \$ 562,371                                    | \$ (50,379)  |
| Contributions  | -                      | -              | -                          | 43,666                     | 43,666  | 43,666   |
| Loan repayments  | -                      | 43,200         | 33,158                     | 50,336                     | 83,494  | 40,294   |
| Investment income  | 300                    | 300            | 741                        | 408                        | 1,150   | 850  |
| <b>Total Revenues</b>  | <b>306,000</b>         | <b>656,250</b> | <b>335,487</b>             | <b>355,194</b>             | <b>690,681</b>                                | <b>34,431</b>  |
| <b>Expenditures</b>  |                        |                |                            |                            |   |  |
| Current:   |                        |                |                            |                            |   |  |
| Materials and services   | 60,000                 | 130,000        | 75,452                     | 47,426                     | 122,877                                       | 7,123  |
| Interfund charges  | 137,700                | 322,500        | 215,066                    | 95,462                     | 310,528                                       | 11,972   |
| Capital outlay   | 108,300                | 201,700        | 11,605                     | 189,030                    | 200,635                                       | 1,065  |
| Reserve  | -                      | 2,050          | -                          | -                          | -   | 2,050  |
| <b>Total Expenditures</b>  | <b>306,000</b>         | <b>656,250</b> | <b>302,123</b>             | <b>331,918</b>             | <b>634,040</b>                                | <b>22,210</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | -                      | -              | 33,365                     | 23,276                     | 56,641  | 56,641   |
| Beginning Fund Balance (Deficit)                                     | -                      | -              | 1,558                      | 34,923                     | 1,558   | 1,558  |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>    | <b>\$ 34,923</b>           | <b>\$ 58,199</b>           | <b>\$ 58,199</b>                              | <b>\$ 58,199</b>                                     |

City of Bend, Oregon

**Building Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                  |                            |                            |  |   |
| Intergovernmental  | \$ -                   | \$ -             | \$ 18,777                  | \$ -                       | \$ 18,777                              | \$ 18,777                                     |
| Licenses and permits   | 4,715,900              | 5,014,400        | 2,630,373                  | 3,829,785                  | 6,460,159                              | 1,445,759                                     |
| Charges for services:  |                        |                  |                            |                            |  |   |
| Charges to others  | 2,400                  | 3,000            | 15,997                     | 1,087                      | 17,084                                 | 14,084  |
| Charges to other City funds  | 115,300                | 180,700          | 42,221                     | 874                        | 43,096                                 | (137,604)                                     |
| Investment income  | 14,200                 | 12,000           | 7,049                      | 13,100                     | 20,150                                 | 8,150   |
| Miscellaneous  | 700                    | 700              | 3,435                      | 354                        | 3,789                                  | 3,089   |
| <b>Total Revenues</b>  | <b>4,848,500</b>       | <b>5,210,800</b> | <b>2,717,853</b>           | <b>3,845,201</b>           | <b>6,563,054</b>                       | <b>1,352,254</b>                              |
| <b>Expenditures</b>  |                        |                  |                            |                            |  |   |
| Current:   |                        |                  |                            |                            |  |   |
| Personal services  | 4,087,131              | 4,415,567        | 2,026,851                  | 2,256,034                  | 4,282,885                              | 132,682                                       |
| Materials and services   | 120,378                | 174,830          | 43,397                     | 102,110                    | 145,507                                | 29,323  |
| Interfund charges  | 689,300                | 719,800          | 371,035                    | 314,687                    | 685,723                                | 34,077  |
| Contingency  | 483,391                | 502,303          | -                          | -                          | -                                      | 502,303                                       |
| Reserves   | 140,000                | 70,000           | -                          | -                          | -                                      | 70,000  |
| <b>Total Expenditures</b>  | <b>5,520,200</b>       | <b>5,882,500</b> | <b>2,441,283</b>           | <b>2,672,832</b>           | <b>5,114,115</b>                       | <b>768,385</b>                                |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(671,700)</b>       | <b>(671,700)</b> | <b>276,570</b>             | <b>1,172,369</b>           | <b>1,448,939</b>                       | <b>2,120,639</b>                              |
| <b>Other Financing Sources (Uses)</b>                                |                        |                  |                            |                            |  |   |
| Insurance proceeds   | -                      | -                | -                          | 564                        | 564                                    | 564   |
| Transfers in   | -                      | -                | -                          | 17,373                     | 17,373                                 | 17,373  |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>-</b>               | <b>-</b>         | <b>-</b>                   | <b>17,937</b>              | <b>17,937</b>                          | <b>17,937</b>                                 |
| Net change in fund balance   | (671,700)              | (671,700)        | 276,570                    | 1,190,306                  | 1,466,876                              | 2,138,576                                     |
| Beginning Fund Balance (Deficit)                                     | 671,700                | 671,700          | 940,705                    | 1,217,275                  | 940,705                                | 269,005                                       |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 1,217,275</b>        | <b>\$ 2,407,582</b>        | <b>\$ 2,407,582</b>                    | <b>\$ 2,407,582</b>                           |

City of Bend, Oregon

**Planning Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|--------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>       |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                    |                            |                            |  |   |
| Intergovernmental  | \$ 150,000             | \$ 75,000          | \$ 1,583                   | \$ -                       | \$ 1,583                               | \$ (73,417)                                   |
| Charges for services:  |                        |                    |                            |                            |  |   |
| Charges to others  | 2,113,600              | 1,936,800          | 897,032                    | 1,699,668                  | 2,596,700                              | 659,900                                       |
| Charges to other City funds  | 42,400                 | 47,000             | 35,517                     | 11,381                     | 46,898                                 | (102)   |
| Investment income  | 9,600                  | 8,200              | 1,741                      | 5,530                      | 7,272                                  | (928)   |
| Miscellaneous  | 4,200                  | 4,200              | 203                        | 6                          | 209                                    | (3,991)                                       |
| <b>Total Revenues</b>  | <b>2,319,800</b>       | <b>2,071,200</b>   | <b>936,076</b>             | <b>1,716,585</b>           | <b>2,652,661</b>                       | <b>581,461</b>                                |
| <b>Expenditures</b>  |                        |                    |                            |                            |  |   |
| Current:   |                        |                    |                            |                            |  |   |
| Personal services  | 3,002,409              | 2,958,862          | 1,493,564                  | 1,401,610                  | 2,895,174                              | 63,688  |
| Materials and services   | 419,731                | 269,068            | 31,032                     | 54,229                     | 85,261                                 | 183,807                                       |
| Interfund charges  | 626,900                | 658,500            | 339,375                    | 302,116                    | 641,491                                | 17,009  |
| Contingency  | 25,260                 | 96,870             | -                          | -                          | -                                      | 96,870  |
| <b>Total Expenditures</b>  | <b>4,074,300</b>       | <b>3,983,300</b>   | <b>1,863,971</b>           | <b>1,757,955</b>           | <b>3,621,926</b>                       | <b>361,374</b>                                |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(1,754,500)</b>     | <b>(1,912,100)</b> | <b>(927,895)</b>           | <b>(41,370)</b>            | <b>(969,264)</b>                       | <b>942,836</b>                                |
| <b>Other Financing Sources (Uses)</b>                                |                        |                    |                            |                            |  |   |
| Transfers in   | 1,552,000              | 1,710,000          | 907,000                    | 900,764                    | 1,807,764                              | 97,764  |
| Transfers out  | (2,600)                | (3,000)            | (903)                      | (1,997)                    | (2,900)                                | 100   |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>1,549,400</b>       | <b>1,707,000</b>   | <b>906,097</b>             | <b>898,768</b>             | <b>1,804,864</b>                       | <b>97,864</b>                                 |
| Net change in fund balance   | (205,100)              | (205,100)          | (21,798)                   | 857,398                    | 835,600                                | 1,040,700                                     |
| Beginning Fund Balance (Deficit)                                     | 205,100                | 205,100            | 178,083                    | 156,285                    | 178,083                                | (27,017)                                      |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 156,285</b>          | <b>\$ 1,013,683</b>        | <b>\$ 1,013,683</b>                    | <b>\$ 1,013,683</b>                           |

City of Bend, Oregon

**Private Development Engineering Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br>Basis | Variance with                          |
|--|------------------------|------------------|----------------------------|----------------------------|---------------------------------|--|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |                                 | Final Budget<br>Positive<br>(Negative) |
| <b>Revenues</b>  |                        |                  |                            |                            |                                 |  |
| Intergovernmental  | \$ -                   | \$ -             | \$ 156                     | \$ -                       | \$ 156                          | \$ 156                                 |
| Charges for services:  |                        |                  |                            |                            |                                 |  |
| Charges to others  | 366,200                | 414,400          | 255,203                    | 355,365                    | 610,569                         | 196,169                                |
| Investment income  | 2,800                  | 2,500            | 3,251                      | 4,336                      | 7,587                           | 5,087                                  |
| Miscellaneous  | -                      | -                | 1                          | 1                          | 2                               | 2                                      |
| <b>Total Revenues</b>  | <b>369,000</b>         | <b>416,900</b>   | <b>258,612</b>             | <b>359,702</b>             | <b>618,313</b>                  | <b>201,413</b>                         |
| <b>Expenditures</b>  |                        |                  |                            |                            |                                 |  |
| Current:   |                        |                  |                            |                            |                                 |  |
| Personal services  | 508,252                | 499,362          | 177,588                    | 286,962                    | 464,551                         | 34,811                                 |
| Materials and services   | 21,406                 | 42,678           | 13,004                     | 20,004                     | 33,008                          | 9,670                                  |
| Interfund charges  | 142,900                | 154,300          | 74,149                     | 71,889                     | 146,038                         | 8,262                                  |
| Contingency  | 54,142                 | 78,760           | -                          | -                          | -                               | 78,760                                 |
| <b>Total Expenditures</b>  | <b>726,700</b>         | <b>775,100</b>   | <b>264,742</b>             | <b>378,854</b>             | <b>643,596</b>                  | <b>131,504</b>                         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(357,700)</b>       | <b>(358,200)</b> | <b>(6,130)</b>             | <b>(19,152)</b>            | <b>(25,283)</b>                 | <b>332,917</b>                         |
| <b>Other Financing Sources (Uses)</b>                                |                        |                  |                            |                            |                                 |  |
| Transfers in   | 235,000                | 235,000          | 115,000                    | 120,000                    | 235,000                         | -                                      |
| Transfers out  | (1,800)                | (1,300)          | (1,666)                    | (2,105)                    | (3,771)                         | (2,471)                                |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>233,200</b>         | <b>233,700</b>   | <b>113,334</b>             | <b>117,895</b>             | <b>231,229</b>                  | <b>(2,471)</b>                         |
| Net change in fund balance   | (124,500)              | (124,500)        | 107,204                    | 98,743                     | 205,946                         | 330,446                                |
| Beginning Fund Balance (Deficit)                                     | 124,500                | 124,500          | 170,342                    | 277,545                    | 170,342                         | 45,842                                 |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 277,546</b>          | <b>\$ 376,288</b>          | <b>\$ 376,288</b>               | <b>\$ 376,288</b>                      |

City of Bend, Oregon  
**Affordable Housing Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | <u>FY2011-12<br/>Actual</u> | <u>FY2012-13<br/>Actual</u> | <u>Total Actual<br/>Budget<br/>Basis</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|------------------------|--------------------|-----------------------------|-----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>       |                             |                             |  |   |
| <b>Revenues</b>  |                        |                    |                             |                             |  |   |
| Intergovernmental  | \$ -                   | \$ -               | \$ 100,046                  | \$ -                        | \$ 100,046                               | \$ 100,046  |
| Charges for services   | 801,300                | 645,900            | 265,723                     | 402,813                     | 668,536                                  | 22,636  |
| Loan repayments  | 1,713,200              | 2,673,350          | 923,302                     | 734,702                     | 1,658,004                                | (1,015,346)   |
| Investment income  | 23,500                 | 19,700             | 11,551                      | 12,002                      | 23,554                                   | 3,854   |
| Miscellaneous  | -                      | -                  | 24,001                      | -                           | 24,001                                   | 24,001  |
| <b>Total Revenues</b>  | <b>2,538,000</b>       | <b>3,338,950</b>   | <b>1,324,624</b>            | <b>1,149,516</b>            | <b>2,474,140</b>                         | <b>(864,810)</b>  |
| <b>Expenditures</b>  |                        |                    |                             |                             |  |   |
| Current:   |                        |                    |                             |                             |  |   |
| Personal services  | 93,289                 | 128,009            | 47,455                      | 68,415                      | 115,870                                  | 12,139  |
| Materials and services   | 3,120,650              | 2,710,674          | 1,197,703                   | 974,972                     | 2,172,674                                | 538,000   |
| Interfund charges  | 48,200                 | 30,600             | 24,600                      | 6,300                       | 30,900                                   | (300)   |
| Contingency  | 530,361                | 1,657,867          | -                           | -                           | -  | 1,657,867   |
| <b>Total Expenditures</b>  | <b>3,792,500</b>       | <b>4,527,150</b>   | <b>1,269,757</b>            | <b>1,049,686</b>            | <b>2,319,444</b>                         | <b>2,207,706</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(1,254,500)</b>     | <b>(1,188,200)</b> | <b>54,866</b>               | <b>99,830</b>               | <b>154,696</b>                           | <b>1,342,896</b>  |
| <b>Other Financing Sources (Uses)</b>                                |                        |                    |                             |                             |  |   |
| Transfers out  | (60,000)               | (126,300)          | (60,300)                    | (30,000)                    | (90,300)                                 | 36,000  |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(60,000)</b>        | <b>(126,300)</b>   | <b>(60,300)</b>             | <b>(30,000)</b>             | <b>(90,300)</b>                          | <b>36,000</b>   |
| Net change in fund balance   | (1,314,500)            | (1,314,500)        | (5,434)                     | 69,830                      | 64,396                                   | 1,378,896   |
| Beginning Fund Balance (Deficit)                                     | 1,314,500              | 1,314,500          | 1,403,923                   | 1,398,489                   | 1,403,923                                | 89,423  |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 1,398,489</b>         | <b>\$ 1,468,319</b>         | <b>\$ 1,468,319</b>                      | <b>\$ 1,468,319</b>   |

City of Bend, Oregon

**Tourism Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                  |                            |                            |  |   |
| Transient room taxes   | \$ 2,058,200           | \$ 2,297,600     | \$ 1,072,168               | \$ 1,183,453               | \$ 2,255,621                           | \$ (41,979)                                   |
| Investment income  | 200                    | 200              | (27)                       | (15)                       | (42)                                   | (242)   |
| <b>Total Revenues</b>  | <b>2,058,400</b>       | <b>2,297,800</b> | <b>1,072,142</b>           | <b>1,183,437</b>           | <b>2,255,579</b>                       | <b>(42,221)</b>                               |
| <b>Expenditures</b>  |                        |                  |                            |                            |  |   |
| Current:   |                        |                  |                            |                            |  |   |
| Materials and services   | 2,006,600              | 2,247,200        | 1,046,442                  | 1,112,462                  | 2,158,904                              | 88,296  |
| Interfund charges  | 51,600                 | 50,500           | 25,700                     | 24,700                     | 50,400                                 | 100   |
| Contingency  | 120,000                | 120,000          | -                          | -                          | -                                      | 120,000                                       |
| <b>Total Expenditures</b>  | <b>2,178,200</b>       | <b>2,417,700</b> | <b>1,072,142</b>           | <b>1,137,162</b>           | <b>2,209,304</b>                       | <b>208,396</b>                                |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(119,800)</b>       | <b>(119,900)</b> | <b>-</b>                   | <b>46,275</b>              | <b>46,275</b>                          | <b>166,175</b>                                |
| <b>Other Financing Sources (Uses)</b>                                |                        |                  |                            |                            |  |   |
| Transfers out  | (200)                  | (100)            | -                          | -                          | -                                      | 100   |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(200)</b>           | <b>(100)</b>     | <b>-</b>                   | <b>-</b>                   | <b>-</b>                               | <b>100</b>                                    |
| Net change in fund balance   | (120,000)              | (120,000)        | -                          | 46,275                     | 46,275                                 | 166,275                                       |
| Beginning Fund Balance (Deficit)                                     | 120,000                | 120,000          | 91,850                     | 91,850                     | 91,850                                 | (28,150)                                      |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 91,850</b>           | <b>\$ 138,125</b>          | <b>\$ 138,125</b>                      | <b>\$ 138,125</b>                             |



City of Bend, Oregon

**Economic Improvement District Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|----------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>   |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                |                            |                            |  |   |
| Assessments  | \$ 250,000             | \$ 321,500     | \$ 145,022                 | \$ 157,740                 | \$ 302,762                             | \$ (18,738)                                   |
| Investment income  | 200                    | 100            | 104                        | 113                        | 216                                    | 116   |
| <b>Total Revenues</b>  | <b>250,200</b>         | <b>321,600</b> | <b>145,126</b>             | <b>157,853</b>             | <b>302,978</b>                         | <b>(18,622)</b>                               |
| <b>Expenditures</b>  |                        |                |                            |                            |  |   |
| Current:   |                        |                |                            |                            |  |   |
| Materials and services   | 237,600                | 305,800        | 137,875                    | 149,966                    | 287,840                                | 17,960  |
| Interfund charges  | 12,600                 | 15,800         | 7,251                      | 7,887                      | 15,138                                 | 662   |
| <b>Total Expenditures</b>  | <b>250,200</b>         | <b>321,600</b> | <b>145,126</b>             | <b>157,853</b>             | <b>302,978</b>                         | <b>18,622</b>                                 |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | -                      | -              | -                          | -                          | -                                      | -   |
| Beginning Fund Balance (Deficit)                                     | -                      | -              | -                          | -                          | -                                      | -   |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>    | <b>\$ -</b>                | <b>\$ -</b>                | <b>\$ -</b>                            | <b>\$ -</b>                                   |

City of Bend, Oregon  
**Police Reserve Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                  |                            |                            |  |   |
| Investment income  | \$ 3,600               | \$ 3,100         | \$ 3,754                   | \$ 4,045                   | \$ 7,799                               | \$ 4,699                                      |
| <b>Total Revenues</b>  | <b>3,600</b>           | <b>3,100</b>     | <b>3,754</b>               | <b>4,045</b>               | <b>7,799</b>                           | <b>4,699</b>                                  |
| <b>Expenditures</b>  |                        |                  |                            |                            |  |   |
| Contingency  | 506,400                | 613,700          | -                          | -                          | -                                      | 613,700                                       |
| <b>Total Expenditures</b>  | <b>506,400</b>         | <b>613,700</b>   | <b>-</b>                   | <b>-</b>                   | <b>-</b>                               | <b>613,700</b>                                |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(502,800)</b>       | <b>(610,600)</b> | <b>3,754</b>               | <b>4,045</b>               | <b>7,799</b>                           | <b>618,399</b>                                |
| <b>Other Financing Sources (Uses)</b>                                |                        |                  |                            |                            |  |   |
| Transfers in   | -                      | 107,800          | -                          | 107,800                    | 107,800                                | -   |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>-</b>               | <b>107,800</b>   | <b>-</b>                   | <b>107,800</b>             | <b>107,800</b>                         | <b>-</b>                                      |
| Net change in fund balance   | (502,800)              | (502,800)        | 3,754                      | 111,845                    | 115,599                                | 618,399                                       |
| Beginning Fund Balance (Deficit)                                     | 502,800                | 502,800          | 504,419                    | 508,173                    | 504,419                                | 1,619   |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 508,173</b>          | <b>\$ 620,017</b>          | <b>\$ 620,017</b>                      | <b>\$ 620,017</b>                             |

City of Bend, Oregon

**Nonmajor Special Revenue Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the biennium ended June 30, 2013

|  | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------|----------------------------|-------------------------------------|
| <b><u>BURA General Fund</u></b>                    |                      |                            |                                     |
| Materials and services                             | \$ 16,200            | \$ 15,536                  | \$ 664                              |
| Transfers  | 4,500                | 3,601                      | 899                                 |
| Capital outlay                                     | 13,900               | 13,761                     | 139                                 |
| Contingency  | 12,200               | -                          | 12,200                              |
| Reserves   | 461,000              | -                          | 461,000                             |
|  | <b>\$ 507,800</b>    | <b>\$ 32,898</b>           | <b>\$ 474,902</b>                   |
| <b><u>Police Grant Fund</u></b>                    |                      |                            |                                     |
| Materials and services                             | \$ 58,461            | \$ 59,128                  | \$ (667)                            |
| Capital outlay                                     | 40,239               | 39,193                     | 1,046                               |
|  | <b>\$ 98,700</b>     | <b>\$ 98,322</b>           | <b>\$ 378</b>                       |
| <b><u>Energy ARRA Grant Fund</u></b>               |                      |                            |                                     |
| Materials and services                             | \$ 130,000           | \$ 122,877                 | \$ 7,123                            |
| Transfers  | 322,500              | 310,528                    | 11,972                              |
| Capital outlay                                     | 201,700              | 200,635                    | 1,065                               |
| Reserves   | 2,050                | -                          | 2,050                               |
|  | <b>\$ 656,250</b>    | <b>\$ 634,040</b>          | <b>\$ 22,210</b>                    |
| <b><u>Building Fund</u></b>                        |                      |                            |                                     |
| Personal services                                  | \$ 4,415,567         | \$ 4,282,885               | \$ 132,682                          |
| Materials and services                             | 174,830              | 145,507                    | 29,323                              |
| Transfers  | 719,800              | 685,723                    | 34,077                              |
| Contingency  | 502,303              | -                          | 502,303                             |
| Other requirements                                 | 70,000               | -                          | 70,000                              |
|  | <b>\$ 5,882,500</b>  | <b>\$ 5,114,115</b>        | <b>\$ 768,385</b>                   |
| <b><u>Planning Fund</u></b>                        |                      |                            |                                     |
| Personal services                                  | \$ 2,958,862         | \$ 2,895,174               | \$ 63,688                           |
| Materials and services                             | 269,068              | 85,261                     | 183,807                             |
| Transfers  | 661,500              | 644,390                    | 17,110                              |
| Contingency  | 96,870               | -                          | 96,870                              |
|  | <b>\$ 3,986,300</b>  | <b>\$ 3,624,825</b>        | <b>\$ 361,475</b>                   |
| <b><u>Private Development Engineering Fund</u></b> |                      |                            |                                     |
| Personal services                                  | \$ 499,362           | \$ 464,551                 | \$ 34,811                           |
| Materials and services                             | 42,678               | 33,008                     | 9,670                               |
| Transfers  | 155,600              | 149,808                    | 5,792                               |
| Contingency  | 78,760               | -                          | 78,760                              |
|  | <b>\$ 776,400</b>    | <b>\$ 647,367</b>          | <b>\$ 129,033</b>                   |

City of Bend, Oregon

**Nonmajor Special Revenue Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels (Continued)

For the biennium ended June 30, 2013

|  | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------|----------------------------|-------------------------------------|
| <b><u>Affordable Housing Fund</u></b>            |                      |                            |                                     |
| Personal services                                | \$ 128,009           | \$ 115,870                 | \$ 12,139                           |
| Materials and services                           | 2,710,674            | 2,172,674                  | 538,000                             |
| Transfers  | 156,900              | 121,200                    | 35,700                              |
| Contingency                                      | 1,657,867            | -                          | 1,657,867                           |
|  | <b>\$ 4,653,450</b>  | <b>\$ 2,409,744</b>        | <b>\$ 2,243,706</b>                 |
| <b><u>Tourism Fund</u></b>                       |                      |                            |                                     |
| Materials and services                           | \$ 2,247,200         | \$ 2,158,904               | \$ 88,296                           |
| Transfers  | 50,600               | 50,400                     | 200                                 |
| Contingency                                      | 120,000              | -                          | 120,000                             |
|  | <b>\$ 2,417,800</b>  | <b>\$ 2,209,304</b>        | <b>\$ 208,496</b>                   |
| <b><u>Economic Improvement District Fund</u></b> |                      |                            |                                     |
| Materials and services                           | \$ 305,800           | \$ 287,840                 | \$ 17,960                           |
| Transfers  | 15,800               | 15,138                     | 662                                 |
|  | <b>\$ 321,600</b>    | <b>\$ 302,978</b>          | <b>\$ 18,622</b>                    |
| <b><u>Police Reserve Fund</u></b>                |                      |                            |                                     |
| Contingency                                      | \$ 613,700           | \$ -                       | \$ 613,700                          |
|  | <b>\$ 613,700</b>    | <b>\$ -</b>                | <b>\$ 613,700</b>                   |

## **NONMAJOR DEBT SERVICE FUNDS**

### Local Improvement District Debt Service Fund

This fund accounts for the collection of special assessment loans and the servicing of the related bonded debt. There are no special assessments outstanding.

### Murphy Crossing Urban Renewal Debt Service Fund

This fund accounts for the debt-related activities of the Murphy Crossing urban renewal district. The principal source of revenue is property taxes which will be used to pay the principal and interest on outstanding tax increment bonds.

### Fire Station Debt Service Fund

This fund accounts for the servicing of bonds issued to fund construction of new fire stations. The principal source of revenue is payments from the Deschutes County Rural Fire Protection District. Expenditures are for principal and interest payments on the outstanding debt.

### PERS Debt Service Fund

This fund accounts for the servicing of pension obligation bonds issued to reduce the City's unfunded actuarial liability.

### Juniper Ridge Urban Renewal Debt Service Fund

This fund accounts for the debt-related activities of the Bend Urban Renewal Agency's Juniper Ridge urban renewal district. The principal source of revenue is property taxes which will be used to pay principal and interest on tax increment bonds.

### General Obligation Bond Debt Service Fund

This fund accounts for the collection of property taxes and the servicing of the related general obligation bonds.



City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Debt Service Funds  
 June 30, 2013

|   | <b>Local<br/>Improvement<br/>District<br/>Debt Service<br/>Fund</b> | <b>Murphy<br/>Crossing<br/>Urban Renewal<br/>Debt Service<br/>Fund</b> | <b>Fire Station<br/>Debt Service<br/>Fund</b> |
|---|---|--|---|
| <b><u>Assets</u></b>                        |   |  |   |
| Restricted cash and investments             | \$ -  | \$ 236,496   | \$ 5,751                                      |
| Receivables:                                |   |  |   |
| Property taxes                              | -   | 3,000  | -   |
| <b>Total Assets</b>                         | <b>\$ -</b>   | <b>\$ 239,496</b>  | <b>\$ 5,751</b>                               |
| <b><u>Liabilities and Fund Balances</u></b> |   |  |   |
| Liabilities:                                |   |  |   |
| Unavailable revenues                        | \$ -  | \$ 2,383   | \$ -  |
| <b>Total Liabilities</b>                    | <b>-</b>  | <b>2,383</b>   | <b>-</b>                                      |
| Fund balances (deficits):                   |   |  |   |
| Restricted:                                 |   |  |   |
| Externally imposed                          | -   | 237,113  | 5,751   |
| Assigned                                    | -   | -  | -   |
| <b>Total Fund Balances (Deficits)</b>       | <b>-</b>  | <b>237,113</b>   | <b>5,751</b>                                  |
| <b>Total Liabilities and Fund Balances</b>  | <b>\$ -</b>   | <b>\$ 239,496</b>  | <b>\$ 5,751</b>                               |

City of Bend, Oregon  
**Combining Balance Sheet (Continued)**  
 Nonmajor Debt Service Funds  
 June 30, 2013

|   | PERS<br>Debt Service<br>Fund | Juniper Ridge<br>Urban Renewal<br>Debt Service<br>Fund | General<br>Obligation Bond<br>Debt Service<br>Fund | Total               |
|---|------------------------------|--|--|---------------------|
| <b><u>Assets</u></b>                        |                              |  |  |                     |
| Restricted cash and investments             | \$ 1,465,470                 | \$ 639,764   | \$ 760,549   | \$ 3,108,030        |
| Receivables:                                |                              |  |  |                     |
| Property taxes                              | -                            | 42,689   | 81,509   | 127,198             |
| <b>Total Assets</b>                         | <b>\$ 1,465,470</b>          | <b>\$ 682,453</b>                                      | <b>\$ 842,058</b>                                  | <b>\$ 3,235,228</b> |
| <b><u>Liabilities and Fund Balances</u></b> |                              |  |  |                     |
| Liabilities:                                |                              |  |  |                     |
| Unavailable revenues                        | \$ -                         | \$ 34,232  | \$ 66,222  | \$ 102,838          |
| <b>Total Liabilities</b>                    | <b>-</b>                     | <b>34,232</b>  | <b>66,222</b>                                      | <b>102,838</b>      |
| Fund balances (deficits):                   |                              |  |  |                     |
| Restricted:                                 |                              |  |  |                     |
| Externally imposed                          | -                            | 648,221  | 775,837  | 1,666,921           |
| Assigned                                    | 1,465,470                    | -  | -  | 1,465,470           |
| <b>Total Fund Balances (Deficits)</b>       | <b>1,465,470</b>             | <b>648,221</b>   | <b>775,837</b>                                     | <b>3,132,391</b>    |
| <b>Total Liabilities and Fund Balances</b>  | <b>\$ 1,465,470</b>          | <b>\$ 682,453</b>                                      | <b>\$ 842,058</b>                                  | <b>\$ 3,235,228</b> |



City of Bend, Oregon  
**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances (Deficits)**

Nonmajor Debt Service Funds  
For the fiscal year ended June 30, 2013

|  | Local<br>Improvement<br>District<br>Debt Service<br>Fund | Murphy<br>Crossing<br>Urban Renewal<br>Debt Service<br>Fund | Fire Station<br>Debt Service<br>Fund |
|--|--|---|--------------------------------------|
| <b>Revenues</b>  |  |   |                                      |
| Property taxes   | \$ -   | \$ 63,136   | \$ -                                 |
| Intergovernmental  | -  | -   | 226,518                              |
| Charges for services   | -  | -   | -                                    |
| Investment income  | 3,033  | 1,085   | 265                                  |
| <b>Total Revenues</b>  | <b>3,033</b>   | <b>64,221</b>   | <b>226,784</b>                       |
| <b>Expenditures</b>  |  |   |                                      |
| Current:   |  |   |                                      |
| General government   | -  | -   | -                                    |
| Public safety  | -  | -   | 6,295                                |
| Debt service:  |  |   |                                      |
| Principal  | -  | -   | 150,000                              |
| Interest   | -  | -   | 77,468                               |
| <b>Total Expenditures</b>  | <b>-</b>   | <b>-</b>  | <b>233,763</b>                       |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>3,033</b>   | <b>64,221</b>   | <b>(6,979)</b>                       |
| <b>Other Financing Sources (Uses)</b>                            |  |   |                                      |
| Transfers in   | -  | -   | 6,100                                |
| Transfers out  | (581,685)  | -   | -                                    |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>(581,685)</b>   | <b>-</b>  | <b>6,100</b>                         |
| Net change in fund balances                                      | (578,651)  | 64,221  | (879)                                |
| Fund Balances (Deficits), July 1, 2012                           | 578,651  | 172,892   | 6,630                                |
| <b>Fund Balances (Deficits), June 30, 2013</b>                   | <b>\$ -</b>  | <b>\$ 237,113</b>   | <b>\$ 5,751</b>                      |

City of Bend, Oregon  
**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances (Deficits) (Continued)**

Nonmajor Debt Service Funds  
For the fiscal year ended June 30, 2013

|  | PERS<br>Debt Service<br>Fund | Juniper Ridge<br>Urban Renewal<br>Debt Service<br>Fund | General<br>Obligation Bond<br>Debt Service<br>Fund | Total               |
|--|------------------------------|--|--|---------------------|
| <b>Revenues</b>  |                              |  |  |                     |
| Property taxes   | \$ -                         | \$ 940,888   | \$ 2,144,056                                       | \$ 3,148,080        |
| Intergovernmental  | -                            | -  | -  | 226,518             |
| Charges for services   | 1,088,716                    | -  | -  | 1,088,716           |
| Investment income  | 11,924                       | 10,603   | 10,713   | 37,624              |
| <b>Total Revenues</b>  | <b>1,100,640</b>             | <b>951,491</b>   | <b>2,154,769</b>                                   | <b>4,500,939</b>    |
| <b>Expenditures</b>  |                              |  |  |                     |
| Current:   |                              |  |  |                     |
| General government   | 18,700                       | -  | -  | 18,700              |
| Public safety  | -                            | -  | -  | 6,295               |
| Debt service:  |                              |  |  |                     |
| Principal  | 230,000                      | 1,665,000  | 855,000  | 2,900,000           |
| Interest   | 798,322                      | 191,573  | 576,498  | 1,643,860           |
| <b>Total Expenditures</b>  | <b>1,047,022</b>             | <b>1,856,573</b>                                       | <b>1,431,498</b>                                   | <b>4,568,856</b>    |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>53,618</b>                | <b>(905,082)</b>                                       | <b>723,271</b>                                     | <b>(67,917)</b>     |
| <b>Other Financing Sources (Uses)</b>                            |                              |  |  |                     |
| Transfers in   | -                            | -  | -  | 6,100               |
| Transfers out  | -                            | -  | -  | (581,685)           |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>-</b>                     | <b>-</b>   | <b>-</b>   | <b>(575,585)</b>    |
| Net change in fund balances                                      | 53,618                       | (905,082)  | 723,271  | (643,502)           |
| Fund Balances (Deficits), July 1, 2012                           | 1,411,851                    | 1,553,302  | 52,566   | 3,775,892           |
| <b>Fund Balances (Deficits), June 30, 2013</b>                   | <b>\$ 1,465,470</b>          | <b>\$ 648,221</b>                                      | <b>\$ 775,837</b>                                  | <b>\$ 3,132,391</b> |

City of Bend, Oregon

**Local Improvement District Debt Service Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with<br>Final Budget<br>Positive<br><u>(Negative)</u> |
|--|------------------------|------------------|----------------------------|----------------------------|--|--|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |  |  |
| <b>Revenues</b>  |                        |                  |                            |                            |  |  |
| Investment income  | \$ 11,000              | \$ 11,000        | \$ 4,551                   | \$ 3,033                   | \$ 7,584                               | \$ (3,416)   |
| <b>Total Revenues</b>  | <b>11,000</b>          | <b>11,000</b>    | <b>4,551</b>               | <b>3,033</b>               | <b>7,584</b>                           | <b>(3,416)</b>   |
| <b>Expenditures</b>  |                        |                  |                            |                            |  |  |
| Reserve  | 583,800                | -                | -                          | -                          | -                                      | -  |
| <b>Total Expenditures</b>  | <b>583,800</b>         | <b>-</b>         | <b>-</b>                   | <b>-</b>                   | <b>-</b>                               | <b>-</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(572,800)</b>       | <b>11,000</b>    | <b>4,551</b>               | <b>3,033</b>               | <b>7,584</b>                           | <b>(3,416)</b>   |
| <b>Other Financing Sources (Uses)</b>                                |                        |                  |                            |                            |  |  |
| Transfers out  | -                      | (583,800)        | -                          | (581,685)                  | (581,685)                              | 2,115  |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>-</b>               | <b>(583,800)</b> | <b>-</b>                   | <b>(581,685)</b>           | <b>(581,685)</b>                       | <b>2,115</b>   |
| Net change in fund balance   | (572,800)              | (572,800)        | 4,551                      | (578,651)                  | (574,100)                              | (1,300)  |
| Beginning Fund Balance (Deficit)                                     | 572,800                | 572,800          | 574,100                    | 578,651                    | 574,100                                | 1,300  |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 578,651</b>          | <b>\$ -</b>                | <b>\$ -</b>                            | <b>\$ (0)</b>  |

City of Bend, Oregon

**Urban Renewal Debt Service Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with<br>Final Budget<br>Positive<br><u>(Negative)</u> |
|--|------------------------|--------------------|----------------------------|----------------------------|--|--|
|  | <u>Original</u>        | <u>Final</u>       |                            |                            |  |  |
| <b>Revenues</b>  |                        |                    |                            |                            |  |  |
| Property taxes   | \$ 861,500             | \$ 866,013         | \$ 823,069                 | \$ -                       | \$ 823,069                             | \$ (42,944)  |
| Investment income  | 12,200                 | -                  | -                          | -                          | -                                      | -  |
| <b>Total Revenues</b>  | <b>873,700</b>         | <b>866,013</b>     | <b>823,069</b>             | <b>-</b>                   | <b>823,069</b>                         | <b>(42,944)</b>  |
| <b>Expenditures</b>  |                        |                    |                            |                            |  |  |
| Current:   |                        |                    |                            |                            |  |  |
| Materials and services   | 844,400                | 877,750            | 834,807                    | -                          | 834,807                                | 42,943   |
| Debt service   | 1,772,000              | 1,746,338          | 1,746,338                  | -                          | 1,746,338                              | -  |
| <b>Total Expenditures</b>  | <b>2,616,400</b>       | <b>2,624,088</b>   | <b>2,581,145</b>           | <b>-</b>                   | <b>2,581,145</b>                       | <b>42,944</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(1,742,700)</b>     | <b>(1,758,075)</b> | <b>(1,758,075)</b>         | <b>-</b>                   | <b>(1,758,075)</b>                     | <b>-</b>   |
| Beginning Fund Balance (Deficit)                                     | 1,742,700              | 1,758,075          | 1,758,075                  | -                          | 1,758,075                              | -  |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ -</b>                | <b>\$ -</b>                | <b>\$ -</b>                            | <b>\$ -</b>  |

Note: Fund was closed in fiscal year 2012-13.

