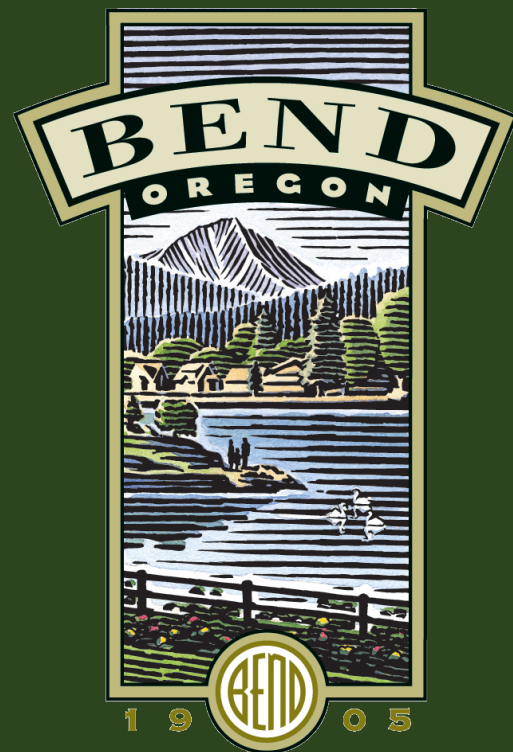


# CITY OF BEND, OREGON



## COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR FISCAL  
YEAR ENDED  
JUNE 30<sup>TH</sup>  
2014



# **CITY OF BEND, OREGON**

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014

Prepared by the City of Bend Finance Department

Sharon Wojda, Finance Director



**CITY OF BEND, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
Fiscal Year Ended June 30, 2014

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## **INTRODUCTORY SECTION**



December 18, 2014

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, 2014 is hereby submitted.

This report presents the City's financial position as of June 30, 2014 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.

710 NW WALL STREET  
PO BOX 431  
BEND, OR 97701  
[541] 388-5505 TEL  
[541] 385-6676 FAX  
BENDOREGON.GOV

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, 2014. The independent auditor's report 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 report.

### City Profile

ERIC KING  
*City Manager*

SHARON WOJDA  
*Finance Director*

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 78,280. 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 nine department heads with approximately 472 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 the Central Bend Development Program Area Plan (the Downtown District), a 236 acre area of downtown Bend. The Downtown District was closed out in January 2012 following completion of that work. 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 at the category level with the exception of the General Fund and the Internal Service Fund which are appropriated by program. Budgeted expenditures may not legally be overspent at the appropriation level.

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 approves a resolution that adopts the budget and sets appropriations. A separate resolution is also approved that authorizes the levying of property taxes. 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 54.5% from 2000 to 2014 (50,650 in 2000 to 78,280 in 2014). 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. The housing market is improving in the region and during 2013-14 the City saw an increase in development and housing permits.

During fiscal year 2013-14, Bend's economy continued its slow recovery. Unemployment improved from 10.0% as of June 2013 to 8.1% as of June 2014. 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 1,126 housing permits issued during fiscal year 2013-14. Longer term, in-migration will continue to drive the growth in Bend.

## Long-Term Financial Planning

Like many other communities, the City was 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 economic recovery, long term funding solutions are still needed for public safety and street maintenance and other basic services to continue meeting the growing needs of the community. 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 2015 to discuss funding issues and ensure the long term financial stability of the City.

In addition, the City is planning to adjust how residential and business water and sewer bills are calculated. The City's long-term twenty year utility rate models have been updated through this "rate modernization project" which aims to create an incentive to conserve by rewarding those who use less and to more equitably distribute the cost of running the drinking water and sewer systems based on use, while ensuring water and sewer revenue and reserve requirements continue to be met.

## Major Initiatives

The City anticipates continued growth in population and real estate development with the Oregon State University four year University being constructed in Bend. Significant infrastructure improvements are needed to provide additional capacity for the University 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 is installing 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, construction of the new pipeline between Tumalo Creek and the Outback facility is nearly complete. Construction of the remaining portion of the pipeline and the intake facility are on-hold awaiting a ruling on the on-going lawsuit filed in federal court. Construction of the water treatment facility is underway and is approximately 15% complete.

***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. Construction is approximately 65% complete.

***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 finalizing an update to its Collection System Master Plan (CSMP) to address both short term and long term sewer solutions. This has been a collaborative effort between City staff and the Sewer Infrastructure Advisory Group (SIAG) which is an 18 member citizen volunteer committee. Three near-term solutions have been identified for immediate implementation. They include the South East Interceptor, North Area Capacity Improvements, and Colorado Pump Station / Force Main projects. Expected completion dates are end of calendar year 2017, end of calendar year 2016, and end of calendar year 2015, respectively. Other projects will be identified with final completion of the CSMP.

**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 costs 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. During fiscal year 2013-2014 Reed Market from Newberry to 27<sup>th</sup> was completed. The roundabout at 15<sup>th</sup> and Reed Market was completed in November 2014. Construction on the remainder of Reed Market from 3<sup>rd</sup> to 15<sup>th</sup> is currently underway and is scheduled to be completed by the end of calendar year 2015.

**Airport Development** – On October 2, 2013, the Airport Master Plan was completed and adopted by City Council and approved by the Federal Aviation Administration (FAA). Recommendations include a runway extension, construction of a helicopter operations area, traffic pattern modifications and other improvements. The City plans to begin construction on the helicopter operations area during fiscal year 2015. The FAA funded the Environmental Assessment (EA) for the Helicopter operations area, which is in progress, along with an associated update to the Fly Friendly program. The Airport will be applying for an FAA grant to fund the final planning, engineering and construction of the Helicopter Operations Area once the EA is complete. The Airport was successful in pursuing a ConnectOregon V grant to partially match the FAA funding. Based on a recent study the projected and current traffic counts for the airport have shown a substantial increase since the Master Plan was completed.

**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. In July 2014, the DOJ closed its files on the City's 2004 Project Civic Access Settlement Agreement. The DOJ stated that the continual evidence submitted by the City has satisfied the DOJ that it has acceptably progressed in compliance with the Settlement Agreement. However, the City still plans to continually improve accessibility throughout the City by improving curb ramps and sidewalks, maintaining accessible features within City programs, services or activities under Title II of the ADA.

**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 successfully asked voters to approve a Fire District Levy in May 2014 to fund fire operations. In addition, in November 2013, voters approved an increase in the transient room tax from 9% to 10% effective June 1, 2014, including a revised distribution and dedication of a portion of the increase to Public Safety. The Police Department recently issued a request for proposal for consulting services to analyze options available regarding future service delivery, organizational structure and financial stability.

**Enterprise Resource Planning (ERP)** - The City is embarking on a major project to replace its business process software from the current 20 year old system to a modern system in an effort to improve efficiency and effectiveness. The new software will allow the City to use a system of integrated applications to manage the business and automate many functions related to technology, accounting, services and human resources. After an extensive request for proposals and due diligence process the City is in negotiations with the successful contractor. The project is expected to take approximately two years.

**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, 2014. 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, 2013. 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 21 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 2013-15 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 Heidi Faller, James Wood, Rose Schaefer and Brooks Slyter, 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,

  
Sharon Wojda  
Finance Director

  
Eric King  
City Manager



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Government Finance Officers Association

**Certificate of  
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**City of Bend  
Oregon**

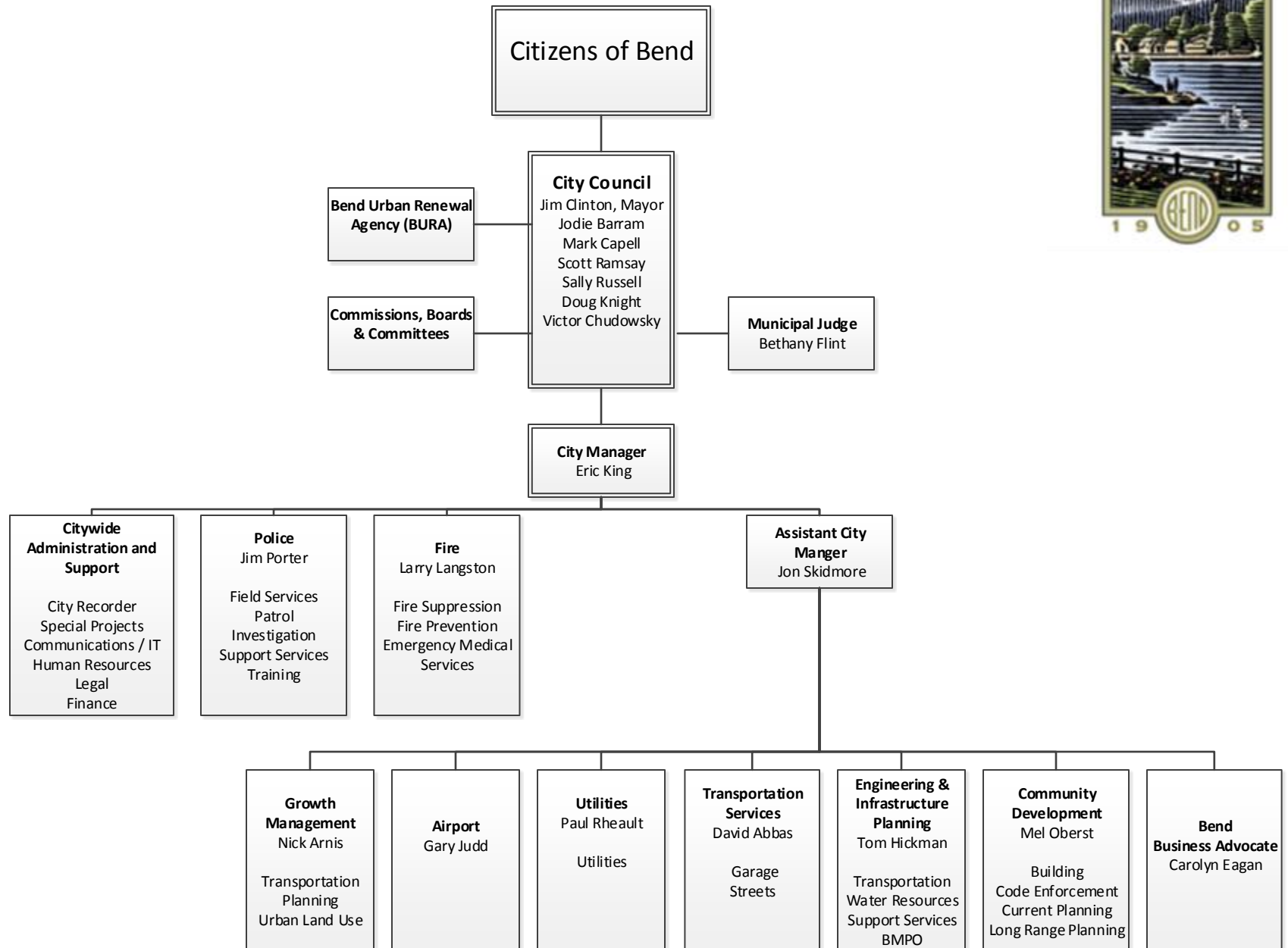
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

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# Organization Chart



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**THE CITY OF BEND, OREGON**