City of Bend, Oregon

**Murphy Crossing Urban Renewal Debt Service Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                  |                            |                            |  |   |
| Property taxes   | \$ 123,600             | \$ 124,000       | \$ 56,662                  | \$ 63,136                  | \$ 119,798                             | \$ (4,202)                                    |
| Investment income  | 2,500                  | 2,100            | 1,105                      | 1,085                      | 2,190                                  | 90  |
| <b>Total Revenues</b>  | <b>126,100</b>         | <b>126,100</b>   | <b>57,767</b>              | <b>64,221</b>              | <b>121,988</b>                         | <b>(4,112)</b>                                |
| <b>Expenditures</b>  |                        |                  |                            |                            |  |   |
| Reserved for debt service  | 240,200                | 240,200          | -                          | -                          | -                                      | 240,200                                       |
| <b>Total Expenditures</b>  | <b>240,200</b>         | <b>240,200</b>   | <b>-</b>                   | <b>-</b>                   | <b>-</b>                               | <b>240,200</b>                                |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(114,100)</b>       | <b>(114,100)</b> | <b>57,767</b>              | <b>64,221</b>              | <b>121,988</b>                         | <b>236,088</b>                                |
| Beginning Fund Balance (Deficit)                                     | 114,100                | 114,100          | 115,125                    | 172,892                    | 115,125                                | 1,025   |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 172,892</b>          | <b>\$ 237,113</b>          | <b>\$ 237,113</b>                      | <b>\$ 237,113</b>                             |

City of Bend, Oregon

**Fire Station Debt Service Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                 | <u>FY2011-12<br/>Actual</u> | <u>FY2012-13<br/>Actual</u> | <u>Total Actual<br/>Budget<br/>Basis</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|------------------------|-----------------|-----------------------------|-----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>    |                             |                             |  |   |
| <b>Revenues</b>  |                        |                 |                             |                             |  |   |
| Intergovernmental  | \$ 447,600             | \$ 447,600      | \$ 220,080                  | \$ 226,518                  | \$ 446,599                               | \$ (1,001)  |
| Investment income  | 1,200                  | 1,200           | 45                          | 265                         | 310                                      | (890)   |
| <b>Total Revenues</b>  | <b>448,800</b>         | <b>448,800</b>  | <b>220,125</b>              | <b>226,784</b>              | <b>446,909</b>                           | <b>(1,891)</b>  |
| <b>Expenditures</b>  |                        |                 |                             |                             |  |   |
| Current:   |                        |                 |                             |                             |  |   |
| Materials and services   | 1,200                  | 1,200           | 195                         | 195                         | 391                                      | 809   |
| Interfund charges  | 12,200                 | 12,200          | 6,100                       | 6,100                       | 12,200                                   | -   |
| Debt service   | 447,600                | 447,600         | 220,080                     | 227,468                     | 447,548                                  | 52  |
| Reserved for debt service  | 6,400                  | 6,400           | -                           | -                           | -  | 6,400   |
| <b>Total Expenditures</b>  | <b>467,400</b>         | <b>467,400</b>  | <b>226,376</b>              | <b>233,763</b>              | <b>460,139</b>                           | <b>7,261</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(18,600)</b>        | <b>(18,600)</b> | <b>(6,251)</b>              | <b>(6,979)</b>              | <b>(13,230)</b>                          | <b>5,370</b>  |
| <b>Other Financing Sources (Uses)</b>                                |                        |                 |                             |                             |  |   |
| Transfers in   | 12,200                 | 12,200          | 6,100                       | 6,100                       | 12,200                                   | -   |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>12,200</b>          | <b>12,200</b>   | <b>6,100</b>                | <b>6,100</b>                | <b>12,200</b>                            | <b>-</b>  |
| Net change in fund balance   | (6,400)                | (6,400)         | (151)                       | (879)                       | (1,030)                                  | 5,370   |
| Beginning Fund Balance (Deficit)                                     | 6,400                  | 6,400           | 6,781                       | 6,630                       | 6,781                                    | 381   |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>     | <b>\$ 6,630</b>             | <b>\$ 5,751</b>             | <b>\$ 5,751</b>                          | <b>\$ 5,751</b>   |

City of Bend, Oregon  
**PERS Debt Service Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|--------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>       |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                    |                            |                            |  |   |
| Charges to other City funds  | \$ 2,238,685           | \$ 2,266,249       | \$ 1,074,131               | \$ 1,088,716               | \$ 2,162,846                           | \$ (103,403)                                  |
| Investment income  | 20,400                 | 17,400             | 11,473                     | 11,924                     | 23,398                                 | 5,998   |
| <b>Total Revenues</b>  | <b>2,259,085</b>       | <b>2,283,649</b>   | <b>1,085,604</b>           | <b>1,100,640</b>           | <b>2,186,244</b>                       | <b>(97,405)</b>                               |
| <b>Expenditures</b>  |                        |                    |                            |                            |  |   |
| Current:   |                        |                    |                            |                            |  |   |
| Interfund charges  | 43,400                 | 40,400             | 21,600                     | 18,700                     | 40,300                                 | 100   |
| Debt service   | 2,011,000              | 2,011,000          | 982,494                    | 1,028,322                  | 2,010,816                              | 184   |
| Reserved for debt service  | 1,552,185              | 1,579,749          | -                          | -                          | -                                      | 1,579,749                                     |
| <b>Total Expenditures</b>  | <b>3,606,585</b>       | <b>3,631,149</b>   | <b>1,004,094</b>           | <b>1,047,022</b>           | <b>2,051,116</b>                       | <b>1,580,033</b>                              |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(1,347,500)</b>     | <b>(1,347,500)</b> | <b>81,510</b>              | <b>53,618</b>              | <b>135,128</b>                         | <b>1,482,628</b>                              |
| Beginning Fund Balance (Deficit)                                     | 1,347,500              | 1,347,500          | 1,330,341                  | 1,411,851                  | 1,330,341                              | (17,159)                                      |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 1,411,851</b>        | <b>\$ 1,465,470</b>        | <b>\$ 1,465,470</b>                    | <b>\$ 1,465,470</b>                           |

City of Bend, Oregon

**Juniper Ridge Urban Renewal Debt Service Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br>Basis | Variance with                          |
|--|------------------------|--------------------|----------------------------|----------------------------|---------------------------------|--|
|  | <u>Original</u>        | <u>Final</u>       |                            |                            |                                 | Final Budget<br>Positive<br>(Negative) |
| <b>Revenues</b>  |                        |                    |                            |                            |                                 |  |
| Property taxes   | \$ 1,281,000           | \$ 1,631,800       | \$ 902,579                 | \$ 940,888                 | \$ 1,843,467                    | \$ 211,667                             |
| Investment income  | 19,000                 | 15,900             | 10,276                     | 10,603                     | 20,879                          | 4,979                                  |
| <b>Total Revenues</b>  | <b>1,300,000</b>       | <b>1,647,700</b>   | <b>912,855</b>             | <b>951,491</b>             | <b>1,864,347</b>                | <b>216,647</b>                         |
| <b>Expenditures</b>  |                        |                    |                            |                            |                                 |  |
| Debt service   | 572,900                | 2,267,900          | 375,076                    | 1,856,573                  | 2,231,649                       | 36,251                                 |
| Reserved for debt service  | 1,730,200              | 382,900            | -                          | -                          | -                               | 382,900                                |
| <b>Total Expenditures</b>  | <b>2,303,100</b>       | <b>2,650,800</b>   | <b>375,076</b>             | <b>1,856,573</b>           | <b>2,231,649</b>                | <b>419,151</b>                         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(1,003,100)</b>     | <b>(1,003,100)</b> | <b>537,779</b>             | <b>(905,082)</b>           | <b>(367,303)</b>                | <b>635,797</b>                         |
| Beginning Fund Balance (Deficit)                                     | 1,003,100              | 1,003,100          | 1,015,523                  | 1,553,302                  | 1,015,523                       | 12,423                                 |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 1,553,302</b>        | <b>\$ 648,221</b>          | <b>\$ 648,221</b>               | <b>\$ 648,221</b>                      |



City of Bend, Oregon

**General Obligation Bond Debt Service Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                  |                            |                            |  |   |
| Property taxes   | \$ 3,828,000           | \$ 3,992,500     | \$ 1,883,939               | \$ 2,144,056               | \$ 4,027,995                           | \$ 35,495                                     |
| Investment income  | -                      | 6,400            | 8,627                      | 10,713                     | 19,339                                 | 12,939  |
| <b>Total Revenues</b>  | <b>3,828,000</b>       | <b>3,998,900</b> | <b>1,892,566</b>           | <b>2,154,769</b>           | <b>4,047,335</b>                       | <b>48,435</b>                                 |
| <b>Expenditures</b>  |                        |                  |                            |                            |  |   |
| Debt service   | 3,800,000              | 3,973,000        | 1,840,000                  | 1,431,498                  | 3,271,498                              | 701,502                                       |
| Reserved for debt service  | 28,000                 | 25,900           | -                          | -                          | -                                      | 25,900  |
| <b>Total Expenditures</b>  | <b>3,828,000</b>       | <b>3,998,900</b> | <b>1,840,000</b>           | <b>1,431,498</b>           | <b>3,271,498</b>                       | <b>727,402</b>                                |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | -                      | -                | 52,566                     | 723,271                    | 775,837                                | 775,837                                       |
| Beginning Fund Balance (Deficit)                                     | -                      | -                | -                          | 52,566                     | -                                      | -   |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 52,566</b>           | <b>\$ 775,837</b>          | <b>\$ 775,837</b>                      | <b>\$ 775,837</b>                             |

City of Bend, Oregon  
**Nonmajor Debt Service Funds**  
 Schedule of Expenditures and Other Uses by Appropriation Levels  
 For the biennium ended June 30, 2013

|   | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------|----------------------------|-------------------------------------|
| <b><u>Local Improvement District Debt Service Fund</u></b>    |                      |                            |                                     |
| Expenditures & other uses                                     | \$ 583,800           | \$ 581,685                 | \$ 2,115                            |
|   | <b>\$ 583,800</b>    | <b>\$ 581,685</b>          | <b>\$ 2,115</b>                     |
| <b><u>Urban Renewal Debt Service Fund</u></b>                 |                      |                            |                                     |
| Materials and services  | \$ 877,750           | \$ 834,807                 | \$ 42,943                           |
| Debt service  | 1,746,338            | 1,746,338                  | -                                   |
|   | <b>\$ 2,624,088</b>  | <b>\$ 2,581,145</b>        | <b>\$ 42,943</b>                    |
| <b><u>Murphy Crossing Urban Renewal Debt Service Fund</u></b> |                      |                            |                                     |
| Reserves  | \$ 240,200           | \$ -                       | \$ 240,200                          |
|   | <b>\$ 240,200</b>    | <b>\$ -</b>                | <b>\$ 240,200</b>                   |
| <b><u>Fire Station Debt Service Fund</u></b>                  |                      |                            |                                     |
| Materials and services  | \$ 1,200             | \$ 391                     | \$ 809                              |
| Transfers   | 12,200               | 12,200                     | -                                   |
| Debt service  | 447,600              | 447,548                    | 52                                  |
| Reserves  | 6,400                | -                          | 6,400                               |
|   | <b>\$ 467,400</b>    | <b>\$ 460,139</b>          | <b>\$ 7,261</b>                     |
| <b><u>PERS Debt Service Fund</u></b>                          |                      |                            |                                     |
| Transfers   | \$ 40,400            | \$ 40,300                  | \$ 100                              |
| Debt service  | 2,011,000            | 2,010,816                  | 184                                 |
| Reserves  | 1,579,749            | -                          | 1,579,749                           |
|   | <b>\$ 3,631,149</b>  | <b>\$ 2,051,116</b>        | <b>\$ 1,580,033</b>                 |
| <b><u>Juniper Ridge Urban Renewal Debt Service Fund</u></b>   |                      |                            |                                     |
| Debt service  | \$ 2,267,900         | \$ 2,231,649               | \$ 36,251                           |
| Reserves  | 382,900              | -                          | 382,900                             |
|   | <b>\$ 2,650,800</b>  | <b>\$ 2,231,649</b>        | <b>\$ 419,151</b>                   |
| <b><u>General Obligation Bond Debt Service Fund</u></b>       |                      |                            |                                     |
| Debt service  | \$ 3,973,000         | \$ 3,271,498               | \$ 701,502                          |
| Reserves  | 25,900               | -                          | 25,900                              |
|   | <b>\$ 3,998,900</b>  | <b>\$ 3,271,498</b>        | <b>\$ 727,402</b>                   |

## **MAJOR CAPITAL PROJECTS FUNDS**

### General Obligation Bond Transportation Construction Fund

This fund accounts for the construction of transportation improvements funded by general obligation bonds in the City's Capital Improvement Program.



City of Bend, Oregon

**General Obligation Bond Transportation Construction Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                     | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|---------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>        |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                     |                            |                            |  |   |
| Investment income  | \$ 420,000             | \$ 115,000          | \$ (2,275)                 | \$ 139,761                 | \$ 137,485                             | \$ 22,485                                     |
| Miscellaneous  | -                      | -                   | 129                        | -                          | 129                                    | 129   |
| <b>Total Revenues</b>  | <b>420,000</b>         | <b>115,000</b>      | <b>(2,146)</b>             | <b>139,761</b>             | <b>137,614</b>                         | <b>22,614</b>                                 |
| <b>Expenditures</b>  |                        |                     |                            |                            |  |   |
| Current:   |                        |                     |                            |                            |  |   |
| Materials and services   | 230,000                | 254,000             | 3,130                      | 182,156                    | 185,286                                | 68,714  |
| Debt service   | -                      | 1,169,000           | -                          | 1,168,160                  | 1,168,160                              | 840   |
| Capital outlay   | 15,240,000             | 12,809,607          | 2,209,221                  | 7,554,661                  | 9,763,883                              | 3,045,724                                     |
| Reserved   | 150,000                | 17,382,393          | -                          | -                          | -                                      | 17,382,393                                    |
| <b>Total Expenditures</b>  | <b>15,620,000</b>      | <b>31,615,000</b>   | <b>2,212,351</b>           | <b>8,904,977</b>           | <b>11,117,328</b>                      | <b>20,497,672</b>                             |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(15,200,000)</b>    | <b>(31,500,000)</b> | <b>(2,214,498)</b>         | <b>(8,765,216)</b>         | <b>(10,979,714)</b>                    | <b>20,520,286</b>                             |
| <b>Other Financing Sources (Uses)</b>                                |                        |                     |                            |                            |  |   |
| Issuance of short-term promissory note                               | -                      | -                   | 3,000,000                  | -                          | 3,000,000                              | 3,000,000                                     |
| Issuance of long-term debt   | 15,200,000             | 31,500,000          | -                          | 26,805,000                 | 26,805,000                             | (4,695,000)                                   |
| Premium on issuance of long-term debt                                | -                      | -                   | -                          | 1,550,305                  | 1,550,305                              | 1,550,305                                     |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>15,200,000</b>      | <b>31,500,000</b>   | <b>3,000,000</b>           | <b>28,355,305</b>          | <b>31,355,305</b>                      | <b>(144,695)</b>                              |
| Net change in fund balance   | -                      | -                   | 785,502                    | 19,590,089                 | 20,375,591                             | 20,375,591                                    |
| Beginning Fund Balance (Deficit)                                     | -                      | -                   | -                          | 785,502                    | -                                      | -   |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ 785,502</b>          | <b>\$ 20,375,591</b>       | <b>\$ 20,375,591</b>                   | <b>\$ 20,375,591</b>                          |

City of Bend, Oregon

**Major Capital Projects Fund**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the biennium ended June 30, 2013

|   | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------|----------------------------|-------------------------------------|
| <b><u>General Obligation Bond Construction Fund</u></b> |                      |                            |                                     |
| Materials and services                                  | \$ 254,000           | \$ 185,286                 | \$ 68,714                           |
| Debt service  | 1,169,000            | 1,168,160                  | 840                                 |
| Capital outlay  | 12,809,607           | 9,763,883                  | 3,045,724                           |
| Reserves  | 17,382,393           | -                          | 17,382,393                          |
|   | <b>\$ 31,615,000</b> | <b>\$ 11,117,328</b>       | <b>\$ 20,497,672</b>                |

## **NONMAJOR CAPITAL PROJECTS FUNDS**

### Local Improvement District Construction Fund

This fund accounts for the cost of construction and related interim financing for public improvements which primarily benefit the property owners against whose properties are levied a special assessment. Construction-period financing is obtained through short-term borrowing or interfund loans.

### Juniper Ridge Urban Renewal Construction Fund

This fund accounts for the expenditures of the Juniper Ridge urban renewal district. The principal source of revenue is contributions from other funds and proceeds from borrowings.

### Accessibility Construction Fund

This fund accounts for construction and debt service activities related to improving accessibility. Funding is provided from the General Fund.

### Transportation Construction Fund

This fund accounts for the construction of streets, bridges, and trails. The principal sources of revenue are franchise fees, transfers from the System Development Charges (SDC) Fund, and proceeds from borrowings.





City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Capital Projects Funds  
 June 30, 2013

|  | Local             |                  |                   |                     |                     |
|--|-------------------|------------------|-------------------|---------------------|---------------------|
|  | Improvement       | Juniper Ridge    |                   |                     |                     |
|  | District          | Urban Renewal    | Accessibility     | Transportation      |                     |
|  | Construction      | Construction     | Construction      | Construction        |                     |
|  | <u>Fund</u>       | <u>Fund</u>      | <u>Fund</u>       | <u>Fund</u>         | <u>Total</u>        |
| <b><u>Assets</u></b>                                   |                   |                  |                   |                     |                     |
| Restricted cash and investments                        | \$ 582,983        | \$ 40,187        | \$ 552,137        | \$ 8,126,051        | \$ 9,301,357        |
| Receivables:   |                   |                  |                   |                     |                     |
| Accounts, net  | -                 | -                | -                 | 150,143             | 150,143             |
| Due from other governments                             | -                 | -                | -                 | 73,669              | 73,669              |
| <b>Total Assets</b>                                    | <b>\$ 582,983</b> | <b>\$ 40,187</b> | <b>\$ 552,137</b> | <b>\$ 8,349,862</b> | <b>\$ 9,525,169</b> |
| <b><u>Liabilities and Fund Balances (Deficits)</u></b> |                   |                  |                   |                     |                     |
| Liabilities:   |                   |                  |                   |                     |                     |
| Accounts payable                                       | \$ -              | \$ 15,000        | \$ -              | \$ 100,272          | \$ 115,272          |
| Other accrued liabilities                              | -                 | -                | -                 | 901                 | 901                 |
| Deposits   | -                 | -                | -                 | 3,550               | 3,550               |
| Unearned revenue                                       | -                 | -                | -                 | 318,779             | 318,779             |
| <b>Total Liabilities</b>                               | <b>-</b>          | <b>15,000</b>    | <b>-</b>          | <b>423,502</b>      | <b>438,502</b>      |
| Fund balances (deficits):                              |                   |                  |                   |                     |                     |
| Restricted:  |                   |                  |                   |                     |                     |
| Externally imposed                                     | -                 | -                | -                 | 876,508             | 876,508             |
| Committed  | -                 | 385,407          | 552,137           | 7,049,852           | 7,987,396           |
| Assigned   | 582,983           | -                | -                 | -                   | 582,983             |
| Unassigned   | -                 | (360,220)        | -                 | -                   | (360,220)           |
| <b>Total Fund Balances (Deficits)</b>                  | <b>582,983</b>    | <b>25,187</b>    | <b>552,137</b>    | <b>7,926,361</b>    | <b>9,086,667</b>    |
| <b>Total Liabilities and Fund Balances</b>             | <b>\$ 582,983</b> | <b>\$ 40,187</b> | <b>\$ 552,137</b> | <b>\$ 8,349,862</b> | <b>\$ 9,525,169</b> |

City of Bend, Oregon  
**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances (Deficits)**

Nonmajor Capital Projects Funds  
For the fiscal year ended June 30, 2013

|  | Local<br>Improvement<br>District<br>Construction<br><u>Fund</u> | Juniper Ridge<br>Urban Renewal<br>Construction<br><u>Fund</u> | Accessibility<br>Construction<br><u>Fund</u> | Transportation<br>Construction<br><u>Fund</u> | <u>Total</u>        |
|--|---|---|--|---|---------------------|
| <b>Revenues</b>  |   |   |  |   |                     |
| Franchise fees   | \$ -  | \$ -  | \$ -   | \$ 1,072,038                                  | \$ 1,072,038        |
| Intergovernmental  | -   | -   | 48,959                                       | 1,146,363                                     | 1,195,321           |
| Rent from others   | -   | -   | -  | 25,647  | 25,647              |
| Charges for services   | -   | -   | -  | 57,989  | 57,989              |
| Contributions  | -   | -   | -  | 18,854  | 18,854              |
| Loan repayments  | -   | -   | -  | 7,503   | 7,503               |
| Investment income  | 1,298   | 230   | 4,137  | 44,095  | 49,761              |
| <b>Total Revenues</b>  | <b>1,298</b>  | <b>230</b>  | <b>53,095</b>                                | <b>2,372,488</b>                              | <b>2,427,112</b>    |
| <b>Expenditures</b>  |   |   |  |   |                     |
| Current:   |   |   |  |   |                     |
| Public ways and facilities   | -   | -   | 231,355                                      | 623,137                                       | 854,492             |
| Urban renewal  | -   | 27,549  | -  | -   | 27,549              |
| Debt service:  |   |   |  |   |                     |
| Principal  | -   | -   | 195,000                                      | 875,800                                       | 1,070,800           |
| Interest   | -   | -   | 113,745                                      | 400,280                                       | 514,025             |
| Capital outlay   | -   | -   | 5,501  | 1,832,634                                     | 1,838,135           |
| <b>Total Expenditures</b>  | <b>-</b>  | <b>27,549</b>   | <b>545,601</b>                               | <b>3,731,851</b>                              | <b>4,305,001</b>    |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>1,298</b>  | <b>(27,318)</b>   | <b>(492,506)</b>                             | <b>(1,359,364)</b>                            | <b>(1,877,889)</b>  |
| <b>Other Financing Sources (Uses)</b>                                |   |   |  |   |                     |
| Proceeds from sale of assets   | -   | -   | -  | 26,048  | 26,048              |
| Transfers in   | 581,685   | -   | 550,000                                      | 2,069,049                                     | 3,200,733           |
| Transfers out  | -   | 6,849   | -  | -   | 6,849               |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>581,685</b>  | <b>6,849</b>  | <b>550,000</b>                               | <b>2,095,097</b>                              | <b>3,233,630</b>    |
| Net change in fund balance   | 582,983   | (20,469)  | 57,494                                       | 735,733                                       | 1,355,741           |
| <b>Fund Balances (Deficits), July 1, 2012</b>                        | <b>-</b>  | <b>45,656</b>   | <b>494,642</b>                               | <b>7,190,628</b>                              | <b>7,730,926</b>    |
| <b>Fund Balances (Deficits), June 30, 2013</b>                       | <b>\$ 582,983</b>   | <b>\$ 25,187</b>  | <b>\$ 552,137</b>                            | <b>\$ 7,926,361</b>                           | <b>\$ 9,086,667</b> |

City of Bend, Oregon

**Local Improvement District Construction Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |              | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with<br>Final Budget<br>Positive<br><u>(Negative)</u> |
|--|------------------------|--------------|----------------------------|----------------------------|--|--|
|  | <u>Original</u>        | <u>Final</u> |                            |                            |  |  |
| <b>Revenues</b>  |                        |              |                            |                            |  |  |
| Investment income  | \$ -                   | \$ -         | \$ -                       | \$ 1,298                   | \$ 1,298                               | \$ 1,298   |
| <b>Total Revenues</b>  | <b>-</b>               | <b>-</b>     | <b>-</b>                   | <b>1,298</b>               | <b>1,298</b>                           | <b>1,298</b>   |
| <b>Expenditures</b>  |                        |              |                            |                            |  |  |
| Contingency  | -                      | -            | -                          | -                          | -                                      | -  |
| <b>Total Expenditures</b>  | <b>-</b>               | <b>-</b>     | <b>-</b>                   | <b>-</b>                   | <b>-</b>                               | <b>-</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>-</b>               | <b>-</b>     | <b>-</b>                   | <b>1,298</b>               | <b>1,298</b>                           | <b>1,298</b>   |
| <b>Other Financing Sources (Uses)</b>                                |                        |              |                            |                            |  |  |
| Transfers in   | -                      | -            | -                          | 581,685                    | 581,685                                | 581,685  |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>-</b>               | <b>-</b>     | <b>-</b>                   | <b>581,685</b>             | <b>581,685</b>                         | <b>581,685</b>   |
| Net change in fund balance   | -                      | -            | -                          | 582,983                    | 582,983                                | 582,983  |
| Beginning Fund Balance (Deficit)                                     | -                      | -            | -                          | -                          | -                                      | -  |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>  | <b>\$ -</b>                | <b>\$ 582,983</b>          | <b>\$ 582,983</b>                      | <b>\$ 582,983</b>  |

City of Bend, Oregon

**Urban Renewal Construction Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with<br>Final Budget<br>Positive<br><u>(Negative)</u> |
|--|------------------------|------------------|----------------------------|----------------------------|--|--|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |  |  |
| <b><u>Revenues</u></b>   |                        |                  |                            |                            |  |  |
| Loan repayments  | \$ -                   | \$ 4,500         | \$ 4,461                   | \$ -                       | \$ 4,461                               | \$ (39)  |
| Investment income  | 5,100                  | 3,700            | 3,489                      | -                          | 3,489                                  | (211)  |
| <b>Total Revenues</b>  | <b>5,100</b>           | <b>8,200</b>     | <b>7,950</b>               | <b>-</b>                   | <b>7,950</b>                           | <b>(250)</b>   |
| <b><u>Expenditures</u></b>   |                        |                  |                            |                            |  |  |
| Current:   |                        |                  |                            |                            |  |  |
| Materials and services   | 800                    | -                | -                          | -                          | -                                      | -  |
| Capital outlay   | 85,000                 | -                | -                          | -                          | -                                      | -  |
| Contingency  | 346,600                | -                | -                          | -                          | -                                      | -  |
| <b>Total Expenditures</b>  | <b>432,400</b>         | <b>-</b>         | <b>-</b>                   | <b>-</b>                   | <b>-</b>                               | <b>-</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(427,300)</b>       | <b>8,200</b>     | <b>7,950</b>               | <b>-</b>                   | <b>7,950</b>                           | <b>(250)</b>   |
| <b><u>Other Financing Sources (Uses)</u></b>                         |                        |                  |                            |                            |  |  |
| Transfers out  | -                      | (461,000)        | (460,742)                  | -                          | (460,742)                              | 258  |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>-</b>               | <b>(461,000)</b> | <b>(460,742)</b>           | <b>-</b>                   | <b>(460,742)</b>                       | <b>258</b>   |
| Net change in fund balance   | (427,300)              | (452,800)        | (452,792)                  | -                          | (452,792)                              | 8  |
| Beginning Fund Balance (Deficit)                                     | 427,300                | 452,800          | 452,792                    | -                          | 452,792                                | (8)  |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ -</b>                | <b>\$ -</b>                | <b>\$ -</b>                            | <b>\$ -</b>  |

Note: Fund was closed in fiscal year 2012-13.

City of Bend, Oregon

**Juniper Ridge Urban Renewal Construction Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with<br>Final Budget<br>Positive<br><u>(Negative)</u> |
|--|------------------------|--------------------|----------------------------|----------------------------|--|--|
|  | <u>Original</u>        | <u>Final</u>       |                            |                            |  |  |
| <b>Revenues</b>  |                        |                    |                            |                            |  |  |
| Investment income  | \$ -                   | \$ -               | \$ 230                     | \$ 230                     | \$ 460                                 | \$ 460   |
| Miscellaneous  | -                      | -                  | -                          | 3,224                      | 3,224                                  | 3,224  |
| <b>Total Revenues</b>  | <b>-</b>               | <b>-</b>           | <b>230</b>                 | <b>3,454</b>               | <b>3,684</b>                           | <b>3,684</b>   |
| <b>Expenditures</b>  |                        |                    |                            |                            |  |  |
| Current:   |                        |                    |                            |                            |  |  |
| Materials and services   | 164,300                | 263,550            | 21,103                     | 23,924                     | 45,026                                 | 218,524  |
| Interfund charges  | 30,000                 | 15,000             | -                          | -                          | -                                      | 15,000   |
| Debt service   | 240,000                | 3,828,850          | -                          | -                          | -                                      | 3,828,850  |
| Capital outlay   | 1,811,966              | 450,875            | 3,090                      | -                          | 3,090                                  | 447,785  |
| Contingency  | 69,868                 | 378,499            | -                          | -                          | -                                      | 378,499  |
| <b>Total Expenditures</b>  | <b>2,316,134</b>       | <b>4,936,774</b>   | <b>24,193</b>              | <b>23,924</b>              | <b>48,117</b>                          | <b>4,888,657</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(2,316,134)</b>     | <b>(4,936,774)</b> | <b>(23,964)</b>            | <b>(20,469)</b>            | <b>(44,433)</b>                        | <b>4,892,341</b>   |
| <b>Other Financing Sources (Uses)</b>                                |                        |                    |                            |                            |  |  |
| Proceeds from sale of assets   | 1,506,610              | -                  | -                          | -                          | -                                      | -  |
| Proceeds from short-term notes payable                               | -                      | -                  | -                          | -                          | -                                      | -  |
| Advances from other funds  | -                      | 127,250            | -                          | -                          | -                                      | (127,250)  |
| Interfund loan repayment   | -                      | -                  | -                          | -                          | -                                      | -  |
| Issuance of long-term debt   | 791,150                | 4,791,150          | -                          | -                          | -                                      | (4,791,150)  |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>2,297,760</b>       | <b>4,918,400</b>   | <b>-</b>                   | <b>-</b>                   | <b>-</b>                               | <b>(4,918,400)</b>   |
| Net change in fund balance   | (18,374)               | (18,374)           | (23,964)                   | (20,469)                   | (44,433)                               | (26,059)   |
| Beginning Fund Balance (Deficit)                                     | 18,374                 | 18,374             | 69,620                     | 45,656                     | 69,620                                 | 51,246   |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 45,656</b>           | <b>\$ 25,187</b>           | <b>\$ 25,187</b>                       | <b>\$ 25,187</b>   |

**Reconciliation of Budgetary basis to GAAP basis**

|   |                  |
|---|------------------|
| Total Revenue - Budgetary Basis   | \$ 3,454         |
| Reduction of contributed asset recognized as revenue on the budgetary basis is<br>not reported as revenue on the GAAP basis       | (3,224)          |
| <b>Total Revenue - GAAP Basis</b>   | <b>\$ 230</b>    |
| Total Expenditures - Budgetary Basis  | \$ 23,924        |
| Reduction of contributed asset reported as a reduction to expenditure on the budgetary basis is<br>not reported on the GAAP basis | 3,625            |
| <b>Total Expenditures - GAAP Basis</b>  | <b>\$ 27,549</b> |
| Total Other Financing Sources (Uses) - Budgetary Basis  | \$ -             |
| Reduction of contributed assets not reported on the budgetary basis are reported as contribution<br>revenue on the GAAP basis     | 6,849            |
| <b>Total Other Financing Sources (Uses) - GAAP Basis</b>  | <b>\$ 6,849</b>  |

City of Bend, Oregon

**Accessibility Construction Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br>Basis | Variance with                          |
|--|------------------------|--------------------|----------------------------|----------------------------|---------------------------------|--|
|  | <u>Original</u>        | <u>Final</u>       |                            |                            |                                 | Final Budget<br>Positive<br>(Negative) |
| <b>Revenues</b>  |                        |                    |                            |                            |                                 |  |
| Intergovernmental  | \$ 489,900             | \$ 489,900         | \$ 221,694                 | 48,959                     | \$ 270,653                      | \$ (219,247)                           |
| Charges to other City funds  | 212,100                | 212,100            | 172,556                    | -                          | 172,556                         | (39,544)                               |
| Investment income  | 6,000                  | 5,400              | 5,423                      | 4,137                      | 9,560                           | 4,160                                  |
| Miscellaneous  | 3,000                  | 3,000              | 388                        | -                          | 388                             | (2,612)                                |
| <b>Total Revenues</b>  | <b>711,000</b>         | <b>710,400</b>     | <b>400,062</b>             | <b>53,095</b>              | <b>453,158</b>                  | <b>(257,242)</b>                       |
| <b>Expenditures</b>  |                        |                    |                            |                            |                                 |  |
| Current:   |                        |                    |                            |                            |                                 |  |
| Personal services  | 18,349                 | 43,349             | 39,238                     | 132                        | 39,370                          | 3,979                                  |
| Materials and services   | 80,920                 | 111,470            | 3,918                      | 4,040                      | 7,959                           | 103,511                                |
| Interfund charges  | 365,100                | 609,500            | 291,444                    | 227,183                    | 518,627                         | 90,873                                 |
| Debt service   | 615,800                | 615,800            | 306,975                    | 308,745                    | 615,720                         | 80                                     |
| Capital outlay   | 1,361,200              | 1,166,600          | 790,763                    | 5,501                      | 796,264                         | 370,336                                |
| Contingency  | 40,231                 | 34,281             | -                          | -                          | -                               | 34,281                                 |
| Reserved for construction  | 300,000                | 300,000            | -                          | -                          | -                               | 300,000                                |
| <b>Total Expenditures</b>  | <b>2,781,600</b>       | <b>2,881,000</b>   | <b>1,432,339</b>           | <b>545,601</b>             | <b>1,977,940</b>                | <b>903,060</b>                         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(2,070,600)</b>     | <b>(2,170,600)</b> | <b>(1,032,276)</b>         | <b>(492,506)</b>           | <b>(1,524,782)</b>              | <b>645,818</b>                         |
| <b>Other Financing Sources (Uses)</b>                                |                        |                    |                            |                            |                                 |  |
| Transfers in   | 900,000                | 1,000,000          | 450,000                    | 550,000                    | 1,000,000                       | -                                      |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>900,000</b>         | <b>1,000,000</b>   | <b>450,000</b>             | <b>550,000</b>             | <b>1,000,000</b>                | <b>-</b>                               |
| Net change in fund balance   | (1,170,600)            | (1,170,600)        | (582,276)                  | 57,494                     | (524,782)                       | 645,818                                |
| Beginning Fund Balance (Deficit)                                     | 1,170,600              | 1,170,600          | 1,076,919                  | 494,642                    | 1,076,919                       | (93,681)                               |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 494,642</b>          | <b>\$ 552,137</b>          | <b>\$ 552,137</b>               | <b>\$ 552,137</b>                      |

City of Bend, Oregon

**Transportation Construction Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br>Basis | Variance with                          |
|--|------------------------|--------------------|----------------------------|----------------------------|---------------------------------|--|
|  | <u>Original</u>        | <u>Final</u>       |                            |                            |                                 | Final Budget<br>Positive<br>(Negative) |
| <b>Revenues</b>  |                        |                    |                            |                            |                                 |  |
| Franchise fees   | \$ 2,004,000           | \$ 1,997,700       | \$ 1,000,018               | \$ 1,072,038               | \$ 2,072,056                    | \$ 74,356                              |
| Intergovernmental  | 1,560,850              | 1,660,250          | 834,020                    | 1,146,363                  | 1,980,382                       | 320,132                                |
| Rental income  | 44,400                 | 44,400             | 21,515                     | 25,647                     | 47,162                          | 2,762                                  |
| Charges to other City funds  | 31,300                 | 50,600             | 76,144                     | 57,989                     | 134,132                         | 83,532                                 |
| Contributions  | -                      | -                  | 261,435                    | 18,854                     | 280,289                         | 280,289                                |
| Loan repayments  | 17,500                 | 17,500             | 10,041                     | 7,503                      | 17,544                          | 44                                     |
| Investment income  | 62,400                 | 54,500             | 42,023                     | 44,095                     | 86,118                          | 31,618                                 |
| Miscellaneous  | -                      | -                  | 1,000                      | -                          | 1,000                           | 1,000                                  |
| <b>Total Revenues</b>  | <b>3,720,450</b>       | <b>3,824,950</b>   | <b>2,246,194</b>           | <b>2,372,488</b>           | <b>4,618,682</b>                | <b>793,732</b>                         |
| <b>Expenditures</b>  |                        |                    |                            |                            |                                 |  |
| Current:   |                        |                    |                            |                            |                                 |  |
| Materials and services   | 37,600                 | 40,100             | 16,541                     | 7,165                      | 23,706                          | 16,394                                 |
| Interfund charges  | 1,131,900              | 1,255,800          | 594,604                    | 615,972                    | 1,210,576                       | 45,224                                 |
| Debt service   | 2,545,800              | 2,545,800          | 1,269,288                  | 1,276,080                  | 2,545,368                       | 432                                    |
| Capital outlay   | 4,117,000              | 4,253,800          | 1,319,300                  | 1,832,634                  | 3,151,935                       | 1,101,865                              |
| Contingency  | 2,147,250              | 2,668,500          | -                          | -                          | -                               | 2,668,500                              |
| Reserved   | 1,900,000              | 1,900,000          | -                          | -                          | -                               | 1,900,000                              |
| <b>Total Expenditures</b>  | <b>11,879,550</b>      | <b>12,664,000</b>  | <b>3,199,734</b>           | <b>3,731,851</b>           | <b>6,931,585</b>                | <b>5,732,415</b>                       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(8,159,100)</b>     | <b>(8,839,050)</b> | <b>(953,539)</b>           | <b>(1,359,364)</b>         | <b>(2,312,903)</b>              | <b>6,526,147</b>                       |
| <b>Other Financing Sources (Uses)</b>                                |                        |                    |                            |                            |                                 |  |
| Proceeds from sale of assets   | -                      | -                  | 121,846                    | 26,048                     | 147,894                         | 147,894                                |
| Transfers in   | 2,361,100              | 3,041,050          | 1,585,843                  | 2,069,049                  | 3,654,891                       | 613,841                                |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>2,361,100</b>       | <b>3,041,050</b>   | <b>1,707,689</b>           | <b>2,095,097</b>           | <b>3,802,785</b>                | <b>761,735</b>                         |
| Net change in fund balance   | (5,798,000)            | (5,798,000)        | 754,149                    | 735,733                    | 1,489,882                       | 7,287,882                              |
| Beginning Fund Balance (Deficit)                                     | 5,798,000              | 5,798,000          | 6,436,478                  | 7,190,628                  | 6,436,478                       | 638,478                                |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 7,190,628</b>        | <b>\$ 7,926,361</b>        | <b>\$ 7,926,361</b>             | <b>\$ 7,926,361</b>                    |

City of Bend, Oregon  
**Nonmajor Capital Projects Funds**  
 Schedule of Expenditures and Other Uses by Appropriation Levels  
 For the biennium ended June 30, 2013

|   | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------|----------------------------|-------------------------------------|
| <b><u>Local Improvement District Construction Fund</u></b>  |                      |                            |                                     |
| Contingency   | \$ -                 | \$ -                       | \$ -                                |
|   | <b>\$ -</b>          | <b>\$ -</b>                | <b>\$ -</b>                         |
| <b><u>Urban Renewal Construction Fund</u></b>               |                      |                            |                                     |
| Transfers   | \$ 461,000           | \$ 460,742                 | \$ 258                              |
|   | <b>\$ 461,000</b>    | <b>\$ 460,742</b>          | <b>\$ 258</b>                       |
| <b><u>Juniper Ridge Urban Renewal Construction Fund</u></b> |                      |                            |                                     |
| Materials and services                                      | \$ 263,550           | \$ 45,026                  | \$ 218,524                          |
| Transfers   | 15,000               | -                          | 15,000                              |
| Debt service  | 3,828,850            | -                          | 3,828,850                           |
| Capital outlay  | 450,875              | 3,090                      | 447,785                             |
| Contingency   | 378,499              | -                          | 378,499                             |
|   | <b>\$ 4,936,774</b>  | <b>\$ 48,117</b>           | <b>\$ 4,888,657</b>                 |
| <b><u>Accessibility Construction Fund</u></b>               |                      |                            |                                     |
| Personal services   | \$ 43,349            | \$ 39,370                  | \$ 3,979                            |
| Materials and services                                      | 111,470              | 7,959                      | 103,511                             |
| Transfers   | 609,500              | 518,627                    | 90,873                              |
| Debt service  | 615,800              | 615,720                    | 80                                  |
| Capital outlay  | 1,166,600            | 796,264                    | 370,336                             |
| Contingency   | 34,281               | -                          | 34,281                              |
| Reserves  | 300,000              | -                          | 300,000                             |
|   | <b>\$ 2,881,000</b>  | <b>\$ 1,977,940</b>        | <b>\$ 903,060</b>                   |
| <b><u>Transportation Construction Fund</u></b>              |                      |                            |                                     |
| Materials and services                                      | \$ 40,100            | \$ 23,706                  | \$ 16,394                           |
| Transfers   | 1,255,800            | 1,210,576                  | 45,224                              |
| Debt service  | 2,545,800            | 2,545,368                  | 432                                 |
| Capital outlay  | 4,253,800            | 3,151,935                  | 1,101,865                           |
| Contingency   | 2,668,500            | -                          | 2,668,500                           |
| Reserves  | 1,900,000            | -                          | 1,900,000                           |
|   | <b>\$ 12,664,000</b> | <b>\$ 6,931,585</b>        | <b>\$ 5,732,415</b>                 |



## **NONMAJOR PERMANENT FUNDS**

### Cemetery Permanent Maintenance Fund

This fund accounts for the collection of cemetery permanent maintenance revenues. The earnings, not principal, from the permanent maintenance collections are used to support Cemetery Fund operations.



City of Bend, Oregon

**Cemetery Permanent Maintenance Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                  |                            |                            |  |   |
| Permanent maintenance fees   | \$ 8,300               | \$ 8,300         | \$ 4,143                   | \$ 5,585                   | \$ 9,727                               | \$ 1,427                                      |
| Investment income  | 6,000                  | 29,000           | 3,577                      | 17,197                     | 20,774                                 | (8,226)                                       |
| <b>Total Revenues</b>  | <b>14,300</b>          | <b>37,300</b>    | <b>7,720</b>               | <b>22,781</b>              | <b>30,501</b>                          | <b>(6,799)</b>                                |
| <b>Expenditures</b>  |                        |                  |                            |                            |  |   |
| Current:   |                        |                  |                            |                            |  |   |
| Materials and services   | -                      | 4,000            | -                          | 3,732                      | 3,732                                  | 268   |
| Reserved for permanent maintenance                                   | 594,676                | 594,676          | -                          | -                          | -                                      | 594,676                                       |
| <b>Total Expenditures</b>  | <b>594,676</b>         | <b>598,676</b>   | <b>-</b>                   | <b>3,732</b>               | <b>3,732</b>                           | <b>594,944</b>                                |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(580,376)</b>       | <b>(561,376)</b> | <b>7,720</b>               | <b>19,050</b>              | <b>26,770</b>                          | <b>588,146</b>                                |
| <b>Other Financing Sources (Uses)</b>                                |                        |                  |                            |                            |  |   |
| Transfers out  | (6,000)                | (25,000)         | (3,105)                    | (13,938)                   | (17,043)                               | 7,957   |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(6,000)</b>         | <b>(25,000)</b>  | <b>(3,105)</b>             | <b>(13,938)</b>            | <b>(17,043)</b>                        | <b>7,957</b>                                  |
| Net change in fund balance   | (586,376)              | (586,376)        | 4,615                      | 5,112                      | 9,727                                  | 596,103                                       |
| Beginning Fund Balance (Deficit)                                     | 586,376                | 586,376          | 586,225                    | 590,840                    | 586,225                                | (151)   |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 590,840</b>          | <b>\$ 595,952</b>          | <b>\$ 595,952</b>                      | <b>\$ 595,952</b>                             |

City of Bend, Oregon

**Nonmajor Permanent Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the biennium ended June 30, 2013

|   | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------|----------------------------|-------------------------------------|
| <b><u>Cemetery Permanent Maintenance Fund</u></b> |                      |                            |                                     |
| Expenditures & other uses                         | \$ 29,000            | \$ 20,774                  | \$ 8,226                            |
| Reserves  | 594,676              | -                          | 594,676                             |
|   | <b>\$ 623,676</b>    | <b>\$ 20,774</b>           | <b>\$ 602,902</b>                   |

## **NONMAJOR ENTERPRISE FUNDS**

### Airport Fund

This fund accounts for the operations of the City's municipal airport. The principal sources of revenue are grants, and hangar, ground and operator leases. Expenses are for maintenance and improvements of airport facilities.

### Cemetery Fund

This fund accounts for the operations of the City cemetery. The principal sources of revenue are user charges and interest income which are used to fund maintenance and capital improvements at the cemetery.

### Downtown Parking Fund

This fund accounts for the operation of City-owned parking facilities. Revenue sources include parking fees, fines and rental charges. The revenue is used for program administration and management.

### Stormwater Fund

This fund accounts for the operation of the City's stormwater facilities. The primary revenue source is user fees.



City of Bend, Oregon  
**Combining Statement of Net Position**  
 Nonmajor Enterprise Funds  
 June 30, 2013

|   | <u>Airport</u><br><u>Fund</u> | <u>Cemetery</u><br><u>Fund</u> | <u>Downtown</u><br><u>Parking</u><br><u>Fund</u> | <u>Stormwater</u><br><u>Fund</u> | <u>Total</u>         |
|---|-------------------------------|--------------------------------|--|----------------------------------|----------------------|
| <b><u>Assets</u></b>                            |                               |                                |  |                                  |                      |
| Current assets:                                 |                               |                                |  |                                  |                      |
| Pooled cash and investments                     | \$ 451,435                    | \$ 27,677                      | \$ 1,071,443                                     | \$ 5,185,151                     | \$ 6,735,706         |
| Accounts receivable, net                        | 21,096                        | -                              | 72,756   | 371,192                          | 465,044              |
| Due from other governments                      | 351,609                       | -                              | -  | -                                | 351,609              |
| Bond issue costs, net                           | 4,161                         | -                              | -  | -                                | 4,161                |
| <b>Total Current Assets</b>                     | <b>828,301</b>                | <b>27,677</b>                  | <b>1,144,199</b>                                 | <b>5,556,343</b>                 | <b>7,556,520</b>     |
| Noncurrent assets:                              |                               |                                |  |                                  |                      |
| Restricted cash and investments                 | 10,961                        | -                              | 19,049   | -                                | 30,010               |
| Bond issue costs, net                           | 17,105                        | -                              | -  | -                                | 17,105               |
| Capital assets, net                             | 23,785,695                    | 127,381                        | 13,880,560                                       | 25,098,851                       | 62,892,486           |
| <b>Total Noncurrent Assets</b>                  | <b>23,813,761</b>             | <b>127,381</b>                 | <b>13,899,609</b>                                | <b>25,098,851</b>                | <b>62,939,601</b>    |
| <b>Total Assets</b>                             | <b>24,642,062</b>             | <b>155,058</b>                 | <b>15,043,808</b>                                | <b>30,655,193</b>                | <b>70,496,121</b>    |
| <b><u>Liabilities</u></b>                       |                               |                                |  |                                  |                      |
| Current liabilities:                            |                               |                                |  |                                  |                      |
| Accounts payable                                | 25,018                        | 4,010                          | 42,675   | 452,528                          | 524,232              |
| Salaries and benefits payable                   | 3,053                         | 920                            | 1,071  | 12,582                           | 17,627               |
| Retainage payable                               | -                             | -                              | -  | 21,429                           | 21,429               |
| Compensated absences                            | 6,103                         | 7,863                          | 1,337  | 27,609                           | 42,912               |
| Interest payable                                | 28,861                        | -                              | -  | -                                | 28,861               |
| Insurance claims                                | 111                           | -                              | 86   | 820                              | 1,017                |
| Other accrued liabilities                       | 13,595                        | -                              | -  | -                                | 13,595               |
| Deposits - restricted                           | 10,961                        | -                              | 19,049   | -                                | 30,010               |
| Due to other funds                              | 355,000                       | -                              | -  | -                                | 355,000              |
| Advances from other funds                       | -                             | -                              | 7,212  | -                                | 7,212                |
| Current portion of long-term debt, net          | 202,857                       | -                              | -  | -                                | 202,857              |
| <b>Total Current Liabilities</b>                | <b>645,559</b>                | <b>12,794</b>                  | <b>71,430</b>                                    | <b>514,969</b>                   | <b>1,244,752</b>     |
| Noncurrent liabilities:                         |                               |                                |  |                                  |                      |
| Advances from other funds                       | -                             | -                              | 7,388  | -                                | 7,388                |
| Other post-retirement benefits payable          | 47,151                        | 6,504                          | 19,975   | 199,057                          | 272,687              |
| Long-term debt, net                             | 1,596,683                     | -                              | -  | -                                | 1,596,683            |
| <b>Total Noncurrent Liabilities</b>             | <b>1,643,834</b>              | <b>6,504</b>                   | <b>27,363</b>                                    | <b>199,057</b>                   | <b>1,876,757</b>     |
| <b>Total Liabilities</b>                        | <b>2,289,393</b>              | <b>19,297</b>                  | <b>98,793</b>                                    | <b>714,026</b>                   | <b>3,121,510</b>     |
| <b><u>Net Position</u></b>                      |                               |                                |  |                                  |                      |
| Invested in capital assets, net of related debt | 21,986,155                    | 127,381                        | 13,880,560                                       | 25,098,851                       | 61,092,946           |
| Unrestricted                                    | 366,514                       | 8,380                          | 1,064,455  | 4,842,317                        | 6,281,665            |
| <b>Total Net Position</b>                       | <b>\$ 22,352,669</b>          | <b>\$ 135,760</b>              | <b>\$ 14,945,015</b>                             | <b>\$ 29,941,167</b>             | <b>\$ 67,374,612</b> |

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City of Bend, Oregon

**Combining Statement of Revenues, Expenses, and Changes in Net Position**

Nonmajor Enterprise Funds

For the fiscal year ended June 30, 2013

|   | Airport<br>Fund      | Cemetery<br>Fund  | Downtown<br>Parking<br>Fund | Stormwater<br>Fund   | Total                |
|---|----------------------|-------------------|-----------------------------|----------------------|----------------------|
| <b><u>Operating Revenues</u></b>                        |                      |                   |                             |                      |                      |
| Charges for services                                    | \$ 791,611           | \$ 65,834         | \$ 638,818                  | \$ 2,533,668         | \$ 4,029,930         |
| Miscellaneous   | 1,890                | -                 | 27                          | 71                   | 1,988                |
| <b>Total Operating Revenues</b>                         | <b>793,502</b>       | <b>65,834</b>     | <b>638,844</b>              | <b>2,533,739</b>     | <b>4,031,918</b>     |
| <b><u>Operating Expenses</u></b>                        |                      |                   |                             |                      |                      |
| Salaries and benefits                                   | 217,705              | 30,116            | 91,201                      | 914,938              | 1,253,959            |
| Materials and supplies                                  | 78,985               | 21,123            | 342,409                     | 223,941              | 666,458              |
| Internal services                                       | 206,053              | 20,312            | 93,209                      | 527,976              | 847,551              |
| Depreciation  | 476,332              | 11,300            | 341,798                     | 726,463              | 1,555,893            |
| <b>Total Operating Expenses</b>                         | <b>979,075</b>       | <b>82,852</b>     | <b>868,617</b>              | <b>2,393,317</b>     | <b>4,323,861</b>     |
| <b>Operating income (loss)</b>                          | <b>(185,574)</b>     | <b>(17,018)</b>   | <b>(229,773)</b>            | <b>140,422</b>       | <b>(291,943)</b>     |
| <b><u>Nonoperating Revenues (Expenses)</u></b>          |                      |                   |                             |                      |                      |
| Investment income                                       | 10                   | 194               | 7,892                       | 36,817               | 44,912               |
| Interest expense  | (73,939)             | -                 | -                           | (750)                | (74,689)             |
| Amortization  | 50                   | -                 | -                           | (6,198)              | (6,149)              |
| Interfund loan repayment                                | -                    | -                 | (648)                       | -                    | (648)                |
| Gain/(loss) on disposal of assets                       | -                    | -                 | -                           | (183)                | (183)                |
| <b>Total Nonoperating Revenues (Expenses)</b>           | <b>(73,879)</b>      | <b>194</b>        | <b>7,244</b>                | <b>29,686</b>        | <b>(36,756)</b>      |
| <b>Income (loss) before contributions and transfers</b> | <b>(259,453)</b>     | <b>(16,825)</b>   | <b>(222,529)</b>            | <b>170,108</b>       | <b>(328,699)</b>     |
| <b><u>Contributions and Transfers</u></b>               |                      |                   |                             |                      |                      |
| Capital contributions                                   | 1,192,837            | -                 | 94,350                      | 316,384              | 1,603,571            |
| Transfers in  | -                    | 17,938            | -                           | -                    | 17,938               |
| <b>Total Contributions and Transfers</b>                | <b>1,192,837</b>     | <b>17,938</b>     | <b>94,350</b>               | <b>316,384</b>       | <b>1,621,509</b>     |
| Change in net position                                  | 933,384              | 1,113             | (128,179)                   | 486,492              | 1,292,810            |
| Net Position, July 1, 2012                              | 21,419,285           | 134,647           | 15,073,194                  | 29,454,676           | 66,081,802           |
| <b>Net Position, June 30, 2013</b>                      | <b>\$ 22,352,669</b> | <b>\$ 135,760</b> | <b>\$ 14,945,015</b>        | <b>\$ 29,941,167</b> | <b>\$ 67,374,612</b> |

City of Bend, Oregon  
**Combining Statement of Cash Flows**  
 Nonmajor Enterprise Funds  
 For the fiscal year ended June 30, 2013

|  | Airport<br>Fund   | Cemetery<br>Fund | Downtown<br>Parking<br>Fund | Stormwater<br>Fund  | Total               |
|--|-------------------|------------------|-----------------------------|---------------------|---------------------|
| <b><u>Cash Flows from Operating Activities</u></b>                     |                   |                  |                             |                     |                     |
| Cash received from customers   | \$ 783,649        | \$ 65,834        | \$ 609,585                  | \$ 2,498,727        | \$ 3,957,795        |
| Cash received from interfund services provided                         | -                 | -                | -                           | 15,168              | 15,168              |
| Cash paid to employees for services                                    | (191,658)         | (31,027)         | (82,578)                    | (868,700)           | (1,173,963)         |
| Cash paid to suppliers for goods and services                          | (74,490)          | (20,919)         | (321,369)                   | (176,828)           | (593,606)           |
| Cash paid for interfund services used                                  | (206,053)         | (20,312)         | (93,209)                    | (527,976)           | (847,551)           |
| <b>Net Cash From Operating Activities</b>                              | <b>311,449</b>    | <b>(6,425)</b>   | <b>112,428</b>              | <b>940,392</b>      | <b>1,357,844</b>    |
| <b><u>Cash Flows from Noncapital Financing Activities</u></b>          |                   |                  |                             |                     |                     |
| Interfund loan repayments  | -                 | -                | (7,650)                     | -                   | (7,650)             |
| Transfers from other funds   | -                 | 17,938           | -                           | -                   | 17,938              |
| <b>Net Cash From Noncapital Financing Activities</b>                   | <b>-</b>          | <b>17,938</b>    | <b>(7,650)</b>              | <b>-</b>            | <b>10,288</b>       |
| <b><u>Cash Flows from Capital and Related Financing Activities</u></b> |                   |                  |                             |                     |                     |
| Advances from other funds for capital activities                       | 355,000           | -                | -                           | -                   | 355,000             |
| Short-term loan repayment  | (55,000)          | -                | -                           | -                   | (55,000)            |
| Principal payments on capital debt                                     | (190,882)         | -                | -                           | (60,000)            | (250,882)           |
| Interest payments on capital debt                                      | (76,139)          | -                | -                           | (900)               | (77,039)            |
| Capital grants and contributions                                       | 1,894,370         | -                | -                           | -                   | 1,894,370           |
| Acquisition and construction of capital assets                         | (2,127,322)       | -                | (101,536)                   | (226,104)           | (2,454,962)         |
| <b>Net Cash From Capital and Related Financing Activities</b>          | <b>(199,973)</b>  | <b>-</b>         | <b>(101,536)</b>            | <b>(287,004)</b>    | <b>(588,513)</b>    |
| <b><u>Cash Flows from Investing Activities</u></b>                     |                   |                  |                             |                     |                     |
| Investment income  | 10                | 194              | 7,892                       | 36,817              | 44,912              |
| <b>Net Cash From Investing Activities</b>                              | <b>10</b>         | <b>194</b>       | <b>7,892</b>                | <b>36,817</b>       | <b>44,912</b>       |
| Net change in pooled cash and investments                              | 111,485           | 11,707           | 11,134                      | 690,205             | 824,530             |
| Pooled Cash and Investments, July 1, 2012                              | 350,910           | 15,971           | 1,079,359                   | 4,494,946           | 5,941,186           |
| <b>Pooled Cash and Investments, June 30, 2013</b>                      | <b>\$ 462,396</b> | <b>\$ 27,677</b> | <b>\$ 1,090,492</b>         | <b>\$ 5,185,151</b> | <b>\$ 6,765,716</b> |

City of Bend, Oregon  
**Combining Statement of Cash Flows**  
 Nonmajor Enterprise Funds  
 For the fiscal year ended June 30, 2013

|  | <u>Airport</u><br><u>Fund</u> | <u>Cemetery</u><br><u>Fund</u> | <u>Downtown</u><br><u>Parking</u><br><u>Fund</u> | <u>Stormwater</u><br><u>Fund</u> | <u>Total</u>        |
|--|-------------------------------|--------------------------------|--|----------------------------------|---------------------|
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b> |                               |                                |  |                                  |                     |
| Operating income (loss)  | \$ (185,574)                  | \$ (17,018)                    | \$ (229,773)                                     | \$ 140,422                       | \$ (291,943)        |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities |                               |                                |  |                                  |                     |
| Depreciation   | 476,332                       | 11,300                         | 341,798  | 726,463                          | 1,555,893           |
| Change in:   |                               |                                |  |                                  |                     |
| Accounts receivable  | (8,288)                       | -                              | (29,052)   | (19,843)                         | (57,184)            |
| Accounts payable   | 5,124                         | 204                            | 21,040   | 47,113                           | 73,481              |
| Salaries and benefits payable  | 639                           | 517                            | (55)   | 2,477                            | 3,578               |
| Other post-employment benefits   | 25,585                        | 125                            | 7,494  | 32,766                           | 65,970              |
| Compensated absences payable   | (120)                         | (1,553)                        | 1,337  | 11,738                           | 11,403              |
| Insurance claim payable  | (58)                          | -                              | (154)  | (743)                            | (956)               |
| Other accrued liabilities  | (629)                         | -                              | -  | -                                | (629)               |
| Prepays and deposits payable   | (1,564)                       | -                              | (207)  | -                                | (1,771)             |
| <b>Net Cash Provided (Used) By Operating Activities</b>  | <b>\$ 311,449</b>             | <b>\$ (6,425)</b>              | <b>\$ 112,428</b>                                | <b>\$ 940,392</b>                | <b>\$ 1,357,844</b> |

Noncash Capital and Related Financing Activities

The City received donated stormwater infrastructure totaling \$316,384 in the current year.

Acquisition of capital assets financed through accounts payable or retainage payable for the current year totaled \$13,209 in the Airport Fund, \$14,501 in the Downtown Parking Fund, and \$429,413 in the Stormwater Fund.

The net book value of capital assets contributed from other funds, or gain on disposal, in the current year totaled \$94,350 in the Downtown Parking Fund.

The net book value of capital assets contributed to other funds, or loss on disposal, in the current year totaled \$29,825 in the Stormwater Fund.

City of Bend, Oregon

**Airport Fund**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual

For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                  |                            |                            |  |   |
| Intergovernmental  | \$ 62,500              | \$ 3,566,811     | \$ 2,218,615               | \$ 1,192,837               | \$ 3,411,452                           | \$ (155,359)                                  |
| Charges for services   | 1,432,900              | 1,439,600        | 766,077                    | 726,893                    | 1,492,970                              | 53,370  |
| Rental income  |                        |                  |                            |                            |  |   |
| Rental income from others  | 142,200                | 136,100          | 65,592                     | 64,719                     | 130,311                                | (5,789)                                       |
| Investment income  | (15,000)               | (13,600)         | 906                        | 10                         | 915                                    | 14,515  |
| Miscellaneous  | 2,900                  | 2,900            | 1,183                      | 1,890                      | 3,073                                  | 173   |
| <b>Total Revenues</b>  | <b>1,625,500</b>       | <b>5,131,811</b> | <b>3,052,374</b>           | <b>1,986,348</b>           | <b>5,038,722</b>                       | <b>(93,089)</b>                               |
| <b>Expenses</b>  |                        |                  |                            |                            |  |   |
| Current:   |                        |                  |                            |                            |  |   |
| Personal services  | 312,235                | 361,003          | 160,442                    | 192,153                    | 352,595                                | 8,408   |
| Materials and services   | 167,900                | 167,750          | 67,824                     | 78,985                     | 146,809                                | 20,941  |
| Interfund charges  | 618,700                | 530,100          | 290,722                    | 206,053                    | 496,775                                | 33,325  |
| Capital outlay   | 65,800                 | 3,793,611        | 2,184,773                  | 1,215,908                  | 3,400,681                              | 392,930                                       |
| Debt service   | 528,800                | 528,800          | 259,236                    | 264,821                    | 524,056                                | 4,744   |
| Contingency  | 108,965                | 372,447          | -                          | -                          | -                                      | 372,447                                       |
| <b>Total Expenses</b>  | <b>1,802,400</b>       | <b>5,753,711</b> | <b>2,962,996</b>           | <b>1,957,919</b>           | <b>4,920,916</b>                       | <b>832,795</b>                                |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>(176,900)</b>       | <b>(621,900)</b> | <b>89,377</b>              | <b>28,429</b>              | <b>117,806</b>                         | <b>739,706</b>                                |
| <b>Other Financing Sources (Uses)</b>                            |                        |                  |                            |                            |  |   |
| Interfund loan proceeds  | -                      | -                | 55,000                     | 355,000                    | 410,000                                | 410,000                                       |
| Interfund loan repayment   | (500,000)              | (55,000)         | -                          | (55,000)                   | (55,000)                               | -   |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>(500,000)</b>       | <b>(55,000)</b>  | <b>55,000</b>              | <b>300,000</b>             | <b>355,000</b>                         | <b>410,000</b>                                |
| Net change in fund balance                                       | (676,900)              | (676,900)        | 144,377                    | 328,429                    | 472,806                                | 1,149,706                                     |
| Beginning Fund Balance (Deficit)                                 | 676,900                | 676,900          | 300,199                    | 444,576                    | 300,199                                | (376,701)                                     |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 444,576</b>          | <b>\$ 773,005</b>          | <b>\$ 773,005</b>                      | <b>\$ 773,005</b>                             |

City of Bend, Oregon

**Airport Fund**

Schedule of Revenues, Expenses, and Changes in Fund Balance - Budget and Actual (Continued)

For the fiscal year ended June 30, 2013

**Reconciliation of Budgetary basis to GAAP basis**

|  |                            |
|--|----------------------------|
| Total Expenses - Budgetary Basis   | \$ 1,957,919               |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis | 25,552                     |
| Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis   | (1,215,908)                |
| Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis               | (190,882)                  |
| Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis   | 476,332                    |
| Amortization of bond issue costs, premiums, and discounts are not reported on the budgetary basis but are reported as an expense on the GAAP basis   | (50)                       |
| <b>Total Expenses - GAAP Basis</b>   | <u><u>\$ 1,052,964</u></u> |
| <br>   |                            |
| Total Other Financing Sources (Uses) - Budgetary Basis   | \$ 300,000                 |
| Interfund loan proceeds reported as other financing source on the budgetary basis is reported as a liability on the GAAP basis                       | (355,000)                  |
| Repayment of interfund loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis       | 55,000                     |
| <b>Total Other Income (Expenses) - GAAP Basis</b>  | <u><u>\$ -</u></u>         |

City of Bend, Oregon

**Cemetery Fund**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                 | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br>Basis | Variance with                          |
|--|------------------------|-----------------|----------------------------|----------------------------|---------------------------------|--|
|  | <u>Original</u>        | <u>Final</u>    |                            |                            |                                 | Final Budget<br>Positive<br>(Negative) |
| <b>Revenues</b>  |                        |                 |                            |                            |                                 |  |
| Intergovernmental  | \$ -                   | \$ -            | \$ 41                      | \$ -                       | \$ 41                           | \$ 41                                  |
| Burial and lot fees  | 109,700                | 120,200         | 58,384                     | 65,834                     | 124,217                         | 4,017                                  |
| Investment income  | -                      | -               | 666                        | 194                        | 860                             | 860                                    |
| <b>Total Revenues</b>  | <b>109,700</b>         | <b>120,200</b>  | <b>59,091</b>              | <b>66,027</b>              | <b>125,118</b>                  | <b>4,918</b>                           |
| <b>Expenses</b>  |                        |                 |                            |                            |                                 |  |
| Current:   |                        |                 |                            |                            |                                 |  |
| Personal services  | 66,435                 | 63,646          | 31,462                     | 29,991                     | 61,453                          | 2,193                                  |
| Materials and services   | 27,700                 | 42,975          | 16,998                     | 21,123                     | 38,121                          | 4,854                                  |
| Interfund charges  | 42,000                 | 43,900          | 21,395                     | 20,312                     | 41,707                          | 2,193                                  |
| Contingency  | 8,165                  | 34,279          | -                          | -                          | -                               | 34,279                                 |
| <b>Total Expenses</b>  | <b>144,300</b>         | <b>184,800</b>  | <b>69,855</b>              | <b>71,426</b>              | <b>141,281</b>                  | <b>43,519</b>                          |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>(34,600)</b>        | <b>(64,600)</b> | <b>(10,764)</b>            | <b>(5,399)</b>             | <b>(16,163)</b>                 | <b>48,437</b>                          |
| <b>Other Financing Sources (Uses)</b>                            |                        |                 |                            |                            |                                 |  |
| Transfers in   | 30,000                 | 60,000          | 13,105                     | 17,938                     | 31,043                          | (28,957)                               |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>30,000</b>          | <b>60,000</b>   | <b>13,105</b>              | <b>17,938</b>              | <b>31,043</b>                   | <b>(28,957)</b>                        |
| Net change in fund balance                                       | (4,600)                | (4,600)         | 2,341                      | 12,539                     | 14,879                          | 19,479                                 |
| Beginning Fund Balance (Deficit)                                 | 4,600                  | 4,600           | -                          | 2,341                      | -                               | (4,600)                                |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>     | <b>\$ 2,341</b>            | <b>\$ 14,879</b>           | <b>\$ 14,879</b>                | <b>\$ 14,880</b>                       |

**Reconciliation of Budgetary basis to GAAP basis**

|  |                  |
|--|------------------|
| Total Expenses - Budgetary Basis   | \$ 71,426        |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis | 125              |
| Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis   | 11,300           |
| <b>Total Expenses - GAAP Basis</b>   | <b>\$ 82,852</b> |

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City of Bend, Oregon  
**Downtown Parking Fund**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|--------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>       |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                    |                            |                            |  |   |
| Intergovernmental  | \$ -                   | \$ -               | \$ 90                      | \$ -                       | \$ 90                                  | \$ 90   |
| Fines and lot rental fees  | 1,257,900              | 1,273,561          | 564,896                    | 632,707                    | 1,197,603                              | (75,958)                                      |
| License & permits  | 8,410                  | 8,410              | 4,467                      | 6,111                      | 10,578                                 | 2,168   |
| Investment income  | 13,000                 | 11,100             | 6,788                      | 7,892                      | 14,680                                 | 3,580   |
| Miscellaneous  | 2,200                  | 2,200              | 56                         | 27                         | 82                                     | (2,118)                                       |
| <b>Total Revenues</b>  | <b>1,281,510</b>       | <b>1,295,271</b>   | <b>576,296</b>             | <b>646,736</b>             | <b>1,223,032</b>                       | <b>(72,239)</b>                               |
| <b>Expenses</b>  |                        |                    |                            |                            |  |   |
| Current:   |                        |                    |                            |                            |  |   |
| Personal services  | 209,725                | 197,555            | 112,358                    | 83,793                     | 196,151                                | 1,404   |
| Materials and services   | 636,153                | 660,824            | 305,289                    | 342,409                    | 647,698                                | 13,126  |
| Interfund charges  | 248,700                | 242,400            | 139,154                    | 93,209                     | 232,363                                | 10,037  |
| Capital outlay   | 25,000                 | 429,133            | 254,954                    | 111,538                    | 366,491                                | 62,642  |
| Contingency  | 75,340                 | 104,100            | -                          | -                          | -                                      | 104,100                                       |
| Reserved for construction  | 1,106,992              | 1,014,992          | -                          | -                          | -                                      | 1,014,992                                     |
| <b>Total Expenses</b>  | <b>2,301,910</b>       | <b>2,649,004</b>   | <b>811,754</b>             | <b>630,949</b>             | <b>1,442,703</b>                       | <b>1,206,301</b>                              |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>(1,020,400)</b>     | <b>(1,353,733)</b> | <b>(235,457)</b>           | <b>15,787</b>              | <b>(219,671)</b>                       | <b>1,134,062</b>                              |
| <b>Other Financing Sources (Uses)</b>                            |                        |                    |                            |                            |  |   |
| Capital contributions  | -                      | 333,333            | 256,396                    | -                          | 256,396                                | (76,937)                                      |
| Interfund loan repayment   | (15,300)               | (15,300)           | (7,650)                    | (7,650)                    | (15,300)                               | -   |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>(15,300)</b>        | <b>318,033</b>     | <b>248,746</b>             | <b>(7,650)</b>             | <b>241,096</b>                         | <b>(76,937)</b>                               |
| Net change in fund balance                                       | (1,035,700)            | (1,035,700)        | 13,289                     | 8,137                      | 21,426                                 | 1,057,126                                     |
| Beginning Fund Balance (Deficit)                                 | 1,035,700              | 1,035,700          | 1,079,045                  | 1,092,334                  | 1,079,045                              | 43,345  |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 1,092,334</b>        | <b>\$ 1,100,471</b>        | <b>\$ 1,100,471</b>                    | <b>\$ 1,100,471</b>                           |



City of Bend, Oregon  
**Downtown Parking Fund**

Schedule of Revenues, Expenses, and Changes in Fund Balance - Budget and Actual (Continued)  
 For the fiscal year ended June 30, 2013

**Reconciliation of Budgetary basis to GAAP basis**

|  |                   |
|--|-------------------|
| Total Revenues - Budgetary Basis   | \$ 646,736        |
| Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis                                 | 94,350            |
| <b>Total Revenues - GAAP Basis</b>   | <u>\$ 741,086</u> |
| <br>   |                   |
| Total Expenses - Budgetary Basis   | \$ 630,949        |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis | 7,407             |
| Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis   | (111,538)         |
| Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis   | 341,798           |
| <b>Total Expenses - GAAP Basis</b>   | <u>\$ 868,617</u> |
| <br>   |                   |
| Total Other Financing Sources - Budgetary Basis  | \$ (7,650)        |
| Repayment of interfund loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis       | 7,002             |
| <b>Total Other Income (Expenses) - GAAP Basis</b>  | <u>\$ (648)</u>   |

City of Bend, Oregon  
**Stormwater Fund**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | <u>FY2011-12</u><br><u>Actual</u> | <u>FY2012-13</u><br><u>Actual</u> | <u>Total Actual</u><br><u>Budget</u><br><u>Basis</u> | <u>Variance with</u><br><u>Final Budget</u><br><u>Positive</u><br><u>(Negative)</u> |
|--|------------------------|--------------------|-----------------------------------|-----------------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>       |                                   |                                   |  |   |
| <b>Revenues</b>  |                        |                    |                                   |                                   |  |   |
| Intergovernmental  | \$ 37,600              | \$ 37,600          | \$ 5,296                          | \$ -                              | \$ 5,296   | \$ (32,304)   |
| Charges for services:  |                        |                    |                                   |                                   |  |   |
| Charges to others  | 4,888,800              | 4,981,100          | 2,503,754                         | 2,518,500                         | 5,022,253  | 41,153  |
| Charges to other City funds  | 35,400                 | 32,750             | 15,309                            | 15,168                            | 30,477   | (2,273)   |
| Investment income  | 32,100                 | 28,800             | 30,501                            | 36,817                            | 67,318   | 38,518  |
| Miscellaneous  | -                      | -                  | 227                               | 71                                | 298  | 298   |
| <b>Total Revenues</b>  | <b>4,993,900</b>       | <b>5,080,250</b>   | <b>2,555,087</b>                  | <b>2,570,556</b>                  | <b>5,125,643</b>                                     | <b>45,393</b>   |
| <b>Expenses</b>  |                        |                    |                                   |                                   |  |   |
| Current:   |                        |                    |                                   |                                   |  |   |
| Personal services  | 1,841,382              | 1,731,558          | 791,608                           | 882,595                           | 1,674,203  | 57,355  |
| Materials and services   | 674,572                | 661,432            | 223,138                           | 194,298                           | 417,436  | 243,996   |
| Interfund charges  | 1,413,100              | 1,011,000          | 461,289                           | 527,976                           | 989,265  | 21,735  |
| Debt service   | 118,600                | 118,600            | 57,488                            | 60,750                            | 118,238  | 363   |
| Capital outlay   | 3,382,000              | 2,944,000          | 406,812                           | 586,245                           | 993,058  | 1,950,942   |
| Contingency  | 1,378,446              | 74,738             | -                                 | -                                 | -  | 74,738  |
| Reserved for construction  | -                      | 2,353,122          | -                                 | -                                 | -  | 2,353,122   |
| <b>Total Expenses</b>  | <b>8,808,100</b>       | <b>8,894,450</b>   | <b>1,940,335</b>                  | <b>2,251,864</b>                  | <b>4,192,199</b>                                     | <b>4,702,251</b>  |
| <b>Excess (deficiency) of revenues</b><br><b>over (under) expenses</b> | <b>(3,814,200)</b>     | <b>(3,814,200)</b> | <b>614,752</b>                    | <b>318,692</b>                    | <b>933,444</b>                                       | <b>4,747,644</b>  |
| Beginning Fund Balance (Deficit)                                       | 3,814,200              | 3,814,200          | 4,108,372                         | 4,723,124                         | 4,108,372  | 294,172   |
| <b>Ending Fund Balance (Deficit)</b>                                   | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 4,723,124</b>               | <b>\$ 5,041,815</b>               | <b>\$ 5,041,815</b>                                  | <b>\$ 5,041,815</b>   |

City of Bend, Oregon  
**Stormwater Fund**

Schedule of Revenues, Expenses, and Changes in Fund Balance - Budget and Actual (Continued)  
 For the fiscal year ended June 30, 2013

**Reconciliation of Budgetary basis to GAAP basis**

|  |                            |
|--|----------------------------|
| Total Revenues - Budgetary Basis   | \$ 2,570,556               |
| Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis                                 | <u>316,384</u>             |
| <b>Total Revenues - GAAP Basis</b>   | <b><u>\$ 2,886,940</u></b> |
| <br>   |                            |
| Total Expenses - Budgetary Basis   | \$ 2,251,864               |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis | 32,343                     |
| Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis   | (556,602)                  |
| Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis               | (60,000)                   |
| Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis   | 726,463                    |
| Amortization of bond issue costs, premiums, and discounts are not reported on the budgetary basis but are reported as an expense on the GAAP basis   | <u>6,198</u>               |
| <b>Total Expenses - GAAP Basis</b>   | <b><u>\$ 2,400,265</u></b> |
| <br>   |                            |
| Total Other Financing Sources (Uses) - Budgetary Basis   | \$ -                       |
| Loss on disposal of asset reported as an expense on the GAAP basis   | <u>(183)</u>               |
| <b>Total Other Income (Expenses) - GAAP Basis</b>  | <b><u>\$ (183)</u></b>     |

City of Bend, Oregon  
**Nonmajor Enterprise Funds**  
 Schedule of Expenses and Other Uses by Appropriation Levels  
 For the biennium ended June 30, 2013

|                                     | <u>Appropriation</u> | <u>Actual Expenses</u> | <u>Variance Positive (Negative)</u> |
|-------------------------------------|----------------------|------------------------|-------------------------------------|
| <b><u>Airport Fund</u></b>          |                      |                        |                                     |
| Personal services                   | \$ 361,003           | \$ 352,595             | \$ 8,408                            |
| Materials and services              | 167,750              | 146,809                | 20,941                              |
| Transfers                           | 585,100              | 551,775                | 33,325                              |
| Debt service                        | 3,793,611            | 3,400,681              | 392,930                             |
| Capital outlay                      | 528,800              | 524,056                | 4,744                               |
| Contingency                         | 372,447              | -                      | 372,447                             |
|                                     | <b>\$ 5,808,711</b>  | <b>\$ 4,975,916</b>    | <b>\$ 832,795</b>                   |
| <b><u>Cemetery Fund</u></b>         |                      |                        |                                     |
| Personal services                   | \$ 63,646            | \$ 61,453              | \$ 2,193                            |
| Materials and services              | 42,975               | 38,121                 | 4,854                               |
| Transfers                           | 43,900               | 41,707                 | 2,193                               |
| Contingency                         | 34,279               | -                      | 34,279                              |
|                                     | <b>\$ 184,800</b>    | <b>\$ 141,281</b>      | <b>\$ 43,519</b>                    |
| <b><u>Downtown Parking Fund</u></b> |                      |                        |                                     |
| Personal services                   | \$ 197,555           | \$ 196,151             | \$ 1,404                            |
| Materials and services              | 660,824              | 647,698                | 13,126                              |
| Transfers                           | 257,700              | 247,663                | 10,037                              |
| Capital outlay                      | 429,133              | 366,491                | 62,642                              |
| Contingency                         | 104,100              | -                      | 104,100                             |
| Reserved for construction           | 1,014,992            | -                      | 1,014,992                           |
|                                     | <b>\$ 2,664,304</b>  | <b>\$ 1,458,003</b>    | <b>\$ 1,206,301</b>                 |
| <b><u>Stormwater Fund</u></b>       |                      |                        |                                     |
| Personal services                   | \$ 1,731,558         | \$ 1,674,203           | \$ 57,355                           |
| Materials and services              | 661,432              | 417,436                | 243,996                             |
| Transfers                           | 1,011,000            | 989,265                | 21,735                              |
| Debt service                        | 118,600              | 118,238                | 363                                 |
| Capital outlay                      | 2,944,000            | 993,058                | 1,950,942                           |
| Contingency                         | 74,738               | -                      | 74,738                              |
| Reserved for construction           | 2,353,122            | -                      | 2,353,122                           |
|                                     | <b>\$ 8,894,450</b>  | <b>\$ 4,192,199</b>    | <b>\$ 4,702,251</b>                 |

## **INTERNAL SERVICE FUND**

### Garage Division

To account for the maintenance and service of all City vehicles and heavy equipment except for the police vehicles. User charges cover equipment and vehicle maintenance expenses.

### Information Technology Division

To account for equipment acquisition, maintenance and operation of the City's computer and telephone systems. User charges cover the cost of operations and acquisitions.

### Facility Management Division

To account for maintenance on and improvements to City buildings. Facility maintenance rates are charged on the basis of square footage to recover the full cost of services provided.

### Engineering Division

To account for construction project oversight, plan reviews and other engineering services. Revenues are engineering fees used to cover operating expenses.

### Public Works Administration Division

To account for general and administrative services provided to other funds. User charges are generated for public works administration.

### Public Works Laboratory Division

To account for the laboratory analysis and technical support provided to other funds. User charges are generated for public works laboratory.

### Insurance Division

To account for the City's employee health, workers' compensation, general liability, automobile and property liability insurance programs. Revenues consist of premium contributions by departments as well as insurance settlements and refunds. Expenses are for premiums and claims costs.

### Administration and Financial Services Division

To account for the general government and finance functions. User charges are generated to cover the full cost of operations of the City Council, City Manager's office, Human Resources and Finance.

### Legal and Risk Management Division

To provide legal support and interpretation of the law for other funds. User charges are generated to cover the full cost of operations.



City of Bend, Oregon  
**Combining Statement of Net Position**  
Internal Service Fund  
June 30, 2013

|  | <u>Garage<br/>Division</u> | <u>Information<br/>Technology<br/>Division</u> | <u>Facility<br/>Management<br/>Division</u> | <u>Engineering<br/>Division</u> | <u>Public<br/>Works<br/>Administration<br/>Division</u> |
|--|----------------------------|--|---|---------------------------------|---|
| <b>Assets</b>                                      |                            |  |   |                                 |   |
| Current assets:                                    |                            |  |   |                                 |   |
| Pooled cash and investments                        | \$ 419,029                 | \$ 2,490,471                                   | \$ 2,061,864                                | \$ 180,705                      | \$ 272,970  |
| Accounts receivable, net                           | -                          | -  | -   | -                               | -   |
| Due from other governments                         | 38,444                     | -  | -   | -                               | -   |
| Other assets                                       | 39,401                     | -  | -   | -                               | -   |
| Prepays and deposits                               | -                          | 63,050   | -   | -                               | 7,487   |
| Bond issue costs, net                              | -                          | -  | 17,795                                      | -                               | -   |
| <b>Total Current Assets</b>                        | <b>496,873</b>             | <b>2,553,521</b>                               | <b>2,079,659</b>                            | <b>180,705</b>                  | <b>280,457</b>  |
| Noncurrent assets:                                 |                            |  |   |                                 |   |
| Restricted cash and investments                    | -                          | -  | 6,014                                       | -                               | -   |
| Bond issue costs, net                              | -                          | -  | 176,745                                     | -                               | -   |
| Capital assets, net                                | 25,363                     | 760,519  | 22,063,835                                  | -                               | -   |
| <b>Total Noncurrent Assets</b>                     | <b>25,363</b>              | <b>760,519</b>                                 | <b>22,246,594</b>                           | <b>-</b>                        | <b>-</b>  |
| <b>Total Assets</b>                                | <b>522,237</b>             | <b>3,314,040</b>                               | <b>24,326,253</b>                           | <b>180,705</b>                  | <b>280,457</b>  |
| <b>Liabilities</b>                                 |                            |  |   |                                 |   |
| Current liabilities:                               |                            |  |   |                                 |   |
| Accounts payable                                   | 102,510                    | 105,655  | 94,022                                      | 6,214                           | 12,052  |
| Salaries and benefits payable                      | 10,086                     | 22,560   | 5,707                                       | 28,925                          | 11,835  |
| Retainage payable                                  | -                          | -  | 40,378                                      | -                               | -   |
| Other accrued liabilities:                         |                            |  |   |                                 |   |
| Compensated absences                               | 50,903                     | 114,052  | 34,934                                      | 86,193                          | 32,543  |
| Interest   | -                          | -  | 31,761                                      | -                               | -   |
| Insurance claims                                   | 2,183                      | 1,148  | 107   | 614                             | 943   |
| Deposits   | -                          | -  | 6,014                                       | -                               | -   |
| Current portion of long-term debt, net             | -                          | -  | 1,091,071                                   | -                               | -   |
| <b>Total Current Liabilities</b>                   | <b>165,683</b>             | <b>243,415</b>                                 | <b>1,303,994</b>                            | <b>121,948</b>                  | <b>57,373</b>   |
| Noncurrent liabilities:                            |                            |  |   |                                 |   |
| Other post-retirement benefits payable             | 130,769                    | 273,616  | 77,114                                      | 326,341                         | 192,785   |
| Long-term debt, net                                | -                          | -  | 8,866,352                                   | -                               | -   |
| <b>Total Noncurrent Liabilities</b>                | <b>130,769</b>             | <b>273,616</b>                                 | <b>8,943,466</b>                            | <b>326,341</b>                  | <b>192,785</b>  |
| <b>Total Liabilities</b>                           | <b>296,451</b>             | <b>517,031</b>                                 | <b>10,247,460</b>                           | <b>448,289</b>                  | <b>250,158</b>  |
| <b>Net Position</b>                                |                            |  |   |                                 |   |
| Invested in capital assets,<br>net of related debt | 25,363                     | 760,519  | 12,106,412                                  | -                               | -   |
| Unrestricted (deficit)                             | 200,422                    | 2,036,490                                      | 1,972,381                                   | (267,584)                       | 30,299  |
| <b>Total Net Position</b>                          | <b>\$ 225,785</b>          | <b>\$ 2,797,009</b>                            | <b>\$ 14,078,793</b>                        | <b>\$ (267,584)</b>             | <b>\$ 30,299</b>  |

City of Bend, Oregon  
**Combining Statement of Net Position (Continued)**  
Internal Service Fund  
June 30, 2013

|  | <b>Public<br/>Works<br/>Laboratory<br/>Division</b> | <b>Insurance<br/>Division</b> | <b>Administration<br/>and Financial<br/>Services<br/>Division</b> | <b>Legal and Risk<br/>Management<br/>Division</b> | <b>Total</b>         |
|--|---|-------------------------------|---|---|----------------------|
| <b>Assets</b>                                      |   |                               |   |   |                      |
| Current assets:                                    |   |                               |   |   |                      |
| Pooled cash and investments                        | \$ 136,311  | \$ 2,948,810                  | \$ 1,089,387  | \$ 121,322  | \$ 9,720,867         |
| Accounts receivable, net                           | -   | -                             | 16,185  | -   | 16,185               |
| Due from other governments                         | -   | -                             | -   | -   | 38,444               |
| Other assets                                       | -   | -                             | -   | -   | 39,401               |
| Prepays and deposits                               | -   | -                             | 12,480  | -   | 83,017               |
| Bond issue costs, net                              | -   | -                             | -   | -   | 17,795               |
| <b>Total Current Assets</b>                        | <b>136,311</b>                                      | <b>2,948,810</b>              | <b>1,118,052</b>  | <b>121,322</b>                                    | <b>9,915,709</b>     |
| Noncurrent assets:                                 |   |                               |   |   |                      |
| Restricted cash and investments                    | -   | -                             | -   | -   | 6,014                |
| Bond issue costs, net                              | -   | -                             | -   | -   | 176,745              |
| Capital assets, net                                | 49,756  | -                             | 28,594  | -   | 22,928,068           |
| <b>Total Noncurrent Assets</b>                     | <b>49,756</b>                                       | <b>-</b>                      | <b>28,594</b>   | <b>-</b>  | <b>23,110,826</b>    |
| <b>Total Assets</b>                                | <b>186,067</b>                                      | <b>2,948,810</b>              | <b>1,146,645</b>  | <b>121,322</b>                                    | <b>33,026,535</b>    |
| <b>Liabilities</b>                                 |   |                               |   |   |                      |
| Current liabilities:                               |   |                               |   |   |                      |
| Accounts payable                                   | 41,922  | 97,020                        | 42,595  | 10,963  | 512,953              |
| Salaries and benefits payable                      | 8,338   | -                             | 49,608  | 8,370   | 145,430              |
| Retainage payable                                  | -   | -                             | -   | -   | 40,378               |
| Other accrued liabilities:                         |   |                               |   |   |                      |
| Compensated absences                               | 50,892  | -                             | 218,319   | 50,806  | 638,644              |
| Interest   | -   | -                             | -   | -   | 31,761               |
| Insurance claims                                   | 408   | 295,670                       | 1,485   | 745   | 303,304              |
| Deposits   | -   | -                             | -   | -   | 6,014                |
| Current portion of long-term debt, net             | -   | -                             | -   | -   | 1,091,071            |
| <b>Total Current Liabilities</b>                   | <b>101,561</b>                                      | <b>392,690</b>                | <b>312,007</b>  | <b>70,884</b>                                     | <b>2,769,555</b>     |
| Noncurrent liabilities:                            |   |                               |   |   |                      |
| Other post-retirement benefits payable             | 125,427   | -                             | 803,427   | 132,395   | 2,061,873            |
| Long-term debt, net                                | -   | -                             | -   | -   | 8,866,352            |
| <b>Total Noncurrent Liabilities</b>                | <b>125,427</b>                                      | <b>-</b>                      | <b>803,427</b>  | <b>132,395</b>                                    | <b>10,928,225</b>    |
| <b>Total Liabilities</b>                           | <b>226,987</b>                                      | <b>392,690</b>                | <b>1,115,434</b>  | <b>203,279</b>                                    | <b>13,697,780</b>    |
| <b>Net Position</b>                                |   |                               |   |   |                      |
| Invested in capital assets,<br>net of related debt | 49,756  | -                             | 28,594  | -   | 12,970,644           |
| Unrestricted (deficit)                             | (90,677)  | 2,556,119                     | 2,618   | (81,957)  | 6,358,111            |
| <b>Total Net Position</b>                          | <b>\$ (40,921)</b>                                  | <b>\$ 2,556,119</b>           | <b>\$ 31,212</b>  | <b>\$ (81,957)</b>                                | <b>\$ 19,328,755</b> |