**City Officials as of June 30, 2014**

***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**

Sharon Wojda

**Bend City Hall**  
710 NW Wall Street  
Bend, OR 97701

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**FINANCIAL SECTION**







Talbot, Korvola  
& Warwick, LLP

Certified Public Accountants  
& Consultants

ACHIEVE MORE

4800 Meadows Road, Suite 200  
Lake Oswego, Oregon 97035-4293

P 503.274.2849  
F 503.274.2853

[www.tkw.com](http://www.tkw.com)

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Bend, Oregon  
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, 2014, and the related notes to the 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 City'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 City'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, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows 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, Oregon  
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 it 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. Such 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. This 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 Other Supplementary Information, Other Financial Schedules and Schedule of Expenditures of Federal Awards are the responsibility of management and were 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

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

Honorable Mayor and City Council  
City of Bend, Oregon  
Page 3

**OTHER MATTERS (Continued)**

***Other Information (Continued)***

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 Other Supplementary Information, Other Financial Schedules, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 18, 2014, 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 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 18, 2014, 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**

By:   
\_\_\_\_\_  
Angelique Whitlow, Partner

Lake Oswego, Oregon  
December 18, 2014

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year Ended June 30, 2014

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, 2014. 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 \$1.006 billion at fiscal year-end consisting of \$849.2 million in capital assets, \$112.9 million in cash and investments, and \$43.3 million in receivables, prepaid expenses and other assets. Total assets increased by \$37.1 million due mainly to an increase in investments in capital assets of \$28.2 million, an increase in amounts due from other governments of \$8.0 million, an increase in cash and investments of \$2.8 million, and an increase in loans and notes receivable of \$0.6 million, offset by a decrease in bond issue costs of \$1.9 million, a decrease in prepaid expenses, other receivables and other assets of \$0.5 million, and a decrease in accounts receivable of \$0.2 million.
- The City's liabilities totaled \$163.0 million at fiscal year-end consisting of \$140.6 million in long-term debt and \$22.4 million in accounts payable and other liabilities. Total liabilities increased by \$18.5 million from the prior year due mainly to an increase in long term debt of \$10.8 million, an increase in accounts payable of \$3.7 million, an increase in amounts due to developers, other liabilities and deposits of \$2.2 million, and an increase of other post-employment benefits payable of \$2.0 million, offset by a decrease in unearned revenue of \$0.2 million.
- The assets of the City exceeded its liabilities by \$842.6 million at fiscal year-end. Net position consisted of net investment in capital assets of \$751.1 million, unrestricted net position of \$60.5 million, and \$31.0 million of restricted net position for debt service, capital projects, the building program, tourism, permanent maintenance, urban renewal, and grant activity.
- Expenses for governmental activities totaled \$79.2 million in direct program and \$5.2 million in transfers. These activities were funded by \$23.6 million in charges for services, \$25.7 million in grants and contributions and \$39.8 million of general revenues from property and room taxes, franchise fees, and investments. This resulted in a current year increase of net position of \$4.7 million. In addition, net position was reduced by the cumulative effect of a change in accounting principle of \$1.0 million for the expense of bond issuance costs.
- Expenses for business-type activities totaled \$33.5 million in direct program. These activities were funded by \$40.0 million of charges for services, \$3.8 million in grants and contributions and \$5.5 million of general revenues from investment income and transfers. This resulted in a current year increase in net position of \$15.8 million. In addition, net position was reduced by the cumulative effect of a change in accounting principle of \$0.9 million for the expense of bond issuance costs.
- The City's general revenues of \$40.1 million for the year consisted of \$26.8 million in property taxes, \$7.6 million in franchise fees, \$4.7 million of transient room taxes, and \$1.0 million of investment income.
- Unassigned fund balance in the General Fund was \$11.0 million at June 30, 2014, an increase of \$0.7 million from June 30, 2013. The net increase resulted mainly from increased property and franchise tax revenue.

## 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.

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).

## Management's Discussion and Analysis (Continued)

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 Fund, Fire/Emergency Medical Services Fund, System Development Charges (SDC) Fund, the Community Development Block Grant Fund, and the 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 \$842.6 million at June 30, 2014. The vast majority of the net position (89%) 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	
	2014	2013	2014	2013	2014	2013
Capital assets, net	\$ 513.7	\$ 515.9	\$ 335.5	\$ 305.1	\$ 849.2	\$ 821.0
Current and other assets	107.1	100.6	49.2	45.0	156.3	145.6
Total assets	<u>620.8</u>	<u>616.5</u>	<u>384.7</u>	<u>350.1</u>	<u>1,005.5</u>	<u>966.6</u>
Long-term debt	70.3	74.9	56.7	41.2	127.0	116.1
Other liabilities	26.4	22.1	9.6	6.3	36.0	28.4
Total liabilities	<u>96.7</u>	<u>97.0</u>	<u>66.3</u>	<u>47.5</u>	<u>163.0</u>	<u>144.5</u>
Net position						
Net investment						
in capital assets	472.3	474.3	278.9	264.0	751.1	738.3
Restricted	29.7	16.2	1.3	1.3	31.0	17.5
Unrestricted	22.3	29.0	38.3	37.3	60.5	66.4
Total net position	<u>\$ 524.2</u>	<u>\$ 519.5</u>	<u>\$ 318.4</u>	<u>302.6</u>	<u>\$ 842.6</u>	<u>\$ 822.1</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 \$18.6 million from the prior year. The cumulative effect of the change in accounting principal from instating GASB No. 65 was a decrease of \$1.9 million which accounted for the expense of bond issuance costs previously capitalized and amortized over the life of the debt.

Capital assets increased \$28.2 million, restricted and unrestricted cash and investments increased \$2.8 million, due from other governments increased \$8.0 million, loans and notes receivable increased \$0.6 million, bond issue costs decreased \$1.9 million, and other assets decreased \$0.7 million.

Long-term debt increased by \$10.8 million as discussed in further detail in the debt administration section. Accounts payable increased \$3.7 million, amounts due to developers, other liabilities and deposits increased \$2.2 million, other post-employment benefits payable increased \$2.0 million, offset by a decrease in unearned revenue of \$0.2 million.

Management's Discussion and Analysis (Continued)

Analysis of Changes in Net Position

	Changes in Net Position (in millions)					
	Governmental Activities		Business-Type Activities		Total	
	<u>FY13-14</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>FY12-13</u>	<u>FY13-14</u>	<u>FY12-13</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 23.6	\$ 18.2	\$ 40.0	\$ 36.9	\$ 63.6	\$ 55.2
Operating grants & contributions	13.0	13.4	-	-	13.0	13.4
Capital grants & contributions	12.7	11.7	3.8	2.8	16.5	14.5
General revenues:						
Taxes	31.5	29.6	-	-	31.5	29.6
Franchise fees	7.6	7.2	-	-	7.6	7.2
Gain on sale of capital assets	-	- *	-	-	-	-
Investment income	0.7	0.6	0.3	0.2	1.0	0.8
<b>Total revenues</b>	<b><u>89.1</u></b>	<b><u>80.7</u></b>	<b><u>44.1</u></b>	<b><u>39.9</u></b>	<b><u>133.2</u></b>	<b><u>120.7</u></b>
<b>Expenses</b>						
Governmental Activities:						
General government	17.4	15.3	-	-	17.4	15.3
Public safety	30.9	30.7	-	-	30.9	30.7
Public ways and facilities	19.7	18.2	-	-	19.7	18.2
Community & economic development	8.7	7.8	-	-	8.7	7.8
Permanent maintenance	0.1	- *	-	-	0.1	-
Urban renewal	0.1	- *	-	-	0.1	-
Interest on long-term debt	2.3	2.3	-	-	2.3	2.3
Business-type activities:						
Water	-	-	14.0	12.6	14.0	12.6
Water reclamation	-	-	14.4	14.0	14.4	14.0
Airport	-	-	1.2	1.0	1.2	1.0
Cemetery	-	-	0.1	0.1	0.1	0.1
Downtown parking	-	-	0.9	0.9	0.9	0.9
Stormwater	-	-	2.9	2.4	2.9	2.4
<b>Total expenses</b>	<b><u>79.2</u></b>	<b><u>74.3</u></b>	<b><u>33.5</u></b>	<b><u>30.9</u></b>	<b><u>112.7</u></b>	<b><u>105.3</u></b>
<b>Revenues over expenses</b>	<b>9.9</b>	<b>6.4</b>	<b>10.6</b>	<b>9.0</b>	<b>20.5</b>	<b>15.4</b>
Transfers	(5.2)	(4.2)	5.2	4.2	-	-
<b>Change in net position</b>	<b><u>4.7</u></b>	<b><u>2.2</u></b>	<b><u>15.8</u></b>	<b><u>13.2</u></b>	<b><u>20.5</u></b>	<b><u>15.4</u></b>
Net position, beginning	519.5	518.3	302.6	290.3	822.1	808.6
Cumulative Effect of a Change in Accounting Principle	-	(1.0)	-	(0.9)	-	(1.9)
<b>Net position, ending</b>	<b><u>\$ 524.2</u></b>	<b><u>\$ 519.5</u></b>	<b><u>\$ 318.4</u></b>	<b><u>\$ 302.6</u></b>	<b><u>\$ 842.6</u></b>	<b><u>\$ 822.1</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 \$8.4 million from the prior year. Program revenues increased by \$6.0 million. This increase is due mainly to increased charges for services of \$5.3 million including system development charges, building permits, planning fees, and affordable housing fees. Capital and operating grants and contributions increased \$0.6 million due mainly to an increase of \$1.4 million in public ways and facilities, and an increase of \$0.1 in public safety and general government, offset by a decrease of \$0.9 million in community and economic development. Taxes, franchise fees, investment income, and gain on sales of capital assets increased \$2.5 million.

Governmental expenses increased by \$4.9 million mainly due to increases across the board in general government public safety, public ways and facilities, community and economic development, urban renewal and permanent maintenance.

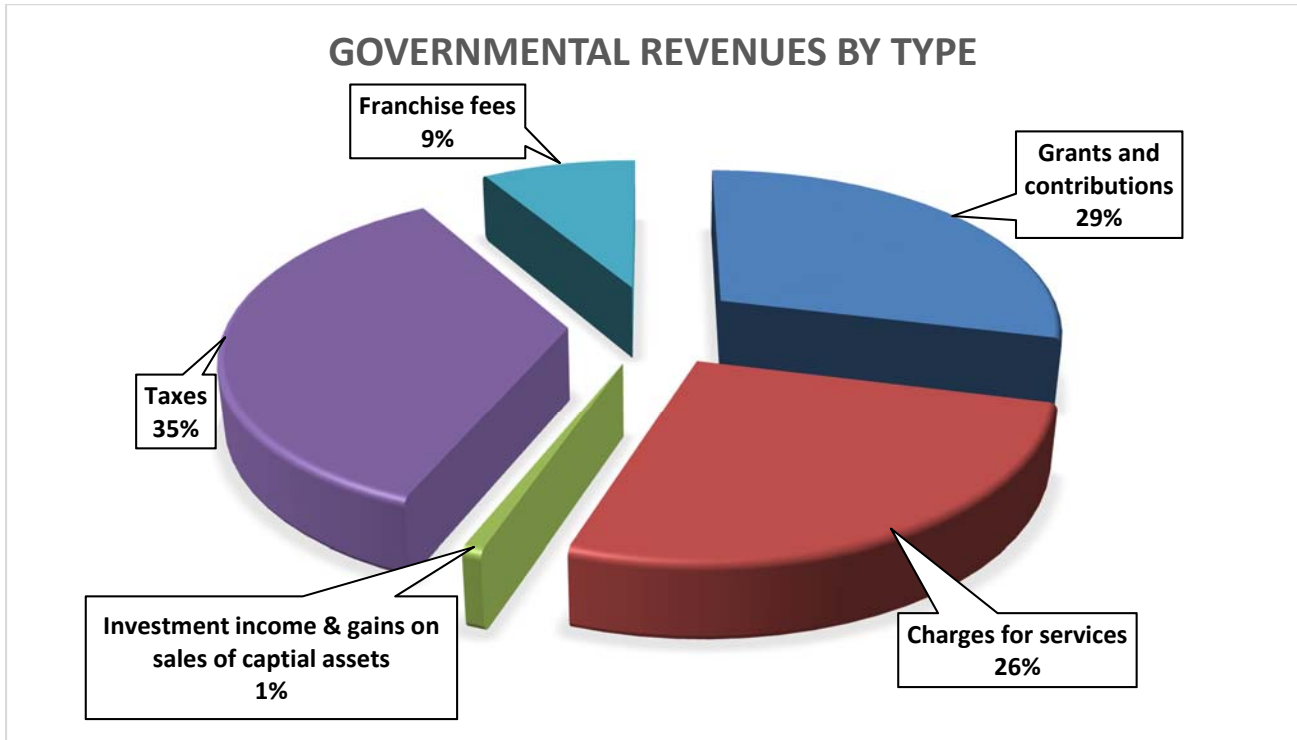
Total revenues from business-type activities increased by \$4.2 million from the prior year. Increases in charges for services of \$3.1 million are due to higher water reclamation rates (5.0%) and water rates (3.0%). Capital grants and contributions increased by \$1.0 million, offset by a slight increase in investment income.

Business-type expenses increased overall by \$2.6 million due to increases in water, water reclamation, airport, downtown parking, and stormwater, offset by a slight decrease in cemetery program expenses.

Overall, total net position for the City increased by \$18.6 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 \$4.7 million, with revenues totaling \$89.1 million, expenses totaling \$79.2 million, transfers to business-type activities totaling \$5.2 million, and bond issuance costs expensed under GASB 65 totaling \$1.0 million. Revenues consisted of taxes of \$31.5 million, operating and capital grants and contributions of \$25.7 million, charges for services of \$23.6 million, franchise fees of \$7.6 million, and \$0.7 million of investment income.

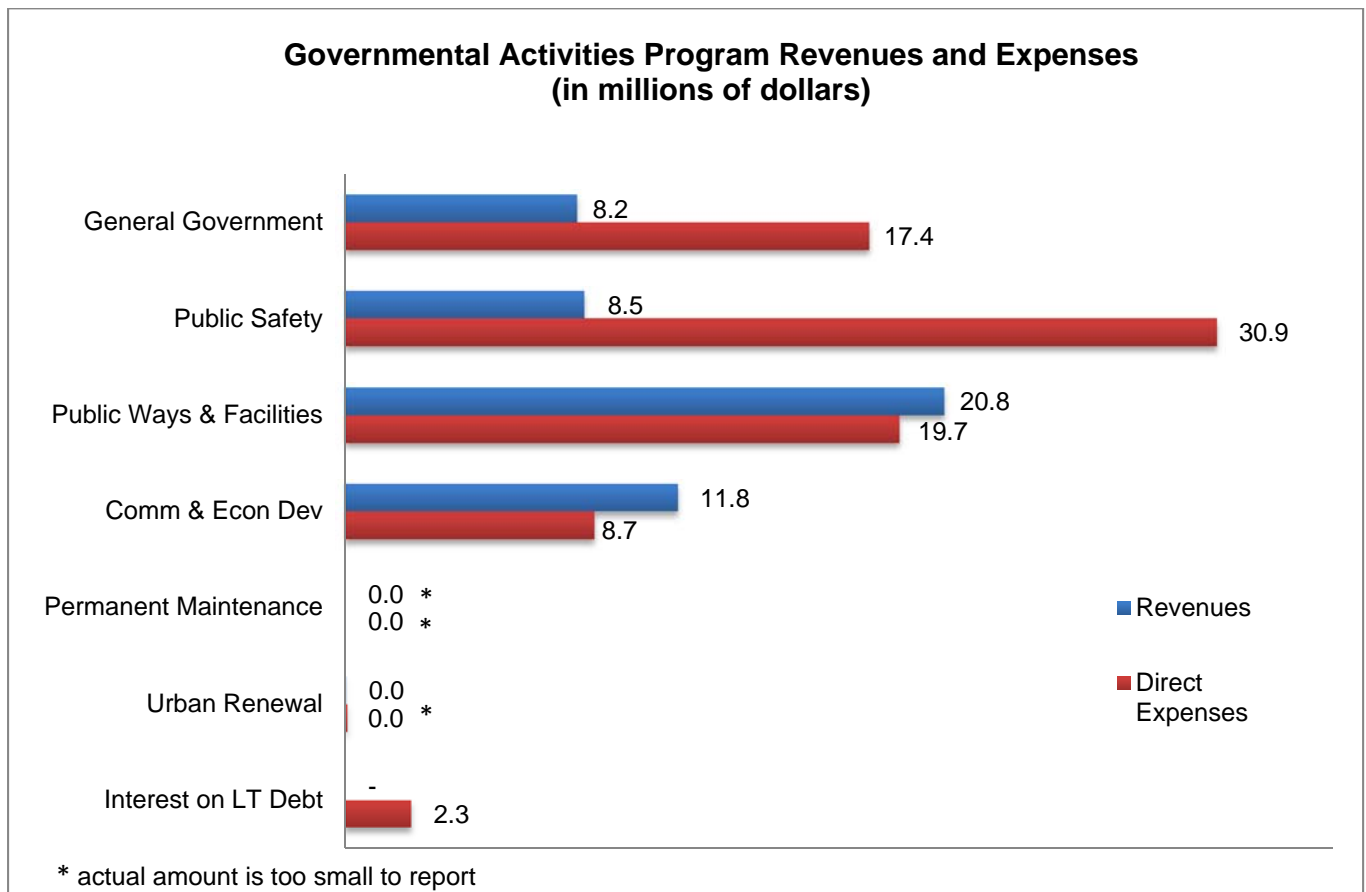


**Management’s Discussion and Analysis (Continued)**

Property taxes increased by \$1.1 million (4.0%) from the prior year due to an increase in property tax assessed values and an additional assessment for the General Obligation Bonds. Charges for services increased by \$5.4 million (29.3%) from the prior year due to increased activity in general government, public ways and facilities and community development revenues. Grants and contributions increased by \$1.0 million (4.0%) from the prior year due to increased grant revenues from the general government, and public ways and facilities.

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, engineering, public works administration, public works laboratory, insurance, administration and financial services, and legal and risk management.

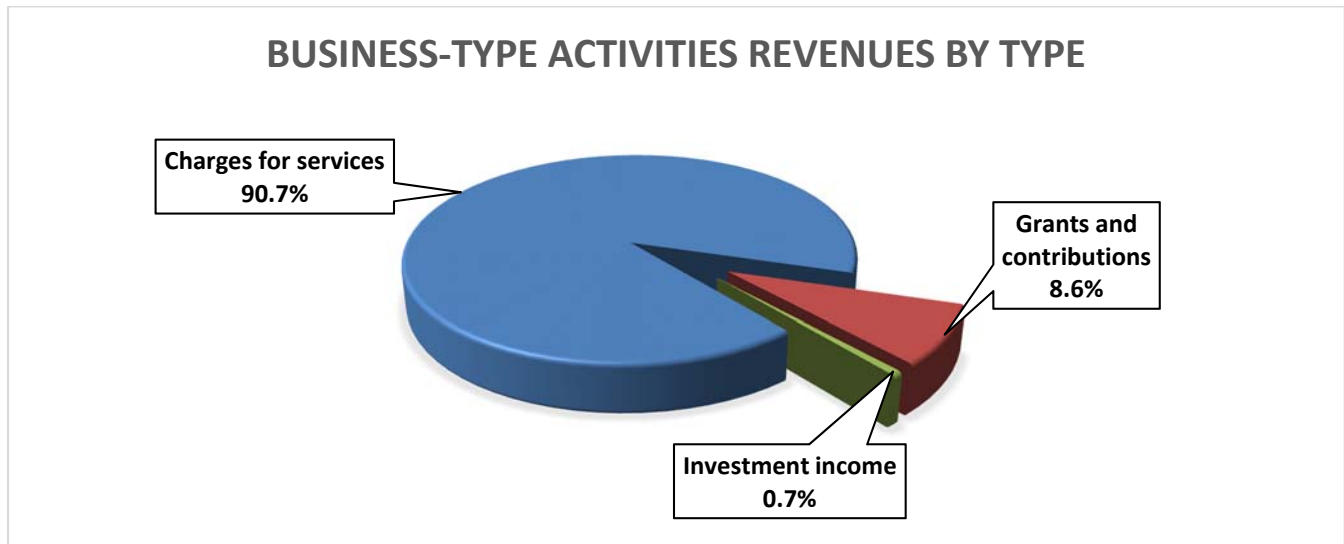
All governmental programs utilize general revenues to support their functions. Some programs such as public safety are dependent on general revenues to fund operations. The following chart compares the revenues and expenditures for each of the City’s programs and shows the extent of each program’s dependence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



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

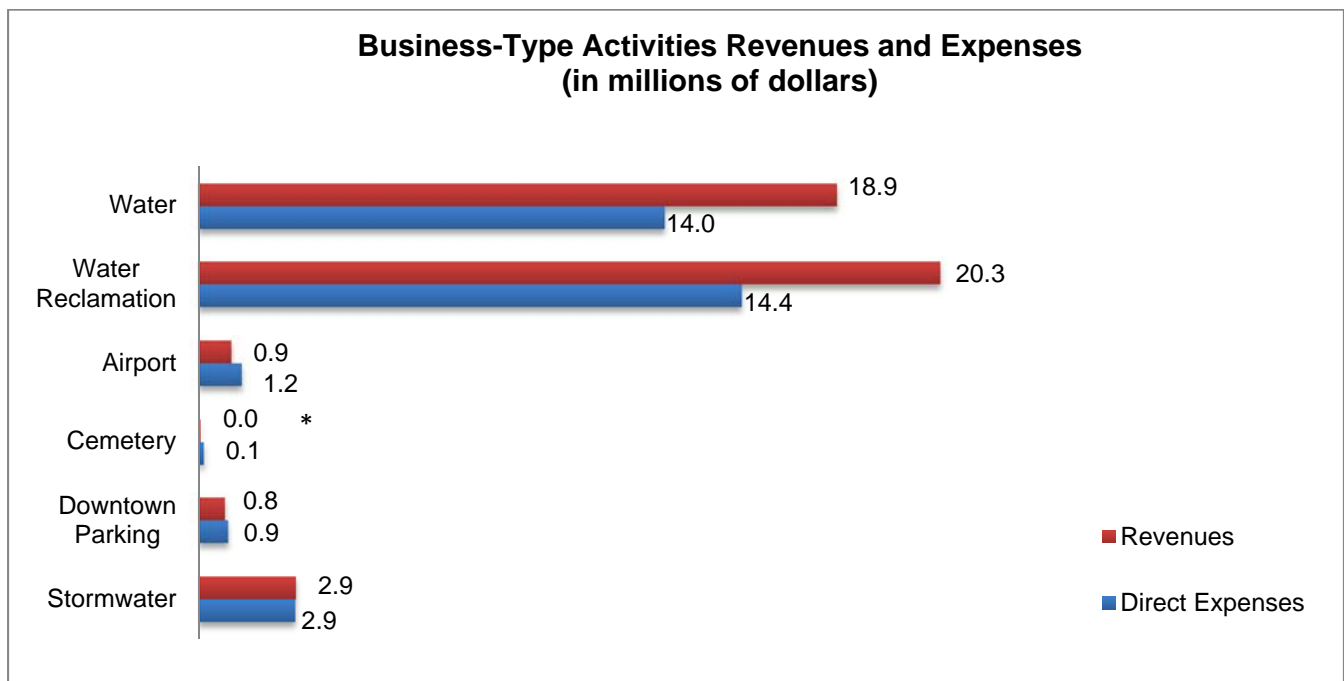
**Business-Type Activities**

Business-type revenues consisted of charges for services of \$40.0 million, grants and contributions of \$3.8 million and \$0.3 million of investment income.