City of Bend, Oregon

**Combining Statement of Revenues, Expenses, and Changes in Net Position**

Internal Service Fund

For the fiscal year ended June 30, 2013

|   | <u>Garage<br/>Division</u> | <u>Information<br/>Technology<br/>Division</u> | <u>Facility<br/>Management<br/>Division</u> | <u>Engineering<br/>Division</u> | <u>Public<br/>Works<br/>Administration<br/>Division</u> |
|---|----------------------------|--|---|---------------------------------|---|
| <b><u>Operating Revenues</u></b>                            |                            |  |   |                                 |   |
| Charges for services  | \$ 2,146,375               | \$ 2,574,653                                   | \$ 829,377                                  | \$ 1,789,661                    | \$ 885,058  |
| Rental income   |                            |  |   |                                 |   |
| Rental income from others                                   | -                          | -  | 43,891                                      | -                               | -   |
| Rental income from other City funds                         | -                          | -  | 1,579,700                                   | -                               | -   |
| Insurance settlement and refunds                            | -                          | -  | -   | -                               | -   |
| Miscellaneous   | 3,137                      | 834  | 191   | 10                              | 240   |
| <b>Total Operating Revenues</b>                             | <b>2,149,512</b>           | <b>2,575,487</b>                               | <b>2,453,159</b>                            | <b>1,789,671</b>                | <b>885,297</b>  |
| <b><u>Operating Expenses</u></b>                            |                            |  |   |                                 |   |
| Salaries and benefits                                       | 682,868                    | 1,473,157                                      | 370,612                                     | 1,653,903                       | 775,988   |
| Materials and supplies                                      | 1,298,318                  | 958,926  | 632,763                                     | 62,132                          | 93,309  |
| Internal services   | 229,286                    | 56,842   | 81,101                                      | 179,270                         | 249,767   |
| Insurance premiums and claims                               | -                          | -  | -   | -                               | -   |
| Depreciation  | 9,598                      | 268,494  | 772,618                                     | -                               | -   |
| <b>Total Operating Expenses</b>                             | <b>2,220,069</b>           | <b>2,757,420</b>                               | <b>1,857,094</b>                            | <b>1,895,305</b>                | <b>1,119,064</b>  |
| <b>Operating income (loss)</b>                              | <b>(70,557)</b>            | <b>(181,932)</b>                               | <b>596,065</b>                              | <b>(105,634)</b>                | <b>(233,767)</b>  |
| <b><u>Nonoperating Revenues (Expenses)</u></b>              |                            |  |   |                                 |   |
| Investment income   | 3,234                      | 14,817   | 18,246                                      | 1,221                           | 2,702   |
| Interest expense  | -                          | -  | (420,444)                                   | -                               | -   |
| Insurance proceeds  | -                          | -  | -   | -                               | -   |
| Amortization  | -                          | -  | 8,276                                       | -                               | -   |
| Gain (loss) on disposal of assets                           | -                          | -  | -   | -                               | -   |
| <b>Total Nonoperating Revenues (Expenses)</b>               | <b>3,234</b>               | <b>14,817</b>                                  | <b>(393,922)</b>                            | <b>1,221</b>                    | <b>2,702</b>  |
| <b>Income (loss) before contributions<br/>and transfers</b> | <b>(67,323)</b>            | <b>(167,115)</b>                               | <b>202,143</b>                              | <b>(104,413)</b>                | <b>(231,065)</b>  |
| <b><u>Contributions and Transfers</u></b>                   |                            |  |   |                                 |   |
| Capital contributions                                       | 4,684                      | -  | 122,646                                     | -                               | -   |
| Transfers in  | -                          | 500,000  | 600,000                                     | -                               | -   |
| Transfers out   | (1,801)                    | (6,732)  | (11,218)                                    | (641)                           | (1,710)   |
| <b>Total Contributions and Transfers</b>                    | <b>2,883</b>               | <b>493,268</b>                                 | <b>711,429</b>                              | <b>(641)</b>                    | <b>(1,710)</b>  |
| Change in net position                                      | (64,441)                   | 326,153  | 913,572                                     | (105,053)                       | (232,774)   |
| Net Position, July 1, 2012                                  | 290,226                    | 2,470,856                                      | 13,165,221                                  | (162,531)                       | 263,073   |
| <b>Net Position, June 30, 2013</b>                          | <b>\$ 225,785</b>          | <b>\$ 2,797,009</b>                            | <b>\$ 14,078,793</b>                        | <b>\$ (267,584)</b>             | <b>\$ 30,299</b>  |

City of Bend, Oregon

**Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)**

Internal Service Fund

For the fiscal year ended June 30, 2013

|   | <b>Public<br/>Works<br/>Laboratory<br/>Division</b> | <b>Insurance<br/>Division</b> | <b>Administration<br/>and Financial<br/>Services<br/>Division</b> | <b>Legal and Risk<br/>Management<br/>Division</b> | <b>Total</b>         |
|---|---|-------------------------------|---|---|----------------------|
| <b><u>Operating Revenues</u></b>                            |   |                               |   |   |                      |
| Charges for services  | \$ 576,900  | \$ 1,092,437                  | \$ 4,684,407  | \$ 550,300  | \$ 15,129,168        |
| Rental income   |   |                               |   |   |                      |
| Rental income from others                                   | -   | -                             | -   | -   | 43,891               |
| Rental income from other City funds                         | -   | -                             | -   | -   | 1,579,700            |
| Insurance settlement and refunds                            | -   | 219,735                       | -   | -   | 219,735              |
| Miscellaneous   | -   | 193                           | 676   | 176   | 5,458                |
| <b>Total Operating Revenues</b>                             | <b>576,900</b>                                      | <b>1,312,365</b>              | <b>4,685,083</b>  | <b>550,476</b>                                    | <b>16,977,951</b>    |
| <b><u>Operating Expenses</u></b>                            |   |                               |   |   |                      |
| Salaries and benefits                                       | 574,038   | -                             | 3,542,923   | 605,125   | 9,678,614            |
| Materials and supplies                                      | 148,816   | -                             | 748,776   | 39,947  | 3,982,986            |
| Internal services   | 91,116  | -                             | 542,565   | 16,638  | 1,446,586            |
| Insurance premiums and claims                               | -   | 1,113,880                     | -   | -   | 1,113,880            |
| Depreciation  | 22,530  | -                             | 8,065   | -   | 1,081,305            |
| <b>Total Operating Expenses</b>                             | <b>836,499</b>                                      | <b>1,113,880</b>              | <b>4,842,330</b>  | <b>661,710</b>                                    | <b>17,303,370</b>    |
| <b>Operating income (loss)</b>                              | <b>(259,599)</b>                                    | <b>198,485</b>                | <b>(157,247)</b>  | <b>(111,233)</b>                                  | <b>(325,419)</b>     |
| <b><u>Nonoperating Revenues (Expenses)</u></b>              |   |                               |   |   |                      |
| Investment income   | 1,513   | 21,283                        | 7,500   | 963   | 71,479               |
| Interest expense  | -   | -                             | -   | -   | (420,444)            |
| Insurance proceeds  | -   | -                             | 34,667  | -   | 34,667               |
| Amortization  | -   | -                             | -   | -   | 8,276                |
| Gain (loss) on disposal of assets                           | 520   | -                             | -   | -   | 520                  |
| <b>Total Nonoperating Revenues (Expenses)</b>               | <b>2,033</b>  | <b>21,283</b>                 | <b>42,167</b>   | <b>963</b>  | <b>(305,503)</b>     |
| <b>Income (loss) before contributions<br/>and transfers</b> | <b>(257,567)</b>                                    | <b>219,769</b>                | <b>(115,081)</b>  | <b>(110,270)</b>                                  | <b>(630,922)</b>     |
| <b><u>Contributions and Transfers</u></b>                   |   |                               |   |   |                      |
| Capital contributions                                       | -   | -                             | -   | -   | 127,330              |
| Transfers in  | -   | -                             | 156,359   | -   | 1,256,359            |
| Transfers out   | (998)   | (11,490)                      | (3,726)   | (557)   | (38,872)             |
| <b>Total Contributions and Transfers</b>                    | <b>(998)</b>  | <b>(11,490)</b>               | <b>152,633</b>  | <b>(557)</b>                                      | <b>1,344,818</b>     |
| Change in net position                                      | (258,565)   | 208,279                       | 37,553  | (110,827)   | 713,896              |
| Net Position, July 1, 2012                                  | 217,644   | 2,347,841                     | (6,341)   | 28,870  | 18,614,859           |
| <b>Net Position, June 30, 2013</b>                          | <b>\$ (40,921)</b>                                  | <b>\$ 2,556,119</b>           | <b>\$ 31,212</b>  | <b>\$ (81,957)</b>                                | <b>\$ 19,328,755</b> |

City of Bend, Oregon  
**Combining Statement of Cash Flows**  
Internal Service Fund  
For the fiscal year ended June 30, 2013

|  | <u>Garage<br/>Division</u> | <u>Information<br/>Technology<br/>Division</u> | <u>Facility<br/>Management<br/>Division</u> |
|--|----------------------------|--|---|
| <b><u>Cash Flows from Operating Activities</u></b>                         |                            |  |   |
| Cash received from customers   | \$ 205,609                 | \$ 834   | \$ 46,582                                   |
| Cash received from interfund services provided                             | 1,924,403                  | 2,574,653                                      | 2,409,077                                   |
| Cash paid to employees for services  | (667,192)                  | (1,355,070)                                    | (363,220)                                   |
| Cash paid to suppliers for goods and services                              | (1,281,710)                | (990,423)                                      | (624,335)                                   |
| Cash paid for interfund services used                                      | (229,286)                  | (56,842)                                       | (81,101)                                    |
| <b>Net Cash From Operating Activities</b>                                  | <b>(48,176)</b>            | <b>173,152</b>                                 | <b>1,387,003</b>                            |
| <b><u>Cash Flows from Noncapital Financing Activities</u></b>              |                            |  |   |
| Transfers from other funds   | -                          | 500,000  | 600,000                                     |
| Transfers to other funds   | (1,801)                    | (6,732)  | (11,218)                                    |
| <b>Net Cash From Noncapital Financing Activities</b>                       | <b>(1,801)</b>             | <b>493,268</b>                                 | <b>588,783</b>                              |
| <b><u>Cash Flows from Capital and Related<br/>Financing Activities</u></b> |                            |  |   |
| Principal payments on notes, bonds, and certificates                       | -                          | -  | (1,515,000)                                 |
| Interest payments on notes, bonds, and certificates                        | -                          | -  | (426,286)                                   |
| Capital grants and contributions   | -                          | -  | 7,330                                       |
| Proceeds from sale of assets   | -                          | -  | -   |
| Acquisition and construction of capital assets                             | -                          | (276,257)                                      | (779,198)                                   |
| <b>Net Cash From Capital and Related<br/>Financing Activities</b>          | <b>-</b>                   | <b>(276,257)</b>                               | <b>(2,713,154)</b>                          |
| <b><u>Cash Flows from Investing Activities</u></b>                         |                            |  |   |
| Investment income  | 3,234                      | 14,817   | 18,246                                      |
| <b>Net Cash From Investing Activities</b>                                  | <b>3,234</b>               | <b>14,817</b>                                  | <b>18,246</b>                               |
| Net change in pooled cash and investments                                  | (46,743)                   | 404,980  | (719,123)                                   |
| Pooled Cash and Investments, July 1, 2012                                  | 465,771                    | 2,085,491                                      | 2,787,001                                   |
| <b>Pooled Cash and Investments, June 30, 2013</b>                          | <b>\$ 419,029</b>          | <b>\$ 2,490,471</b>                            | <b>\$ 2,067,878</b>                         |

City of Bend, Oregon  
**Combining Statement of Cash Flows (Continued)**  
Internal Service Fund  
For the fiscal year ended June 30, 2013

|  | <b>Engineering<br/>Division</b> | <b>Public Works<br/>Administration<br/>Division</b> | <b>Public Works<br/>Laboratory<br/>Division</b> |
|--|---------------------------------|---|---|
| <b><u>Cash Flows from Operating Activities</u></b>                         |                                 |   |   |
| Cash received from customers   | \$ 10                           | \$ 240  | \$ -  |
| Cash received from interfund services provided                             | 1,789,661                       | 885,058   | 576,900   |
| Cash paid to employees for services  | (1,455,338)                     | (798,671)   | (532,567)                                       |
| Cash paid to suppliers for goods and services                              | (59,319)                        | (95,742)  | (131,331)                                       |
| Cash paid for interfund services used                                      | (179,270)                       | (249,767)   | (91,116)  |
| <b>Net Cash From Operating Activities</b>                                  | <b>95,744</b>                   | <b>(258,883)</b>                                    | <b>(178,114)</b>                                |
| <b><u>Cash Flows from Noncapital Financing Activities</u></b>              |                                 |   |   |
| Transfers from other funds   | -                               | -   | -   |
| Transfers to other funds   | (641)                           | (1,710)   | (998)   |
| <b>Net Cash From Noncapital Financing Activities</b>                       | <b>(641)</b>                    | <b>(1,710)</b>                                      | <b>(998)</b>                                    |
| <b><u>Cash Flows from Capital and Related<br/>Financing Activities</u></b> |                                 |   |   |
| Principal payments on notes, bonds, and certificates                       | -                               | -   | -   |
| Interest payments on notes, bonds, and certificates                        | -                               | -   | -   |
| Capital grants and contributions   | -                               | -   | -   |
| Proceeds from sale of assets   | -                               | -   | 520   |
| Acquisition and construction of capital assets                             | -                               | -   | -   |
| <b>Net Cash From Capital and Related<br/>Financing Activities</b>          | <b>-</b>                        | <b>-</b>  | <b>520</b>                                      |
| <b><u>Cash Flows from Investing Activities</u></b>                         |                                 |   |   |
| Investment income  | 1,221                           | 2,702   | 1,513   |
| <b>Net Cash From Investing Activities</b>                                  | <b>1,221</b>                    | <b>2,702</b>  | <b>1,513</b>                                    |
| Net change in pooled cash and investments                                  | 96,325                          | (257,890)   | (177,080)                                       |
| Pooled Cash and Investments, July 1, 2012                                  | 84,380                          | 530,860   | 313,390   |
| <b>Pooled Cash and Investments, June 30, 2013</b>                          | <b>\$ 180,705</b>               | <b>\$ 272,970</b>                                   | <b>\$ 136,311</b>                               |

City of Bend, Oregon  
**Combining Statement of Cash Flows (Continued)**  
Internal Service Fund  
For the fiscal year ended June 30, 2013

|  | <u>Insurance<br/>Division</u> | <u>Administration<br/>and Financial<br/>Services<br/>Division</u> | <u>Legal and Risk<br/>Management<br/>Division</u> | <u>Total</u>        |
|--|-------------------------------|---|---|---------------------|
| <b><u>Cash Flows from Operating Activities</u></b>                         |                               |   |   |                     |
| Cash received from customers   | \$ 219,928                    | \$ 144,919  | \$ 176  | \$ 618,298          |
| Cash received from interfund services provided                             | 1,092,437                     | 4,578,040   | 550,300   | 16,380,529          |
| Cash paid to employees for services  | -                             | (3,328,897)   | (530,973)   | (9,031,927)         |
| Cash paid to suppliers for goods and services                              | (1,315,368)                   | (782,712)   | (33,477)  | (5,314,416)         |
| Cash paid for interfund services used                                      | -                             | (542,565)   | (16,638)  | (1,446,586)         |
| <b>Net Cash From Operating Activities</b>                                  | <b>(3,002)</b>                | <b>68,784</b>   | <b>(30,612)</b>                                   | <b>1,205,897</b>    |
| <b><u>Cash Flows from Noncapital Financing Activities</u></b>              |                               |   |   |                     |
| Transfers from other funds   | -                             | 156,359   | -   | 1,256,359           |
| Transfers to other funds   | (11,490)                      | (3,726)   | (557)   | (38,872)            |
| <b>Net Cash From Noncapital Financing Activities</b>                       | <b>(11,490)</b>               | <b>152,633</b>  | <b>(557)</b>                                      | <b>1,217,488</b>    |
| <b><u>Cash Flows from Capital and Related<br/>Financing Activities</u></b> |                               |   |   |                     |
| Principal payments on notes, bonds, and certificates                       | -                             | -   | -   | (1,515,000)         |
| Interest payments on notes, bonds, and certificates                        | -                             | -   | -   | (426,286)           |
| Capital grants and contributions   | -                             | -   | -   | 7,330               |
| Proceeds from sale of assets   | -                             | -   | -   | 520                 |
| Acquisition and construction of capital assets                             | -                             | -   | -   | (1,055,455)         |
| <b>Net Cash From Capital and Related<br/>Financing Activities</b>          | <b>-</b>                      | <b>-</b>  | <b>-</b>  | <b>(2,988,892)</b>  |
| <b><u>Cash Flows from Investing Activities</u></b>                         |                               |   |   |                     |
| Investment income  | 21,283                        | 7,500   | 963   | 71,479              |
| <b>Net Cash From Investing Activities</b>                                  | <b>21,283</b>                 | <b>7,500</b>  | <b>963</b>  | <b>71,479</b>       |
| Net change in pooled cash and investments                                  | 6,791                         | 228,918   | (30,206)  | (494,028)           |
| Pooled Cash and Investments, July 1, 2012                                  | 2,942,019                     | 860,469   | 151,528   | 10,220,909          |
| <b>Pooled Cash and Investments, June 30, 2013</b>                          | <b>\$ 2,948,810</b>           | <b>\$ 1,089,387</b>   | <b>\$ 121,322</b>                                 | <b>\$ 9,726,881</b> |

City of Bend, Oregon  
**Combining Statement of Cash Flows (Continued)**  
Internal Service Fund  
For the fiscal year ended June 30, 2013

|  | <u>Garage<br/>Division</u> | <u>Information<br/>Technology<br/>Division</u> | <u>Facility<br/>Management<br/>Division</u> |
|--|----------------------------|--|---|
| <b>Reconciliation of Operating Income (Loss) to Net<br/>Cash Provided (Used) By Operating Activities</b> |                            |  |   |
| Operating income (loss)  | \$ (70,557)                | \$ (181,932)                                   | \$ 596,065                                  |
| Adjustments to reconcile operating income (loss) to<br>net cash provided (used) by operating activities: |                            |  |   |
| Depreciation   | 9,598                      | 268,494  | 772,618                                     |
| Insurance proceeds   | -                          | -  | -   |
| Change in:   |                            |  |   |
| Accounts receivable  | (19,500)                   | -  | -   |
| Due from other funds   | -                          | -  | -   |
| Inventories  | 2,623                      | -  | -   |
| Prepays and deposits   | -                          | (30,113)                                       | -   |
| Accounts payable   | 12,861                     | (1,141)  | 8,461                                       |
| Salaries and benefits payable  | 2,562                      | 5,520  | 887   |
| Other post-employment benefits   | 1,181                      | 82,379   | (2,675)                                     |
| Compensated absences payable   | 11,933                     | 30,188   | 9,180                                       |
| Insurance claims payable   | 1,125                      | (244)  | (34)  |
| Prepays and deposits payable   | -                          | -  | 2,500                                       |
| <b>Net Cash Provided (Used) By Operating Activities</b>  | <b>\$ (48,176)</b>         | <b>\$ 173,152</b>                              | <b>\$ 1,387,003</b>                         |

City of Bend, Oregon  
**Combining Statement of Cash Flows (Continued)**  
Internal Service Fund  
For the fiscal year ended June 30, 2013

|  | <b>Engineering<br/>Division</b> | <b>Public Works<br/>Administration<br/>Division</b> | <b>Public Works<br/>Laboratory<br/>Division</b> |
|--|---------------------------------|---|---|
| <b>Reconciliation of Operating Income (Loss) to Net<br/>Cash Provided (Used) By Operating Activities</b> |                                 |   |   |
| Operating income (loss)  | \$ (105,634)                    | \$ (233,767)  | \$ (259,599)                                    |
| Adjustments to reconcile operating income (loss) to<br>net cash provided (used) by operating activities: |                                 |   |   |
| Depreciation   | -                               | -   | 22,530  |
| Insurance proceeds   | -                               | -   | -   |
| Change in:   |                                 |   |   |
| Accounts receivable  | -                               | -   | -   |
| Due from other funds   | -                               | -   | -   |
| Inventories  | -                               | -   | -   |
| Prepays and deposits   | -                               | (225)   | -   |
| Accounts payable   | 3,012                           | 500   | 17,077  |
| Salaries and benefits payable  | 10,282                          | 256   | 1,093   |
| Other post-employment benefits   | 159,849                         | (19,456)  | 31,577  |
| Compensated absences payable   | 28,434                          | (3,483)   | 8,800   |
| Insurance claims payable   | (199)                           | (2,707)   | 408   |
| Prepays and deposits payable   | -                               | -   | -   |
| <b>Net Cash Provided (Used) By Operating Activities</b>  | <b>\$ 95,744</b>                | <b>\$ (258,883)</b>                                 | <b>\$ (178,114)</b>                             |

City of Bend, Oregon  
**Combining Statement of Cash Flows (Continued)**  
Internal Service Fund  
For the fiscal year ended June 30, 2013

|   | <u>Insurance<br/>Division</u> | <u>Administration<br/>and Financial<br/>Services<br/>Division</u> | <u>Legal and Risk<br/>Management<br/>Division</u> | <u>Total</u>        |
|---|-------------------------------|---|---|---------------------|
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities</b>  |                               |   |   |                     |
| Operating income (loss)   | \$ 198,485                    | \$ (157,247)  | \$ (111,233)                                      | \$ (325,419)        |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                               |   |   |                     |
| Depreciation  | -                             | 8,065   | -   | 1,081,305           |
| Insurance proceeds  | -                             | 34,667  | -   | 34,667              |
| Change in:  |                               |   |   |                     |
| Accounts receivable   | -                             | (10,791)  | -   | (30,291)            |
| Due from other funds  | -                             | 14,000  | -   | 14,000              |
| Inventories   | -                             | -   | -   | 2,623               |
| Prepays and deposits  | -                             | (5,556)   | -   | (35,893)            |
| Accounts payable  | 47,523                        | (17,817)  | 6,082   | 76,557              |
| Salaries and benefits payable   | -                             | 5,816   | 1,063   | 27,480              |
| Other post-employment benefits  | -                             | 175,812   | 61,798  | 490,465             |
| Compensated absences payable  | -                             | 32,399  | 11,291  | 128,741             |
| Insurance claims payable  | (249,011)                     | (10,563)  | 388   | (260,836)           |
| Prepays and deposits payable  | -                             | -   | -   | 2,500               |
| <b>Net Cash Provided (Used) By Operating Activities</b>   | <b>\$ (3,002)</b>             | <b>\$ 68,784</b>  | <b>\$ (30,612)</b>                                | <b>\$ 1,205,897</b> |

Noncash Capital and Related Financing Activities

Acquisition of capital assets financed through accounts payable or retainage payable for the current year totaled \$57,454 in the Information Technology Division, \$96,610 in the Facility Management Division, and \$23,749 in the Public Works Laboratory Division.

The net book value of capital assets contributed from other funds, or gain from disposal, in the current year totaled \$4,684 in the Garage Division, \$300,761 in the Facilities Management Division, and \$520 in the Public Works Laboratory Division.

The net book value of capital assets contributed to other funds, or loss on disposal, in the current year totaled \$185,445 in the Facilities Management Division and \$16,365 in the Public Works Laboratory Division.



City of Bend, Oregon

**Garage Division**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | <u>FY2011-12<br/>Actual</u> | <u>FY2012-13<br/>Actual</u> | <u>Total Actual<br/>Budget<br/>Basis</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|------------------------|------------------|-----------------------------|-----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>     |                             |                             |  |   |
| <b>Revenues</b>  |                        |                  |                             |                             |  |   |
| Intergovernmental  | \$ -                   | \$ -             | \$ 900                      | \$ -                        | \$ 900                                   | \$ 900  |
| Charges for services:  |                        |                  |                             |                             |  |   |
| Charges to others  | 427,300                | 474,900          | 282,410                     | 221,972                     | 504,382                                  | 29,482  |
| Charges to other City funds                                      | 4,000,000              | 4,103,100        | 2,068,781                   | 1,924,403                   | 3,993,184                                | (109,916)   |
| Investment income  | 1,900                  | 1,600            | 1,444                       | 3,234                       | 4,678                                    | 3,078   |
| Miscellaneous  | 234,000                | 234,000          | 6,672                       | 3,137                       | 9,809                                    | (224,191)   |
| <b>Total Revenues</b>  | <b>4,663,200</b>       | <b>4,813,600</b> | <b>2,360,208</b>            | <b>2,152,746</b>            | <b>4,512,954</b>                         | <b>(300,646)</b>  |
| <b>Expenses</b>  |                        |                  |                             |                             |  |   |
| Current:   |                        |                  |                             |                             |  |   |
| Personal services  | 1,412,753              | 1,429,412        | 685,003                     | 681,091                     | 1,366,094                                | 63,318  |
| Materials and services   | 2,619,400              | 2,886,080        | 1,353,187                   | 1,298,318                   | 2,651,505                                | 234,575   |
| Interfund charges  | 687,300                | 602,300          | 323,179                     | 229,286                     | 552,465                                  | 49,835  |
| Capital outlay   | 12,000                 | 24,000           | 7,774                       | -                           | 7,774                                    | 16,226  |
| Contingency  | 68,519                 | 8,680            | -                           | -                           | -  | 8,680   |
| <b>Total Expenses</b>  | <b>4,799,972</b>       | <b>4,950,472</b> | <b>2,369,142</b>            | <b>2,208,695</b>            | <b>4,577,837</b>                         | <b>372,635</b>  |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>(136,772)</b>       | <b>(136,872)</b> | <b>(8,934)</b>              | <b>(55,949)</b>             | <b>(64,883)</b>                          | <b>71,989</b>   |
| <b>Other Financing Sources (Uses)</b>                            |                        |                  |                             |                             |  |   |
| Transfers in   | 26,872                 | 26,872           | 253,945                     | -                           | 253,945                                  | 227,073   |
| Transfers out  | (1,000)                | (900)            | (758)                       | (1,801)                     | (2,559)                                  | (1,659)   |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>25,872</b>          | <b>25,972</b>    | <b>253,188</b>              | <b>(1,801)</b>              | <b>251,387</b>                           | <b>225,415</b>  |
| Net change in fund balance                                       | (110,900)              | (110,900)        | 244,254                     | (57,750)                    | 186,503                                  | 297,403   |
| Beginning Fund Balance (Deficit)                                 | 110,900                | 110,900          | 169,804                     | 414,057                     | 169,804                                  | 58,904  |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 414,057</b>           | <b>\$ 356,307</b>           | <b>\$ 356,307</b>                        | <b>\$ 356,307</b>   |

**Reconciliation of Budgetary basis to GAAP basis**

|  |                     |
|--|---------------------|
| Total Revenues - Budgetary Basis   | 2,152,746           |
| Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis                                 | 4,684               |
| <b>Total Revenues - GAAP Basis</b>   | <b>\$ 2,157,430</b> |
| Total Expenses - Budgetary Basis   | \$ 2,208,695        |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis | 1,776               |
| Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis   | 9,598               |
| <b>Total Expenses - GAAP Basis</b>   | <b>\$ 2,220,069</b> |

City of Bend, Oregon  
**Information Technology Division**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with<br>Final Budget<br>Positive<br><u>(Negative)</u> |
|--|------------------------|--------------------|----------------------------|----------------------------|--|--|
|  | <u>Original</u>        | <u>Final</u>       |                            |                            |  |  |
| <b>Revenues</b>  |                        |                    |                            |                            |  |  |
| Intergovernmental  | \$ -                   | \$ -               | \$ 801                     | \$ -                       | \$ 801                                 | \$ 801   |
| Charges to other City funds                                      | 4,490,200              | 5,415,200          | 2,547,801                  | 2,611,540                  | 5,159,341                              | (255,859)  |
| Investment income  | 13,000                 | 11,100             | 9,151                      | 14,817                     | 23,969                                 | 12,869   |
| Miscellaneous  | -                      | -                  | 120                        | 834                        | 954                                    | 954  |
| <b>Total Revenues</b>  | <b>4,503,200</b>       | <b>5,426,300</b>   | <b>2,557,874</b>           | <b>2,627,191</b>           | <b>5,185,065</b>                       | <b>(241,235)</b>   |
| <b>Expenses</b>  |                        |                    |                            |                            |  |  |
| Current:   |                        |                    |                            |                            |  |  |
| Personal services  | 1,520,409              | 2,476,947          | 1,106,302                  | 1,390,928                  | 2,497,230                              | (20,283)   |
| Materials and services   | 2,034,010              | 2,146,460          | 785,626                    | 958,926                    | 1,744,552                              | 401,908  |
| Interfund charges  | 149,600                | 138,600            | 81,094                     | 56,842                     | 137,937                                | 663  |
| Capital outlay   | 607,500                | 818,500            | 294,683                    | 307,722                    | 602,405                                | 216,095  |
| Contingency  | 138,881                | 94,793             | -                          | -                          | -                                      | 94,793   |
| Reserved for replacements  | 1,000,000              | 1,891,000          | -                          | -                          | -                                      | 1,891,000  |
| <b>Total Expenses</b>  | <b>5,450,400</b>       | <b>7,566,300</b>   | <b>2,267,705</b>           | <b>2,714,419</b>           | <b>4,982,124</b>                       | <b>2,584,176</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>(947,200)</b>       | <b>(2,140,000)</b> | <b>290,169</b>             | <b>(87,228)</b>            | <b>202,941</b>                         | <b>2,342,941</b>   |
| <b>Other Financing Sources (Uses)</b>                            |                        |                    |                            |                            |  |  |
| Transfers in   | -                      | 1,000,000          | 500,000                    | 500,000                    | 1,000,000                              | -  |
| Transfers out  | (4,400)                | (4,600)            | (4,747)                    | (6,732)                    | (11,479)                               | (6,879)  |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>(4,400)</b>         | <b>995,400</b>     | <b>495,253</b>             | <b>493,268</b>             | <b>988,521</b>                         | <b>(6,879)</b>   |
| Net change in fund balance                                       | (951,600)              | (1,144,600)        | 785,422                    | 406,040                    | 1,191,462                              | 2,336,062  |
| Beginning Fund Balance (Deficit)                                 | 951,600                | 1,144,600          | 1,144,529                  | 1,929,951                  | 1,144,529                              | (71)   |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 1,929,951</b>        | <b>\$ 2,335,991</b>        | <b>\$ 2,335,991</b>                    | <b>\$ 2,335,991</b>  |

City of Bend, Oregon  
**Information Technology Division**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual (Continued)  
For the fiscal year ended June 30, 2013

**Reconciliation of Budgetary basis to GAAP basis**

|   |                            |
|---|----------------------------|
| Total Revenues - Budgetary Basis  | \$ 2,627,191               |
| Contributions of capital assets reported as revenues on the budgetary basis are reported as assets on the GAAP basis                                    | <u>(36,887)</u>            |
| <b>Total Revenues - GAAP Basis</b>  | <b><u>\$ 2,590,305</u></b> |
| <br>  |                            |
| Total Expenses - Budgetary Basis  | \$ 2,714,419               |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but<br>are reported as an expense on the GAAP basis | 82,229                     |
| Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis  | (307,722)                  |
| Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis  | <u>268,494</u>             |
| <b>Total Expenses - GAAP Basis</b>  | <b><u>\$ 2,757,420</u></b> |

City of Bend, Oregon  
**Facility Management Division**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br>Basis | Variance with                          |
|--|------------------------|--------------------|----------------------------|----------------------------|---------------------------------|--|
|  | <u>Original</u>        | <u>Final</u>       |                            |                            |                                 | Final Budget<br>Positive<br>(Negative) |
| <b>Revenues</b>  |                        |                    |                            |                            |                                 |  |
| Intergovernmental  | \$ 5,000               | \$ 5,000           | \$ 3,768                   | \$ -                       | \$ 3,768                        | \$ (1,232)                             |
| Charges to other City funds                                      | 940,800                | 1,995,900          | 33,709                     | 829,377                    | 863,086                         | (1,132,814)                            |
| Rental income  |                        |                    |                            |                            |                                 |  |
| Rental income from others  | -                      | 30,700             | 13,009                     | 43,891                     | 56,900                          | 26,200                                 |
| Rental income from other City funds                              | 3,725,400              | 3,497,300          | 1,917,600                  | 1,579,700                  | 3,497,300                       | -                                      |
| Investment income  | 16,900                 | 14,600             | 16,396                     | 18,246                     | 34,642                          | 20,042                                 |
| Contributions  | -                      | -                  | -                          | 7,330                      | 7,330                           | 7,330                                  |
| Miscellaneous  | -                      | -                  | 4,414                      | 191                        | 4,605                           | 4,605                                  |
| <b>Total Revenues</b>  | <b>4,688,100</b>       | <b>5,543,500</b>   | <b>1,988,896</b>           | <b>2,478,735</b>           | <b>4,467,630</b>                | <b>(1,075,870)</b>                     |
| <b>Expenses</b>  |                        |                    |                            |                            |                                 |  |
| Current:   |                        |                    |                            |                            |                                 |  |
| Personal services  | 660,152                | 838,164            | 420,466                    | 373,307                    | 793,773                         | 44,391                                 |
| Materials and services   | 1,723,878              | 1,768,807          | 931,674                    | 632,763                    | 1,564,437                       | 204,370                                |
| Interfund charges  | 195,000                | 173,550            | 96,573                     | 81,101                     | 177,673                         | (4,123)                                |
| Debt service   | 3,457,000              | 5,173,800          | 1,009,426                  | 1,935,444                  | 2,944,870                       | 2,228,930                              |
| Capital outlay   | 1,229,200              | 1,263,200          | 97,592                     | 875,808                    | 973,400                         | 289,800                                |
| Contingency  | 89,370                 | 593,579            | -                          | -                          | -                               | 593,579                                |
| Reserved for major maintenance                                   | 1,075,000              | 1,175,000          | -                          | -                          | -                               | 1,175,000                              |
| <b>Total Expenses</b>  | <b>8,429,600</b>       | <b>10,986,100</b>  | <b>2,555,730</b>           | <b>3,898,423</b>           | <b>6,454,154</b>                | <b>4,531,946</b>                       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>(3,741,500)</b>     | <b>(5,442,600)</b> | <b>(566,835)</b>           | <b>(1,419,689)</b>         | <b>(1,986,523)</b>              | <b>3,456,077</b>                       |
| <b>Other Financing Sources (Uses)</b>                            |                        |                    |                            |                            |                                 |  |
| Issuance of long-term debt                                       | -                      | 6,833,100          | 4,670,000                  | -                          | 4,670,000                       | (2,163,100)                            |
| Premium on debt issuance   | -                      | -                  | 463,054                    | -                          | 463,054                         | 463,054                                |
| Payment to refunded bond<br>escrow agent                         | -                      | (5,133,100)        | (5,048,542)                | -                          | (5,048,542)                     | 84,558                                 |
| Transfers in   | 1,430,000              | 1,430,000          | 830,000                    | 600,000                    | 1,430,000                       | -                                      |
| Transfers out  | (37,272)               | (36,172)           | (42,026)                   | (11,218)                   | (53,244)                        | (17,072)                               |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>1,392,728</b>       | <b>3,093,828</b>   | <b>872,485</b>             | <b>588,783</b>             | <b>1,461,268</b>                | <b>(1,632,560)</b>                     |
| Net change in fund balance                                       | (2,348,772)            | (2,348,772)        | 305,651                    | (830,906)                  | (525,255)                       | 1,823,517                              |
| Beginning Fund Balance (Deficit)                                 | 2,348,772              | 2,348,772          | 2,404,841                  | 2,710,491                  | 2,404,841                       | 56,069                                 |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 2,710,491</b>        | <b>\$ 1,879,585</b>        | <b>\$ 1,879,585</b>             | <b>\$ 1,879,585</b>                    |

City of Bend, Oregon  
**Facility Management Division**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual (Continued)  
 For the fiscal year ended June 30, 2013

**Reconciliation of Budgetary basis to GAAP basis**

|   |                            |
|---|----------------------------|
| Total Revenues - Budgetary Basis  | \$ 2,478,735               |
| Contributions of capital assets not reported on the budgetary basis are reported<br>as revenue on the GAAP basis  | <u>115,316</u>             |
| <b>Total Revenues - GAAP Basis</b>  | <b><u>\$ 2,594,051</u></b> |
| <br>  |                            |
| Total Expenses - Budgetary Basis  | \$ 3,898,423               |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but<br>are reported as an expense on the GAAP basis | (2,695)                    |
| Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis  | (875,808)                  |
| Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction<br>of bonds payable on the GAAP basis               | (1,515,000)                |
| Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis  | 772,618                    |
| Amortization of bond issue costs, premiums, and discounts are not reported on the budgetary basis<br>but are reported as an expense on the GAAP basis   | <u>(8,276)</u>             |
| <b>Total Expenses - GAAP Basis</b>  | <b><u>\$ 2,269,261</u></b> |

City of Bend, Oregon  
**Engineering Division**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br>Basis | Variance with                          |
|--|------------------------|------------------|----------------------------|----------------------------|---------------------------------|--|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |                                 | Final Budget<br>Positive<br>(Negative) |
| <b>Revenues</b>  |                        |                  |                            |                            |                                 |  |
| Intergovernmental  | \$ -                   | \$ -             | \$ 906                     | \$ -                       | \$ 906                          | \$ 906                                 |
| Charges to other City funds                                      | 2,067,200              | 2,996,300        | 1,133,813                  | 1,789,661                  | 2,923,474                       | (72,826)                               |
| Investment income  | 1,300                  | 1,200            | 1,400                      | 1,221                      | 2,621                           | 1,421                                  |
| Miscellaneous  | -                      | -                | 32                         | 10                         | 42                              | 42                                     |
| <b>Total Revenues</b>  | <b>2,068,500</b>       | <b>2,997,500</b> | <b>1,136,150</b>           | <b>1,790,892</b>           | <b>2,927,043</b>                | <b>(70,457)</b>                        |
| <b>Expenses</b>  |                        |                  |                            |                            |                                 |  |
| Current:   |                        |                  |                            |                            |                                 |  |
| Personal services  | 1,576,535              | 2,433,978        | 926,690                    | 1,494,173                  | 2,420,863                       | 13,115                                 |
| Materials and services   | 235,100                | 206,145          | 48,119                     | 62,132                     | 110,251                         | 95,894                                 |
| Interfund charges  | 233,900                | 303,400          | 135,572                    | 179,270                    | 314,841                         | (11,441)                               |
| Contingency  | 22,929                 | 53,841           | -                          | -                          | -                               | 53,841                                 |
| <b>Total Expenses</b>  | <b>2,068,464</b>       | <b>2,997,364</b> | <b>1,110,381</b>           | <b>1,735,574</b>           | <b>2,845,955</b>                | <b>151,409</b>                         |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>36</b>              | <b>136</b>       | <b>25,770</b>              | <b>55,318</b>              | <b>81,088</b>                   | <b>80,952</b>                          |
| <b>Other Financing Sources (Uses)</b>                            |                        |                  |                            |                            |                                 |  |
| Transfers out  | (240,936)              | (241,036)        | (212,740)                  | (641)                      | (213,381)                       | 27,655                                 |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>(240,936)</b>       | <b>(241,036)</b> | <b>(212,740)</b>           | <b>(641)</b>               | <b>(213,381)</b>                | <b>27,655</b>                          |
| Net change in fund balance                                       | (240,900)              | (240,900)        | (186,971)                  | 54,677                     | (132,293)                       | 108,607                                |
| Beginning Fund Balance (Deficit)                                 | 240,900                | 240,900          | 212,033                    | 25,063                     | 212,033                         | (28,867)                               |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 25,063</b>           | <b>\$ 79,740</b>           | <b>\$ 79,740</b>                | <b>\$ 79,740</b>                       |

**Reconciliation of Budgetary basis to GAAP basis**

|  |                     |
|--|---------------------|
| Total Expenses - Budgetary Basis   | \$ 1,735,574        |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis | 159,731             |
| <b>Total Expenses - GAAP Basis</b>   | <b>\$ 1,895,305</b> |