Charges for services accounted for 90.7% of total business-type revenue in fiscal year 2013-14 compared to 92.5% in fiscal year 2012-13. This shift resulted from an increase in capital grants and contributions of \$1.0 million primarily from increased 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. 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, unassigned 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 \$66.6 million which is an increase of \$3.5 million. This increase is due mainly to the increased program revenues for community and economic development.

Of the combined ending fund balance of \$66.6 million, \$5.2 million was nonspendable; \$29.0 million was restricted by creditors, grantors or by law; \$13.1 million was committed to specific purposes through council resolution or ordinance; \$8.3 million was assigned by intent of the City to a specific purpose; and \$11.0 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 \$11.0 million, up \$0.7 million (6.8%) from the previous year. The unassigned fund balance represents 30.4% of total General Fund requirements.

The other major governmental funds are the Transportation Operations, Fire/Emergency Medical Services (EMS) Fund, System Development Charges (SDC) Fund, the Community Development Block Grant (CDBG) Fund, and the Transportation Construction Fund. The Transportation Operations Fund balance increased by \$0.2 million due primarily to proceeds from the sale of assets. The Fire/EMS fund balance decreased by \$0.5 million due to increased interfund expenditures. The SDC Fund balance increased \$2.7 million due to increased SDC fees being collected. The CDBG fund balance increased slightly due to decreased program expenditures from direct entitlement activity. The Transportation Construction Fund balance decreased \$1.0 million due primarily to debt service payments.

## **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 \$7.6 million and \$26.0 million, respectively. The decrease in unrestricted net position of the Water Fund of \$0.8 million is primarily due to the increase in expenditures for the Bridge Creek Pipe Project. The growth in unrestricted net position of the Water Reclamation Fund was \$2.4 million, reflecting the implementation of rate increases and debt issuances to fund needed improvements in infrastructure. In the Water Fund, system development charges generated \$2.4 million of revenue and developer contributed infrastructure totaled \$1.6 million. In the Water Reclamation Fund, system development charges generated \$2.8 million of revenue and developer contributed infrastructure totaled \$1.8 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 20.5% and 30.0% respectively in fiscal year 2013-14 over fiscal year 2012-13.

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 \$0.4 million for changes in charges for services and unanticipated grant revenues; and budgeted expenditures were increased by \$0.7 million for public safety, transportation growth management, and right of way expenditures.



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

**CAPITAL ASSETS**

As of June 30, 2014 the City had invested \$849.2 million in capital assets, net of depreciation, as reflected in the following table. This represents a net increase (additions, disposals and depreciation) of \$28.2 million. Governmental capital assets totaled \$513.7 million while business-type capital assets totaled \$335.5 million.

**Capital Assets as of June 30th**  
(in millions, net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land including right-of-way	\$ 152.8	\$ 152.7	\$ 6.9	\$ 6.9	\$ 159.7	\$ 159.6
Land use rights	-	-	1.1	1.1	1.1	1.1
Artwork	0.7	0.7	-	-	0.7	0.7
Buildings and improvements	16.5	16.3	17.8	18.2	34.3	34.5
Infrastructure	330.1	331.6	234.0	233.0	564.1	564.6
Equipment	2.6	2.3	2.5	2.6	5.1	4.9
Vehicles	3.4	3.2	0.7	0.6	4.1	3.8
Software	0.4	0.7	0.1	0.3	0.5	1.0
Construction in progress	7.2	8.4	72.4	42.4	79.6	50.8
	<u>\$ 513.7</u>	<u>\$ 515.9</u>	<u>\$ 335.5</u>	<u>\$ 305.1</u>	<u>\$ 849.2</u>	<u>\$ 821.0</u>

Major construction projects affecting capital assets for fiscal year 2013-14 are as follows:

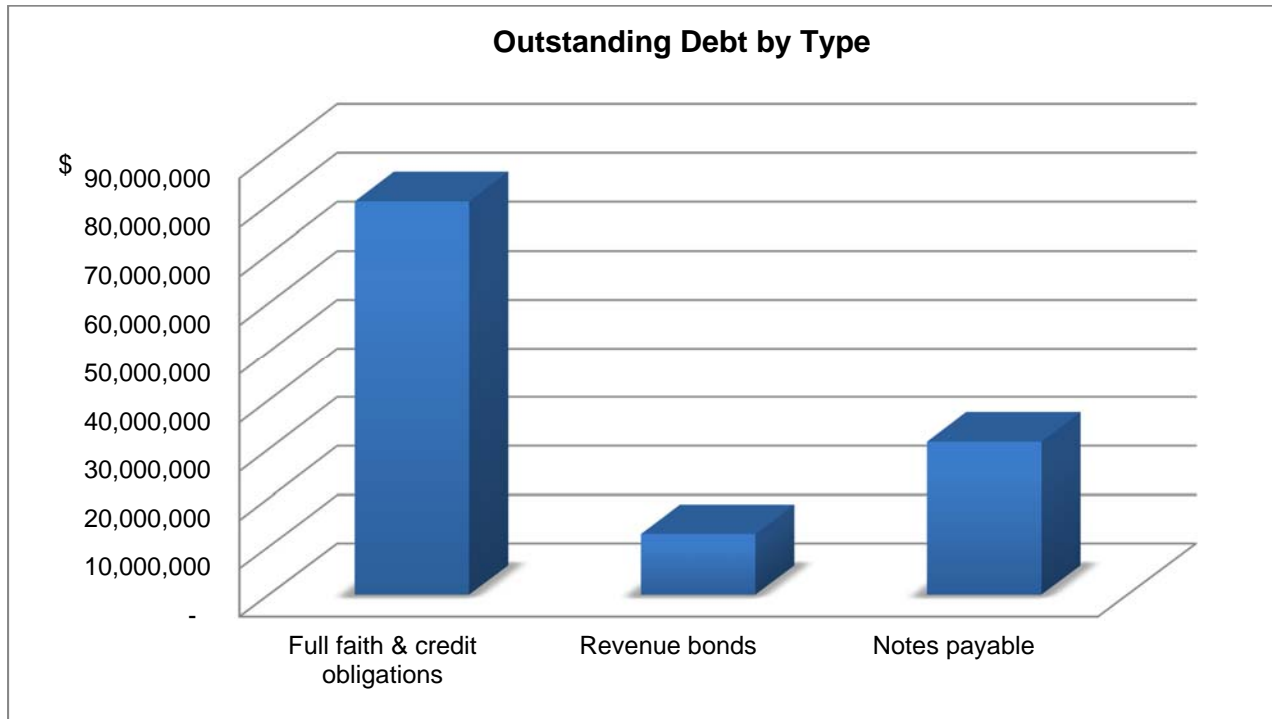
- Street Construction - Construction of various street improvements added \$9.1 million to capital assets. Major projects included street overlays of \$2.5 million, GO Bond projects of \$4.9 million, Riverside project of \$1.0 million, Murphy Overcrossing project of \$0.3 million, and other street construction and safety projects of \$0.4 million. Developer constructed infrastructure contributed to the City totaled \$1.4 million in the current year.
- Water Improvements - Improvements to the City’s water system added \$8.5 million to capital assets. Projects included the Bridge Creek Pipeline Maintenance project of \$6.3 million, Mountain High Waterline Extension project of \$0.9 million, and other minor projects of \$1.3 million. Developer constructed infrastructure contributed to the City totaled \$1.6 million in the current year.
- Water Reclamation Improvements - Improvements to the water reclamation system added \$23.2 million to capital assets. Major projects included the expansion of the treatment facility of \$18.5 million, collection system master plan of \$1.6 million, lift station of \$1.4 million, southeast interceptor of \$0.7 million, and other water reclamation projects of \$1.0 million. Developer constructed infrastructure totaled \$1.6 million.
- Stormwater Improvements - Improvements to the City’s stormwater system added \$2.3 million to capital assets. Projects included the 3<sup>rd</sup> Street Underpass project of \$2.0 million and other stormwater projects for \$0.3 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 \$0.2 million to capital assets. Projects included the final improvements at the Boyd Acres campus of \$0.1 million and other minor projects at the police building 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 \$80.7 million of full faith & credit obligations outstanding for airport improvements (\$0.6 million), land acquired (\$1.4 million), street improvements (\$39.2 million), fire and police stations (\$9.5 million), street and fire equipment (\$2.0 million), pension obligation (\$12.8 million) and water and sewer improvements (\$15.2 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 \$12.6 million and are for water reclamation infrastructure. These bonds are repaid from water reclamation service charges and system development charges.

The City has \$31.5 million of notes payable issued for water reclamation improvements (\$24.4 million), water improvements (\$2.6 million), street improvements (\$3.5 million), and airport improvements (\$1.0 million).

**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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Full faith & credit obligations	\$ 64.8	\$ 69.2	\$ 15.9	\$ 17.6	\$ 80.7	\$ 86.8
Revenue bonds	-	-	12.6	13.7	12.6	13.7
Notes payable	3.5	-	28.0	9.6	31.5	9.6
Line of credit	-	3.7	-	-	-	3.7
	<u>68.3</u>	<u>72.9</u>	<u>56.5</u>	<u>40.9</u>	<u>124.8</u>	<u>113.8</u>
Unamortized premiums & discounts	1.9	2.1	0.2	0.2	2.1	2.3
Total Outstanding Debt	<u>\$ 70.2</u>	<u>\$ 75.0</u>	<u>\$ 56.7</u>	<u>\$ 41.1</u>	<u>\$ 126.9</u>	<u>\$ 116.1</u>

As of June 30, 2014, the City had \$126.9 million in long-term debt and unamortized premiums and discounts, an increase of \$10.8 million from the prior year. The City has an unamortized balance of premiums and discounts on long-term debt issuances of \$2.1 million that are amortized over the life of the associated debt.

The significant changes in long-term debt include the issuance of \$18.5 million of notes payable from the State of Oregon Clean Water State Revolving Fund to fund construction on the water reclamation system. This increase was offset by \$7.0 million in scheduled principal payments. A shift of \$3.7 million occurred between debt-type because a short-term line-of-credit was refinanced into a long-term note payable.

**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 2013-14 value, the City’s debt limitation is \$318.1 million. The City is well within its debt limitation with an amount of outstanding debt subject to this limitation of \$78.1 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, 2014, was 78,280, which is 47.0% of Deschutes County's population of 165,525. Between July 1, 2002 and July 1, 2014, Deschutes County population increased by 28.0%. 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 2013-14, 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 19.7% 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 permanent tax rate for the City of Bend is \$2.8035 per \$1,000 of assessed value (AV) which is one of the lowest in Oregon. From 2001 to 2008, significant increases in the number of properties subject to property tax helped mitigate the effects of Measure 50 on property tax revenues. For several years after the recession there were little, if any, increases in AV and property tax revenues. However, the gap between real market value and maximum assessed value has been increasing, with 65% of properties experiencing 3% increases in AV as allowed by Measure 50. The growth in AV for existing properties coupled with the recent increases in development activity resulted in an overall increase in AV of 5.2% during fiscal year 2013-14. Despite the increases in AV, the low permanent tax rate will continue to present challenges in providing services at the current rate without additional sources of revenue. In May 2014, voters approved a \$0.20 five year local option operating levy for fire and emergency services, which will provide additional funding for the Fire Department beginning in fiscal year 2014-15.

Both the water and water reclamation rates were increased for fiscal year 2013-14 by 3.0% and 5.0%, 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 Sharon Wojda, 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, 2014

	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b><u>Assets</u></b>			
Pooled cash and investments	\$ 44,560,115	\$ 31,726,221	\$ 76,286,336
Receivables, net	4,842,149	5,686,102	10,528,251
Internal balances	61,279	(61,279)	-
Due from other governments	915,502	10,033,892	10,949,394
Restricted cash and investments	35,091,974	1,549,516	36,641,490
Other assets	195,948	106,733	302,681
Prepaid pension obligation	7,597,093	-	7,597,093
Assessments receivable	32,520	112,082	144,602
Loans and notes receivable	9,250,086	12,500	9,262,586
Assets held for resale	4,554,943	-	4,554,943
Non-depreciable capital assets	160,777,993	80,413,564	241,191,557
Depreciable capital assets, net	352,962,557	255,102,137	608,064,694
<b>Total Assets</b>	<b>620,842,159</b>	<b>384,681,468</b>	<b>1,005,523,627</b>
<b><u>Liabilities</u></b>			
Accounts payable	4,273,516	4,922,679	9,196,196
Accrued liabilities	8,457,224	2,520,171	10,977,395
Due to developers	1,102,471	-	1,102,471
Deposits	774,149	284,349	1,058,498
Unearned revenue	12,000	-	12,000
Long-term debt, net			
Other post-employment benefits payable	11,764,133	1,919,564	13,683,697
Portion due or payable within one year	5,728,985	2,897,629	8,626,614
Portion due or payable after one year	64,533,969	53,760,815	118,294,783
<b>Total Liabilities</b>	<b>96,646,448</b>	<b>66,305,206</b>	<b>162,951,654</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	472,258,008	278,857,258	751,115,266
Restricted for:			
Debt service	2,327,619	1,265,167	3,592,786
Capital projects	20,994,127	-	20,994,127
Building program	4,958,504	-	4,958,504
Tourism	170,499	-	170,499
Permanent maintenance	635,411	-	635,411
Urban renewal	415,111	-	415,111
Grant activity	150,618	-	150,618
Unrestricted	22,285,815	38,253,837	60,539,652
<b>Total Net Position</b>	<b>\$ 524,195,711</b>	<b>\$ 318,376,262</b>	<b>\$ 842,571,972</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, 2014

Functions/ Programs	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>Governmental Activities:</b>							
General government	\$ 17,435,560	\$ 7,826,812	\$ 340,894	\$ -	\$ (9,267,855)	\$ -	\$ (9,267,855)
Public safety	30,873,063	3,255,034	5,198,073	32,730	(22,387,226)	-	(22,387,226)
Public ways and facilities	19,733,165	3,651,888	4,498,253	12,692,141	1,109,116	-	1,109,116
Community and economic development	8,720,150	8,842,945	2,925,993	-	3,048,788	-	3,048,788
Permanent maintenance	4,644	3,434	-	-	(1,210)	-	(1,210)
Urban renewal	63,662	-	-	5	(63,657)	-	(63,657)
Interest on long-term debt	2,321,106	-	-	-	(2,321,106)	-	(2,321,106)
<b>Total Governmental Activities</b>	<b>79,151,348</b>	<b>23,580,112</b>	<b>12,963,212</b>	<b>12,724,876</b>	<b>(29,883,149)</b>	<b>-</b>	<b>(29,883,149)</b>
<b>Business-Type Activities:</b>							
Water	14,031,789	17,295,881	-	1,597,166	-	4,861,258	4,861,258
Water reclamation	14,426,807	18,487,008	-	1,828,855	-	5,889,056	5,889,056
Airport	1,243,480	879,416	-	63,127	-	(300,937)	(300,937)
Cemetery	134,382	43,687	-	-	-	(90,695)	(90,695)
Downtown parking	874,911	752,626	-	-	-	(122,285)	(122,285)
Stormwater	2,842,712	2,539,921	-	320,153	-	17,361	17,361
<b>Total Business-Type Activities</b>	<b>33,554,082</b>	<b>39,998,539</b>	<b>-</b>	<b>3,809,301</b>	<b>-</b>	<b>10,253,758</b>	<b>10,253,758</b>
<b>Total Activities</b>	<b>\$ 112,705,430</b>	<b>\$ 63,578,650</b>	<b>\$ 12,963,212</b>	<b>\$ 16,534,177</b>	<b>(29,883,149)</b>	<b>10,253,758</b>	<b>(19,629,391)</b>
<b>General Revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					23,779,148	-	23,779,148
Property taxes, levied for debt service					2,973,946	-	2,973,946
Transient room taxes					4,709,678	-	4,709,678
Franchise fees					7,645,119	-	7,645,119
Unrestricted investment income					702,993	289,981	992,974
Transfers					(5,246,365)	5,246,365	-
<b>Total General Revenues and Transfers</b>					<b>34,564,519</b>	<b>5,536,346</b>	<b>40,100,865</b>
<b>Change in Net Position</b>					<b>4,681,370</b>	<b>15,790,104</b>	<b>20,471,474</b>
Net Position, July 1, 2013, as previously stated					520,530,363	303,479,460	824,009,823
Cumulative Effect of a Change in Accounting Principle, Note 19					(1,016,022)	(893,303)	(1,909,325)
Net Position, July 1, 2013, as restated					519,514,341	302,586,158	822,100,498
<b>Net Position, June 30, 2014</b>					<b>\$ 524,195,711</b>	<b>\$ 318,376,262</b>	<b>\$ 842,571,972</b>

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

City of Bend, Oregon  
**Balance Sheet**  
 Governmental Funds  
 June 30, 2014

	<u>General</u> *	<u>Transportation Operations Fund</u>	<u>Fire / Emergency Medical Services</u>	<u>System Development Charges (SDC) Fund</u>
<b><u>Assets</u></b>				
Pooled cash and investments	\$ 16,113,874	\$ 3,362,241	\$ 2,428,614	\$ -
Restricted cash and investments	126,502	28,790	-	4,915,730
Receivables:				
Property taxes	997,618	-	-	-
Accounts, net	2,299,322	49,152	509,516	124,808
Assessments, net	-	-	-	-
Loans and notes, net	639,656	-	-	616,027
Interest	305,262	-	-	-
Due from other funds	53,891	-	-	-
Due from other governments	446,498	351,701	-	-
Advances to other funds	7,388	-	-	-
Assets held for resale	4,554,943	-	-	-
<b>Total Assets</b>	<b>\$ 25,544,953</b>	<b>\$ 3,791,884</b>	<b>\$ 2,938,131</b>	<b>\$ 5,656,566</b>

**Liabilities, Deferred Inflows of Resources and Fund Balances**

<b>Liabilities:</b>				
Accounts payable	\$ 1,531,520	\$ 863,431	\$ 99,131	\$ -
Salaries and benefits payable	151,801	29,931	127,016	-
Retainage payable	-	8,251	-	-
Due to developers	-	-	-	1,102,471
Other accrued liabilities	3,773,961	-	-	-
Deposits	126,502	28,790	-	-
Unearned revenues	12,000	-	-	-
<b>Total Liabilities</b>	<b>5,595,784</b>	<b>930,403</b>	<b>226,147</b>	<b>1,102,471</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue-property taxes	759,569	-	-	-
Unavailable revenue-ambulance billings	-	-	319,313	-
Unavailable revenue-assessments & loans receivable	1,742,186	5,068	-	740,835
Unavailable revenue-other	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>2,501,755</b>	<b>5,068</b>	<b>319,313</b>	<b>740,835</b>

\* The General Fund presented here includes the General Fund Stabilization Fund. Details of the combination are at page 177.

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

City of Bend, Oregon  
**Balance Sheet (Continued)**  
 Governmental Funds  
 June 30, 2014

	<u>General *</u>	<u>Transportation Operations Fund</u>	<u>Fire / Emergency Medical Services</u>	<u>System Development Charges (SDC) Fund</u>
Fund Balances (Deficits):				
Nonspendable:				
In form	\$ 4,562,331	\$ -	\$ -	\$ -
Required to remain intact	-	-	-	-
Restricted:				
Externally imposed	-	-	-	-
Imposed by law	-	-	-	3,813,260
Committed	1,855,114	-	2,392,671	-
Assigned	-	2,856,413	-	-
Unassigned	11,029,969	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>17,447,414</b>	<b>2,856,413</b>	<b>2,392,671</b>	<b>3,813,260</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 25,544,953</b>	<b>\$ 3,791,884</b>	<b>\$ 2,938,131</b>	<b>\$ 5,656,566</b>

\* The General Fund presented here includes the General Fund Stabilization Fund. Details of the combination are at page 177.