City of Bend, Oregon

**Public Works Administration Division**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                  |                            |                            |  |   |
| Intergovernmental  | \$ -                   | \$ -             | \$ 1,680                   | \$ -                       | \$ 1,680                               | \$ 1,680                                      |
| Charges to other City funds                                      | 3,056,800              | 2,410,200        | 1,349,534                  | 885,058                    | 2,234,592                              | (175,608)                                     |
| Investment income  | 4,600                  | 4,300            | 4,656                      | 2,702                      | 7,358                                  | 3,058   |
| Miscellaneous  | -                      | -                | 161                        | 240                        | 401                                    | 401   |
| <b>Total Revenues</b>  | <b>3,061,400</b>       | <b>2,414,500</b> | <b>1,356,032</b>           | <b>887,999</b>             | <b>2,244,031</b>                       | <b>(170,470)</b>                              |
| <b>Expenses</b>  |                        |                  |                            |                            |  |   |
| Current:   |                        |                  |                            |                            |  |   |
| Personal services  | 2,778,045              | 2,143,722        | 1,115,221                  | 796,958                    | 1,912,179                              | 231,543                                       |
| Materials and services   | 283,596                | 264,916          | 83,469                     | 93,309                     | 176,778                                | 88,138  |
| Interfund charges  | 627,400                | 566,700          | 297,996                    | 249,767                    | 547,763                                | 18,937  |
| Contingency  | 24,059                 | 92,662           | -                          | -                          | -                                      | 92,662  |
| <b>Total Expenses</b>  | <b>3,713,100</b>       | <b>3,068,000</b> | <b>1,496,686</b>           | <b>1,140,034</b>           | <b>2,636,720</b>                       | <b>431,280</b>                                |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>(651,700)</b>       | <b>(653,500)</b> | <b>(140,654)</b>           | <b>(252,035)</b>           | <b>(392,689)</b>                       | <b>260,811</b>                                |
| <b>Other Financing Sources (Uses)</b>                            |                        |                  |                            |                            |  |   |
| Transfers out  | (4,400)                | (2,600)          | (2,372)                    | (1,710)                    | (4,081)                                | (1,481)                                       |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>(4,400)</b>         | <b>(2,600)</b>   | <b>(2,372)</b>             | <b>(1,710)</b>             | <b>(4,081)</b>                         | <b>(1,481)</b>                                |
| Net change in fund balance                                       | (656,100)              | (656,100)        | (143,026)                  | (253,744)                  | (396,770)                              | 259,330                                       |
| Beginning Fund Balance (Deficit)                                 | 656,100                | 656,100          | 676,714                    | 533,688                    | 676,714                                | 20,614  |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 533,688</b>          | <b>\$ 279,943</b>          | <b>\$ 279,943</b>                      | <b>\$ 279,943</b>                             |

**Reconciliation of Budgetary basis to GAAP basis**

|  |                     |
|--|---------------------|
| Total Expenses - Budgetary Basis   | \$ 1,140,034        |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis | (20,970)            |
| <b>Total Expenses - GAAP Basis</b>   | <b>\$ 1,119,064</b> |

City of Bend, Oregon  
**Public Works Laboratory Division**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | <u>FY2011-12<br/>Actual</u> | <u>FY2012-13<br/>Actual</u> | <u>Total Actual<br/>Budget<br/>Basis</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|------------------------|------------------|-----------------------------|-----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>     |                             |                             |  |   |
| <b>Revenues</b>  |                        |                  |                             |                             |  |   |
| Intergovernmental  | \$ -                   | \$ -             | \$ 600                      | \$ -                        | \$ 600                                   | \$ 600  |
| Charges for services:  |                        |                  |                             |                             |  |   |
| Charges to others  | 600                    | 600              | -                           | -                           | -  | (600)   |
| Charges to other City funds                                      | 1,165,100              | 1,153,100        | 572,500                     | 576,900                     | 1,149,400                                | (3,700)   |
| Investment income  | 3,500                  | 3,200            | 2,992                       | 1,513                       | 4,504                                    | 1,304   |
| Miscellaneous  | -                      | -                | 40                          | -                           | 40                                       | 40  |
| <b>Total Revenues</b>  | <b>1,169,200</b>       | <b>1,156,900</b> | <b>576,131</b>              | <b>578,413</b>              | <b>1,154,544</b>                         | <b>(2,356)</b>  |
| <b>Expenses</b>  |                        |                  |                             |                             |  |   |
| Current:   |                        |                  |                             |                             |  |   |
| Personal services  | 1,061,663              | 1,060,175        | 511,397                     | 542,240                     | 1,053,637                                | 6,538   |
| Materials and services   | 295,800                | 299,300          | 134,093                     | 132,450                     | 266,543                                  | 32,757  |
| Interfund charges  | 212,700                | 200,700          | 104,514                     | 91,116                      | 195,631                                  | 5,069   |
| Capital outlay   | 34,800                 | 34,800           | -                           | 23,749                      | 23,749                                   | 11,051  |
| Contingency  | 10,837                 | 9,125            | -                           | -                           | -  | 9,125   |
| <b>Total Expenses</b>  | <b>1,615,800</b>       | <b>1,604,100</b> | <b>750,004</b>              | <b>789,556</b>              | <b>1,539,560</b>                         | <b>64,540</b>   |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>(446,600)</b>       | <b>(447,200)</b> | <b>(173,873)</b>            | <b>(211,143)</b>            | <b>(385,016)</b>                         | <b>62,184</b>   |
| <b>Other Financing Sources (Uses)</b>                            |                        |                  |                             |                             |  |   |
| Proceeds from sale of assets                                     | -                      | -                | -                           | 520                         | 520                                      | 520   |
| Transfers out  | (2,000)                | (1,400)          | (1,521)                     | (998)                       | (2,519)                                  | (1,119)   |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>(2,000)</b>         | <b>(1,400)</b>   | <b>(1,521)</b>              | <b>(478)</b>                | <b>(1,999)</b>                           | <b>(599)</b>  |
| Net change in fund balance                                       | (448,600)              | (448,600)        | (175,394)                   | (211,621)                   | (387,016)                                | 61,584  |
| Beginning Fund Balance (Deficit)                                 | 448,600                | 448,600          | 421,986                     | 246,592                     | 421,986                                  | (26,614)  |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 246,592</b>           | <b>\$ 34,971</b>            | <b>\$ 34,971</b>                         | <b>\$ 34,971</b>  |

**Reconciliation of Budgetary basis to GAAP basis**

|  |                   |
|--|-------------------|
| Total Expenses - Budgetary Basis   | \$ 789,556        |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis | 31,798            |
| Capital assets contributed to another fund are not reported on the budgetary basis but are reported as contribution expense on the GAAP basis        | 16,365            |
| Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis   | (23,749)          |
| Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis   | 22,530            |
| <b>Total Expenses - GAAP Basis</b>   | <b>\$ 836,499</b> |



City of Bend, Oregon  
**Insurance Division**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|--------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>       |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                    |                            |                            |  |   |
| Charges for services:  |                        |                    |                            |                            |  |   |
| Charges to others  | \$ -                   | \$ -               | \$ 3,696                   | \$ -                       | \$ 3,696                               | \$ 3,696                                      |
| Charges to other City funds                                      | 2,642,600              | 2,421,500          | 1,262,773                  | 1,092,437                  | 2,355,211                              | (66,289)                                      |
| Insurance settlements and refunds                                | 40,000                 | 40,000             | -                          | 219,735                    | 219,735                                | 179,735                                       |
| Investment income  | 40,800                 | 35,000             | 21,692                     | 21,283                     | 42,976                                 | 7,976   |
| Miscellaneous  | -                      | 136,000            | 220,050                    | 193                        | 220,243                                | 84,243  |
| <b>Total Revenues</b>  | <b>2,723,400</b>       | <b>2,632,500</b>   | <b>1,508,211</b>           | <b>1,333,649</b>           | <b>2,841,860</b>                       | <b>209,360</b>                                |
| <b>Expenses</b>  |                        |                    |                            |                            |  |   |
| Current:   |                        |                    |                            |                            |  |   |
| Materials and services   | 2,251,900              | 2,407,420          | 1,011,792                  | 1,273,862                  | 2,285,654                              | 121,766                                       |
| Reserve for insurance  | 2,861,300              | 2,662,880          | -                          | -                          | -                                      | 2,662,880                                     |
| <b>Total Expenses</b>  | <b>5,113,200</b>       | <b>5,070,300</b>   | <b>1,011,792</b>           | <b>1,273,862</b>           | <b>2,285,654</b>                       | <b>2,784,646</b>                              |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>(2,389,800)</b>     | <b>(2,437,800)</b> | <b>496,420</b>             | <b>59,787</b>              | <b>556,206</b>                         | <b>2,994,006</b>                              |
| <b>Other Financing Sources (Uses)</b>                            |                        |                    |                            |                            |  |   |
| Transfers out  | (10,600)               | (617,500)          | (174,038)                  | (11,490)                   | (185,528)                              | 431,972                                       |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>(10,600)</b>        | <b>(617,500)</b>   | <b>(174,038)</b>           | <b>(11,490)</b>            | <b>(185,528)</b>                       | <b>431,972</b>                                |
| Net change in fund balance                                       | (2,400,400)            | (3,055,300)        | 322,381                    | 48,297                     | 370,678                                | 3,425,978                                     |
| Beginning Fund Balance (Deficit)                                 | 2,400,400              | 3,055,300          | 2,997,779                  | 3,320,160                  | 2,997,779                              | (57,521)                                      |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 3,320,160</b>        | <b>\$ 3,368,456</b>        | <b>\$ 3,368,456</b>                    | <b>\$ 3,368,456</b>                           |

**Reconciliation of Budgetary basis to GAAP basis**

|  |                     |
|--|---------------------|
| Total Expenses - Budgetary Basis   | \$ 1,273,862        |
| Estimated self insurance expenses not reported on the budgetary basis are reported as an expense on the GAAP basis | (159,982)           |
| <b>Total Expenses - GAAP Basis</b>   | <b>\$ 1,113,880</b> |

City of Bend, Oregon

**Administration and Financial Services Division**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                   | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|-------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>      |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                   |                            |                            |  |   |
| Intergovernmental  | \$ -                   | \$ -              | \$ 3,976                   | \$ -                       | \$ 3,976                               | \$ 3,976                                      |
| Charges for services:  |                        |                   |                            |                            |  |   |
| Charges to others  | 66,200                 | 70,500            | 38,032                     | 106,367                    | 144,399                                | 73,899  |
| Charges to other City funds                                      | 9,857,400              | 9,417,400         | 4,782,043                  | 4,578,040                  | 9,360,082                              | (57,318)                                      |
| Insurance settlements and proceeds                               | -                      | -                 | -                          | 34,667                     | 34,667                                 | 34,667  |
| Investment income  | 3,000                  | 2,700             | 5,418                      | 7,500                      | 12,918                                 | 10,218  |
| Miscellaneous  | 1,100                  | 1,100             | 640                        | 676                        | 1,316                                  | 216   |
| <b>Total Revenues</b>  | <b>9,927,700</b>       | <b>9,491,700</b>  | <b>4,830,109</b>           | <b>4,727,250</b>           | <b>9,557,359</b>                       | <b>65,659</b>                                 |
| <b>Expenses</b>  |                        |                   |                            |                            |  |   |
| Current:   |                        |                   |                            |                            |  |   |
| Personal services  | 7,116,882              | 6,838,695         | 3,270,131                  | 3,372,991                  | 6,643,122                              | 195,573                                       |
| Materials and services   | 1,914,538              | 1,933,868         | 734,213                    | 748,776                    | 1,482,989                              | 450,879                                       |
| Interfund charges  | 1,121,600              | 1,270,800         | 602,951                    | 542,565                    | 1,145,517                              | 125,283                                       |
| Contingency  | 71,980                 | 6,337             | -                          | -                          | -                                      | 6,337   |
| Reserve  | -                      | 125,000           | -                          | -                          | -                                      | 125,000                                       |
| <b>Total Expenses</b>  | <b>10,225,000</b>      | <b>10,174,700</b> | <b>4,607,295</b>           | <b>4,664,333</b>           | <b>9,271,628</b>                       | <b>903,072</b>                                |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>(297,300)</b>       | <b>(683,000)</b>  | <b>222,814</b>             | <b>62,917</b>              | <b>285,731</b>                         | <b>968,731</b>                                |
| <b>Other Financing Sources (Uses)</b>                            |                        |                   |                            |                            |  |   |
| Transfers in   | -                      | 250,000           | -                          | 156,359                    | 156,359                                | (93,641)                                      |
| Transfers out  | (2,800)                | (1,800)           | (2,780)                    | (3,726)                    | (6,506)                                | (4,706)                                       |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>(2,800)</b>         | <b>248,200</b>    | <b>(2,780)</b>             | <b>152,633</b>             | <b>149,854</b>                         | <b>(98,346)</b>                               |
| Net change in fund balance                                       | (300,100)              | (434,800)         | 220,034                    | 215,550                    | 435,585                                | 870,385                                       |
| Beginning Fund Balance (Deficit)                                 | 300,100                | 434,800           | 434,762                    | 654,796                    | 434,762                                | (38)  |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>       | <b>\$ 654,796</b>          | <b>\$ 870,346</b>          | <b>\$ 870,346</b>                      | <b>\$ 870,346</b>                             |

**Reconciliation of Budgetary basis to GAAP basis**

|  |                     |
|--|---------------------|
| Total Expenses - Budgetary Basis   | \$ 4,664,333        |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis | 169,933             |
| Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis   | 8,065               |
| <b>Total Expenses - GAAP Basis</b>   | <b>\$ 4,842,330</b> |

City of Bend, Oregon

**Legal and Risk Management Division**

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                  | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br>Basis | Variance with                          |
|--|------------------------|------------------|----------------------------|----------------------------|---------------------------------|--|
|  | <u>Original</u>        | <u>Final</u>     |                            |                            |                                 | Final Budget<br>Positive<br>(Negative) |
| <b>Revenues</b>  |                        |                  |                            |                            |                                 |  |
| Intergovernmental  | \$ -                   | \$ -             | \$ 247                     | \$ -                       | \$ 247                          | \$ 247                                 |
| Charges for services:  |                        |                  |                            |                            |                                 |  |
| Charges to other City funds                                      | 745,200                | 1,069,000        | 518,700                    | 550,300                    | 1,069,000                       | -                                      |
| Investment income  | 1,400                  | 1,300            | 1,040                      | 963                        | 2,002                           | 702                                    |
| Miscellaneous  | -                      | -                | 4                          | 176                        | 181                             | 181                                    |
| <b>Total Revenues</b>  | <b>746,600</b>         | <b>1,070,300</b> | <b>519,991</b>             | <b>551,439</b>             | <b>1,071,430</b>                | <b>1,130</b>                           |
| <b>Expenses</b>  |                        |                  |                            |                            |                                 |  |
| Current:   |                        |                  |                            |                            |                                 |  |
| Personal services  | 752,215                | 1,029,771        | 524,402                    | 543,122                    | 1,067,524                       | (37,753)                               |
| Materials and services   | 65,660                 | 121,192          | 29,408                     | 39,947                     | 69,355                          | 51,837                                 |
| Interfund charges  | 25,300                 | 31,400           | 16,976                     | 16,638                     | 33,614                          | (2,214)                                |
| Contingency  | 52,925                 | 37,837           | -                          | -                          | -                               | 37,837                                 |
| <b>Total Expenses</b>  | <b>896,100</b>         | <b>1,220,200</b> | <b>570,785</b>             | <b>599,707</b>             | <b>1,170,492</b>                | <b>49,708</b>                          |
| <b>Excess (deficiency) of revenues<br/>over (under) expenses</b> | <b>(149,500)</b>       | <b>(149,900)</b> | <b>(50,794)</b>            | <b>(48,267)</b>            | <b>(99,062)</b>                 | <b>50,838</b>                          |
| <b>Other Financing Sources (Uses)</b>                            |                        |                  |                            |                            |                                 |  |
| Transfers out  | (1,200)                | (800)            | (532)                      | (557)                      | (1,089)                         | (289)                                  |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>(1,200)</b>         | <b>(800)</b>     | <b>(532)</b>               | <b>(557)</b>               | <b>(1,089)</b>                  | <b>(289)</b>                           |
| Net change in fund balance                                       | (150,700)              | (150,700)        | (51,327)                   | (48,824)                   | (100,151)                       | 50,549                                 |
| Beginning Fund Balance (Deficit)                                 | 150,700                | 150,700          | 150,992                    | 99,666                     | 150,992                         | 292                                    |
| <b>Ending Fund Balance (Deficit)</b>                             | <b>\$ -</b>            | <b>\$ -</b>      | <b>\$ 99,666</b>           | <b>\$ 50,841</b>           | <b>\$ 50,841</b>                | <b>\$ 50,841</b>                       |

**Reconciliation of Budgetary basis to GAAP basis**

|  |                   |
|--|-------------------|
| Total Expenses - Budgetary Basis   | \$ 599,707        |
| Other post-employment and estimated self insurance benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis | 62,003            |
| <b>Total Expenses - GAAP Basis</b>   | <b>\$ 661,710</b> |

City of Bend, Oregon  
**Internal Service Fund**

Schedule of Expenses and Other Uses by Appropriation Levels  
 For the biennium ended June 30, 2013

|  | <u>Appropriation</u> | <u>Actual<br/>Expenses</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--|----------------------|----------------------------|---|
| Garage division                                | \$ 4,315,492         | \$ 4,017,599               | \$ 297,893                                  |
| Information technology division                | 4,623,407            | 4,241,782                  | 381,625                                     |
| Facility management division                   | 2,606,971            | 2,358,211                  | 248,760                                     |
| Engineering division                           | 2,640,123            | 2,531,114                  | 109,009                                     |
| Public works administration division           | 2,408,638            | 2,088,957                  | 319,681                                     |
| Public works laboratory division               | 1,359,475            | 1,320,180                  | 39,295                                      |
| Insurance division                             | 2,407,420            | 2,285,654                  | 121,766                                     |
| Administration and financial services division | 8,772,563            | 8,126,111                  | 646,452                                     |
| Legal and risk management division             | 1,150,963            | 1,136,878                  | 14,085                                      |
| Capital outlay                                 | 2,140,500            | 1,607,328                  | 533,172                                     |
| Transfers                                      | 4,194,258            | 3,585,827                  | 608,431                                     |
| Debt service                                   | 10,306,900           | 7,993,412                  | 2,313,488                                   |
| Contingency                                    | 896,854              | -                          | 896,854                                     |
| Reserves                                       | 5,853,880            | -                          | 5,853,880                                   |
|  | <b>\$ 53,677,444</b> | <b>\$ 41,293,051</b>       | <b>\$ 12,384,393</b>                        |

## **AGENCY FUND**

### Agency Fund

The agency fund accounts for the assets and liabilities of various monies received primarily on behalf of the Bend Metro Park and Recreation District. Agency activities are custodial in nature and do not involve the measurement of results of operations.



City of Bend, Oregon  
**Statement of Changes in Assets and Liabilities**  
 Agency Fund  
 For the fiscal year ended June 30, 2013

|                           | <u>Balance</u><br><u>July 1, 2012</u> | <u>Additions</u>    | <u>Deductions</u>     | <u>Balance</u><br><u>June 30, 2013</u> |
|---------------------------|---------------------------------------|---------------------|-----------------------|--|
| <b><u>Assets</u></b>      |                                       |                     |                       |  |
| Cash and investments      | \$ 169,272                            | \$ 3,700,800        | \$ (3,427,309)        | \$ 442,762                             |
| Accounts receivable, net  | 87                                    | 1,099               | (1,181)               | 5                                      |
| <b>Total Assets</b>       | <b>\$ 169,358</b>                     | <b>\$ 3,701,898</b> | <b>\$ (3,428,490)</b> | <b>\$ 442,767</b>                      |
| <b><u>Liabilities</u></b> |                                       |                     |                       |  |
| Amounts held for others   | \$ 169,358                            | \$ 3,682,551        | (3,409,142)           | \$ 442,767                             |
| <b>Total Liabilities</b>  | <b>\$ 169,358</b>                     | <b>\$ 3,682,551</b> | <b>\$ (3,409,142)</b> | <b>\$ 442,767</b>                      |

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**OTHER FUNDS**



City of Bend, Oregon  
**Combining Balance Sheet**  
 General Fund  
 June 30, 2013

|  | <u>General<br/>Fund</u> | <u>General Fund<br/>Stabilization<br/>Fund</u> | <u>Total<br/>General<br/>Fund</u> |
|--|-------------------------|--|-----------------------------------|
| <b>Assets</b>                              |                         |  |                                   |
| Pooled cash and investments                | \$ 11,994,554           | \$ 1,641,404                                   | \$ 13,635,958                     |
| Restricted cash and investments            | 116,765                 | -  | 116,765                           |
| Receivables:                               |                         |  |                                   |
| Property taxes                             | 1,132,822               | -  | 1,132,822                         |
| Accounts, net                              | 2,590,918               | -  | 2,590,918                         |
| Loans and notes, net                       | 707,656                 | -  | 707,656                           |
| Interest                                   | 420,193                 | -  | 420,193                           |
| Due from other funds                       | 430,000                 | -  | 430,000                           |
| Due from other governments                 | 390,326                 | -  | 390,326                           |
| Advances to other funds                    | 14,600                  | -  | 14,600                            |
| Assets held for resale                     | 4,565,974               | -  | 4,565,974                         |
| <b>Total Assets</b>                        | <b>\$ 22,363,809</b>    | <b>\$ 1,641,404</b>                            | <b>\$ 24,005,213</b>              |
| <b>Liabilities and Fund Balances</b>       |                         |  |                                   |
| Liabilities:                               |                         |  |                                   |
| Accounts payable                           | \$ 202,178              | \$ -   | \$ 202,178                        |
| Salaries and benefits payable              | 217,141                 | -  | 217,141                           |
| Other accrued liabilities                  | 3,799,757               | -  | 3,799,757                         |
| Deposits                                   | 116,765                 | -  | 116,765                           |
| Unavailable revenues                       | 3,054,178               | -  | 3,054,178                         |
| <b>Total Liabilities</b>                   | <b>7,390,020</b>        | <b>-</b>                                       | <b>7,390,020</b>                  |
| Fund Balances (Deficits):                  |                         |  |                                   |
| Nonspendable:                              |                         |  |                                   |
| In form                                    | 4,580,574               | -  | 4,580,574                         |
| Committed                                  | 68,000                  | 1,641,404                                      | 1,709,404                         |
| Unassigned                                 | 10,325,214              | -  | 10,325,214                        |
| <b>Total Fund Balances (Deficits)</b>      | <b>14,973,789</b>       | <b>1,641,404</b>                               | <b>16,615,193</b>                 |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 22,363,809</b>    | <b>\$ 1,641,404</b>                            | <b>\$ 24,005,213</b>              |

City of Bend, Oregon

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)**

General Fund

For the fiscal year ended June 30, 2013

|  | <b>General<br/>Fund</b> | <b>General Fund<br/>Stabilization<br/>Fund</b> | <b>Total<br/>General<br/>Fund</b> |
|--|-------------------------|--|-----------------------------------|
| <b><u>Revenues</u></b>   |                         |  |                                   |
| Taxes  | \$ 25,658,368           | \$ -   | \$ 25,658,368                     |
| Franchise fees   | 5,588,217               | -  | 5,588,217                         |
| Intergovernmental  | 2,126,539               | -  | 2,126,539                         |
| Licenses and permits   | 317,946                 | -  | 317,946                           |
| Charges for services   | 115,323                 | -  | 115,323                           |
| Fines and forfeitures  | 954,629                 | -  | 954,629                           |
| Loan repayments  | 9,975                   | -  | 9,975                             |
| Investment income  | 96,712                  | 11,633   | 108,345                           |
| Miscellaneous  | 2,294                   | -  | 2,294                             |
| <b>Total Revenues</b>  | <b>34,870,003</b>       | <b>11,633</b>                                  | <b>34,881,636</b>                 |
| <b><u>Expenditures</u></b>                                       |                         |  |                                   |
| Current operating:   |                         |  |                                   |
| General government   | 2,247,715               | -  | 2,247,715                         |
| Public safety  | 17,690,479              | -  | 17,690,479                        |
| Capital outlay   | 184,942                 | -  | 184,942                           |
| <b>Total Expenditures</b>  | <b>20,123,137</b>       | <b>-</b>                                       | <b>20,123,137</b>                 |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>14,746,866</b>       | <b>11,633</b>                                  | <b>14,758,500</b>                 |
| <b><u>Other Financing Sources (Uses)</u></b>                     |                         |  |                                   |
| Proceeds from sale of assets                                     | 16,678                  | -  | 16,678                            |
| Interfund loan repayments  | 648                     | -  | 648                               |
| Transfers in   | (6,849)                 | 203,256  | 196,407                           |
| Transfers out  | (15,104,012)            | -  | (15,104,012)                      |
| <b>Total Other Financing Sources (Uses)</b>                      | <b>(15,093,535)</b>     | <b>203,256</b>                                 | <b>(14,890,279)</b>               |
| Net change in fund balances                                      | (346,669)               | 214,889  | (131,779)                         |
| Fund Balances (Deficits), July 1, 2012                           | 15,320,458              | 1,426,515                                      | 16,746,972                        |
| <b>Fund Balances (Deficits), June 30, 2013</b>                   | <b>\$ 14,973,789</b>    | <b>\$ 1,641,404</b>                            | <b>\$ 16,615,193</b>              |

City of Bend, Oregon

**General Fund Stabilization Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2013

|  | <u>Biennium Budget</u> |                    | FY2011-12<br><u>Actual</u> | FY2012-13<br><u>Actual</u> | Total Actual<br>Budget<br><u>Basis</u> | Variance with                                 |
|--|------------------------|--------------------|----------------------------|----------------------------|--|---|
|  | <u>Original</u>        | <u>Final</u>       |                            |                            |  | Final Budget<br>Positive<br><u>(Negative)</u> |
| <b>Revenues</b>  |                        |                    |                            |                            |  |   |
| Investment income  | \$ 19,700              | 15,000             | \$ 10,012                  | \$ 11,633                  | \$ 21,646                              | \$ 6,646                                      |
| <b>Total Revenues</b>  | <b>19,700</b>          | <b>15,000</b>      | <b>10,012</b>              | <b>11,633</b>              | <b>21,646</b>                          | <b>6,646</b>                                  |
| <b>Expenditures</b>  |                        |                    |                            |                            |  |   |
| Reserves   | 1,528,100              | 1,528,100          | -                          | -                          | -                                      | 1,528,100                                     |
| <b>Total Expenditures</b>  | <b>1,528,100</b>       | <b>1,528,100</b>   | <b>-</b>                   | <b>-</b>                   | <b>-</b>                               | <b>1,528,100</b>                              |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(1,508,400)</b>     | <b>(1,513,100)</b> | <b>10,012</b>              | <b>11,633</b>              | <b>21,646</b>                          | <b>1,534,746</b>                              |
| <b>Other Financing Sources (Uses)</b>                                |                        |                    |                            |                            |  |   |
| Transfers in   | 284,000                | 288,700            | 189,157                    | 203,256                    | 392,413                                | 103,713                                       |
| <b>Total Other Financing Sources</b>                                 | <b>284,000</b>         | <b>288,700</b>     | <b>189,157</b>             | <b>203,256</b>             | <b>392,413</b>                         | <b>103,713</b>                                |
| Net change in fund balance   | (1,224,400)            | (1,224,400)        | 199,170                    | 214,889                    | 414,059                                | 1,638,459                                     |
| Beginning Fund Balance (Deficit)                                     | 1,224,400              | 1,224,400          | 1,227,345                  | 1,426,515                  | 1,227,345                              | 2,945   |
| <b>Ending Fund Balance (Deficit)</b>                                 | <b>\$ -</b>            | <b>\$ -</b>        | <b>\$ 1,426,515</b>        | <b>\$ 1,641,404</b>        | <b>\$ 1,641,404</b>                    | <b>\$ 1,641,404</b>                           |

City of Bend, Oregon

**General Fund Stabilization Fund**

Schedule of Expenditures and Other Uses by Appropriation Levels  
For the biennium ended June 30, 2013

|   | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------|----------------------------|-------------------------------------|
| <b><u>General Fund Stabilization Fund</u></b> |                      |                            |                                     |
| Reserves                                      | \$ 1,528,100         | \$ -                       | \$ 1,528,100                        |
|   | \$ 1,528,100         | \$ -                       | \$ 1,528,100                        |

OTHER FINANCIAL SCHEDULES





City of Bend, Oregon  
**Schedule of Property Tax Transactions**  
For the fiscal year ended June 30, 2013

| <u>Fiscal Year</u> | <u>Uncollected Balances June 30, 2012</u> | <u>Current Year's Levy</u> | <u>Adjustments, Interest and Discounts</u> | <u>Net Collections</u> | <u>Uncollected Balances June 30, 2013</u> |
|--------------------|---|----------------------------|--|------------------------|---|
| Prior              | \$ 3,201                                  | \$ -                       | \$ (11)                                    | \$ (204)               | 2,987                                     |
| 2003-04            | (598)                                     | -                          | 92   | (258)                  | (764)                                     |
| 2004-05            | 1,102                                     | -                          | 86   | (291)                  | 897                                       |
| 2005-06            | (1,058)                                   | -                          | 228  | (795)                  | (1,626)                                   |
| 2006-07            | (21,266)                                  | -                          | 497  | (2,085)                | (22,854)                                  |
| 2007-08            | 18,109                                    | -                          | 1,655                                      | (8,189)                | 11,575                                    |
| 2008-09            | 114,630                                   | -                          | 24,798                                     | (132,793)              | 6,635                                     |
| 2009-10            | 191,126                                   | -                          | 44,495                                     | (250,377)              | (14,756)                                  |
| 2010-11            | 529,377                                   | -                          | 23,068                                     | (265,376)              | 287,069                                   |
| 2011-12            | 926,734                                   | -                          | 15,099                                     | (633,267)              | 308,565                                   |
| 2012-13            | -   | 26,355,887                 | (824,258)                                  | (24,849,337)           | 682,292                                   |
| <b>Totals</b>      | <b>\$ 1,761,357</b>                       | <b>\$ 26,355,887</b>       | <b>\$ (714,252)</b>                        | <b>\$ (26,142,972)</b> | <b>\$ 1,260,020</b>                       |

Reconciliation to revenues:

|                                    |                      |
|------------------------------------|----------------------|
| Collections                        | \$ 26,142,972        |
| 60 day accrual adjustments         | (97,932)             |
| Change in unavailable revenue      | (395,862)            |
| <b>Total Property Tax Revenues</b> | <b>\$ 25,649,178</b> |

Summary by fund:

|   | <u>Revenues</u>      | <u>Property Tax Receivable</u> |
|---|----------------------|--------------------------------|
| General Fund                                    | \$ 22,506,869        | \$ 1,132,822                   |
| Juniper Ridge Urban Renewal Debt Service Fund   | 932,384              | 42,689                         |
| Murphy Crossing Urban Renewal Debt Service Fund | 62,262               | 3,000                          |
| General Obligation Bond Debt Service Fund       | 2,147,663            | 81,509                         |
| <b>Totals</b>                                   | <b>\$ 25,649,178</b> | <b>\$ 1,260,020</b>            |

City of Bend, Oregon  
**Schedule of Long-Term Debt Transactions - Principal**  
For the fiscal year ended June 30, 2013

| <u>Series</u>  | <u>Issue Date</u> | <u>Final Maturity Date</u> | <u>Amount of Original Issue</u> | <u>Unmatured and Outstanding June 30, 2012</u> | <u>Bonds Issued</u>  | <u>Bonds Called and Matured</u> | <u>Unmatured and Outstanding June 30, 2013</u> |
|--|-------------------|----------------------------|---------------------------------|--|----------------------|---------------------------------|--|
| <b>Full Faith &amp; Credit Obligation Bonds:</b>                             |                   |                            |                                 |  |                      |                                 |  |
| Transportation & fire equipment, series 2003                                 | 04/01/03          | 12/01/22                   | \$ 13,050,800                   | \$ 7,411,400                                   | \$ -                 | \$ (626,400)                    | \$ 6,785,000                                   |
| Airport, series 2003, refinance 1993   | 04/01/03          | 12/01/13                   | 279,200                         | 58,600   | -                    | (28,600)                        | 30,000   |
| Pension obligation bonds, series 2004  | 05/27/04          | 06/01/28                   | 13,725,000                      | 13,285,000                                     | -                    | (230,000)                       | 13,055,000                                     |
| Police expansion and ambulance, series 2006                                  | 12/21/06          | 12/01/31                   | 4,950,000                       | 4,000,000                                      | -                    | (265,000)                       | 3,735,000                                      |
| Police expansion, Cooley Road, and fire equipment, series 2008               | 02/14/08          | 12/01/27                   | 4,425,000                       | 3,925,000                                      | -                    | (215,000)                       | 3,710,000                                      |
| Stormwater equipment, series 2008  | 02/14/08          | 12/01/12                   | 275,000                         | 60,000   | -                    | (60,000)                        | -  |
| Fire stations, series 2010, refinance 1999                                   | 02/18/10          | 06/01/24                   | 3,225,000                       | 2,700,000                                      | -                    | (185,000)                       | 2,515,000                                      |
| Accessibility, series 2010   | 02/18/10          | 06/30/24                   | 3,265,000                       | 2,805,000                                      | -                    | (195,000)                       | 2,610,000                                      |
| Transportation system, series 2000, refinance series 2010                    | 02/18/10          | 06/01/21                   | 4,103,000                       | 3,388,000                                      | -                    | (335,000)                       | 3,053,000                                      |
| Airport, series 2010, refinance 1999   | 02/18/10          | 06/01/19                   | 1,057,000                       | 812,000  | -                    | (90,000)                        | 722,000  |
| City Hall land, series 2010, refinance 2005                                  | 05/28/10          | 06/01/15                   | 3,600,000                       | 3,200,000                                      | -                    | (1,100,000)                     | 2,100,000                                      |
| Water revenue series 2010, refinance 2000                                    | 11/30/10          | 11/01/13                   | 2,175,000                       | 1,475,000                                      | -                    | (750,000)                       | 725,000  |
| Water recovery zone, series 2010C  | 11/30/10          | 11/01/30                   | 2,300,000                       | 2,300,000                                      | -                    | -                               | 2,300,000                                      |
| Water reclamation recovery zone, series 2010C                                | 11/30/10          | 11/01/30                   | 10,730,000                      | 10,730,000                                     | -                    | -                               | 10,730,000                                     |
| Street equipment, police facility, sewer, series 2012, refinance series 2002 | 04/01/12          | 12/01/26                   | 9,280,000                       | 9,280,000                                      | -                    | (525,000)                       | 8,755,000                                      |
| GO Bond construction, series 2012  | 09/20/12          | 06/01/32                   | 26,805,000                      | -  | 26,805,000           | (855,000)                       | 25,950,000                                     |
| <b>Total Full Faith &amp; Credit Obligation Bonds</b>                        |                   |                            |                                 | <b>65,430,000</b>                              | <b>26,805,000</b>    | <b>(5,460,000)</b>              | <b>86,775,000</b>                              |
| <b>Revenue Bonds:</b>  |                   |                            |                                 |  |                      |                                 |  |
| Water reclamation, series 2002   | 11/15/02          | 11/01/22                   | 5,500,000                       | 255,000  | -                    | (255,000)                       | -  |
| Water reclamation, series 2005   | 09/29/05          | 11/01/20                   | 7,585,000                       | 5,745,000                                      | -                    | (645,000)                       | 5,100,000                                      |
| Water reclamation, series 2008   | 08/14/08          | 10/31/28                   | 10,000,000                      | 8,960,000                                      | -                    | (375,000)                       | 8,585,000                                      |
| <b>Total Revenue Bonds</b>   |                   |                            |                                 | <b>14,960,000</b>                              | <b>-</b>             | <b>(1,275,000)</b>              | <b>13,685,000</b>                              |
| <b>Notes Payable:</b>  |                   |                            |                                 |  |                      |                                 |  |
| Oregon Business Development Department:                                      |                   |                            |                                 |  |                      |                                 |  |
| Pacific Aviation composites  | 10/15/97          | 12/01/17                   | 655,000                         | 344,584  | -                    | (48,000)                        | 296,584  |
| Airport eastside improvements  | 05/01/07          | 12/01/31                   | 867,335                         | 754,155  | -                    | (24,282)                        | 729,873  |
| Safe drinking water revolving loan fund loan                                 | 09/03/09          | 12/01/31                   | 2,806,500                       | 2,806,500                                      | -                    | (103,154)                       | 2,703,346                                      |
| Oregon Department of Environmental Quality:                                  |                   |                            |                                 |  |                      |                                 |  |
| Clean water state revolving fund loan  | 06/10/11          | 10/01/33                   | 5,482,336                       | 1,662,419                                      | 3,819,917            | -                               | 5,482,336                                      |
| Clean water state revolving fund loan  | 10/02/12          | 11/01/30                   | 18,833,534                      | -  | 418,180              | -                               | 418,180  |
| <b>Total Notes Payable</b>   |                   |                            |                                 | <b>5,567,658</b>                               | <b>4,238,097</b>     | <b>(175,436)</b>                | <b>9,630,319</b>                               |
| <b>Lines of Credit</b>   |                   |                            |                                 |  |                      |                                 |  |
| Bank of America  |                   |                            |                                 |  |                      |                                 |  |
| Juniper Ridge  | 06/19/08          | 06/19/13                   | 6,000,000                       | 5,208,850                                      | -                    | (1,500,000)                     | 3,708,850                                      |
| <b>Total Lines of Credit</b>   |                   |                            |                                 | <b>5,208,850</b>                               | <b>-</b>             | <b>(1,500,000)</b>              | <b>3,708,850</b>                               |
| <b>Total Long-Term Debt</b>  |                   |                            |                                 | <b>\$ 91,166,508</b>                           | <b>\$ 31,043,097</b> | <b>\$ (8,410,436)</b>           | <b>\$ 113,799,169</b>                          |

City of Bend, Oregon  
**Schedule of Long-Term Debt Transactions - Interest**  
For the fiscal year ended June 30, 2013

| <u>Series</u>   | <u>Interest Rates<br/>on Outstanding<br/>Balances</u> | <u>Unmatured and<br/>Outstanding<br/>June 30, 2012</u> | <u>Bonds<br/>Issued</u> | <u>Coupons<br/>Called<br/>and Matured</u> | <u>Unmatured and<br/>Outstanding<br/>June 30, 2013</u> |
|---|---|--|-------------------------|---|--|
| <u>Full Faith &amp; Credit Obligation Bonds:</u>                                |   |  |                         |   |  |
| Transportation & fire equipment,<br>series 2003                                 | 2.00% - 4.50%   | \$ 1,860,100   | \$ -                    | \$ (293,346)                              | \$ 1,566,754   |
| Airport, series 2003, refinance 1993  | 2.00% - 3.70%   | 2,166  | -                       | (1,611)                                   | 555  |
| Pension obligation bonds, series 2004   | 2.13% - 6.095%  | 8,601,979  | -                       | (798,326)                                 | 7,803,653  |
| Police expansion and ambulance,<br>series 2006                                  | 3.75% - 6.00%   | 1,495,078  | -                       | (160,840)                                 | 1,334,238  |
| Police expansion, Cooley Road, and fire<br>equipment, series 2008               | 3.00% - 4.25%   | 1,309,152  | -                       | (138,889)                                 | 1,170,263  |
| Stormwater equipment, series 2008   | 3.00%   | 900  | -                       | (900)                                     | -  |
| Fire stations, series 2010, refinance 1999                                      | 3.23%   | 670,494  | -                       | (89,963)                                  | 580,531  |
| Accessibility, series 2010  | 2.62%   | 877,810  | -                       | (113,745)                                 | 764,065  |
| Transportation system, series 2000,<br>refinance series 2010                    | 2.84%   | 617,203  | -                       | (108,433)                                 | 508,770  |
| Airport, series 2010, refinance 1999  | 2.60%   | 118,110  | -                       | (25,180)                                  | 92,930   |
| City Hall land, series 2010, refinance 2005                                     | 3.65%   | 288,350  | -                       | (116,800)                                 | 171,550  |
| Water revenue series 2010, refinance 2000                                       | 1.56%   | 29,250   | -                       | (22,000)                                  | 7,250  |
| Water recovery zone, series 2010C   | 3.05%   | 1,308,942  | -                       | (501,796)                                 | 807,146  |
| Water reclamation recovery zone,<br>series 2010C                                | 3.05%   | 6,106,497  | -                       | (107,561)                                 | 5,998,936  |
| Street equipment, police facility, sewer,<br>series 2012, refinance series 2002 | 1.66% - 2.60%   | 2,322,175  | -                       | (342,200)                                 | 1,979,975  |
| GO Bond construction, series 2012   | 2.62%   | -  | 9,552,548               | (576,498)                                 | 8,976,050  |
| <b>Total Full Faith &amp; Credit Obligation Bonds</b>                           |   | <b>25,608,204</b>                                      | <b>9,552,548</b>        | <b>(3,398,086)</b>                        | <b>31,762,665</b>                                      |
| <u>Revenue Bonds:</u>   |   |  |                         |   |  |
| Water reclamation, series 2002  | 1.77% - 5.04%   | 81,498   | -                       | (81,498)                                  | -  |
| Water reclamation, series 2005  | 3.00% - 4.00%   | 918,968  | -                       | (195,502)                                 | 723,466  |
| Water reclamation, series 2008  | 3.50% - 4.50%   | 3,453,881  | -                       | (353,713)                                 | 3,100,169  |
| <b>Total Revenue Bonds</b>  |   | <b>4,454,347</b>                                       | <b>-</b>                | <b>(630,712)</b>                          | <b>3,823,634</b>                                       |
| <u>Notes Payable:</u>   |   |  |                         |   |  |
| Oregon Business Development Department:   |   |  |                         |   |  |
| Pacific Aviation composites   | 5.01%   | 63,928   | -                       | (17,357)                                  | 46,571   |
| Airport eastside improvements   | 4.00% - 4.375%  | 385,639  | -                       | (31,991)                                  | 353,648  |
| Safe drinking water revolving loan fund loan                                    | 3.83%   | 1,037,007  | -                       | (153,911)                                 | 883,096  |
| Oregon Department of Environmental Quality:                                     |   |  |                         |   |  |
| Clean water state revolving fund loan   | 3.32%   | 1,662,419  | 580,677                 | -   | 2,243,096  |
| Clean water state revolving fund loan   | 2.44%   | -  | -                       | -   | -  |
| <b>Total Notes Payable</b>  |   | <b>3,148,994</b>                                       | <b>580,677</b>          | <b>(203,260)</b>                          | <b>3,526,411</b>                                       |
| <u>Lines of Credit</u>  |   |  |                         |   |  |
| Bank of America   |   |  |                         |   |  |
| Juniper Ridge   | variable  | 88,000   | -                       | (62,000)                                  | 26,000   |
| <b>Total Lines of Credit</b>  |   | <b>88,000</b>  | <b>-</b>                | <b>(62,000)</b>                           | <b>26,000</b>  |
| <b>Total Long-Term Debt</b>   |   | <b>\$ 33,299,544</b>                                   | <b>\$ 10,133,225</b>    | <b>\$ (4,294,058)</b>                     | <b>\$ 39,138,711</b>                                   |