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

City of Bend, Oregon

**Balance Sheet (Continued)**

Governmental Funds

June 30, 2014

	<b>Community</b>			
	<b>Development</b>	<b>Transportation</b>	<b>Nonmajor</b>	<b>Total</b>
	<b>Block Grant</b>	<b>Construction</b>	<b>Governmental</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Fund</b>	<b>Funds</b>	<b>Funds</b>
<b>Assets</b>				
Pooled cash and investments	\$ 82,515	\$ 7,017,130	\$ 4,496,339	\$ 33,500,714
Restricted cash and investments	-	-	29,625,676	34,696,699
Receivables:				
Property taxes	-	-	120,879	1,118,498
Accounts, net	-	83,383	318,653	3,384,834
Assessments, net	-	-	32,520	32,520
Loans and notes, net	5,185,034	-	2,809,368	9,250,086
Interest	-	-	-	305,262
Due from other funds	-	-	-	53,891
Due from other governments	37,634	61,100	-	896,932
Advances to other funds	-	-	-	7,388
Assets held for resale	-	-	-	4,554,943
<b>Total Assets</b>	<b>\$ 5,305,183</b>	<b>\$ 7,161,612</b>	<b>\$ 37,403,436</b>	<b>\$ 87,801,765</b>

**Liabilities, Deferred Inflows of Resources and Fund Balances**

Liabilities:

Accounts payable	\$ 24,457	\$ 143,346	\$ 1,047,343	\$ 3,709,227
Salaries and benefits payable	1,227	-	47,042	357,017
Retainage payable	-	-	45,952	54,203
Due to developers	-	-	-	1,102,471
Other accrued liabilities	-	900	875	3,775,736
Deposits	-	3,550	220,032	378,874
Unearned revenues	-	-	-	12,000
<b>Total Liabilities</b>	<b>25,684</b>	<b>147,796</b>	<b>1,361,244</b>	<b>9,389,529</b>

Deferred Inflows of Resources:

Unavailable revenue-property taxes	-	-	94,426	853,995
Unavailable revenue-ambulance billings	-	-	-	319,313
Unavailable revenue-assessments & loans receivable	5,185,056	-	2,869,790	10,542,935
Unavailable revenue-other	-	69,495	69,495	138,990
<b>Total Deferred Inflows of Resources</b>	<b>5,185,056</b>	<b>69,495</b>	<b>3,033,710</b>	<b>11,855,232</b>

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

City of Bend, Oregon

**Balance Sheet (Continued)**

Governmental Funds

June 30, 2014

	<b>Community Development Block Grant Fund</b>	<b>Transportation Construction Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Fund Balances (Deficits):				
Nonspendable:				
In form	\$ -	\$ -	\$ -	\$ 4,562,331
Required to remain intact	-	-	599,386	599,386
Restricted:				
Externally imposed	94,443	1,132,055	18,603,105	19,829,603
Imposed by law	-	-	5,409,640	9,222,899
Committed	-	5,812,267	2,998,860	13,058,912
Assigned	-	-	5,397,490	8,253,903
Unassigned	-	-	-	11,029,969
<b>Total Fund Balances (Deficits)</b>	<b>94,443</b>	<b>6,944,322</b>	<b>33,008,481</b>	<b>66,557,003</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,305,183</b>	<b>\$ 7,161,612</b>	<b>\$ 37,403,436</b>	<b>\$ 87,801,765</b>

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

City of Bend, Oregon

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

June 30, 2014

**Total Fund Balances (Deficits)** \$ 66,557,003

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. 491,555,185

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

Interest receivable 10,304  
Prepaid pension obligation 7,597,093

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

Unavailable property taxes 853,995  
Unavailable assessments and loan 6,284,636  
Other unavailable revenues 4,716,602  
Interest payable (212,045)  
Accrued compensated absences (2,550,054)  
Other post-employment benefits (9,034,396)  
Accrued health insurance benefits (29,143)  
Long-term debt (61,396,602)

The internal service fund is used by management to charge costs of certain activities such as garage, information technology, facility management, engineering, public works administration, public works laboratory, 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. 19,843,133

**Total Net Position** \$ 524,195,711

*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, 2014

	<u>General</u> *	<u>Transportation Operations Fund</u>	<u>Fire / Emergency Medical Services</u>	<u>System Development Charges (SDC) Fund</u>
<b><u>Revenues</u></b>				
Taxes	\$ 27,184,185	\$ -	\$ 8,990	\$ -
Franchise fees	5,971,438	512,342	-	-
Intergovernmental	2,362,991	5,224,020	2,604,533	-
Assessments	-	-	-	-
Licenses and permits	117,393	142,612	-	-
Charges for services	117,648	385,032	2,463,932	-
System development charges	-	-	-	9,090,708
Contributions	-	-	-	-
Fines and forfeitures	926,907	-	-	-
Loan repayments	-	-	6,000	220,846
Permanent maintenance fees	-	-	-	-
Investment income	120,278	19,746	14,109	59,103
Miscellaneous	48,785	14,077	3,291	-
<b>Total Revenues</b>	<b>36,849,624</b>	<b>6,297,829</b>	<b>5,100,855</b>	<b>9,370,657</b>

**Expenditures**

Current operating:				
General government	2,232,929	-	-	-
Public safety	18,302,089	-	15,587,298	-
Public ways and facilities	97,073	6,333,542	-	422,909
Community and economic development	-	-	-	-
Permanent maintenance	-	-	-	-
Urban renewal	-	-	-	-
Debt service:				
Principal	-	165,000	240,000	-
Interest	-	35,625	53,139	-
Capital outlay	741,969	2,348,529	260,129	-
<b>Total Expenditures</b>	<b>21,374,061</b>	<b>8,882,696</b>	<b>16,140,566</b>	<b>422,909</b>

**Excess (deficiency) of**

<b>revenues over (under) expenditures</b>	15,475,563	(2,584,866)	(11,039,711)	8,947,748
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\* The General Fund presented here includes the General Fund Stabilization Fund. Details of the combination are at page 178.

*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, 2014

	<u>General</u> *	<u>Transportation Operations Fund</u>	<u>Fire / Emergency Medical Services</u>	<u>System Development Charges (SDC) Fund</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Proceeds from sale of assets	\$ 30,434	\$ 304,233	\$ -	\$ -
Insurance proceeds	-	1,779	13,098	-
Issuance of long-term debt	-	-	-	-
Transfers in	189,910	2,450,000	10,544,418	-
Transfers out	(14,863,686)	-	(46,141)	(6,267,013)
<b>Total Other Financing Sources (Uses)</b>	<b>(14,643,342)</b>	<b>2,756,012</b>	<b>10,511,376</b>	<b>(6,267,013)</b>
Net change in fund balances	832,221	171,145	(528,335)	2,680,735
Fund Balances (Deficits), July 1, 2013	16,615,193	2,685,268	2,921,006	1,132,524
<b>Fund Balances (Deficits), June 30, 2014</b>	<b>\$ 17,447,414</b>	<b>\$ 2,856,413</b>	<b>\$ 2,392,671</b>	<b>\$ 3,813,260</b>

\* The General Fund presented here includes the General Fund Stabilization Fund. Details of the combination are at page 178.

*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, 2014

	Community			
	Development	Transportation	Nonmajor	Total
	Block Grant	Construction	Governmental	Governmental
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<b><u>Revenues</u></b>				
Taxes	\$ -	\$ -	\$ 4,419,234	\$ 31,612,410
Franchise fees	-	620,793	536,696	7,641,269
Intergovernmental	794,960	850,949	633,944	12,471,397
Assessments	-	-	175,291	175,291
Licenses and permits	-	-	5,599,915	5,859,920
Charges for services	-	6,567	5,594,965	8,568,144
System development charges	-	-	-	9,090,708
Contributions	-	129,876	23,485	153,361
Fines and forfeitures	-	-	-	926,907
Loan repayments	146,990	4,835	844,337	1,223,010
Permanent maintenance fees	-	-	3,434	3,434
Investment income	(92)	65,854	335,653	614,651
Miscellaneous	-	17,331	5,933	89,417
<b>Total Revenues</b>	<b>941,858</b>	<b>1,696,207</b>	<b>18,172,887</b>	<b>78,429,918</b>
<b><u>Expenditures</u></b>				
Current operating:				
General government	-	-	20,300	2,253,229
Public safety	-	-	34,324	33,923,711
Public ways and facilities	-	1,019,544	245,256	8,118,325
Community and economic development	865,515	-	8,639,313	9,504,828
Permanent maintenance	-	-	4,644	4,644
Urban renewal	-	-	66,450	66,450
Debt service:				
Principal	-	7,345,678	5,715,106	13,465,784
Interest	-	306,981	1,944,251	2,339,996
Capital outlay	-	1,470,458	4,993,271	9,814,355
<b>Total Expenditures</b>	<b>865,515</b>	<b>10,142,661</b>	<b>21,662,914</b>	<b>79,491,322</b>
<b>Excess (deficiency) of</b>				
<b>revenues over (under) expenditures</b>	<b>76,343</b>	<b>(8,446,454)</b>	<b>(3,490,027)</b>	<b>(1,061,404)</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, 2014

	Community			
	Development	Transportation	Nonmajor	Total
	Block Grant	Construction	Governmental	Governmental
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Proceeds from sale of assets	\$ -	\$ 230,069	\$ -	\$ 564,735
Insurance proceeds	-	-	636	15,513
Issuance of long-term debt	-	6,283,391	3,700,000	9,983,391
Transfers in	5,000	1,061,901	1,472,006	15,723,235
Transfers out	-	(110,946)	(484,168)	(21,771,954)
<b>Total Other Financing Sources (Uses)</b>	<b>5,000</b>	<b>7,464,415</b>	<b>4,688,473</b>	<b>4,514,921</b>
Net change in fund balances	81,343	(982,039)	1,198,446	3,453,517
Fund Balances (Deficits), July 1, 2013	13,100	7,926,361	31,810,035	63,103,486
<b>Fund Balances (Deficits), June 30, 2014</b>	<b>\$ 94,443</b>	<b>\$ 6,944,322</b>	<b>\$ 33,008,481</b>	<b>\$ 66,557,003</b>

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

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, 2014

**Net Change in Fund Balances** \$ 3,453,517

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	9,847,965	
Depreciation	(12,260,080)	
Loss on sale of assets	<u>(91,999)</u>	(2,504,114)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 1,292,305

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 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		(9,983,391)
Long-term debt principal repayments		13,465,784

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		18,891
Amortization of bond premium and discounts		112,559
Amortization of prepaid pension obligations		(545,103)
Accrued compensated absences		(170,515)
Accrued other postemployment benefit obligations		(1,167,758)
Accrued health insurance benefits		278

The internal service fund is used by management to charge costs of certain activities such as garage, information technology, facility management, engineering, public works administration, public works laboratory, 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. 708,917

**Change in Net Position** \$ 4,681,370

*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, 2014

	Business-Type Activities				Governmental
	Enterprise Funds			Total	Activities
	Water *	Water ** Reclamation	Nonmajor Enterprise Funds		Internal Service Fund
<b>Assets</b>					
Current assets:					
Pooled cash and investments	\$ 8,538,162	\$ 18,299,585	\$ 4,888,474	\$ 31,726,221	\$ 11,059,402
Receivables:					
Accounts, net	2,600,489	2,523,354	480,449	5,604,292	23,252
Interest	-	81,810	-	81,810	-
Due from other governments	-	9,976,868	57,024	10,033,892	18,570
Other assets	48,427	-	-	48,427	41,464
Prepays and deposits	57,191	1,115	-	58,306	154,484
<b>Total Current Assets</b>	<b>11,244,269</b>	<b>30,882,731</b>	<b>5,425,947</b>	<b>47,552,947</b>	<b>11,297,172</b>
Noncurrent assets:					
Restricted cash and investments	254,730	1,265,167	29,619	1,549,516	395,275
Assessments receivable, net	-	112,082	-	112,082	-
Loans and notes receivable, net	-	12,500	-	12,500	-
Capital assets, net	111,406,205	160,279,507	63,829,990	335,515,701	22,185,365
<b>Total Noncurrent Assets</b>	<b>111,660,935</b>	<b>161,669,256</b>	<b>63,859,609</b>	<b>337,189,800</b>	<b>22,580,640</b>
<b>Total Assets</b>	<b>122,905,204</b>	<b>192,551,987</b>	<b>69,285,556</b>	<b>384,742,746</b>	<b>33,877,812</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	2,047,737	2,637,031	237,912	4,922,679	564,289
Salaries and benefits payable	26,771	41,158	11,778	79,707	116,277
Retainage payable	368,666	854,663	12,231	1,235,560	-
Other accrued liabilities:					
Compensated absences	215,438	211,761	54,414	481,613	643,216
Interest	63,089	290,511	26,463	380,063	26,811
Insurance claims	3,357	4,095	998	8,450	692,721
Other	242,435	81,465	10,878	334,778	-
Deposits - restricted	254,730	-	29,619	284,349	395,275
Due to other funds	-	-	53,891	53,891	-
Advances from other funds	-	-	7,388	7,388	-
Current portion of long-term debt, net	217,557	2,471,674	208,398	2,897,629	1,801,314
<b>Total Current Liabilities</b>	<b>3,439,779</b>	<b>6,592,357</b>	<b>653,971</b>	<b>10,686,107</b>	<b>4,239,904</b>

\* The Water Fund presented here includes the Bridge Creek Pipe Fund. Details of the combination are at page 180.