City of Bend, Oregon

**Schedule of Future Debt Service Requirements of Full Faith & Credit Obligations**

For the fiscal year ended June 30, 2013

| <u>Fiscal Year</u> | <u>Total Requirements</u> |                      |                       | <u>Transportation System,<br/>Fire and Airport Equipment<br/>Series 2003</u> |                     |
|--------------------|---------------------------|----------------------|-----------------------|--|---------------------|
|                    | <u>Principal</u>          | <u>Interest</u>      | <u>Total</u>          | <u>Principal</u>   | <u>Interest</u>     |
| 2013-14            | \$ 5,925,000              | \$ 3,469,797         | \$ 9,394,797          | \$ 595,000   | \$ 272,486          |
| 2014-15            | 6,065,000                 | 3,301,465            | 9,366,465             | 580,000  | 250,604             |
| 2015-16            | 4,825,000                 | 3,086,056            | 7,911,056             | 605,000  | 228,007             |
| 2016-17            | 5,015,000                 | 2,927,614            | 7,942,614             | 620,000  | 203,885             |
| 2017-18            | 5,085,000                 | 2,748,895            | 7,833,895             | 650,000  | 178,160             |
| 2018-19            | 5,325,000                 | 2,554,983            | 7,879,983             | 680,000  | 150,555             |
| 2019-20            | 5,450,000                 | 2,346,126            | 7,796,126             | 720,000  | 120,975             |
| 2020-21            | 5,500,000                 | 2,126,643            | 7,626,643             | 750,000  | 89,175              |
| 2021-22            | 5,375,000                 | 1,882,570            | 7,257,570             | 790,000  | 54,900              |
| 2022-23            | 5,610,000                 | 1,636,547            | 7,246,547             | 825,000  | 18,563              |
| 2023-24            | 4,680,000                 | 1,401,759            | 6,081,759             | -  | -                   |
| 2024-25            | 4,360,000                 | 1,176,378            | 5,536,378             | -  | -                   |
| 2025-26            | 4,615,000                 | 975,471              | 5,590,471             | -  | -                   |
| 2026-27            | 4,895,000                 | 759,438              | 5,654,438             | -  | -                   |
| 2027-28            | 3,795,000                 | 535,407              | 4,330,407             | -  | -                   |
| 2028-29            | 2,670,000                 | 369,259              | 3,039,259             | -  | -                   |
| 2029-30            | 2,750,000                 | 260,038              | 3,010,038             | -  | -                   |
| 2030-31            | 2,845,000                 | 146,443              | 2,991,443             | -  | -                   |
| 2031-32            | 1,990,000                 | 57,778               | 2,047,778             | -  | -                   |
|                    | <b>\$ 86,775,000</b>      | <b>\$ 31,762,665</b> | <b>\$ 118,537,665</b> | <b>\$ 6,815,000</b>  | <b>\$ 1,567,309</b> |

**Schedule of Future Debt Service Requirements of Full Faith & Credit Obligations (Continued)**

For the fiscal year ended June 30, 2013

| <u>Fiscal Year</u> | <u>Pension Obligation Bonds</u> |                     | <u>Police Facility</u>     |                     | <u>Police Facility, Cooley Rd,</u> |                     |
|--------------------|---------------------------------|---------------------|----------------------------|---------------------|------------------------------------|---------------------|
|                    | <u>Series 2004</u>              |                     | <u>Expansion/Ambulance</u> |                     | <u>and Fire Equipment</u>          |                     |
|                    | <u>Principal</u>                | <u>Interest</u>     | <u>Principal</u>           | <u>Interest</u>     | <u>Principal</u>                   | <u>Interest</u>     |
| 2013-14            | \$ 285,000                      | \$ 786,021          | \$ 275,000                 | \$ 150,040          | \$ 220,000                         | \$ 132,364          |
| 2014-15            | 345,000                         | 770,144             | 280,000                    | 138,940             | 225,000                            | 125,689             |
| 2015-16            | 410,000                         | 750,579             | 295,000                    | 127,440             | 200,000                            | 119,314             |
| 2016-17            | 485,000                         | 726,918             | 310,000                    | 112,240             | 210,000                            | 113,164             |
| 2017-18            | 565,000                         | 698,443             | 160,000                    | 99,940              | 215,000                            | 106,789             |
| 2018-19            | 650,000                         | 664,877             | 170,000                    | 93,668              | 220,000                            | 99,989              |
| 2019-20            | 750,000                         | 625,779             | 175,000                    | 87,026              | 230,000                            | 92,389              |
| 2020-21            | 850,000                         | 580,667             | 185,000                    | 80,050              | 235,000                            | 84,104              |
| 2021-22            | 965,000                         | 529,539             | 190,000                    | 72,738              | 250,000                            | 75,001              |
| 2022-23            | 1,085,000                       | 471,495             | 140,000                    | 66,268              | 260,000                            | 64,958              |
| 2023-24            | 1,215,000                       | 406,232             | 145,000                    | 60,639              | 265,000                            | 54,458              |
| 2024-25            | 1,360,000                       | 332,178             | 150,000                    | 54,775              | 275,000                            | 43,520              |
| 2025-26            | 1,515,000                       | 249,286             | 160,000                    | 48,575              | 285,000                            | 32,040              |
| 2026-27            | 1,680,000                       | 156,946             | 165,000                    | 41,972              | 305,000                            | 19,793              |
| 2027-28            | 895,000                         | 54,550              | 170,000                    | 35,063              | 315,000                            | 6,694               |
| 2028-29            | -                               | -                   | 180,000                    | 27,844              | -                                  | -                   |
| 2029-30            | -                               | -                   | 185,000                    | 20,316              | -                                  | -                   |
| 2030-31            | -                               | -                   | 195,000                    | 12,478              | -                                  | -                   |
| 2031-32            | -                               | -                   | 205,000                    | 4,228               | -                                  | -                   |
|                    | <b>\$ 13,055,000</b>            | <b>\$ 7,803,653</b> | <b>\$ 3,735,000</b>        | <b>\$ 1,334,238</b> | <b>\$ 3,710,000</b>                | <b>\$ 1,170,263</b> |

**Schedule of Future Debt Service Requirements of Full Faith & Credit Obligations (Continued)**

For the fiscal year ended June 30, 2013

| <u>Fiscal Year</u> | <u>Fire Stations</u><br><u>Series 2010</u> |                   | <u>Accessibility</u><br><u>Series 2010</u> |                   | <u>Transportation System</u><br><u>Series 2010</u> |                   |
|--------------------|--|-------------------|--|-------------------|--|-------------------|
|                    | <u>Principal</u>                           | <u>Interest</u>   | <u>Principal</u>                           | <u>Interest</u>   | <u>Principal</u>                                   | <u>Interest</u>   |
| 2013-14            | \$ 190,000                                 | \$ 86,263         | \$ 195,000                                 | \$ 109,553        | \$ 340,000   | \$ 101,733        |
| 2014-15            | 190,000                                    | 82,463            | 200,000                                    | 104,483           | 355,000  | 94,933            |
| 2015-16            | 200,000                                    | 76,763            | 210,000                                    | 98,983            | 365,000  | 84,283            |
| 2016-17            | 210,000                                    | 70,763            | 215,000                                    | 91,633            | 370,000  | 73,332            |
| 2017-18            | 215,000                                    | 64,463            | 225,000                                    | 83,463            | 385,000  | 62,232            |
| 2018-19            | 225,000                                    | 55,863            | 235,000                                    | 74,124            | 398,000  | 46,832            |
| 2019-20            | 235,000                                    | 46,863            | 240,000                                    | 64,137            | 410,000  | 30,912            |
| 2020-21            | 240,000                                    | 37,463            | 255,000                                    | 53,337            | 430,000  | 14,513            |
| 2021-22            | 260,000                                    | 29,363            | 265,000                                    | 41,352            | -  | -                 |
| 2022-23            | 265,000                                    | 19,938            | 280,000                                    | 28,500            | -  | -                 |
| 2023-24            | 285,000                                    | 10,331            | 290,000                                    | 14,500            | -  | -                 |
| 2024-25            | -  | -                 | -  | -                 | -  | -                 |
| 2025-26            | -  | -                 | -  | -                 | -  | -                 |
| 2026-27            | -  | -                 | -  | -                 | -  | -                 |
| 2027-28            | -  | -                 | -  | -                 | -  | -                 |
| 2028-29            | -  | -                 | -  | -                 | -  | -                 |
| 2029-30            | -  | -                 | -  | -                 | -  | -                 |
| 2030-31            | -  | -                 | -  | -                 | -  | -                 |
| 2031-32            | -  | -                 | -  | -                 | -  | -                 |
|                    | <b>\$ 2,515,000</b>                        | <b>\$ 580,531</b> | <b>\$ 2,610,000</b>                        | <b>\$ 764,065</b> | <b>\$ 3,053,000</b>                                | <b>\$ 508,770</b> |

**Schedule of Future Debt Service Requirements of Full Faith & Credit Obligations (Continued)**

For the fiscal year ended June 30, 2013

| <u>Fiscal Year</u> | <u>Airport</u><br><u>Series 2010</u> |                 | <u>Land</u><br><u>Series 2010</u> |                 | <u>Water</u><br><u>Series 2010</u> |                 |
|--------------------|--------------------------------------|-----------------|-----------------------------------|-----------------|------------------------------------|-----------------|
|                    | <u>Principal</u>                     | <u>Interest</u> | <u>Principal</u>                  | <u>Interest</u> | <u>Principal</u>                   | <u>Interest</u> |
| 2013-14            | \$ 90,000                            | \$ 23,380       | \$ 700,000                        | \$ 98,550       | \$ 725,000                         | \$ 7,250        |
| 2014-15            | 120,000                              | 21,580          | 1,400,000                         | 73,000          | -                                  | -               |
| 2015-16            | 125,000                              | 17,980          | -                                 | -               | -                                  | -               |
| 2016-17            | 125,000                              | 14,230          | -                                 | -               | -                                  | -               |
| 2017-18            | 130,000                              | 10,480          | -                                 | -               | -                                  | -               |
| 2018-19            | 132,000                              | 5,280           | -                                 | -               | -                                  | -               |
| 2019-20            | -                                    | -               | -                                 | -               | -                                  | -               |
| 2020-21            | -                                    | -               | -                                 | -               | -                                  | -               |
| 2021-22            | -                                    | -               | -                                 | -               | -                                  | -               |
| 2022-23            | -                                    | -               | -                                 | -               | -                                  | -               |
| 2023-24            | -                                    | -               | -                                 | -               | -                                  | -               |
| 2024-25            | -                                    | -               | -                                 | -               | -                                  | -               |
| 2025-26            | -                                    | -               | -                                 | -               | -                                  | -               |
| 2026-27            | -                                    | -               | -                                 | -               | -                                  | -               |
| 2027-28            | -                                    | -               | -                                 | -               | -                                  | -               |
| 2028-29            | -                                    | -               | -                                 | -               | -                                  | -               |
| 2029-30            | -                                    | -               | -                                 | -               | -                                  | -               |
| 2030-31            | -                                    | -               | -                                 | -               | -                                  | -               |
| 2031-32            | -                                    | -               | -                                 | -               | -                                  | -               |
|                    | \$ 722,000                           | \$ 92,930       | \$ 2,100,000                      | \$ 171,550      | \$ 725,000                         | \$ 7,250        |

City of Bend, Oregon

**Schedule of Future Debt Service Requirements of Full Faith & Credit Obligations (Continued)**

For the fiscal year ended June 30, 2013

| <u>Fiscal Year</u> | <u>Water &amp; Sewer RZEDB</u> |                     | <u>Street, Sewer,<br/>Police, Facilities</u> |                     | <u>GO Bond Construction</u> |                     |
|--------------------|--------------------------------|---------------------|--|---------------------|-----------------------------|---------------------|
|                    | <u>Series 2010C</u>            |                     | <u>Series 2012</u>                           |                     | <u>Series 2012</u>          |                     |
|                    | <u>Principal</u>               | <u>Interest</u>     | <u>Principal</u>                             | <u>Interest</u>     | <u>Principal</u>            | <u>Interest</u>     |
| 2013-14            | \$ 600,000                     | \$ 604,858          | \$ 680,000                                   | \$ 287,550          | \$ 1,030,000                | \$ 809,750          |
| 2014-15            | 605,000                        | 594,005             | 705,000                                      | 266,775             | 1,060,000                   | 778,850             |
| 2015-16            | 615,000                        | 579,658             | 720,000                                      | 245,400             | 1,080,000                   | 757,650             |
| 2016-17            | 625,000                        | 561,975             | 745,000                                      | 223,425             | 1,100,000                   | 736,050             |
| 2017-18            | 635,000                        | 541,175             | 770,000                                      | 200,700             | 1,135,000                   | 703,050             |
| 2018-19            | 645,000                        | 517,646             | 800,000                                      | 177,150             | 1,170,000                   | 669,000             |
| 2019-20            | 660,000                        | 491,370             | 825,000                                      | 152,775             | 1,205,000                   | 633,900             |
| 2020-21            | 675,000                        | 461,985             | 640,000                                      | 127,600             | 1,240,000                   | 597,750             |
| 2021-22            | 695,000                        | 430,128             | 670,000                                      | 101,400             | 1,290,000                   | 548,150             |
| 2022-23            | 715,000                        | 396,278             | 700,000                                      | 74,000              | 1,340,000                   | 496,550             |
| 2023-24            | 735,000                        | 359,650             | 350,000                                      | 53,000              | 1,395,000                   | 442,950             |
| 2024-25            | 755,000                        | 320,155             | 370,000                                      | 38,600              | 1,450,000                   | 387,150             |
| 2025-26            | 780,000                        | 278,320             | 380,000                                      | 23,600              | 1,495,000                   | 343,650             |
| 2026-27            | 805,000                        | 233,928             | 400,000                                      | 8,000               | 1,540,000                   | 298,800             |
| 2027-28            | 830,000                        | 186,500             | -  | -                   | 1,585,000                   | 252,600             |
| 2028-29            | 855,000                        | 136,365             | -  | -                   | 1,635,000                   | 205,050             |
| 2029-30            | 885,000                        | 83,723              | -  | -                   | 1,680,000                   | 156,000             |
| 2030-31            | 915,000                        | 28,365              | -  | -                   | 1,735,000                   | 105,600             |
| 2031-32            | -                              | -                   | -  | -                   | 1,785,000                   | 53,550              |
|                    | <b>\$ 13,030,000</b>           | <b>\$ 6,806,081</b> | <b>\$ 8,755,000</b>                          | <b>\$ 1,979,975</b> | <b>\$ 25,950,000</b>        | <b>\$ 8,976,050</b> |



City of Bend, Oregon

**Schedule of Future Debt Service Requirements of Revenue Bonds**

For the fiscal year ended June 30, 2013

| <u>Fiscal Year</u> | <u>Total Requirements</u> |                     |                      | <u>Series 2005</u>  |                   | <u>Series 2008</u>  |                     |
|--------------------|---------------------------|---------------------|----------------------|---------------------|-------------------|---------------------|---------------------|
|                    | <u>Principal</u>          | <u>Interest</u>     | <u>Total</u>         | <u>Principal</u>    | <u>Interest</u>   | <u>Principal</u>    | <u>Interest</u>     |
| 2013-14            | \$ 1,060,000              | \$ 512,949          | \$ 1,572,949         | \$ 670,000          | \$ 174,536        | \$ 390,000          | \$ 338,413          |
| 2014-15            | 1,095,000                 | 475,616             | 1,570,616            | 690,000             | 152,091           | 405,000             | 323,525             |
| 2015-16            | 1,140,000                 | 435,959             | 1,575,959            | 715,000             | 128,021           | 425,000             | 307,938             |
| 2016-17            | 1,180,000                 | 392,826             | 1,572,826            | 740,000             | 102,189           | 440,000             | 290,638             |
| 2017-18            | 1,225,000                 | 347,738             | 1,572,738            | 770,000             | 74,431            | 455,000             | 273,306             |
| 2018-19            | 960,000                   | 305,872             | 1,265,872            | 485,000             | 50,597            | 475,000             | 255,275             |
| 2019-20            | 1,000,000                 | 265,738             | 1,265,738            | 505,000             | 31,100            | 495,000             | 234,638             |
| 2020-21            | 1,045,000                 | 223,600             | 1,268,600            | 525,000             | 10,500            | 520,000             | 213,100             |
| 2021-22            | 540,000                   | 191,900             | 731,900              | -                   | -                 | 540,000             | 191,900             |
| 2022-23            | 560,000                   | 169,900             | 729,900              | -                   | -                 | 560,000             | 169,900             |
| 2023-24            | 585,000                   | 147,000             | 732,000              | -                   | -                 | 585,000             | 147,000             |
| 2024-25            | 605,000                   | 123,200             | 728,200              | -                   | -                 | 605,000             | 123,200             |
| 2025-26            | 630,000                   | 98,500              | 728,500              | -                   | -                 | 630,000             | 98,500              |
| 2026-27            | 660,000                   | 72,700              | 732,700              | -                   | -                 | 660,000             | 72,700              |
| 2027-28            | 685,000                   | 44,944              | 729,944              | -                   | -                 | 685,000             | 44,944              |
| 2028-29            | 715,000                   | 15,194              | 730,194              | -                   | -                 | 715,000             | 15,194              |
|                    | <b>\$ 13,685,000</b>      | <b>\$ 3,823,634</b> | <b>\$ 17,508,634</b> | <b>\$ 5,100,000</b> | <b>\$ 723,466</b> | <b>\$ 8,585,000</b> | <b>\$ 3,100,169</b> |

City of Bend, Oregon  
**Schedule of Future Debt Service Requirements of Notes Payable**

For the fiscal year ended June 30, 2013

**Oregon Business Development Department**

| <u>Fiscal Year</u> | <u>Total Requirements</u> |                     |                      | <u>Pacific Aviation Composites</u> |                  | <u>Airport Eastside Improvements</u> |                   |
|--------------------|---------------------------|---------------------|----------------------|------------------------------------|------------------|--------------------------------------|-------------------|
|                    | <u>Principal</u>          | <u>Interest</u>     | <u>Total</u>         | <u>1998</u>                        |                  | <u>2007</u>                          |                   |
|                    | <u>Principal</u>          | <u>Interest</u>     | <u>Total</u>         | <u>Principal</u>                   | <u>Interest</u>  | <u>Principal</u>                     | <u>Interest</u>   |
| 2013-14            | \$ 186,327                | \$ 361,543          | \$ 547,870           | \$ 54,333                          | \$ 14,957        | \$ 24,453                            | \$ 31,020         |
| 2014-15            | 399,014                   | 300,493             | 699,507              | 54,800                             | 12,241           | 29,631                               | 30,042            |
| 2015-16            | 414,834                   | 286,422             | 701,256              | 60,289                             | 9,501            | 29,816                               | 28,857            |
| 2016-17            | 426,016                   | 271,741             | 697,758              | 60,805                             | 6,487            | 30,009                               | 27,664            |
| 2017-18            | 442,582                   | 256,626             | 699,208              | 66,357                             | 3,385            | 30,209                               | 26,464            |
| 2018-19            | 387,594                   | 240,871             | 628,465              | -                                  | -                | 30,417                               | 25,255            |
| 2019-20            | 399,335                   | 228,130             | 627,465              | -                                  | -                | 30,634                               | 24,039            |
| 2020-21            | 416,464                   | 214,971             | 631,435              | -                                  | -                | 35,867                               | 22,775            |
| 2021-22            | 428,991                   | 201,183             | 630,174              | -                                  | -                | 36,113                               | 21,269            |
| 2022-23            | 441,930                   | 186,970             | 628,900              | -                                  | -                | 36,373                               | 19,734            |
| 2023-24            | 455,289                   | 172,335             | 627,625              | -                                  | -                | 36,644                               | 18,188            |
| 2024-25            | 474,086                   | 157,248             | 631,334              | -                                  | -                | 41,929                               | 16,612            |
| 2025-26            | 488,339                   | 141,464             | 629,803              | -                                  | -                | 42,232                               | 14,778            |
| 2026-27            | 503,057                   | 125,215             | 628,272              | -                                  | -                | 42,549                               | 12,930            |
| 2027-28            | 523,254                   | 108,487             | 631,741              | -                                  | -                | 47,879                               | 11,069            |
| 2028-29            | 538,947                   | 91,044              | 629,991              | -                                  | -                | 48,224                               | 8,974             |
| 2029-30            | 555,152                   | 73,089              | 628,241              | -                                  | -                | 48,584                               | 6,864             |
| 2030-31            | 576,884                   | 54,606              | 631,490              | -                                  | -                | 53,959                               | 4,739             |
| 2031-32            | 596,428                   | 35,358              | 631,786              | -                                  | -                | 54,351                               | 2,378             |
| 2032-33            | 368,674                   | 15,478              | 384,152              | -                                  | -                | -                                    | -                 |
| 2033-34            | 188,942                   | 3,136               | 192,078              | -                                  | -                | -                                    | -                 |
|                    | <b>\$ 9,212,139</b>       | <b>\$ 3,526,411</b> | <b>\$ 12,738,549</b> | <b>\$ 296,584</b>                  | <b>\$ 46,571</b> | <b>\$ 729,873</b>                    | <b>\$ 353,648</b> |

Note: Debt service requirements for the Sewer Clean Water Loan R14512 (\$418,180) is not included in the schedule above. The debt service schedules for those obligations will be determined when the project is complete.

City of Bend, Oregon

**Schedule of Future Debt Service Requirements of Notes Payable**

For the fiscal year ended June 30, 2013

**Oregon Business Development Department**

| <u>Fiscal Year</u> | <u>Safe Drinking Water</u>      |                   | <u>Clean Water State</u>        |                     |
|--------------------|---------------------------------|-------------------|---------------------------------|---------------------|
|                    | <u>Revolving Loan Fund Loan</u> |                   | <u>Revolving Loan Fund Loan</u> |                     |
|                    | <u>Principal</u>                | <u>Interest</u>   | <u>Principal</u>                | <u>Interest</u>     |
| 2013-14            | \$ 107,541                      | \$ 81,100         | \$ -                            | \$ 234,466          |
| 2014-15            | 110,767                         | 77,874            | 203,816                         | 180,336             |
| 2015-16            | 114,090                         | 74,551            | 210,639                         | 173,513             |
| 2016-17            | 117,512                         | 71,128            | 217,690                         | 166,462             |
| 2017-18            | 121,038                         | 67,603            | 224,978                         | 159,174             |
| 2018-19            | 124,669                         | 63,972            | 232,508                         | 151,644             |
| 2019-20            | 128,409                         | 60,232            | 240,292                         | 143,860             |
| 2020-21            | 132,261                         | 56,380            | 248,336                         | 135,816             |
| 2021-22            | 136,229                         | 52,412            | 256,649                         | 127,503             |
| 2022-23            | 140,316                         | 48,325            | 265,241                         | 118,911             |
| 2023-24            | 144,525                         | 44,115            | 274,120                         | 110,032             |
| 2024-25            | 148,861                         | 39,780            | 283,296                         | 100,856             |
| 2025-26            | 153,327                         | 35,314            | 292,780                         | 91,372              |
| 2026-27            | 157,927                         | 30,714            | 302,581                         | 81,571              |
| 2027-28            | 162,665                         | 25,976            | 312,710                         | 71,442              |
| 2028-29            | 167,545                         | 21,096            | 323,178                         | 60,974              |
| 2029-30            | 172,571                         | 16,070            | 333,997                         | 50,155              |
| 2030-31            | 177,748                         | 10,893            | 345,177                         | 38,975              |
| 2031-32            | 185,345                         | 5,560             | 356,732                         | 27,420              |
| 2032-33            | -                               | -                 | 368,674                         | 15,478              |
| 2033-34            | -                               | -                 | 188,942                         | 3,136               |
|                    | <b>\$ 2,703,346</b>             | <b>\$ 883,096</b> | <b>\$ 5,482,336</b>             | <b>\$ 2,243,096</b> |

City of Bend, Oregon

**Schedule of Future Debt Service Requirements of Lines of Credit**

For the fiscal year ended June 30, 2013

| <u>Fiscal Year</u> | <u>Bank of America</u> |                 | <u>Total</u> |
|--------------------|------------------------|-----------------|--------------|
|                    | <u>Principal</u>       | <u>Interest</u> |              |
| 2013-14            | \$ 3,708,850           | \$ 26,000       | \$ 3,734,850 |
|                    | \$ 3,708,850           | \$ 26,000       | \$ 3,734,850 |

## STATISTICAL SECTION



## STATISTICAL SECTION

This part of the City of Bend's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### Financial Trends (pages 179 to 188)

These schedules contain trend information to help readers understand how the City's financial performance and well-being have changed over time.

### Revenue Capacity (pages 189 to 192)

These schedules contain information to help readers assess the City's most significant local revenue source, property tax.

### Debt Capacity (pages 193 to 198)

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### Demographic and Economic Information (pages 199 to 201)

These schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place.

### Operating Information (pages 202 to 204)

These schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.





City of Bend, Oregon

**Net Position by Component**

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

|  | <u>2004</u>       | <u>2005</u>       | <u>2006</u>       | <u>2007</u>       | <u>2008</u>       |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b><u>Governmental activities</u></b>              |                   |                   |                   |                   |                   |
| Net investment in capital assets                   | \$ 199,118        | \$ 201,948        | \$ 228,481        | \$ 501,420        | \$ 491,487        |
| Restricted   | 3,006             | 4,031             | 4,405             | 5,522             | 6,782             |
| Unrestricted                                       | 13,632            | 29,622            | 28,248            | 35,884            | 29,912            |
| <b>Total Governmental Activities Net Position</b>  | <b>215,756</b>    | <b>235,601</b>    | <b>261,134</b>    | <b>542,826</b>    | <b>528,181</b>    |
| <b><u>Business-type activities</u></b>             |                   |                   |                   |                   |                   |
| Net investment in capital assets                   | 113,133           | 131,031           | 155,014           | 186,218           | 237,030           |
| Restricted   | 1,381             | 1,207             | 844               | 844               | 844               |
| Unrestricted                                       | 12,082            | 16,400            | 11,905            | 10,028            | 8,329             |
| <b>Total Business-type Activities Net Position</b> | <b>126,596</b>    | <b>148,638</b>    | <b>167,763</b>    | <b>197,090</b>    | <b>246,203</b>    |
| <b><u>Primary government</u></b>                   |                   |                   |                   |                   |                   |
| Net investment in capital assets                   | 312,251           | 332,979           | 383,495           | 687,638           | 728,517           |
| Restricted   | 4,387             | 5,238             | 5,249             | 6,366             | 7,626             |
| Unrestricted                                       | 25,714            | 46,022            | 40,153            | 45,912            | 38,241            |
| <b>Total Primary Government Net Position</b>       | <b>\$ 342,352</b> | <b>\$ 384,239</b> | <b>\$ 428,897</b> | <b>\$ 739,916</b> | <b>\$ 774,384</b> |

City of Bend, Oregon

**Net Position by Component (Continued)**

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

|  | <u>2009</u>       | <u>2010</u>       | <u>2011</u>       | <u>2012</u>       | <u>2013</u>       |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b><u>Governmental activities</u></b>              |                   |                   |                   |                   |                   |
| Net investment in capital assets                   | \$ 493,230        | \$ 485,325        | \$ 484,814        | \$ 474,505        | \$ 474,356        |
| Restricted   | 13,119            | 15,370            | 13,915            | 13,637            | 16,565            |
| Unrestricted                                       | 20,823            | 24,295            | 27,398            | 30,167            | 29,610            |
| <b>Total Governmental Activities Net Position</b>  | <b>527,172</b>    | <b>524,991</b>    | <b>526,127</b>    | <b>518,309</b>    | <b>520,530</b>    |
| <b><u>Business-type activities</u></b>             |                   |                   |                   |                   |                   |
| Net investment in capital assets                   | 237,706           | 242,003           | 241,176           | 256,230           | 263,975           |
| Restricted   | 844               | 936               | -                 | 676               | 1,289             |
| Unrestricted                                       | 20,638            | 23,050            | 32,522            | 33,405            | 38,215            |
| <b>Total Business-type Activities Net Position</b> | <b>259,188</b>    | <b>265,988</b>    | <b>273,698</b>    | <b>290,311</b>    | <b>303,479</b>    |
| <b><u>Primary government</u></b>                   |                   |                   |                   |                   |                   |
| Net investment in capital assets                   | 730,935           | 727,328           | 725,990           | 730,736           | 738,331           |
| Restricted   | 13,963            | 16,307            | 13,915            | 14,313            | 17,853            |
| Unrestricted                                       | 41,461            | 47,345            | 59,920            | 63,572            | 67,825            |
| <b>Total Primary Government Net Position</b>       | <b>\$ 786,360</b> | <b>\$ 790,979</b> | <b>\$ 799,825</b> | <b>\$ 808,620</b> | <b>\$ 824,010</b> |

City of Bend, Oregon  
**Changes in Net Position**

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

|   | <u>2004</u>       | <u>2005</u>      | <u>2006</u>      | <u>2007</u>      | <u>2008</u>       |
|---|-------------------|------------------|------------------|------------------|-------------------|
| <b>Expenses</b>   |                   |                  |                  |                  |                   |
| Governmental activities:                                |                   |                  |                  |                  |                   |
| General government                                      | \$ 10,305         | \$ 10,706        | \$ 12,177        | \$ 14,010        | \$ 15,155         |
| Public safety   | 18,646            | 20,007           | 22,447           | 24,178           | 26,176            |
| Public ways and facilities                              | 7,716             | 7,624            | 9,030            | 11,679           | 16,928            |
| Community and economic development                      | 5,061             | 6,527            | 7,854            | 8,673            | 8,728             |
| Permanent maintenance                                   | -                 | -                | -                | -                | -                 |
| Urban renewal   | 797               | 578              | 640              | 302              | 585               |
| Transit   | 1,245             | 1,622            | 1,513            | 1,854            | 1,902             |
| Interest on long-term debt                              | 1,729             | 2,875            | 2,864            | 2,936            | 2,909             |
| <b>Total Governmental Activities Expenses</b>           | <b>45,499</b>     | <b>49,939</b>    | <b>56,525</b>    | <b>63,632</b>    | <b>72,383</b>     |
| Business-type activities:                               |                   |                  |                  |                  |                   |
| Water   | 8,811             | 8,082            | 8,960            | 11,519           | 9,776             |
| Water reclamation                                       | 7,390             | 7,580            | 8,380            | 10,250           | 10,184            |
| Airport   | 428               | 516              | 675              | 690              | 733               |
| Cemetery  | 135               | 140              | 167              | 151              | 182               |
| Downtown parking  | 267               | 348              | 502              | 744              | 816               |
| Stormwater  | -                 | -                | 178              | 222              | 1,378             |
| <b>Total Business-type Activities Expenses</b>          | <b>17,032</b>     | <b>16,666</b>    | <b>18,862</b>    | <b>23,576</b>    | <b>23,069</b>     |
| <b>Total Primary Government Expenses</b>                | <b>\$ 62,531</b>  | <b>\$ 66,605</b> | <b>\$ 75,387</b> | <b>\$ 87,208</b> | <b>\$ 95,452</b>  |
| <b>Program Revenues</b>                                 |                   |                  |                  |                  |                   |
| Governmental activities:                                |                   |                  |                  |                  |                   |
| Charges for services:                                   |                   |                  |                  |                  |                   |
| General government                                      | \$ 4,683          | \$ 5,032         | \$ 5,678         | \$ 5,875         | \$ 7,599          |
| Public safety   | 2,130             | 2,713            | 3,265            | 4,303            | 4,057             |
| Public ways and facilities                              | 2,724             | 2,607            | 3,204            | 3,165            | 2,761             |
| Community and economic development                      | 4,997             | 6,896            | 8,110            | 8,177            | 7,869             |
| Permanent maintenance                                   | -                 | -                | -                | -                | -                 |
| Urban renewal   | 108               | 67               | 71               | 64               | 98                |
| Transit   | 76                | 257              | 110              | 208              | 172               |
| Operating grants and contributions                      | 7,897             | 8,019            | 8,966            | 10,219           | 9,372             |
| Capital grants and contributions                        | 10,098            | 19,179           | 22,513           | 17,014           | 16,641            |
| <b>Total Governmental Activities Program Revenues</b>   | <b>32,713</b>     | <b>44,770</b>    | <b>51,917</b>    | <b>49,025</b>    | <b>48,569</b>     |
| Business-type activities:                               |                   |                  |                  |                  |                   |
| Charges for services:                                   |                   |                  |                  |                  |                   |
| Water   | 8,079             | 8,767            | 10,405           | 10,676           | 11,012            |
| Water reclamation                                       | 6,594             | 7,824            | 8,718            | 9,099            | 10,206            |
| Airport   | 449               | 467              | 557              | 702              | 684               |
| Cemetery  | 114               | 153              | 92               | 111              | 102               |
| Downtown parking  | 313               | 325              | 328              | 387              | 610               |
| Stormwater  | -                 | -                | -                | -                | 2,458             |
| Other business activities                               | -                 | -                | -                | -                | -                 |
| Capital grants and contributions                        | 10,847            | 20,758           | 17,867           | 20,148           | 16,373            |
| <b>Total Business-type Activities Program Revenues</b>  | <b>26,397</b>     | <b>38,294</b>    | <b>37,967</b>    | <b>41,123</b>    | <b>41,446</b>     |
| <b>Total Primary Government Program Revenues</b>        | <b>\$ 59,110</b>  | <b>\$ 83,064</b> | <b>\$ 89,884</b> | <b>\$ 90,148</b> | <b>\$ 90,015</b>  |
| <b>Net Revenues (Expenses)</b>                          |                   |                  |                  |                  |                   |
| Governmental activities                                 | \$ (12,786)       | \$ (5,169)       | \$ (4,608)       | \$ (14,607)      | \$ (23,814)       |
| Business-type activities                                | 9,365             | 21,628           | 19,105           | 21,203           | 18,378            |
| <b>Total Primary Government Net Revenues (Expenses)</b> | <b>\$ (3,421)</b> | <b>\$ 16,459</b> | <b>\$ 14,497</b> | <b>\$ 6,596</b>  | <b>\$ (5,436)</b> |

City of Bend, Oregon  
**Changes in Net Position (Continued)**

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

|   | <u>2009</u>        | <u>2010</u>        | <u>2011</u>        | <u>2012</u>        | <u>2013</u>        |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Expenses</b>   |                    |                    |                    |                    |                    |
| Governmental activities:                                |                    |                    |                    |                    |                    |
| General government                                      | \$ 17,159          | \$ 16,732          | \$ 18,530          | \$ 21,164          | \$ 15,300          |
| Public safety   | 27,812             | 28,025             | 27,958             | 28,952             | 30,695             |
| Public ways and facilities                              | 15,691             | 15,699             | 16,042             | 17,318             | 18,208             |
| Community and economic development                      | 8,087              | 6,216              | 8,012              | 7,031              | 7,771              |
| Permanent maintenance                                   | -                  | -                  | -                  | -                  | 4                  |
| Urban renewal   | 1,841              | 358                | 192                | 1,567              | 30                 |
| Transit   | 1,941              | 1,851              | 1,800              | -                  | -                  |
| Interest on long-term debt                              | 2,373              | 2,287              | 1,973              | 1,772              | 2,335              |
| <b>Total Governmental Activities Expenses</b>           | <b>74,904</b>      | <b>71,168</b>      | <b>74,506</b>      | <b>77,804</b>      | <b>74,343</b>      |
| Business-type activities:                               |                    |                    |                    |                    |                    |
| Water   | 10,690             | 12,686             | 12,757             | 11,701             | 12,576             |
| Water reclamation                                       | 10,844             | 11,832             | 12,045             | 12,528             | 13,968             |
| Airport   | 731                | 746                | 951                | 1,010              | 1,053              |
| Cemetery  | 141                | 110                | 75                 | 85                 | 83                 |
| Downtown parking  | 881                | 889                | 878                | 875                | 869                |
| Stormwater  | 1,744              | 2,159              | 2,425              | 2,216              | 2,400              |
| <b>Total Business-type Activities Expenses</b>          | <b>25,032</b>      | <b>28,422</b>      | <b>29,131</b>      | <b>28,414</b>      | <b>30,949</b>      |
| <b>Total Primary Government Expenses</b>                | <b>\$ 99,936</b>   | <b>\$ 99,590</b>   | <b>\$ 103,637</b>  | <b>\$ 106,218</b>  | <b>\$ 105,292</b>  |
| <b>Program Revenues</b>                                 |                    |                    |                    |                    |                    |
| Governmental activities:                                |                    |                    |                    |                    |                    |
| Charges for services:                                   |                    |                    |                    |                    |                    |
| General government                                      | \$ 7,064           | \$ 7,598           | \$ 9,661           | \$ 5,404           | \$ 6,475           |
| Public safety   | 3,396              | 3,615              | 3,389              | 3,615              | 3,285              |
| Public ways and facilities                              | 1,368              | 1,253              | 1,052              | 1,736              | 2,507              |
| Community and economic development                      | 5,282              | 3,083              | 4,015              | 3,853              | 5,957              |
| Permanent maintenance                                   | -                  | -                  | 11                 | 4                  | 6                  |
| Urban renewal   | 1,611              | 57                 | 35                 | 18                 | -                  |
| Transit   | 234                | 269                | 74                 | -                  | -                  |
| Operating grants and contributions                      | 9,209              | 11,610             | 15,714             | 12,175             | 13,359             |
| Capital grants and contributions                        | 11,208             | 4,176              | 6,659              | 7,075              | 11,720             |
| <b>Total Governmental Activities Program Revenues</b>   | <b>39,373</b>      | <b>31,660</b>      | <b>40,609</b>      | <b>33,879</b>      | <b>43,310</b>      |
| Business-type activities:                               |                    |                    |                    |                    |                    |
| Charges for services:                                   |                    |                    |                    |                    |                    |
| Water   | 12,020             | 12,689             | 14,068             | 14,809             | 15,815             |
| Water reclamation                                       | 12,393             | 13,257             | 13,920             | 15,973             | 17,092             |
| Airport   | 700                | 773                | 777                | 833                | 794                |
| Cemetery  | 69                 | 50                 | 45                 | 58                 | 66                 |
| Downtown parking  | 606                | 551                | 643                | 569                | 639                |
| Stormwater  | 2,405              | 2,465              | 2,515              | 2,519              | 2,534              |
| Other business activities                               | -                  | -                  | 139                | 10                 | -                  |
| Capital grants and contributions                        | 9,282              | 3,914              | 2,670              | 7,815              | 2,767              |
| <b>Total Business-type Activities Program Revenues</b>  | <b>37,475</b>      | <b>33,699</b>      | <b>34,777</b>      | <b>42,587</b>      | <b>39,706</b>      |
| <b>Total Primary Government Program Revenues</b>        | <b>\$ 76,848</b>   | <b>\$ 65,359</b>   | <b>\$ 75,386</b>   | <b>\$ 76,465</b>   | <b>\$ 83,015</b>   |
| <b>Net Revenues (Expenses)</b>                          |                    |                    |                    |                    |                    |
| Governmental activities                                 | \$ (35,532)        | \$ (39,507)        | \$ (33,897)        | \$ (43,925)        | \$ (31,033)        |
| Business-type activities                                | 12,443             | 5,276              | 5,646              | 14,172             | 8,757              |
| <b>Total Primary Government Net Revenues (Expenses)</b> | <b>\$ (23,088)</b> | <b>\$ (34,231)</b> | <b>\$ (28,251)</b> | <b>\$ (29,753)</b> | <b>\$ (22,277)</b> |

City of Bend, Oregon

**Changes in Net Position (Continued)**

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

|   | <u>2004</u>      | <u>2005</u>      | <u>2006</u>      | <u>2007</u>      | <u>2008</u>      |
|---|------------------|------------------|------------------|------------------|------------------|
| <b>General Revenues and Other Changes in Net Position</b> |                  |                  |                  |                  |                  |
| Governmental activities:                                  |                  |                  |                  |                  |                  |
| Taxes:  |                  |                  |                  |                  |                  |
| Property taxes  | \$ 15,079        | \$ 16,701        | \$ 18,563        | \$ 20,752        | \$ 22,656        |
| Transient room taxes                                      | 2,502            | 2,799            | 3,107            | 3,303            | 3,427            |
| Franchise fees  | 3,735            | 4,283            | 5,018            | 5,644            | 6,158            |
| Unrestricted investment income                            | 367              | 1,169            | 1,799            | 2,245            | 2,204            |
| Other revenues  | 1,092            | 107              | 688              | 1,029            | 3,976            |
| Transfers   | -                | (45)             | 966              | (9,980)          | (29,253)         |
| <b>Total Governmental Activities</b>                      | <b>22,775</b>    | <b>25,014</b>    | <b>30,141</b>    | <b>22,993</b>    | <b>9,168</b>     |
| Business-type activities:                                 |                  |                  |                  |                  |                  |
| Franchise fees  | -                | -                | 175              | 556              | 604              |
| Unrestricted investment income                            | 166              | 368              | 811              | 1,243            | 853              |
| Other revenues  | -                | -                | -                | -                | 27               |
| Transfers   | -                | 45               | (966)            | 9,980            | 29,253           |
| <b>Total Business-type Activities</b>                     | <b>166</b>       | <b>413</b>       | <b>20</b>        | <b>11,779</b>    | <b>30,737</b>    |
| <b>Total Primary Government</b>                           | <b>\$ 22,941</b> | <b>\$ 25,427</b> | <b>\$ 30,161</b> | <b>\$ 34,772</b> | <b>\$ 39,905</b> |
| <b>Change in Net Position</b>                             |                  |                  |                  |                  |                  |
| Governmental activities                                   | \$ 9,989         | \$ 19,845        | \$ 25,533        | \$ 8,386         | \$ (14,646)      |
| Business-type activities                                  | 9,531            | 22,041           | 19,125           | 29,327           | 49,114           |
| <b>Total Primary Government</b>                           | <b>\$ 19,520</b> | <b>\$ 41,886</b> | <b>\$ 44,658</b> | <b>\$ 41,368</b> | <b>\$ 34,469</b> |

City of Bend, Oregon

**Changes in Net Position (Continued)**

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

|   | <u>2009</u>      | <u>2010</u>      | <u>2011</u>      | <u>2012</u>      | <u>2013</u>      |
|---|------------------|------------------|------------------|------------------|------------------|
| <b>General Revenues and Other Changes in Net Position</b> |                  |                  |                  |                  |                  |
| Governmental activities:                                  |                  |                  |                  |                  |                  |
| Taxes:  |                  |                  |                  |                  |                  |
| Property taxes  | \$ 24,140        | \$ 25,428        | \$ 25,979        | \$ 25,751        | \$ 25,649        |
| Transient room taxes                                      | 2,938            | 2,966            | 3,407            | 3,575            | 3,945            |
| Franchise fees  | 6,386            | 7,447            | 7,241            | 7,204            | 7,170            |
| Unrestricted investment income                            | 968              | 412              | 425              | 338              | 546              |
| Other revenues  | -                | 2,293            | 15               | 1,456            | 43               |
| Transfers   | 91               | (1,220)          | (2,035)          | (2,216)          | (4,169)          |
| <b>Total Governmental Activities</b>                      | <b>34,523</b>    | <b>37,327</b>    | <b>35,032</b>    | <b>36,108</b>    | <b>33,184</b>    |
| Business-type activities:                                 |                  |                  |                  |                  |                  |
| Franchise fees  | -                | -                | -                | -                | -                |
| Unrestricted investment income                            | 626              | 304              | 322              | 225              | 243              |
| Other revenues  | 5                | -                | -                | -                | -                |
| Transfers   | (91)             | 1,220            | 2,035            | 2,216            | 4,169            |
| <b>Total Business-type Activities</b>                     | <b>541</b>       | <b>1,524</b>     | <b>2,357</b>     | <b>2,441</b>     | <b>4,411</b>     |
| <b>Total Primary Government</b>                           | <b>\$ 35,063</b> | <b>\$ 38,850</b> | <b>\$ 37,389</b> | <b>\$ 38,549</b> | <b>\$ 37,595</b> |
| <b>Change in Net Position</b>                             |                  |                  |                  |                  |                  |
| Governmental activities                                   | \$ (1,009)       | \$ (2,181)       | \$ 1,136         | \$ (7,818)       | \$ 2,151         |
| Business-type activities                                  | 12,984           | 6,800            | 8,003            | 16,613           | 13,168           |
| <b>Total Primary Government</b>                           | <b>\$ 11,975</b> | <b>\$ 4,619</b>  | <b>\$ 9,138</b>  | <b>\$ 8,796</b>  | <b>\$ 15,319</b> |

City of Bend, Oregon

**Fund Balances (Deficits), Governmental Funds**

Last ten fiscal years

(modified accrual basis of accounting; amounts expressed in thousands)

|                            | <u>2004</u>     | <u>2005</u>     | <u>2006</u>     | <u>2007</u>     | <u>2008</u>     |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b><u>General Fund</u></b> |                 |                 |                 |                 |                 |
| Nonspendable               | \$ -            | \$ -            | \$ -            | \$ -            | \$ -            |
| Committed                  | -               | -               | -               | -               | -               |
| Unassigned                 | -               | -               | -               | -               | -               |
| Reserved                   | 270             | 80              | -               | -               | -               |
| Unreserved                 | 6,240           | 7,132           | 9,012           | 8,722           | 6,449           |
| <b>Total General Fund</b>  | <b>\$ 6,510</b> | <b>\$ 7,212</b> | <b>\$ 9,012</b> | <b>\$ 8,722</b> | <b>\$ 6,449</b> |

**All Other Governmental Funds**

|   |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
| Nonspendable                              | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             |
| Restricted                                | -                | -                | -                | -                | -                |
| Committed                                 | -                | -                | -                | -                | -                |
| Assigned                                  | -                | -                | -                | -                | -                |
| Unassigned                                | -                | -                | -                | -                | -                |
| Reserved for:                             |                  |                  |                  |                  |                  |
| Debt service                              | 3,006            | 4,031            | 4,405            | 5,522            | 6,782            |
| Long-term loans and advances              | 119              | 119              | 49               | -                | -                |
| Construction                              | -                | -                | -                | -                | -                |
| Building program                          | -                | -                | -                | -                | -                |
| Designations reported in:                 |                  |                  |                  |                  |                  |
| Special revenue funds                     | 12,786           | 15,077           | 14,213           | 15,833           | 7,659            |
| Capital projects funds                    | 10,599           | 7,535            | 304              | (1,312)          | 5,139            |
| <b>Total All Other Governmental Funds</b> | <b>\$ 26,510</b> | <b>\$ 26,762</b> | <b>\$ 18,971</b> | <b>\$ 20,043</b> | <b>\$ 19,580</b> |

Note: The City of Bend implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ending June 30, 2011.