\*\* The Water Reclamation Fund presented here includes the Secondary Expansion Project and Southeast Interceptor. Details of the combinations are at page 183.

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, 2014

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water **		Nonmajor	Total	Internal
	Water *	Reclamation	Enterprise Funds		Service Fund
Noncurrent liabilities:					
Other post-retirement benefits payable	\$ 687,512	\$ 928,755	\$ 303,297	\$ 1,919,564	\$ 2,729,737
Long-term debt, net	4,572,339	47,800,191	1,388,285	53,760,815	7,065,038
<b>Total Noncurrent Liabilities</b>	<b>5,259,851</b>	<b>48,728,946</b>	<b>1,691,581</b>	<b>55,680,378</b>	<b>9,794,775</b>
<b>Total Liabilities</b>	<b>8,699,629</b>	<b>55,321,303</b>	<b>2,345,553</b>	<b>66,366,485</b>	<b>14,034,679</b>
<b>Net Position</b>					
Net investment in capital assets	106,616,309	110,007,641	62,233,307	278,857,258	13,319,013
Restricted for:					
Debt service	-	1,265,167	-	1,265,167	-
Unrestricted	7,589,265	25,957,876	4,706,696	38,253,837	6,524,120
<b>Total Net Position</b>	<b>\$ 114,205,575</b>	<b>\$ 137,230,684</b>	<b>\$ 66,940,003</b>	<b>\$ 318,376,262</b>	<b>\$ 19,843,133</b>

\* The Water Fund presented here includes the Bridge Creek Pipe Fund. Details of the combination are at page 180.

\*\* The Water Reclamation Fund presented here includes the Secondary Expansion Project and Southeast Interceptor. Details of the combinations are at page 183.

*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, 2014

	Business-Type Activities				Governmental
	Enterprise Funds			Total	Internal
	Water *	Water **	Nonmajor Enterprise Funds		Service Fund
	Reclamation				
<b><u>Operating Revenues</u></b>					
Charges for services	\$ 17,072,357	\$ 18,441,078	\$ 4,212,665	\$ 39,726,100	\$ 21,249,312
Loan repayments	-	18,516	-	18,516	-
Miscellaneous	219,093	27,415	2,983	249,492	198,383
<b>Total Operating Revenues</b>	<b>17,291,450</b>	<b>18,487,008</b>	<b>4,215,649</b>	<b>39,994,107</b>	<b>21,447,696</b>
<b><u>Operating Expenses</u></b>					
Salaries and benefits	3,063,254	4,202,169	1,257,842	8,523,265	11,372,193
Materials and supplies	3,522,786	2,462,980	806,711	6,792,477	5,201,909
Internal services	4,401,510	4,024,334	1,235,240	9,661,083	2,173,451
Insurance premiums and claims	-	-	-	-	1,499,457
Depreciation	2,851,243	3,027,722	1,732,250	7,611,215	955,751
<b>Total Operating Expenses</b>	<b>13,838,793</b>	<b>13,717,205</b>	<b>5,032,042</b>	<b>32,588,040</b>	<b>21,202,761</b>
<b>Operating income (loss)</b>	<b>3,452,657</b>	<b>4,769,804</b>	<b>(816,393)</b>	<b>7,406,068</b>	<b>244,934</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment income	74,413	173,607	41,960	289,981	89,803
Interest expense	(84,052)	(605,845)	(67,515)	(757,411)	(347,409)
Insurance proceeds	4,431	-	-	4,431	-
Amortization	(22,809)	14,662	4,071	(4,076)	(100,469)
Gain (loss) on disposal of assets	(86,135)	(118,420)	-	(204,555)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(114,152)</b>	<b>(535,995)</b>	<b>(21,483)</b>	<b>(671,630)</b>	<b>(358,074)</b>
<b>Income (loss) before contributions and transfers</b>	<b>3,338,505</b>	<b>4,233,809</b>	<b>(837,877)</b>	<b>6,734,438</b>	<b>(113,140)</b>
<b><u>Contributions and Transfers</u></b>					
Capital grants and contributions	1,597,166	1,828,855	383,280	3,809,301	19,704
Transfers in	2,446,153	4,426,541	41,254	6,913,948	836,288
Transfers out	-	(1,667,582)	-	(1,667,582)	(33,935)
<b>Total Contributions and Transfers</b>	<b>4,043,319</b>	<b>4,587,814</b>	<b>424,533</b>	<b>9,055,666</b>	<b>822,057</b>

\* The Water Fund presented here includes the Bridge Creek Pipe Fund. Details of the combination are at page 181.

\*\* The Water Reclamation Fund presented here includes the Secondary Expansion Project and Southeast Interceptor. Details of the combinations are at page 184.

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, 2014

	<b>Business-Type Activities</b>				<b>Governmental</b>	
	<b>Enterprise Funds</b>				<b>Activities</b>	
			<b>Nonmajor</b>			<b>Internal</b>
			<b>Enterprise</b>			<b>Service</b>
	<b>Water *</b>	<b>Reclamation</b>	<b>Funds</b>	<b>Total</b>	<b>Fund</b>	
Change in net position	\$ 7,381,825	\$ 8,821,622	\$ (413,343)	\$ 15,790,104	\$ 708,917	
Net Position, July 1, 2013, as previously stated	106,856,539	129,248,310	67,374,612	303,479,460	19,328,755	
Cumulative Effect of a Change in Accounting Principle, Note 19	(32,789)	(839,248)	(21,266)	(893,303)	(194,540)	
Net Position, July 1, 2013, as restated	106,823,750	128,409,062	67,353,346	302,586,158	19,134,215	
<b>Net Position, June 30, 2014</b>	<b>\$114,205,575</b>	<b>\$137,230,684</b>	<b>\$ 66,940,003</b>	<b>\$ 318,376,262</b>	<b>\$ 19,843,133</b>	

\* The Water Fund presented here includes the Bridge Creek Pipe Fund. Details of the combination are at page 181.

\*\* The Water Reclamation Fund presented here includes the Secondary Expansion Project and Southeast Interceptor. Details of the combinations are at page 184.

*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, 2014

	<b>Business-Type Activities</b>				<b>Governmental</b>
	<b>Enterprise Funds</b>				<b>Activities</b>
			<b>Nonmajor</b>	<b>Total</b>	<b>Internal</b>
			<b>Enterprise</b>		<b>Service</b>
	<b>Water</b>	<b>Reclamation</b>	<b>Funds</b>		<b>Fund</b>
<b>Cash Flows from Operating Activities</b>					
Cash received from customers	\$ 17,001,449	\$ 18,382,399	\$ 4,185,193	\$ 39,569,041	\$ 2,028,667
Cash received from interfund services provided	173,940	17,814	14,660	206,414	19,821,097
Cash paid to employees for services	(3,071,967)	(4,105,391)	(1,221,597)	(8,398,955)	(10,728,909)
Cash paid to suppliers for goods and services	(3,035,695)	(2,322,123)	(808,180)	(6,165,998)	(6,308,444)
Cash paid for interfund services used	(4,401,510)	(4,024,334)	(1,235,240)	(9,661,083)	(2,173,451)
<b>Net Cash From Operating Activities</b>	<b>6,666,217</b>	<b>7,948,365</b>	<b>934,836</b>	<b>15,549,419</b>	<b>2,638,960</b>
<b>Cash Flows from Noncapital Financing Activities</b>					
Interfund loan repayments	-	-	(7,212)	(7,212)	-
Transfers from other funds	2,446,153	4,426,541	41,254	6,913,948	836,288
Transfers to other funds	-	(1,667,582)	-	(1,667,582)	(33,935)
<b>Net Cash From Noncapital Financing Activities</b>	<b>2,446,153</b>	<b>2,758,959</b>	<b>34,042</b>	<b>5,239,153</b>	<b>802,353</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Advances from other funds for capital activities	-	-	53,891	53,891	-
Short-term loan repayment	-	-	(355,000)	(355,000)	-
Insurance proceeds	4,431	-	-	4,431	-
Issuance of debt	-	9,986,957	-	9,986,957	-
Principal payments on capital debt	(938,450)	(1,824,091)	(198,786)	(2,961,327)	(1,065,000)
Interest payments on capital debt	(88,615)	(581,840)	(69,912)	(740,367)	(352,359)
Capital grants and contributions	30,000	213,255	357,713	600,967	19,704
Proceeds from sale of assets	17,463	-	-	17,463	-
Acquisition and construction of capital assets	(7,717,974)	(21,854,135)	(2,646,366)	(32,218,475)	(405,666)
<b>Net Cash From Capital and Related Financing Activities</b>	<b>(8,693,145)</b>	<b>(14,059,853)</b>	<b>(2,858,461)</b>	<b>(25,611,460)</b>	<b>(1,803,320)</b>
<b>Cash Flows from Investing Activities</b>					
Investment income	74,413	173,607	41,960	289,981	89,803
<b>Net Cash From Investing Activities</b>	<b>74,413</b>	<b>173,607</b>	<b>41,960</b>	<b>289,981</b>	<b>89,803</b>
<b>Net change in pooled cash and investments</b>	<b>493,638</b>	<b>(3,178,922)</b>	<b>(1,847,623)</b>	<b>(4,532,907)</b>	<b>1,727,796</b>
Pooled Cash and Investments, July 1, 2013	8,299,254	22,743,674	6,765,716	37,808,643	9,726,881
<b>Pooled Cash and Investments, June 30, 2014</b>	<b>\$ 8,792,892</b>	<b>\$ 19,564,752</b>	<b>\$ 4,918,093</b>	<b>\$ 33,275,736</b>	<b>\$ 11,454,677</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, 2014

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water		Nonmajor	Total	Internal
	Water	Reclamation	Enterprise Funds		Service
	Water	Reclamation	Funds	Total	Fund
<b>Reconciliation to Statement of Net Position</b>					
Pooled cash and investments	\$ 8,538,162	\$ 18,299,585	\$ 4,888,474	\$ 31,726,221	\$ 11,059,402
Restricted cash and investments	254,730	1,265,167	29,619	1,549,516	395,275
<b>Pooled Cash and Investments, June 30, 2014</b>	<b>\$ 8,792,892</b>	<b>\$ 19,564,752</b>	<b>\$ 4,918,093</b>	<b>\$ 33,275,736</b>	<b>\$ 11,454,677</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities</b>					
Operating income (loss)	\$ 3,452,657	\$ 4,769,804	\$ (816,393)	\$ 7,406,068	\$ 244,934
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	2,851,243	3,027,722	1,732,250	7,611,215	955,751
Change in:					
Accounts receivable	(115,642)	(151,047)	(15,405)	(282,094)	12,807
Loans, notes and assessments receivable	-	64,251	-	64,251	-
Other assets	(4,169)	-	-	(4,169)	(2,063)
Prepays and deposits	(37,219)	(1,115)	-	(38,334)	(71,468)
Accounts payable	287,657	133,873	1,248	422,778	77,035
Salaries and benefits payable	(16,437)	(15,765)	(5,849)	(38,050)	(29,152)
Other post-employment benefits	17,874	97,920	30,610	146,404	667,864
Compensated absences payable	(10,150)	14,623	11,502	15,975	4,572
Insurance claims payable	448	(1,396)	(18)	(966)	389,418
Other accrued liabilities	240,374	9,494	(2,717)	247,151	-
Deposits payable	(420)	-	(391)	(811)	389,261
<b>Net Cash From Operating Activities</b>	<b>\$ 6,666,217</b>	<b>\$ 7,948,365</b>	<b>\$ 934,836</b>	<b>\$ 15,549,419</b>	<b>\$ 2,638,960</b>

Noncash Capital and Related Financing Activities

The City received donated Water, Water Reclamation, and Nonmajor Enterprise Funds infrastructure totaling \$1,572,169, \$1,615,600, \$320,153, respectively, in the current year.