City of Bend, Oregon

**Fund Balances (Deficits), Governmental Funds (Continued)**

Last ten fiscal years

(modified accrual basis of accounting; amounts expressed in thousands)

|                            | <u>2009</u>     | <u>2010</u>      | <u>2011</u>      | <u>2012</u>      | <u>2013</u>      |
|----------------------------|-----------------|------------------|------------------|------------------|------------------|
| <b><u>General Fund</u></b> |                 |                  |                  |                  |                  |
| Nonspendable               | \$ -            | \$ -             | \$ 4,639         | \$ 4,594         | \$ 4,581         |
| Committed                  | -               | -                | 1,263            | 1,483            | 1,709            |
| Unassigned                 | -               | -                | 9,251            | 10,669           | 10,325           |
| Reserved                   | 36              | 4,469            | -                | -                | -                |
| Unreserved                 | 6,766           | 8,033            | -                | -                | -                |
| <b>Total General Fund</b>  | <b>\$ 6,802</b> | <b>\$ 12,502</b> | <b>\$ 15,154</b> | <b>\$ 16,747</b> | <b>\$ 16,615</b> |

**All Other Governmental Funds**

|   |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
| Nonspendable                              | \$ -             | \$ -             | \$ 621           | \$ 591           | \$ 596           |
| Restricted                                | -                | -                | 7,644            | 6,903            | 26,669           |
| Committed                                 | -                | -                | 10,869           | 11,032           | 12,997           |
| Assigned                                  | -                | -                | 2,553            | 5,642            | 6,587            |
| Unassigned                                | -                | -                | (316)            | (340)            | (360)            |
| Reserved for:                             |                  |                  |                  |                  |                  |
| Debt service                              | 7,893            | 5,686            | -                | -                | -                |
| Long-term loans and advances              | 967              | 34               | -                | -                | -                |
| Construction                              | 4,271            | 9,858            | -                | -                | -                |
| Building program                          | 955              | 497              | -                | -                | -                |
| Designations reported in:                 |                  |                  |                  |                  |                  |
| Special revenue funds                     | 5,123            | 7,209            | -                | -                | -                |
| Capital projects funds                    | -                | (223)            | -                | -                | -                |
| <b>Total All Other Governmental Funds</b> | <b>\$ 19,210</b> | <b>\$ 23,061</b> | <b>\$ 21,371</b> | <b>\$ 23,828</b> | <b>\$ 46,488</b> |



City of Bend, Oregon  
**Changes in Fund Balances (Deficits), Governmental Funds**  
 Last ten fiscal years  
 (modified accrual basis of accounting; amounts expressed in thousands)

|   | <u>2004</u>      | <u>2005</u>   | <u>2006</u>       | <u>2007</u>   | <u>2008</u>       |
|---|------------------|---------------|-------------------|---------------|-------------------|
| <b>Revenues</b>   |                  |               |                   |               |                   |
| Taxes   | \$ 17,635        | \$ 19,519     | \$ 21,731         | \$ 23,856     | \$ 25,619         |
| Franchise fees  | 3,735            | 4,283         | 5,018             | 5,645         | 6,157             |
| Intergovernmental                                       | 8,308            | 8,819         | 13,181            | 11,645        | 9,746             |
| Assessments   | 669              | 678           | 576               | 332           | 263               |
| Licenses and permits                                    | 3,796            | 5,059         | 5,501             | 4,105         | 4,589             |
| Charges for services                                    | 3,174            | 4,668         | 6,259             | 8,408         | 7,420             |
| System development charges                              | 5,388            | 6,415         | 7,311             | 5,616         | 8,126             |
| Contributions   | -                | -             | -                 | 451           | -                 |
| Fines and forfeitures                                   | 616              | 685           | 917               | 1,119         | 1,235             |
| Loan repayments   | -                | -             | -                 | 23            | 72                |
| Permanent maintenance fees                              | -                | -             | -                 | -             | -                 |
| Investment income                                       | 317              | 995           | 1,610             | 1,723         | 1,547             |
| Issuance of short-term debt                             | 2,000            | -             | 1,043             | -             | -                 |
| Miscellaneous   | 641              | 218           | 197               | 167           | 323               |
| <b>Total Revenues</b>                                   | <b>46,279</b>    | <b>51,339</b> | <b>63,344</b>     | <b>63,090</b> | <b>65,097</b>     |
| <b>Expenditures</b>                                     |                  |               |                   |               |                   |
| General government                                      | 362              | 428           | 889               | 481           | 661               |
| Public safety   | 19,758           | 21,472        | 24,133            | 26,430        | 29,160            |
| Public ways and facilities                              | 4,988            | 5,866         | 6,813             | 5,390         | 6,436             |
| Community and economic development                      | 5,974            | 7,407         | 8,990             | 11,210        | 11,639            |
| Permanent maintenance                                   | -                | -             | -                 | -             | -                 |
| Urban renewal   | 535              | 380           | 705               | 511           | 886               |
| Transit   | 1,372            | 1,946         | 1,893             | 2,700         | 2,600             |
| Debt service:   |                  |               |                   |               |                   |
| Principal   | 4,311            | 2,442         | 3,784             | 2,852         | 2,984             |
| Interest  | 1,468            | 1,744         | 2,369             | 2,310         | 2,320             |
| Capital outlay  | 8,512            | 8,662         | 22,056            | 12,228        | 17,869            |
| <b>Total Expenditures</b>                               | <b>47,280</b>    | <b>50,347</b> | <b>71,632</b>     | <b>64,112</b> | <b>74,555</b>     |
| <b>Other Financing Sources (Uses)</b>                   |                  |               |                   |               |                   |
| Proceeds from sale of assets                            | 1,171            | 7             | 1,231             | 1,029         | 4,145             |
| Proceeds from leases                                    | -                | -             | -                 | -             | -                 |
| Insurance proceeds                                      | -                | -             | -                 | -             | -                 |
| Issuance of short-term debt                             | -                | -             | -                 | -             | -                 |
| Issuance of long-term debt                              | 10,500           | -             | -                 | 1,775         | 6,425             |
| Premium on issuance of long-term debt                   | -                | -             | -                 | 36            | 15                |
| Discount on issuance of long-term debt                  | -                | -             | -                 | -             | -                 |
| Payment to bond escrow agent                            | -                | -             | -                 | -             | -                 |
| Interfund loan repayments                               | -                | -             | -                 | -             | -                 |
| Transfers in  | 213              | 795           | 12,040            | 13,827        | 29,951            |
| Transfers out   | (361)            | (840)         | (10,973)          | (14,864)      | (33,814)          |
| <b>Total Other Financing Sources (Uses)</b>             | <b>11,523</b>    | <b>(38)</b>   | <b>2,298</b>      | <b>1,803</b>  | <b>6,722</b>      |
| <b>Net Change in Fund Balances (Deficits)</b>           | <b>\$ 10,522</b> | <b>\$ 954</b> | <b>\$ (5,990)</b> | <b>\$ 781</b> | <b>\$ (2,736)</b> |
| Debt service as a percentage of noncapital expenditures | 14.9%            | 10.0%         | 12.4%             | 9.9%          | 9.4%              |

City of Bend, Oregon

**Changes in Fund Balances (Deficits), Governmental Funds (Continued)**

Last ten fiscal years

(modified accrual basis of accounting; amounts expressed in thousands)

|   | <u>2009</u>    | <u>2010</u>     | <u>2011</u>    | <u>2012</u>     | <u>2013</u>      |
|---|----------------|-----------------|----------------|-----------------|------------------|
| <b>Revenues</b>   |                |                 |                |                 |                  |
| Taxes   | \$ 26,500      | \$ 28,340       | \$ 29,446      | \$ 29,684       | \$ 29,990        |
| Franchise fees  | 6,386          | 7,447           | 7,211          | 7,188           | 7,154            |
| Intergovernmental                                       | 10,171         | 11,347          | 14,439         | 12,444          | 12,745           |
| Assessments   | 204            | 201             | 154            | 145             | 158              |
| Licenses and permits                                    | 2,397          | 2,181           | 2,850          | 2,991           | 4,274            |
| Charges for services                                    | 6,259          | 5,772           | 6,159          | 6,136           | 6,779            |
| System development charges                              | 2,726          | 2,262           | 3,341          | 4,133           | 7,113            |
| Contributions   | 325            | 92              | 55             | 261             | 104              |
| Fines and forfeitures                                   | 1,041          | 1,059           | 1,231          | 1,108           | 955              |
| Loan repayments   | 180            | 1,039           | 476            | 1,131           | 1,189            |
| Permanent maintenance fees                              | -              | -               | 11             | 4               | 6                |
| Investment income                                       | 730            | 313             | 341            | 269             | 473              |
| Issuance of short-term debt                             | -              | -               | -              | -               | -                |
| Miscellaneous   | 146            | 99              | 126            | 83              | 47               |
| <b>Total Revenues</b>                                   | <b>57,065</b>  | <b>60,152</b>   | <b>65,839</b>  | <b>65,576</b>   | <b>70,986</b>    |
| <b>Expenditures</b>                                     |                |                 |                |                 |                  |
| General government                                      | 651            | 988             | 1,993          | 2,208           | 2,266            |
| Public safety   | 28,790         | 29,375          | 29,925         | 31,307          | 31,848           |
| Public ways and facilities                              | 6,214          | 6,462           | 6,458          | 7,714           | 7,771            |
| Community and economic development                      | 9,044          | 7,063           | 8,948          | 8,039           | 8,309            |
| Permanent maintenance                                   | -              | -               | -              | -               | 4                |
| Urban renewal   | 1,590          | 581             | 405            | 871             | 32               |
| Transit   | 2,483          | 2,442           | 1,744          | -               | -                |
| Debt service:   |                |                 |                |                 |                  |
| Principal   | 2,693          | 10,068          | 5,993          | 5,372           | 5,606            |
| Interest  | 2,429          | 2,167           | 1,981          | 1,755           | 2,275            |
| Capital outlay  | 7,094          | 4,589           | 4,231          | 6,078           | 13,376           |
| <b>Total Expenditures</b>                               | <b>60,989</b>  | <b>63,735</b>   | <b>61,678</b>  | <b>63,344</b>   | <b>71,487</b>    |
| <b>Other Financing Sources (Uses)</b>                   |                |                 |                |                 |                  |
| Proceeds from sale of assets                            | 20             | 2,293           | 15             | 816             | 43               |
| Proceeds from leases                                    | 1,550          | -               | -              | -               | -                |
| Insurance proceeds                                      | -              | 55              | 40             | 25              | 17               |
| Issuance of short-term debt                             | -              | -               | -              | 3,000           | -                |
| Issuance of long-term debt                              | 2,700          | 10,602          | -              | 1,425           | 26,805           |
| Premium on issuance of long-term debt                   | -              | 244             | -              | 103             | 1,550            |
| Discount on issuance of long-term debt                  | -              | (1)             | -              | -               | -                |
| Payment to bond escrow agent                            | -              | (4,215)         | -              | -               | -                |
| Interfund loan repayments                               | -              | -               | 1              | 1               | 1                |
| Transfers in  | 19,558         | 23,754          | 15,527         | 15,040          | 16,744           |
| Transfers out   | (19,923)       | (25,520)        | (18,783)       | (18,591)        | (22,131)         |
| <b>Total Other Financing Sources (Uses)</b>             | <b>3,905</b>   | <b>7,211</b>    | <b>(3,201)</b> | <b>1,818</b>    | <b>23,029</b>    |
| <b>Net Change in Fund Balances (Deficits)</b>           | <b>\$ (18)</b> | <b>\$ 3,628</b> | <b>\$ 960</b>  | <b>\$ 4,050</b> | <b>\$ 22,529</b> |
| Debt service as a percentage of noncapital expenditures | 9.5%           | 20.7%           | 14%            | 12%             | 14%              |

Note - In 2010, the City refunded \$10.9 million in outstanding debt. In 2012, the City refunded \$7.9 million in outstanding debt.

City of Bend, Oregon  
**Assessed and Estimated Actual Value of Taxable Property**  
 Last ten fiscal years  
 (amounts expressed in thousands)

| Fiscal<br>Year | Real Property |              | Personal Property |            | Public Utilities |           | Total        |              | Total<br>Direct<br>Tax Rate | Percent<br>of TAV<br>to RMV |
|----------------|---------------|--------------|-------------------|------------|------------------|-----------|--------------|--------------|-----------------------------|-----------------------------|
|                | RMV           | TAV          | RMV               | TAV        | RMV              | TAV       | RMV          | TAV          |                             |                             |
| 2004           | \$ 6,572,581  | \$ 4,602,246 | \$ 177,321        | \$ 177,310 | \$ 95,810        | \$ 95,722 | \$ 6,845,712 | \$ 4,875,278 | \$ 3.16                     | 71.2%                       |
| 2005           | 7,426,197     | 5,103,393    | 185,854           | 185,850    | 104,835          | 104,619   | 7,716,886    | 5,393,862    | 3.17                        | 69.9%                       |
| 2006           | 8,946,076     | 5,712,230    | 213,276           | 210,382    | 92,809           | 92,621    | 9,252,161    | 6,015,233    | 3.15                        | 65.0%                       |
| 2007           | 12,525,855    | 6,369,945    | 244,131           | 237,308    | 97,149           | 95,837    | 12,867,135   | 6,703,090    | 3.15                        | 52.1%                       |
| 2008           | 16,406,331    | 6,919,574    | 262,202           | 261,192    | 116,469          | 113,748   | 16,785,002   | 7,294,514    | 3.18                        | 43.5%                       |
| 2009           | 16,681,314    | 7,363,016    | 278,212           | 277,511    | 124,738          | 123,844   | 17,084,264   | 7,764,371    | 3.19                        | 45.4%                       |
| 2010           | 14,609,907    | 7,713,718    | 264,817           | 264,789    | 130,071          | 129,652   | 15,004,795   | 8,108,159    | 3.21                        | 54.0%                       |
| 2011           | 10,394,261    | 7,821,267    | 251,702           | 251,697    | 146,568          | 145,422   | 10,792,531   | 8,218,386    | 3.24                        | 76.1%                       |
| 2012           | 9,470,814     | 7,800,935    | 240,955           | 240,950    | 153,200          | 151,612   | 9,864,969    | 8,193,497    | 3.23                        | 83.1%                       |
| 2013           | 9,407,517     | 7,953,279    | 238,467           | 238,462    | 147,527          | 146,324   | 9,793,512    | 8,338,066    | 3.16                        | 85.1%                       |

Source:  
 Deschutes County Assessor's Office

City of Bend, Oregon

**Property Tax Rates - Direct and Overlapping Governments**

Last ten fiscal years

(amounts expressed per \$1,000 of assessed value)

| <u>Fiscal Year</u> | <u>City Direct Rates</u> |                                    |                     | <u>Overlapping Rates</u>                        |                         |                                   |   |   |          | <u>Total</u> |
|--------------------|--------------------------|------------------------------------|---------------------|---|-------------------------|-----------------------------------|---|---|----------|--------------|
|                    | <u>City of Bend</u>      | <u>Bend Urban Renewal District</u> | <u>Total Direct</u> | <u>Bend Metro Parks and Recreation District</u> | <u>Deschutes County</u> | <u>Education Service District</u> | <u>Central Oregon Community College</u> | <u>Bend La-Pine Administrative School District #1</u> |          |              |
| 2004               | \$ 2.77                  | \$ 0.39                            | \$ 3.16             | \$ 1.45   | \$ 3.31                 | \$ 0.09                           | \$ 0.73                                 | \$ 6.43   | \$ 15.16 |              |
| 2005               | 2.77                     | 0.40                               | 3.17                | 1.45  | 3.31                    | 0.09                              | 0.72                                    | 6.38  | 15.10    |              |
| 2006               | 2.78                     | 0.37                               | 3.15                | 1.45  | 3.31                    | 0.09                              | 0.72                                    | 6.34  | 15.05    |              |
| 2007               | 2.77                     | 0.38                               | 3.15                | 1.46  | 3.26                    | 0.09                              | 0.71                                    | 6.31  | 14.98    |              |
| 2008               | 2.78                     | 0.40                               | 3.18                | 1.45  | 3.28                    | 0.09                              | 0.71                                    | 6.26  | 14.97    |              |
| 2009               | 2.78                     | 0.41                               | 3.19                | 1.45  | 3.52                    | 0.09                              | 0.70                                    | 6.30  | 15.25    |              |
| 2010               | 2.77                     | 0.44                               | 3.21                | 1.45  | 3.52                    | 0.09                              | 0.61                                    | 6.44  | 15.32    |              |
| 2011               | 2.76                     | 0.48                               | 3.24                | 1.45  | 3.48                    | 0.09                              | 0.72                                    | 6.49  | 15.48    |              |
| 2012               | 3.00                     | 0.23                               | 3.23                | 1.45  | 3.46                    | 0.10                              | 0.74                                    | 6.26  | 15.23    |              |
| 2013               | 3.04                     | 0.12                               | 3.16                | 1.46  | 3.51                    | 0.10                              | 0.75                                    | 6.18  | 15.16    |              |

Source:

Deschutes County Assessor's Office

Notes:

Property tax rates are for a representative tax code area (1-001) within the City and include operating and debt service levies.

City of Bend, Oregon  
**Principal Taxpayers**

For the fiscal years ended June 30, 2013 and June 30, 2004  
(amounts expressed in thousands)

|   |                        | 2013 |                        |  | 2004 |                        |  |
|---|------------------------|------|------------------------|--|------|------------------------|--|
|   |                        | Rank | Net Assessed Valuation | Percentage of Total Net Assessed Valuation (1) | Rank | Net Assessed Valuation | Percentage of Total Net Assessed Valuation (1) |
| Pacificorp ( PP& L )                    | Electric utility       | 1    | \$ 41,132              | 0.5%   | 9    | \$ 15,798              | 0.3%   |
| Deschutes Brewery Inc                   | Microbrew manufacturer | 2    | 36,391                 | 0.4%   | 3    | 21,701                 | 0.5%   |
| Touchmark at Mount Bachelor Village LLC | Retirement community   | 3    | 34,656                 | 0.4%   | -    | -                      | -  |
| CVSC LLC                                | Shopping center        | 4    | 32,140                 | 0.4%   | -    | -                      | -  |
| Suterra LLC                             | Biorational Products   | 5    | 33,737                 | 0.4%   | -    | -                      | -  |
| Bend Cable Communications LLC           | Cable utility          | 6    | 27,807                 | 0.3%   | -    | -                      | -  |
| Deschutes Properties LLC                | Real estate developer  | 7    | 25,086                 | 0.3%   | -    | -                      | -  |
| Forum Holdings LLC                      | Shopping center        | 8    | 23,641                 | 0.3%   | 8    | 15,909                 | 0.3%   |
| Cascade Natural Gas Corporation         | Gas utility            | 9    | 23,810                 | 0.3%   | 6    | 16,117                 | 0.3%   |
| Rivers Edge Investments, LLC            | Real estate developer  | 10   | 20,461                 | 0.2%   | 10   | 15,139                 | 0.3%   |
| Qwest Corporation                       | Telephone utility      | -    | -                      | -  | 1    | 51,983                 | 1.1%   |
| Bend Millwork Systems, Inc.             | Construction products  | -    | -                      | -  | 2    | 22,037                 | 0.5%   |
| River Bend Limited Partnership          | Real estate developer  | -    | -                      | -  | 4    | 19,158                 | 0.4%   |
| RPP Bend I LLC                          | Real estate developer  | -    | -                      | -  | 5    | 16,312                 | 0.3%   |
| Brooks Resources Corporation            | Real estate developer  | -    | -                      | -  | 7    | 16,000                 | 0.3%   |
| <b>Total</b>                            |                        |      | <b>\$ 298,861</b>      | <b>3.6%</b>                                    |      | <b>\$ 210,154</b>      | <b>4.4%</b>                                    |

Source:

Deschutes County Assessor's Office

Notes:

(1) Percent of total net assessed valuation represents percent of taxpayer's net assessed value to City's total net assessed value of \$8,325,528 for 2013 and \$4,815,986 for 2004.

City of Bend, Oregon  
**Property Tax Levies and Collections**  
 Last ten fiscal years  
 (amounts expressed in thousands)

| <u>Fiscal Year</u> | <u>Collected within the Fiscal Year of the Levy</u> |               |                                  | <u>Collections in Subsequent Years</u> | <u>Total Collections to Date</u> |                                  |
|--------------------|---|---------------|----------------------------------|--|----------------------------------|----------------------------------|
|                    | <u>Total Tax Levy</u>                               | <u>Amount</u> | <u>Percent of Levy Collected</u> |  | <u>Amount</u>                    | <u>Percent of Levy Collected</u> |
| 2004               | \$ 15,411   | \$ 14,610     | 94.8%                            | \$ 547                                 | \$ 15,157                        | 98.3%                            |
| 2005               | 17,154  | 16,164        | 94.2%                            | 516                                    | 16,680                           | 97.2%                            |
| 2006               | 18,939  | 17,941        | 94.7%                            | 529                                    | 18,470                           | 97.5%                            |
| 2007               | 21,198  | 19,973        | 94.2%                            | 811                                    | 20,784                           | 98.0%                            |
| 2008               | 23,200  | 21,443        | 92.4%                            | 1,220                                  | 22,663                           | 97.7%                            |
| 2009               | 24,715  | 22,491        | 91.0%                            | 1,704                                  | 24,195                           | 97.9%                            |
| 2010               | 26,040  | 23,896        | 91.8%                            | 1,544                                  | 25,440                           | 97.7%                            |
| 2011               | 26,642  | 24,690        | 92.7%                            | 896                                    | 25,586                           | 96.0%                            |
| 2012               | 26,393  | 24,843        | 94.1%                            | 633                                    | 25,476                           | 96.5%                            |
| 2013               | 26,356  | 24,849        | 94.3%                            | -                                      | 24,849                           | 94.3%                            |

Source:  
 Deschutes County Assessor's Office

City of Bend, Oregon  
**Ratios of Outstanding Debt by Type**

Last ten fiscal years  
 (amounts expressed in thousands)

| Fiscal Year | Governmental Activities |                               |                         |               | Business-Type Activities |            |               |                | Total Debt Percentage of Personal Income (1) | Total Debt Per Capita (1) |          |
|-------------|-------------------------|-------------------------------|-------------------------|---------------|--------------------------|------------|---------------|----------------|--|---------------------------|----------|
|             | Full Faith & Credit     |                               | Urban Renewal           |               | Full Faith & Credit      |            | Urban Renewal |                |  |                           |          |
|             | Bonds                   | Certificates of Participation | Limited Tax Improvement | Tax Increment | Bonds                    | Obligation | Bonds         | Line of Credit |  |                           |          |
| 2004        | \$ 42,358               | \$ 1,210                      | \$ 1,836                | \$ 16,350     | \$ -                     | \$ 1,612   | \$ 19,765     | \$ 875         | \$ 84,006                                    | 4.39%                     | \$ 1,336 |
| 2005        | 41,110                  | 925                           | 1,413                   | 15,690        | -                        | 1,540      | 17,655        | 845            | 79,178                                       | 3.82%                     | 1,214    |
| 2006        | 44,609                  | 625                           | 904                     | 14,865        | -                        | 1,461      | 17,475        | 809            | 80,748                                       | 3.46%                     | 1,148    |
| 2007        | 48,242                  | 325                           | 552                     | 13,800        | -                        | 1,383      | 16,580        | 1,641          | 82,523                                       | 3.07%                     | 1,096    |
| 2008        | 51,317                  | -                             | 261                     | 12,595        | 2,500                    | 1,573      | 15,650        | 1,587          | 85,483                                       | 2.98%                     | 1,099    |
| 2009        | 49,781                  | -                             | 164                     | 11,240        | 5,200                    | 1,434      | 24,690        | 1,515          | 94,024                                       | 2.96%                     | 1,161    |
| 2010        | 50,255                  | -                             | -                       | 5,960         | 5,209                    | 1,260      | 23,355        | 4,324          | 90,363                                       | 3.12%                     | 1,098    |
| 2011        | 48,097                  | -                             | -                       | 1,710         | 5,209                    | 16,303     | 19,490        | 6,778          | 97,587                                       | 3.55%                     | 1,273    |
| 2012        | 46,809                  | -                             | -                       | -             | 5,209                    | 18,621     | 14,960        | 5,568          | 91,167                                       | 3.30%                     | 1,185    |
| 2013        | 71,240                  | -                             | -                       | -             | 3,709                    | 17,839     | 13,686        | 9,630          | 116,104                                      | 3.90%                     | 1,499    |

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Population and personal income data can be found in the Demographic and Economic Statistics schedule. Per capita income figures are for the Bend Metropolitan Statistical Area and are obtained from the U.S. Department of Commerce, Bureau of Economic Analysis. Starting in 2012 the advanced estimate formerly released in August of each year was discontinued since the complete set of local area estimates will now be released annually at the end of November.

City of Bend, Oregon

**Ratios of General Bonded Debt Outstanding**

Last ten fiscal years

(amounts expressed in thousands, except per capita amounts)

| Fiscal Year | <u>General Bonded Debt Outstanding</u> |                               |           | Amounts                     |                                     | Ratio of Bonded Debt to Assessed Value (1) | General Bonded Debt Per Capita (2) |
|-------------|--|-------------------------------|-----------|-----------------------------|-------------------------------------|--|------------------------------------|
|             | Full Faith & Credit Obligation Bonds   | Limited Tax Improvement Bonds | Total     | Restricted for Debt Service | Net General Bonded Debt Outstanding |  |                                    |
| 2004        | \$ 43,970                              | \$ 1,836                      | \$ 45,806 | \$ 824                      | \$ 44,982                           | 0.94%                                      | \$ 728                             |
| 2005        | 42,650                                 | 1,413                         | 44,063    | 1,031                       | 43,032                              | 0.82%                                      | 676                                |
| 2006        | 46,070                                 | 904                           | 46,974    | 1,656                       | 45,318                              | 0.78%                                      | 668                                |
| 2007        | 49,625                                 | 552                           | 50,177    | 1,846                       | 48,331                              | 0.75%                                      | 666                                |
| 2008        | 52,890                                 | 261                           | 53,151    | 1,878                       | 51,273                              | 0.73%                                      | 683                                |
| 2009        | 51,215                                 | 164                           | 51,379    | 1,878                       | 49,501                              | 0.66%                                      | 634                                |
| 2010        | 51,515                                 | -                             | 51,515    | 1,918                       | 49,597                              | 0.64%                                      | 626                                |
| 2011        | 64,400                                 | -                             | 64,400    | 1,911                       | 62,489                              | 0.78%                                      | 840                                |
| 2012        | 65,430                                 | -                             | 65,430    | 1,997                       | 63,433                              | 0.80%                                      | 851                                |
| 2013        | 89,079                                 | -                             | 89,079    | 1,471                       | 87,608                              | 1.07%                                      | 1,150                              |

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Assessed value data can be found in the schedule of Assessed and Estimated Actual Value of Taxable Property.

(2) Population and personal income data can be found in the Demographic and Economic Statistics schedule. Per capita income figures are for the Bend Metropolitan Statistical Area and are obtained from the US. Department of Commerce, Bureau of Economic Analysis. Starting in 2012 the advanced estimate formerly released in August of each year was discontinued since the complete set of local area estimates will now be released annually at the end of November.



City of Bend, Oregon  
**Computation of Direct and Overlapping Debt**  
 For the fiscal year ended June 30, 2013

| <u>Jurisdiction</u>                              | <b>Net Property-<br/>Tax Backed<br/>Debt<br/>Outstanding (1)</b> | <b>Percent<br/>Applicable to<br/>City of Bend (2)</b> | <b>Amount<br/>Applicable to<br/>City of Bend</b> |
|--|--|---|--|
| Direct Debt                                      |  |   |  |
| City of Bend                                     | \$ 24,535,999  | 100.0%  | \$ 24,535,999                                    |
| Overlapping Debt                                 |  |   |  |
| Bend Library District                            | 855,000  | 82.5%   | 705,605  |
| Bend Metro Park & Rec District                   | 29,000,000   | 97.1%   | 28,153,780                                       |
| Bend-LaPine Administrative School District No. 1 | 197,196,227  | 65.2%   | 128,590,279                                      |
| Central Oregon Community College                 | 39,570,000   | 38.5%   | 15,235,558                                       |
| Deschutes County                                 | 22,185,000   | 46.5%   | 10,311,189                                       |
| Total Overlapping Debt                           | <u>288,806,227</u>   | <u>63.4%</u>  | <u>182,996,411</u>                               |
| Total Direct and Overlapping Debt                | <u>\$ 313,342,226</u>  | <u>66.2%</u>  | <u>\$ 207,532,409</u>                            |

Source:

State of Oregon, Treasury Department

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Bend. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

(1) Net property-tax backed debt includes all limited-tax general obligation bonds and unlimited-tax general obligation bonds less self-supporting limited and unlimited general obligation bonds.

(2) Percent applicable to City of Bend represents the City's real market value as a percent of the real market value of the respective jurisdictions.

City of Bend, Oregon  
**Legal Debt Margin Information**

**June 30, 2013**

|  |                       |
|--|-----------------------|
| Real market value  | \$ 9,793,511,863      |
|  | x <u>3%</u>           |
| General obligation debt limit at 3% of real market value   | 293,805,356           |
| General obligation debt subject to limit per ORS 287.001(1)  | 86,775,000            |
| Less: Funds applicable to the payment of principal thereof per<br>ORS 287.004(2)<br>General obligation debt service fund | <u>(1,471,221)</u>    |
| Net debt subject to 3% limitation  | <u>85,303,779</u>     |
| Legal debt margin  | <u>\$ 208,501,577</u> |
| Debt capacity percent  | 71%                   |

| <u>Fiscal Year</u> | <u>3% Debt<br/>Limit (1)</u> | <u>Net Debt<br/>Subject to<br/>3% Limit (1)</u> | <u>Legal Debt<br/>Margin (1)</u> | <u>Debt Capacity<br/>Percent</u> |
|--------------------|------------------------------|---|----------------------------------|----------------------------------|
| 2004               | \$ 205,371                   | \$ 44,982                                       | \$ 160,389                       | 78%                              |
| 2005               | 231,506                      | 43,957  | 187,549                          | 81%                              |
| 2006               | 277,565                      | 45,943  | 231,622                          | 83%                              |
| 2007               | 386,014                      | 48,656  | 337,358                          | 87%                              |
| 2008               | 503,550                      | 51,273  | 452,277                          | 90%                              |
| 2009               | 512,528                      | 49,501  | 463,027                          | 90%                              |
| 2010               | 450,144                      | 49,597  | 400,547                          | 89%                              |
| 2011               | 323,776                      | 62,489  | 261,287                          | 81%                              |
| 2012               | 295,949                      | 63,433  | 232,516                          | 79%                              |
| 2013               | 293,805                      | 85,304  | 208,502                          | 71%                              |

Source:

Real Market Value obtained from Deschutes County Assessor's Office

Notes:

(1) Amounts expressed in thousands.

Oregon Revised Statutes (ORS) 287.004(2) states: "Unless a lesser limitation upon the issuance of bonds has otherwise been provided by law or charter, no city shall issue or have outstanding at any one time bonds in excess of three percent of real market value of all taxable property within its boundaries, computed in accordance with ORS 308.207, after deducting from outstanding bonds such cash funds and sinking funds as are applicable to the payment of principal thereof."

City of Bend, Oregon  
**Rate Covenant - Water Revenue Bonds**

Last ten fiscal years  
(amounts expressed in thousands)

**First Lien Water System Revenue Bonds**

| Fiscal Year | Gross        |              | Net   |                         | First Lien |        |      | Coverage<br>Ratio | Monthly<br>Metered<br>Rate (5) | Monthly<br>Flat<br>Rate (6) |
|-------------|--------------|--------------|---|-------------------------|------------|--------|------|-------------------|--------------------------------|-----------------------------|
|             | Revenues (1) | Expenses (2) | Revenue<br>Available<br>for Debt<br>Service | Annual Debt Service (3) |            |        |      |                   |                                |                             |
|             |              |              |   | Principal               | Interest   | Total  |      |                   |                                |                             |
| 2004        | \$ 8,162     | \$ 7,346     | \$ 816                                      | \$ 180                  | \$ 228     | \$ 408 | 2.0  | \$ 12.84          | \$ 13.91                       |                             |
| 2005        | 8,953        | 6,499        | 2,454                                       | 820                     | 189        | 1,009  | 2.4  | 13.84             | 14.98                          |                             |
| 2006        | 10,865       | 7,029        | 3,836                                       | 145                     | 172        | 317    | 12.1 | 14.48             | 15.67                          |                             |
| 2007        | 11,578       | 7,483        | 4,095                                       | 155                     | 167        | 322    | 12.7 | 15.20             | 16.45                          |                             |
| 2008        | 11,776       | 7,790        | 3,986                                       | 160                     | 158        | 318    | 12.5 | 16.04             | 17.35                          |                             |
| 2009        | 11,958       | 8,246        | 3,712                                       | 170                     | 150        | 320    | 11.6 | 15.87             | 18.78                          |                             |
| 2010        | 12,819       | 9,670        | 3,149                                       | 175                     | 142        | 317    | 9.9  | 17.18             | 20.33                          |                             |
| 2011        | 14,189       | 10,373       | 3,816                                       | 185                     | 124        | 309    | 12.4 | 18.40             | 21.77                          |                             |
| 2012        | 14,879       | 9,139        | 5,740                                       | 700                     | 232        | 932    | 6.2  | 19.69             | 23.29                          |                             |
| 2013        | 15,866       | 9,520        | 6,347                                       | 750                     | 172        | 922    | 6.9  | 20.67             | 24.45                          |                             |

**Subordinated Lien Safe Drinking Water Loan**

| Fiscal Year | Gross        |              | Net   |                         | Subordinated Lien |        |      | Coverage<br>Ratio | Monthly<br>Metered<br>Rate (5) | Monthly<br>Flat<br>Rate (6) |
|-------------|--------------|--------------|---|-------------------------|-------------------|--------|------|-------------------|--------------------------------|-----------------------------|
|             | Revenues (1) | Expenses (2) | Revenue<br>Available<br>for Debt<br>Service | Annual Debt Service (4) |                   |        |      |                   |                                |                             |
|             |              |              |   | Principal               | Interest          | Total  |      |                   |                                |                             |
| 2013        | \$ 15,866    | \$ 9,520     | \$ 6,347                                    | \$ 103                  | \$ 111            | \$ 214 | 29.6 | \$ 20.67          | \$ 24.45                       |                             |

**Notes:**

(1) As defined under the Water Revenue Bonds Master Resolution No. 2121, gross revenues includes all fees, charges, interest earnings and other revenues (except for system development charges) from the operation of the water system. Gross revenues do not include payments of assessments made with respect to a local improvement levied against benefited properties, any restricted gifts, donations or grants received from any State, Federal agency or other person, proceeds from borrowings for capital improvements, proceeds from any liability or insurance, proceeds derived from the sale of assets and ad valorem taxes received which are pledged to other debt.

(2) Operating expenses means all expenses incurred for operation, maintenance and repairs of the water system including overhead expenses. Operating expenses do not include rebates or penalties paid from gross revenues, litigation settlements, depreciation and amortization, debt service payments, capital transfers and capital outlays and expenses of owning and operating any separate utility system.

(3) Annual debt service on revenue bonds issued pursuant to Master Resolution No. 2121.

(4) Annual debt service on subordinated notes payable.

(5) The metered charge represents the minimum water charge for a 3/4" meter for the first 400 cubic feet of consumption within the City. Other charges apply according to meter size and usage over 400 cubic feet.

(6) The monthly flat rate represents the per unit service charge for flat rate accounts. One unit service is considered to be 1 tap, 1 bath, 1 sink, 1 toilet or a combination thereof.

City of Bend, Oregon  
**Rate Covenant - Sewer Revenue Bonds**

Last ten fiscal years  
 (amounts expressed in thousands)

| <u>Fiscal Year</u> | <u>Gross Revenues (1)</u> | <u>Operating Expenses (2)</u> | <u>Net Revenue Available for Debt Service</u> | <u>Annual Debt Service (3)</u> |                 |              | <u>Coverage Ratio</u> | <u>Monthly Sewer Rate (4)</u> |
|--------------------|---------------------------|-------------------------------|---|--------------------------------|-----------------|--------------|-----------------------|-------------------------------|
|                    |                           |                               |   | <u>Principal</u>               | <u>Interest</u> | <u>Total</u> |                       |                               |
| 2004               | \$ 8,252                  | \$ 4,737                      | \$ 3,515                                      | \$ 635                         | \$ 749          | \$ 1,384     | 2.5                   | \$ 20.54                      |
| 2005               | 9,788                     | 4,763                         | 5,025   | 1,290                          | 699             | 1,989        | 2.5                   | 21.77                         |
| 2006               | 11,146                    | 5,675                         | 5,471   | 630                            | 443             | 1,073        | 5.1                   | 22.41                         |
| 2007               | 11,389                    | 5,759                         | 5,630   | 740                            | 534             | 1,274        | 4.4                   | 23.75                         |
| 2008               | 11,933                    | 6,984                         | 4,949   | 782                            | 506             | 1,288        | 3.8                   | 25.18                         |
| 2009               | 12,396                    | 7,043                         | 5,353   | 802                            | 834             | 1,636        | 3.3                   | 28.83                         |
| 2010               | 13,213                    | 7,634                         | 5,579   | 1,172                          | 843             | 2,015        | 2.8                   | 33.01                         |
| 2011               | 14,071                    | 8,130                         | 5,941   | 1,405                          | 1,089           | 2,494        | 2.4                   | 35.90                         |
| 2012               | 16,082                    | 8,595                         | 7,487   | 1,230                          | 1,180           | 2,410        | 3.1                   | 39.49                         |
| 2013               | 17,239                    | 8,687                         | 8,552   | 1,345                          | 1,173           | 2,518        | 3.4                   | 41.86                         |

Notes:

(1) As defined under the Sewer Revenue Bonds Master Resolution No. 2122, gross revenues includes all fees, charges, interest earnings and other revenues (except for the improvement fee portion of system development charges) from the operation of the sewer system. Gross revenues do not include payments of assessments made with respect to a local improvement levied against benefited properties, any restricted gifts, donations or grants received from any State, Federal agency or other person, proceeds from borrowings for capital improvements, proceeds from any liability or insurance, proceeds derived from the sale of assets, and ad valorem taxes received which are pledged to other debt.

(2) Operating expenses means all expenses incurred for operation, maintenance and repairs of the sewer system including overhead expenses. Operating expenses do not include rebates or penalties paid from gross revenues, litigation settlements, depreciation and amortization, debt service payments, capital transfers and capital outlays and expenses of owning and operating any separate utility system.

(3) Annual debt service on revenue bonds issued pursuant to Master Resolution No. 2122.

(4) The monthly sewer charge represents the general service charge for single and multi-family residential and also the monthly sewer charge for the first 1,000 cubic feet of water used for non-residential customers. Other charges may apply for usage in excess of the first 1,000 cubic feet and septic sewer dumping.

City of Bend, Oregon  
**Demographic and Economic Statistics**

Last ten fiscal years

| <b>Fiscal Year</b> | <b>Population (1)</b> | <b>Area (Square Miles)</b> | <b>Average Density (person / square miles)</b> | <b>Personal Income (2) (expressed in thousands)</b> | <b>Per Capita Income (2)</b> | <b>School Enrollment (3)</b> | <b>Unemployment Rate (4)</b> |
|--------------------|-----------------------|----------------------------|--|---|------------------------------|------------------------------|------------------------------|
| 2004               | 62,900                | 32.5                       | 1,935  | \$ 1,912,663  | \$ 30,408                    | 13,729                       | 6.5%                         |
| 2005               | 65,210                | 32.5                       | 2,006  | 2,073,482   | 31,797                       | 14,888                       | 5.5%                         |
| 2006               | 70,330                | 32.5                       | 2,164  | 2,333,268   | 33,176                       | 15,482                       | 4.3%                         |
| 2007               | 75,290                | 32.5                       | 2,317  | 2,685,519   | 35,669                       | 15,837                       | 4.5%                         |
| 2008               | 77,780                | 32.5                       | 2,393  | 2,865,415   | 36,840                       | 16,025                       | 6.9%                         |
| 2009               | 80,995                | 32.5                       | 2,492  | 3,176,300   | 39,216                       | 15,834                       | 14.7%                        |
| 2010               | 82,280                | 32.5                       | 2,532  | 2,896,585   | 35,204                       | 15,719                       | 13.4%                        |
| 2011               | 76,639                | 32.5                       | 2,358  | 2,749,347   | 35,874                       | 15,818                       | 12.0%                        |
| 2012               | 76,925                | 32.5                       | 2,367  | 2,759,607   | 35,874                       | 15,519                       | 10.5%                        |
| 2013               | 77,455                | 32.5                       | 2,383  | 2,977,990   | 38,448                       | 16,473                       | 10.0%                        |

**Source:**

(1) Population figures obtained from Portland State University Population Research Center

(2) Per capita personal income figures are for the Bend Metropolitan Statistical Area and are obtained from the US. Department of Commerce, Bureau of Economic Analysis. Although the Bureau of Economic Analysis provides annual revisions to prior year data, the City, for consistency, continues to report the data that was originally reported in prior years.

(3) School enrollment figures obtained from Bend-LaPine Administrative School District No. 1 and does not include alternative schools.

(4) Unemployment rates represent June seasonally adjusted unemployment rates for the Bend Metropolitan Statistical Area obtained from the US Department of Labor, Bureau of Labor Statistics.

City of Bend, Oregon  
**Principal Employers**

For the fiscal years ended June 30, 2013 and June 30, 2004

| <u>Employer</u>                | <u>Product or Service</u> | <u>2013</u> |                  |   | <u>2004</u> |                  |   |
|--------------------------------|---------------------------|-------------|------------------|---|-------------|------------------|---|
|                                |                           | <u>Rank</u> | <u>Employees</u> | <u>Percent of Total City Employment (1)</u> | <u>Rank</u> | <u>Employees</u> | <u>Percent of Total City Employment (1)</u> |
| St. Charles Medical Center     | Health care               | 1           | 2,158            | 2.8%  | 1           | 2,196            | 3.5%  |
| Bend-LaPine School Dist. No. 1 | Education                 | 2           | 1,686            | 2.2%  | 2           | 1,537            | 2.4%  |
| Deschutes County               | Government                | 3           | 1,044            | 1.3%  | 7           | 706              | 1.1%  |
| Mt. Bachelor Ski Resort        | Recreation                | 4           | 743              | 1.0%  | 6           | 800              | 1.3%  |
| TRG Customer Solutions         | Call center               | 5           | 650              | 0.8%  | -           | -                | 0.0%  |
| COCC - Bend Campus             | Education                 | 6           | 628              | 0.8%  | -           | -                | 0.0%  |
| Bend Memorial Clinic           | Health care               | 7           | 582              | 0.8%  | -           | -                | 0.0%  |
| Dept of Forestry               | Government                | 8           | 568              | 0.7%  | -           | -                | 0.0%  |
| City of Bend                   | Government                | 9           | 455              | 0.6%  | -           | -                | 0.0%  |
| Walmart                        | Grocery Retailer          | 10          | 400              | 0.5%  | -           | -                | 0.0%  |
| Brightwood Corp                | Wood Products             | -           | -                | -   | 3           | 1,460            | 2.3%  |
| Les Schwab                     | Tire Manufacturer         | -           | -                | -   | 4           | 1,193            | 1.9%  |
| Sunriver Resort                | Resort                    | -           | -                | -   | 5           | 870              | 1.4%  |
| iSky                           | Call center               | -           | -                | -   | 8           | 700              | 1.1%  |
| Eagle Crest Partners Ltd       | Resort                    | -           | -                | -   | 9           | 660              | 1.0%  |
| Beaver Motor Coaches           | Motor Home Manufacturer   | -           | -                | -   | 10          | 600              | 1.0%  |
|                                | <b>Total</b>              |             | <b>8,914</b>     | <b>11.5%</b>                                |             | <b>10,722</b>    | <b>17.0%</b>                                |

Source:

Economic Development for Central Oregon, Central Oregon Profile.

Note:

The above listing of principal employers represents major employers in Central Oregon

(1) Percent of total city employment represents percent of employer's employees to total employment for the Bend Metropolitan Statistical Area of 77,455 for June 2013 and 62,900 for June 2004 (obtained from Portland State University Population Research Center)

City of Bend, Oregon  
**Construction Activity and Bank Deposits**  
 Last ten fiscal years  
 (value and deposit amounts expressed in thousands)

| <u>Fiscal Year</u> | <u>Construction Activity</u> |              |                    |              | <u>Bank Deposits (1)</u> |
|--------------------|------------------------------|--------------|--------------------|--------------|--------------------------|
|                    | <u>Commercial</u>            |              | <u>Residential</u> |              |                          |
|                    | <u>Units</u>                 | <u>Value</u> | <u>Units</u>       | <u>Value</u> |                          |
| 2004               | 280                          | \$ 94,257    | 2,003              | \$ 301,037   | \$ 1,239,042             |
| 2005               | 160                          | 95,727       | 2,465              | 480,649      | \$ 1,469,066             |
| 2006               | 98                           | 38,732       | 2,485              | 541,157      | \$ 1,702,870             |
| 2007               | 337                          | 140,259      | 1,364              | 241,724      | \$ 1,657,194             |
| 2008               | 381                          | 185,715      | 495                | 127,012      | \$ 1,623,137             |
| 2009               | 277                          | 107,294      | 594                | 116,999      | \$ 2,716,450             |
| 2010               | 213                          | 64,690       | 397                | 52,481       | \$ 2,635,087             |
| 2011               | 213                          | 64,203       | 445                | 65,961       | \$ 2,354,513             |
| 2012               | 212                          | 46,875       | 538                | 87,138       | \$ 2,351,130             |
| 2013               | 218                          | 57,402       | 959                | 178,436      | \$ 2,450,537             |

Source:

City of Bend Community Development Department and Federal Depository Insurance Corporation (FDIC).

Notes:

(1) Bank deposits obtained from FDIC and represent total deposits at June 30 for all bank branches in Bend.

City of Bend, Oregon  
**Full Time Equivalent City Employees by Program**  
 Last ten fiscal years

| <b>Program</b>                            | <b>2004</b>  | <b>2005</b>  | <b>2006</b>  | <b>2007</b>  | <b>2008</b>  | <b>2009</b>  | <b>2010</b>  | <b>2011</b>  | <b>2012</b>  | <b>2013</b>  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>General Government</b>                 |              |              |              |              |              |              |              |              |              |              |
| Administration, finance & legal           | 30.1         | 27.4         | 31.4         | 35.7         | 33.8         | 36.3         | 36.3         | 37.3         | 38.0         | 38.0         |
| Information technology                    | 7.0          | 8.0          | 8.5          | 11.0         | 11.0         | 12.5         | 12.5         | 13.0         | 13.0         | 14.0         |
| Public works administration/laboratory    | 28.0         | 27.0         | 23.5         | 25.5         | 16.0         | 16.0         | 18.0         | 18.0         | 14.0         | 12.0         |
| Facility management                       | -            | -            | 3.0          | 4.0          | 5.0          | 5.0          | 5.0          | 5.0          | 4.5          | 3.0          |
| Garage                                    | 7.0          | 7.0          | 7.0          | 7.0          | 9.0          | 8.0          | 8.0          | 8.0          | 8.0          | 7.0          |
| Accessibility program                     | -            | -            | -            | -            | 4.0          | 1.0          | 1.0          | 1.0          | 1.5          | 1.0          |
| Economic development administration       | -            | 2.0          | 3.0          | 3.5          | 3.5          | 2.5          | 2.0          | 1.8          | 2.0          | 2.0          |
| <b>Public Safety</b>                      |              |              |              |              |              |              |              |              |              |              |
| Police                                    | 96.0         | 95.0         | 105.5        | 111.5        | 110.0        | 110.0        | 110.0        | 110.0        | 108.0        | 108.0        |
| Fire/EMS                                  | 76.0         | 74.0         | 79.0         | 84.0         | 87.8         | 85.8         | 85.8         | 89.8         | 87.8         | 87.5         |
| Municipal court                           | 3.0          | 3.0          | 3.0          | 4.0          | 5.0          | 5.0          | 4.0          | 4.0          | 4.0          | 4.0          |
| <b>Public Ways and Facilities</b>         |              |              |              |              |              |              |              |              |              |              |
| Street operations                         | 28.0         | 30.0         | 29.0         | 32.0         | 31.0         | 32.0         | 31.0         | 31.0         | 31.0         | 31.0         |
| Engineering                               | 25.0         | 25.0         | 33.0         | 36.0         | 36.0         | 15.0         | 8.0          | 8.0          | 16.0         | 18.0         |
| <b>Community and Economic Development</b> |              |              |              |              |              |              |              |              |              |              |
| Community development administration      | 5.0          | 4.0          | 5.0          | 8.0          | 6.0          | 4.0          | 1.0          | 1.0          | 1.0          | 1.0          |
| Planning                                  | 19.0         | 20.0         | 23.0         | 28.0         | 33.0         | 16.0         | 13.0         | 13.0         | 13.0         | 12.0         |
| Building                                  | 25.5         | 32.5         | 45.5         | 57.5         | 42.0         | 24.0         | 17.0         | 17.0         | 18.0         | 21.0         |
| Private development engineering           | -            | -            | -            | -            | -            | -            | 2.0          | 2.0          | 1.0          | 1.0          |
| Code enforcement                          | -            | -            | -            | -            | -            | -            | 1.0          | 1.0          | 1.0          | 1.0          |
| Community development block grant program | 1.0          | -            | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 2.0          | 2.0          | 2.0          |
| <b>Other</b>                              |              |              |              |              |              |              |              |              |              |              |
| Urban renewal                             | 2.0          | 1.0          | 1.0          | 1.0          | 2.0          | 1.0          | -            | -            | -            | -            |
| Transit                                   | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | -            | -            |
| Airport                                   | -            | 0.5          | 1.0          | 1.0          | 1.0          | 1.0          | 1.5          | 1.6          | 1.5          | 1.8          |
| Water                                     | 21.0         | 21.0         | 24.0         | 26.0         | 30.0         | 31.0         | 26.5         | 26.5         | 29.5         | 30.5         |
| Water reclamation                         | 20.0         | 21.0         | 23.0         | 27.0         | 37.5         | 32.0         | 21.5         | 21.5         | 34.0         | 33.0         |
| Stormwater                                | -            | -            | -            | -            | 5.0          | 4.0          | 3.0          | 6.0          | 6.0          | 6.0          |
| Utility support division                  | -            | -            | -            | -            | -            | 12.5         | 30.5         | 32.5         | 14.5         | 14.5         |
| Other business-type                       | 2.0          | 2.0          | 3.0          | 3.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          | 1.0          |
| <b>Total</b>                              | <b>396.6</b> | <b>401.4</b> | <b>453.4</b> | <b>507.7</b> | <b>511.5</b> | <b>457.5</b> | <b>441.5</b> | <b>452.9</b> | <b>450.3</b> | <b>450.3</b> |



City of Bend, Oregon  
**Operating Indicators by Program**  
 Last ten fiscal years

| <b>Program</b>                               | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Public Safety</b>                         |             |             |             |             |             |             |             |             |             |             |
| Police:                                      |             |             |             |             |             |             |             |             |             |             |
| Physical arrest                              | 3,778       | 4,009       | unavailable | 2,050       | 4,302       | 3,841       | 3,616       | 3,744       | 3,843       | 3,277       |
| Traffic violations                           | 15,339      | 16,000      | unavailable | 8,472       | 12,324      | 9,355       | 9,563       | 13,143      | 10,119      | 9,975       |
| Calls for service                            | 56,957      | 57,249      | 57,079      | 57,184      | 58,010      | 56,168      | 51,336      | 55,229      | 53,973      | 49,286      |
| Fire/EMS:                                    |             |             |             |             |             |             |             |             |             |             |
| Fire responses                               | 334         | 324         | 454         | 1,954       | 1,880       | 1,787       | 1,380       | 2,110       | 1,535       | 1,492       |
| Ambulance responses                          | 4,249       | 4,614       | 5,570       | 5,764       | 5,842       | 5,785       | 6,096       | 6,649       | 6,484       | 6,755       |
| Inspections conducted                        | 1,321       | 2,995       | 2,940       | 3,229       | 3,382       | 3,473       | 2,919       | 2,298       | 2,073       | 1,476       |
| <b>Public Ways and Facilities</b>            |             |             |             |             |             |             |             |             |             |             |
| Streets resurfaced (lane miles)              | 7.60        | 10.70       | 13.56       | 20.07       | 15.05       | 11.87       | 12.90       | 13.60       | 39.00       | 28.00       |
| Streets cleaned (lane miles)                 | 35,369      | 33,688      | 32,467      | 34,573      | 34,628      | 36,058      | 35,850      | 31,165      | 29,000      | 23,111      |
| Street signs repaired/replaced               | 2,290       | 2,297       | 2,479       | 2,502       | 2,531       | 2,426       | 1,850       | 559         | 665         | 1,216       |
| <b>Community and Economic Development</b>    |             |             |             |             |             |             |             |             |             |             |
| Permits issued                               | 13,388      | 16,985      | 17,897      | 12,174      | 8,968       | 5,651       | 4,443       | 4,901       | 5,919       | 8,894       |
| Building inspections performed               | 55,051      | 72,891      | 79,567      | 59,407      | 41,137      | 22,869      | 16,262      | 17,552      | 20,221      | 30,775      |
| <b>Transit (in thousands) (1)</b>            |             |             |             |             |             |             |             |             |             |             |
| Total miles                                  | 307         | 304         | 353         | 413         | 365         | 318         | 414         | 416         | -           | -           |
| Total service hours                          | 32          | unavailable | 33          | 40          | 40          | 35          | 35          | 36          | -           | -           |
| Total rides                                  | 97          | unavailable | 108         | 301         | 326         | 354         | 377         | 434         | -           | -           |
| <b>Water</b>                                 |             |             |             |             |             |             |             |             |             |             |
| New connections                              | 2,647       | 632         | 562         | 998         | 514         | 122         | 107         | 419         | 147         | 377         |
| Average daily consumption (million gallons): |             |             |             |             |             |             |             |             |             |             |
| Winter                                       | 5.20        | 6.00        | 6.00        | 5.50        | 6.46        | 6.55        | 5.18        | 6.15        | 5.03        | 5.60        |
| Summer                                       | 19.70       | 16.00       | 16.00       | 18.40       | 18.80       | 20.20       | 19.43       | 17.79       | 16.60       | 17.01       |
| Peak consumption (million gallons)           | 26.00       | 27.00       | 26.00       | 27.00       | 29.25       | 29.43       | 39.20       | 39.20       | 21.90       | 23.69       |
| <b>Water Reclamation</b>                     |             |             |             |             |             |             |             |             |             |             |
| New connections                              | 2,757       | 681         | 1,825       | 1,006       | 483         | 208         | 216         | 260         | 373         | 566         |
| Daily average treatment (million gallons)    | 4.96        | 5.40        | 5.40        | 5.80        | 6.20        | 5.80        | 5.55        | 5.40        | 5.48        | 5.39        |
| Sewerlines cleaned (miles)                   | 63.60       | 57.00       | 34.30       | 70.00       | 75.00       | 108.50      | 122.00      | 105.40      | 126.70      | 78.06       |
| <b>Downtown Parking</b>                      |             |             |             |             |             |             |             |             |             |             |
| Tickets issued                               | 11,390      | 11,790      | 10,658      | 7,243       | 13,611      | 13,713      | 14,506      | 14,813      | 11,194      | 10,378      |
| Permits issued                               | 4,982       | 5,219       | 4,689       | 4,808       | 5,142       | 4,823       | 4,596       | 5,669       | 5,004       | 4,779       |

(1) All transit assets contributed to the Central Oregon Intergovernmental Council for the operation of transit services.

City of Bend, Oregon  
**Capital Asset Statistics by Program**  
 Last ten fiscal years

| <b>Program</b>                                       | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Public Safety</b>                                 |             |             |             |             |             |             |             |             |             |             |
| Police:  |             |             |             |             |             |             |             |             |             |             |
| Main station   | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Patrol units   | 20          | 21          | 29          | 29          | 29          | 31          | 32          | 37          | 37          | 37          |
| Fire/EMS stations                                    | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           |
| <b>Public Ways and Facilities</b>                    |             |             |             |             |             |             |             |             |             |             |
| Street (lane miles) (1)                              | 667         | 704         | 729         | 736         | 748         | 783         | 825         | 825         | 831         | 1,157       |
| Streetlights   | 1,925       | 2,020       | 2,040       | 2,051       | 2,102       | 2,051       | 2,051       | 2,051       | 2,051       | 2,051       |
| Traffic signals                                      | 44          | 48          | 57          | 57          | 59          | 60          | 65          | 65          | 65          | 65          |
| <b>Transit</b>                                       |             |             |             |             |             |             |             |             |             |             |
| Buses (2)  | 25          | 25          | 31          | 27          | 27          | 28          | 27          | 32          | -           | -           |
| <b>Airport</b>                                       |             |             |             |             |             |             |             |             |             |             |
| Runway (feet)  | 5,005       | 5,005       | 5,005       | 5,005       | 5,200       | 5,200       | 5,200       | 5,200       | 5,200       | 5,200       |
| Hangars  | 14          | 14          | 14          | 14          | 14          | 14          | 15          | 15          | 15          | 15          |
| <b>Water</b>   |             |             |             |             |             |             |             |             |             |             |
| Water mains (miles)                                  | 330         | 400         | 450         | 410         | 445         | 475         | 475         | 455         | 461         | 463         |
| Reservoirs   | 13          | 13          | 13          | 13          | 15          | 15          | 18          | 16          | 16          | 16          |
| Wells  | 16          | 16          | 16          | 16          | 16          | 16          | 16          | 23          | 22          | 23          |
| Fire hydrants  | 3,879       | 4,345       | 5,200       | 4,900       | 4,945       | 4,984       | 5,074       | 5,061       | 5,073       | 5,108       |
| Maximum daily capacity<br>(million gallons)          | 33.35       | 34.00       | 34.00       | 34.00       | 34.00       | 34.00       | 31.00       | 31.00       | 31.00       | 30.35       |
| Service connections                                  | 20,121      | 20,753      | 21,315      | 22,313      | 22,827      | 22,949      | 23,056      | 23,475      | 23,622      | 23,999      |
| <b>Water Reclamation</b>                             |             |             |             |             |             |             |             |             |             |             |
| Treatment plant                                      | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Sewerlines (miles)                                   | 400         | 450         | 450         | 450         | 450         | 432         | 424         | 430         | 430         | 412         |
| Large pump stations                                  | 80          | 86          | 82          | 92          | 93          | 93          | 88          | 88          | 88          | 88          |
| Small pump stations                                  | 271         | 271         | 271         | 271         | 271         | 271         | 324         | 325         | 325         | 326         |
| Maximum daily capacity of plant<br>(million gallons) | 11.00       | 12.00       | 12.00       | 12.00       | 12.00       | 12.00       | 12.00       | 12.00       | 12.00       | 12.00       |
| Service connections                                  | 22,861      | 23,542      | 25,367      | 26,373      | 26,856      | 27,064      | 27,280      | 27,540      | 27,913      | 28,479      |
| <b>Downtown Parking</b>                              |             |             |             |             |             |             |             |             |             |             |
| Parking Garages                                      | -           | -           | -           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |

(1) Now includes bike paths and paved shoulders

(2) All transit assets contributed to Central Oregon Intergovernmental Council for the operation of transit services.

## COMPLIANCE SECTION





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## **INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS**

December 13, 2013

Honorable Mayor and City Council  
City of Bend, Oregon  
Bend, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bend, Oregon (the City), as of and for the year ended June 30, 2013, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 13, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **COMPLIANCE**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS (Continued)**

**OAR 162-10-0230 INTERNAL CONTROL**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with *Government Auditing Standards* is presented elsewhere in this report, as listed in the Table of Contents.

**RESTRICTIONS ON USE**

This report is intended solely for the information and use of the City Council, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these specified parties.

Talbot, Korvola & Warwick, LLP

Certified Public Accountants

## SINGLE AUDIT COMPLIANCE







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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

December 13, 2013

Honorable Mayor and City Council  
City of Bend  
Bend, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bend (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 13, 2013.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS (Continued)**

**INDEPENDENT AUDITOR'S REPORT (Continued)**

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Talbot, Korvola & Warwick, LLP

Certified Public Accountants



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

**INDEPENDENT AUDITOR'S REPORT**

December 13, 2013

Honorable Mayor and City Council  
City of Bend  
Bend, Oregon

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited the compliance of the City of Bend, Oregon (the City) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

**MANAGEMENT'S RESPONSIBILITY**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

**OPINION ON EACH MAJOR FEDERAL PROGRAM**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED  
BY OMB CIRCULAR A-133 (Continued)**

**INDEPENDENT AUDITOR'S REPORT (Continued)**

**REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 13-01 through 13-04 to be significant deficiencies.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Talbot, Korvola & Warwick, LLP

Certified Public Accountants

City of Bend, Oregon

**Schedule of Expenditures of Federal Awards**

For the fiscal year ended June 30, 2013

| <u>Federal Grantor/ Pass-through Agency/ Program Title</u>                                  | <u>Federal CFDA Number</u> | <u>Pass-through Number</u> | <u>Total Expenditures</u> |
|---|----------------------------|----------------------------|---------------------------|
| <u>Department of Transportation</u>   |                            |                            |                           |
| Pass-through  |                            |                            |                           |
| Highway Safety Cluster  |                            |                            |                           |
| Oregon Association of Chiefs of Police  |                            |                            |                           |
| State and Community Highway Safety  | 20.600                     | SC-13-35-14                | \$ 6,298                  |
| Alcohol Impaired Driving Countermeasures Incentive Grants                                   | 20.601                     | K8-11-12-38                | 1,100                     |
| Occupant Protection Incentive Grants  | 20.602                     | K2-13-46-08                | 3,000                     |
| Total Highway Safety Cluster  |                            |                            | <u>10,398</u>             |
| Direct  |                            |                            |                           |
| Federal Aviation Administration   |                            |                            |                           |
| Airport Improvement Program   | 20.106                     | n/a                        | 1,006,262                 |
| <b>Total Department of Transportation</b>   |                            |                            | <b>1,016,660</b>          |
| <u>Department of Justice</u>  |                            |                            |                           |
| Direct  |                            |                            |                           |
| Bureau of Justice Assistance  |                            |                            |                           |
| Bulletproof Vest Partnership Program  | 16.607                     | n/a                        | 10,139                    |
| JAG Program Cluster   |                            |                            |                           |
| Edward Byrne Memorial Justice Assistance Grant Program                                      | 16.738                     | n/a                        | 26,479                    |
| Total JAG Program Cluster   |                            |                            | <u>26,479</u>             |
| Pass-through  |                            |                            |                           |
| Oregon Department of Justice/Deschutes County   |                            |                            |                           |
| Office of National Drug Crime Prevention - High Intensity Drug Traffic Area Grant           | 16.XXX                     | LOA #2007-98               | 15,085                    |
| <b>Total Department of Justice</b>  |                            |                            | <b>51,704</b>             |
| <u>Department of Energy</u>   |                            |                            |                           |
| Direct  |                            |                            |                           |
| ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG) (Recovery Act Funded) |                            |                            |                           |
|   | 81.128                     | n/a                        | 294,236                   |
| <b>Total Department of Energy</b>   |                            |                            | <b>294,236</b>            |
| <u>Department of Homeland Security</u>  |                            |                            |                           |
| Direct  |                            |                            |                           |
| State Homeland Security Program (SHSP)  |                            |                            |                           |
|   | 97.073                     | n/a                        | 133                       |
| USDA - Forest Service   |                            |                            |                           |
| Fire Management Assistance Grant  | 97.046                     | n/a                        | 42,676                    |
| Staffing for Adequate Fire and Emergency Response   | 97.083                     | n/a                        | 287,655                   |
| <b>Total Department of Homeland Security</b>  |                            |                            | <b>330,463</b>            |
| <u>Environmental Protection Agency</u>  |                            |                            |                           |
| Pass-through  |                            |                            |                           |
| Infrastructure Finance Authority  |                            |                            |                           |
| Capitalization Grants for Drinking Water State Revolving Funds                              | 66.468                     | U13001                     | 5,003                     |
| <b>Total Environmental Protection Agency</b>  |                            |                            | <b>5,003</b>              |

City of Bend, Oregon  
**Schedule of Expenditures of Federal Awards (Continued)**  
For the fiscal year ended June 30, 2013

| <u>Federal Grantor/ Pass-through Agency/ Program Title</u>                                 | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-through<br/>Number</u> | <u>Total<br/>Expenditures</u> |
|--|------------------------------------|--------------------------------|-------------------------------|
| <u>Department of Housing and Urban Development</u>   |                                    |                                |                               |
| Direct   |                                    |                                |                               |
| CDBG - Entitlement Grants Cluster  |                                    |                                |                               |
| Community Development Block Grants/Entitlement Grants                                      | 14.218                             | n/a                            | \$ 516,934                    |
| ARRA - Community Development Block Grants ARRA<br>Entitlement Grants (Recovery Act Funded) | 14.253                             | n/a                            | 25,719                        |
| Pass-through   |                                    |                                |                               |
| Oregon Housing and Community Services  |                                    |                                |                               |
| Community Development Block Grants/Entitlement Grants                                      | 14.218                             | n/a                            | <u>294,437</u>                |
| Total CDBG - Entitlement Grants Cluster  |                                    |                                | <u>837,089</u>                |
| Pass-through   |                                    |                                |                               |
| Oregon Housing and Community Services  |                                    |                                |                               |
| ARRA - Neighborhood Stabilization Program (Recovery Act Funded)                            | 14.256                             | n/a                            | 487,219                       |
| <b>Total Department of Housing and Urban Development</b>                                   |                                    |                                | <b>1,324,308</b>              |
| <b>Total Federal Expenditures</b>  |                                    |                                | <b>\$ 3,022,374</b>           |

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the City of Bend and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-profit Organizations". Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2 - Relationship to Federal Financial Reports**

The regulations and guidelines governing the preparation of Federal financial reports vary by Federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the Federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule which is prepared on the basis explained in Note 1.

**Note 3 - Subrecipients**

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows:

| <u>Program Title</u>   | <u>Federal<br/>CFDA<br/>Number</u> | <u>Expenditures</u> |
|--|------------------------------------|---------------------|
| Community Development Block Grants/Entitlement Grants                                      | 14.218                             | 294,437             |
| ARRA - Community Development Block Grants ARRA<br>Entitlement Grants (Recovery Act Funded) | 14.253                             | <u>25,719</u>       |
|  |                                    | <u>\$ 320,156</u>   |

**Note 4 - Loans Receivable**

The City had the following gross loan balances from current and prior year federal expenditures outstanding at June 30, 2013:

| <u>Federal<br/>CFDA<br/>Number</u>   | <u>Loans<br/>Receivable</u> |
|--|-----------------------------|
| ARRA - Energy Efficiency and Conservation Block Grant<br>Program (EECBG) (Recovery Act Funded) | 81.128 \$ 201,452           |
| Community Development Block Grants/Entitlement Grants  | 14.218 698,851              |
| ARRA - Neighborhood Stabilization Program (Recovery Act Funded)                                | 14.256 <u>2,314,164</u>     |
|  | <u>\$ 3,214,467</u>         |

City of Bend, Oregon

**Schedule of Expenditures of Federal Awards (Continued)**

For the fiscal year ended June 30, 2013

**Note 5 - Program Income**

The City received Program Income from repayment of federally funded loans receivable and/or interest income on repaid funds which accounted for a portion of federal expenditures for the associated Federal CFDA Number.

| <u>Program Title</u>   | <u>Federal<br/>CFDA<br/>Number</u> | <u>Amount</u>     |
|--|------------------------------------|-------------------|
| Edward Byrne Memorial Justice Assistance Grant Program   | 16.738                             | \$ 55             |
| ARRA - Energy Efficiency and Conservation Block Grant<br>Program (EECBG) (Recovery Act Funded) | 81.128                             | 33,452            |
| Community Development Block Grants/Entitlement Grants  | 14.218                             | 40,135            |
| ARRA - Neighborhood Stabilization Program (Recovery Act Funded)                                | 14.256                             | 146,416           |
|  |                                    | <u>\$ 220,058</u> |

**Note 6 - Outstanding Loan**

The City has an outstanding loan balance payable of \$2,703,346 in Oregon Business Development Department Capitalization Grants for Drinking Water State Revolving Funds (Federal CFDA Number 66.468).

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**CITY OF BEND, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2013**

**SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statements:**

|  |            |
|--|------------|
| Type of auditor's report issued:   | Unmodified |
| Internal control over financial reporting:   |            |
| Material weakness(es) identified?  | No         |
| Significant deficiency(ies) identified<br>not considered to be material<br>weakness(es)? | No         |
| Noncompliance material to financial<br>statements noted?                                 | No         |

**Federal Awards:**

|   |            |
|---|------------|
| Internal control over major programs:   |            |
| Material weakness(es) identified?   | No         |
| Significant deficiency(ies) identified<br>not considered to be material<br>weakness(es)?  | Yes        |
| Type of auditor's report issued on<br>compliance for major programs:  | Unmodified |
| Any audit findings disclosed that are<br>required to be reported in accordance<br>with Section 510 (a) of <i>OMB Circular A-133</i> ? | No         |

Identification of major programs:

| <b><u>CFDA NUMBER(S)</u></b> | <b><u>NAME OF PROGRAM OR CLUSTER</u></b>          |
|------------------------------|---|
| 14.256                       | ARRA – Neighborhood Stabilization Program         |
| 20.106                       | Airport Improvement Program                       |
| 97.083                       | Staffing for Adequate Fire and Emergency Response |

|  |           |
|--|-----------|
| Dollar threshold used to distinguish<br>between type A and B programs: | \$300,000 |
| Auditee qualified as low-risk auditee?                                 | No        |

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None noted.

**CITY OF BEND, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**YEAR ENDED JUNE 30, 2013**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 2013-01**

Federal Program: Neighborhood Stabilization Program (NSP2) – CFDA 14.256

Agency: Housing and Urban Development

Award Year: 2012-2013

Criteria: Per OMB Circular A-133 §\_\_\_.300 (c), the City should have a system of internal control that ensures compliance with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

Condition: There does not appear to be evidence indicating appropriate review of environmental performance inspections.

Questioned Costs: As there were no instances of non-compliance noted, there are no questioned costs identified.

Context: Out of a population of five environmental reviews inspected, there did not appear to be any documented evidence of any review of environmental performance inspections.

Cause: It appears the underlying cause of the internal control deficiency is a lack of adequate staffing to provide effective review of environmental inspections.

Effect: While there appears to be no direct effect to the award as a whole, the failure of controls over review of environmental inspections could result in instances of non-compliance and potential denial of reimbursement by the granting agency.

Recommendation: We recommend that the City train staff to complete a checklist or review of loan files prior to payment of expenditures to ensure all compliance items were completed and expenditures will be reimbursable.

Views of responsible official: The City concurs and is working towards implementing an appropriate system of controls.

**Finding 2013-02**

Federal Program: Staffing for Adequate Fire & Emergency Response (SAFER) (CFDA 97.083)

Federal Agency: Federal Emergency Management Agency (FEMA)

Award Year: 2012-2013

Criteria: Per OMB Circular A-133 §\_\_\_.300 (c), the City should have a system of internal control that ensures compliance with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

**CITY OF BEND, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**YEAR ENDED JUNE 30, 2013**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)**

**Finding 2013-02 (Continued)**

Condition: A cash reimbursement request under the grant included expenditures consisting of non-allowable overtime. Through an unrelated process, the unallowable costs were found and the final cash draw was adjusted to correct for the unallowable costs. The City's control was ineffective in detecting the unallowable overtime costs initially. If the unrelated process had not taken place, the costs would have remained undetected.

Questioned Costs: As final costs were corrected and we reviewed 100% of the expenditures reported, no questioned costs are evident.

Context: One out of a population of three cash reimbursement requests contained unallowable costs, which were subsequently reversed from the last reimbursement request of the year under audit.

Effect: While there appears to be no direct effect to the award as a whole, the failure of controls over unallowable costs could result in unallowable costs being charged to the grant.

Cause: The underlying cause of charging unallowable costs to the program appears to be a lack of effective review over expenditures and reimbursement requests.

Recommendation: We recommend that the City train staff to identify grant requirements and follow through with review of details to ensure that unallowable costs are not charged to the grant.

Views of responsible official: The City concurs and is working towards implementing an appropriate system of controls.

**Finding 2013-03**

Federal Program: Staffing for Adequate Fire & Emergency Response (SAFER) (CFDA 97.083)

Federal Agency: Federal Emergency Management Agency (FEMA)

Award Year: 2012-2013

Criteria: The City should have a system of internal control that ensures that they are in compliance with OMB Circular A-133 §\_\_\_.300(b), the City is required to maintain a structure of internal control to ensure compliance with reporting requirements of the award.

Condition: There does not appear to be evidence of review over quarterly performance reporting, a requirement per review of the Federal award.

Questioned Costs: As financial components were not a part of the performance report, there does not appear to be any questioned costs.

Context: We tested 100% of the population and three noted no evidence of review of the performance reports.

**CITY OF BEND, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**YEAR ENDED JUNE 30, 2013**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)**

**Finding 2013-03 (Continued)**

Cause: There appeared to be a lack of sufficient resources to provide effective review.

Effect: The lack of effective review of performance reporting creates a potential risk of non-compliance related to inaccurate, incomplete or untimely filings.

Recommendation: We recommend the City develop a review process, which includes documentation of review, over performance reporting to ensure accuracy, completeness and timely filing.

Views of responsible official: The City concurs and is working towards implementing an appropriate system of controls.

**Finding 2013-04**

Federal Program: Staffing for Adequate Fire & Emergency Response (SAFER) (CFDA 97.083)

Federal Agency: Federal Emergency Management Agency (FEMA)

Award Year: 2012-2013

Criteria: The City should have a system of internal control that ensures that they are in compliance with OMB Circular A-133 §\_\_\_.300(b), the City is required to maintain a structure of internal control to ensure compliance with reporting requirements of the award.

Condition: The control over financial reports was ineffective, as the City reported incorrect "total expenditures covered by the grant" due to reporting unallowable overtime expenditures.

Questioned Costs: None noted as financial components were not a part of the compliance requirement.

Context: Out of two semi-annual financial reports, one of them reported incorrect financial data.

Cause: Lack of understanding of all expenditure components of the grant, (i.e. allowable/unallowable costs). This deficiency originated in the cash reimbursement request/review process and flowed through the reporting process. See finding 2013-02.

Effect: A deficiency in internal control over report review and compliance with respect to accuracy of information. Although the control deficiency over financial reporting is not monetarily significant to the City, the control deficiency could result in other errors.

Recommendation: We recommend that all personnel involved in the grant program, at the inception of the grant, become knowledgeable about allowable and unallowable costs and when financial reports are reviewed, the cost detail should be reviewed for allowability and accuracy.

Views of responsible official: The City concurs and is working towards implementing an appropriate system of controls.

December 13, 2013

**Management's Views and Corrective Action Plan Regarding Audit Findings for the Year Ended June 30, 2013**

The following is provided in response to the Audit Findings for the Year Ended June 30, 2013.

**Federal Award Findings and Questioned Costs**



FINANCE  
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**Finding 2013-01**

**Federal Program:** CFDA 14.256 – Neighborhood Stabilization Program–ARRA

**Auditor Recommendation:** The City should train staff to complete a checklist or review of loan files prior to payment of expenditures to ensure all compliance items were completed and expenditures will be reimbursable.

**Corrective Action Plan:** The City concurs with the recommendation. The City will implement a checklist or review of loan files prior to payment of grant-funded expenditures to ensure all compliance items were completed and to ensure that all grant expenditures will be reimbursable.

JIM CLINTON  
*Mayor*

JODIE BARRAM  
*Mayor Pro Tem*

VICTOR CHUDOWSKY  
*City Councilor*

**Finding 2013-02**

**Federal Program:** CFDA 97.083 – Staffing for Adequate Fire & Emergency Response (SAFER)

**Recommendation:** The City should train staff to identify grant requirements and follow through with review of details to ensure that unallowable costs are not charged to the grant.

SALLY RUSSELL  
*City Councilor*

MARK CAPELL  
*City Councilor*

SCOTT RAMSAY  
*City Councilor*

**Corrective Action Plan:** The City concurs with the recommendation. The City will implement a system when awarded grant funds and prior to requests for reimbursement of grant expenditures to review allowable or unallowable costs to ensure that unallowable costs are not charged to the grant and to ensure financial reports are accurate.

ERIC KING  
*City Manager*

SONIA ANDREWS  
*Finance Director*

**Finding 2013-03**

**Federal Program:** CFDA 97.083 – Staffing for Adequate Fire & Emergency Response (SAFER)

**Recommendation:** The City should develop a review process, which includes documentation of review, over performance reporting to ensure accuracy, completeness and timely filing.

**Corrective Action Plan:** The City concurs with the recommendation. The City will develop and implement a review process over performance reporting to ensure the timely, accurate and complete filing of performance reports.

**Finding 2013-04**

Federal Program:

CFDA 97.083 – Staffing for Adequate Fire & Emergency Response (SAFER)

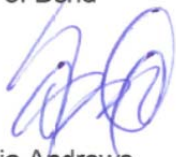
Recommendation:

All City personnel involved in the grant program, at the inception of the grant, become knowledgeable about allowable and unallowable costs and when financial reports are reviewed, the cost detail should be reviewed for allowability and accuracy.

Corrective Action Plan:

The City concurs with the recommendation. The City will implement a system when awarded grant funds and prior to requests for reimbursement of grant expenditures to review allowable or unallowable costs to ensure that unallowable costs are not charged to the grant and to ensure financial reports are accurate.

City of Bend



Sonia Andrews  
Finance Director