Acquisition of capital assets financed through accounts payable and retainage payable for the current year totaled \$1,756,678 in the Water Fund, \$3,198,637 in the Water Reclamation Fund, \$160,358 in the Nonmajor Enterprise Funds, and \$100,982 in the Internal Service Fund.

The net book value of capital assets contributed to other funds, or loss on disposal, for Water and Water Reclamation Funds totaled \$86,135, \$118,420, respectively, in the current year.

The net book value of capital assets contributed from other funds, or gain on disposal, for Internal Service Funds totaled \$10,754 in the current year.

The Clean Water Loans in the Water Reclamation Fund are received on a reimbursement basis. As of year end, \$9,976,868 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, 2014

	<u>Agency Fund</u>
<b><u>Assets</u></b>	
Cash and investments	\$ 391,509
Accounts receivable, net	5
<b>Total Assets</b>	<b>391,513</b>
<b><u>Liabilities</u></b>	
Amounts held for others	391,513
<b>Total Liabilities</b>	<b>391,513</b>
<b>Net Position</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, 2014

**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.

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.

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

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).

"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

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

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 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.

**Transportation Construction Fund** – This fund accounts for the City's construction of transportation improvements funded by franchise fees and proceeds from borrowings.

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.

**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.

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

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 also 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.

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.

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

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.

Due From Other Governments

Due from other governments are amounts due primarily from granting agencies. The largest amount relates to a receivable from the State of Oregon for a Department of Environmental Quality loan related to the Secondary Expansion Project in the Water Reclamation Fund. Other amounts include receivables from the State of Oregon for state shared revenues, and a receivable from Bend LaPine School District for school safety resource officers.

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, 2014, the City had \$36,641,490 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



CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

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.

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, including Juniper Ridge development costs, 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, 2014 there was \$61,475 of interest incurred and capitalized in the Water Fund, and \$555,904 of interest incurred and capitalized in the Water Reclamation Fund. Total capitalized interest for the year ended June 30, 2014 was \$617,379.

Due to Developers

Due to Developers is a liability associated with the improvement fee portion of the System Development Charge that a developer can be granted a credit for on acceptance of a Qualified Public Improvement.

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

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. The General, Fire, and Transportation Operations and Planning Funds are primarily responsible for payment of this liability for the Governmental Activities.

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

Long-term debt is reported as a liability in the Statement of Net Position and proprietary fund financial statements. The related bond discounts and premiums are deferred and amortized over the term of the bonds using the straight-line method. In the governmental fund financial statements, the bond discounts and premiums 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.

Change in Accounting Principles

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was issued March 2012. The objective of this statement is to evaluate and reclassify various financial statement items that have been previously reported as either assets or liabilities, and evaluate them against the definitions provided for deferred outflows and deferred inflows of resources.

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from multiple sources: property taxes, ambulance billings, assessments and loans receivable, and other. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

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 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, 2014 was \$1,843,114.

At June 30, 2014 the Bridge Creek Pipe Project Fund had a deficit fund balance of \$1,335,033. This fund combines with the Water Fund for the fund financial statements and results in a positive fund balance of \$114,205,575.

**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, 2014, the City's cash and investments are comprised of the following:

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

Cash on hand	\$ 6,250
Deposits with financial institutions	4,354,996
Deposits with trust custodians	643,068
Investments:	
State of Oregon Local Government Investment Pool	40,891,166
Corporate notes	22,768,893
U.S. agency obligations	32,527,752
Obligations of the States of Oregon, California, Idaho and Washington	12,127,209
Total pooled cash and investments	\$ 113,319,334

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

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	Agency <u>Fund</u>	<u>Total</u>
Pooled cash and investments	\$ 44,560,115	\$ 31,726,221	\$ 391,509	\$ 76,677,844
Restricted cash and investments	35,091,974	1,549,516	-	36,641,490
	\$ 79,652,089	\$ 33,275,736	\$ 391,509	\$ 113,319,334

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 \$4,547,786, of these deposits \$4,297,786 was not insured by the FDIC as of June 30, 2014. 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.

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, 2014</u>
Less than 30 days	10%	41%
Less than 12 months	50%	54%
Less than 18 months	65%	65%
Less than 7 years	100%	100%

Credit Risk

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

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, 2014, the City was in compliance with the above policy requirements with commercial paper and corporate bonds totaling 20% 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, 2014 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)*	\$ 32,527,752	-	-
High Grade (AA, Aa, AA)*	-	12,127,209	22,768,893
	<u>\$ 32,527,752</u>	<u>\$ 12,127,209</u>	<u>\$ 22,768,893</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, 2014, the City does not have investments exposed to custodial credit risk.

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

**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, 2014:

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
<u>Assessments Receivable</u>		
Assessments receivable for downtown economic improvements	\$ 32,520	\$ -
Assessments receivable for local improvements, 10 year terms with 5% to 7.25% interest	-	160,761
Allowance for uncollectible assessments	-	(48,679)
Total Assessments Receivable	32,520	112,082
 <u>Loans and Notes Receivable</u>		
Promissory notes receivable for business development forgivable loans/grants, various terms with 0% interest	12,000	-
Promissory notes receivable for system development charges and improvement fees, 1 to 10 year terms with 6% to 7.5% interest	108,555	19,571
Promissory notes receivable for system development charge deferrals due the earlier of 9 months or the issuance of the certificate of occupancy, interest accrues at 12% if payment is late	306,270	-
Promissory notes receivable for system development charges and improvement fees, up to 3 year terms with 0% interest	201,202	-
Promissory notes receivable for building permits and energy efficiency upgrade deferrals due upon property sale/transfer, 0% interest	204,469	-
Community development block grant loans to qualified individuals or organizations, various terms with 0% to 2% interest	5,185,034	-
Affordable Housing Loans to qualified organizations	2,578,606	-
Low interest deferred loans to downtown businesses for urban renewal	14,295	-
Promissory note receivable for sale of transit facilities to Central Oregon Intergovernmental Council (C.O.I.C.), 20 year term, 0% interest	639,656	-
Allowance for uncollectible loans and notes receivable	-	(7,071)
Total Loans and Notes Receivable	9,250,086	12,500
Total Assessments, Loans and Notes Receivables	\$ 9,282,605	\$ 124,583

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

**Note 4 - Assets Held for Resale**

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

<u>Governmental activities</u>	Balance June 30, 2013	Increases	Decreases	Adjustments	Balance June 30, 2014
Assets held for resale	\$ 4,565,974	\$ -	\$ -	\$ (11,031)	\$ 4,554,943

**Note 5 - Capital Assets**

Governmental capital asset activity for the year ended June 30, 2014 was as follows:

<u>Governmental activities</u>	Balance June 30, 2013	Increases	Decreases	Transfers/ Adjustments	Balance June 30, 2014
Capital assets not depreciated:					
Land including right-of-way	\$ 152,684,148	\$ 320,166	\$ (230,069)	\$ 81,975	\$ 152,856,220
Land use rights	-	9,994	-	-	9,994
Works of art	719,215	-	-	-	719,215
Construction in progress	8,347,704	9,139,819	(34,618)	(10,260,341)	7,192,564
Total capital assets not being depreciated	161,751,067	9,469,979	(264,687)	(10,178,366)	160,777,993
Capital assets being depreciated:					
Buildings and improvements	23,716,470	-	-	1,078,413	24,794,883
Infrastructure	508,883,110	953,291	(2,384,789)	9,099,954	516,551,566
Equipment	7,181,647	497,343	(127,342)	320,314	7,871,962
Vehicles	11,689,037	886,203	(357,263)	(40,251)	12,177,726
Software	2,295,621	47,701	(5,941)	(384,852)	1,952,529
Total capital assets being depreciated	553,765,885	2,384,538	(2,875,335)	10,073,578	563,348,666
Less accumulated depreciation for:					
Buildings and improvements	7,410,515	854,103	-	-	8,264,618
Infrastructure	177,256,107	11,203,786	(2,026,224)	-	186,433,669
Equipment	4,888,663	457,993	(109,397)	70,357	5,307,616
Vehicles	8,524,538	672,237	(341,724)	(51,005)	8,804,046
Software	1,562,745	154,251	(5,941)	(134,895)	1,576,160
Total accumulated depreciation	199,642,568	13,342,370	(2,483,286)	(115,543)	210,386,109
Total capital assets being depreciated, net	354,123,317	(10,957,832)	(392,049)	10,189,121	352,962,557
Governmental activities capital assets, net	\$ 515,874,384	\$ (1,487,853)	\$ (656,736)	\$ 10,755	\$ 513,740,550

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

Depreciation and amortization expense was charged to governmental activities as follows:

<u>Governmental activities</u>	
General government	\$ 1,082,291
Public safety	689,554
Public ways and facilities	11,563,450
Community and economic development	5,264
Urban Renewal	<u>1,811</u>
Governmental activities depreciation expense	<u><u>\$ 13,342,370</u></u>



CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

Business-type capital asset activity for the year ended June 30, 2014 was as follows:

<u>Business-type activities</u>	Balance June 30, 2013	Increases	Decreases	Transfers/ Adjustments	Balance June 30, 2014
Capital assets not depreciated:					
Land including right-of-way	\$ 6,952,082	\$ -	\$ -	\$ -	\$ 6,952,082
Land use rights	1,069,183	-	(16,853)	-	1,052,330
Construction in progress	42,416,937	33,436,973	(83,431)	(3,361,327)	72,409,152
<b>Total capital assets not being depreciated</b>	<b>50,438,202</b>	<b>33,436,973</b>	<b>(100,284)</b>	<b>(3,361,327)</b>	<b>80,413,564</b>
Capital assets being depreciated:					
Buildings and improvements	24,272,353	-	-	-	24,272,353
Equipment	7,356,072	236,166	(386,880)	115,455	7,320,813
Vehicles	3,420,029	335,652	(9,949)	40,251	3,785,983
Software	734,026	-	(23,697)	(19,414)	690,915
Water infrastructure	110,546,817	2,297,024	-	-	112,843,841
Water reclamation infrastructure	150,136,444	1,615,600	-	82,030	151,834,074
Stormwater infrastructure	36,070,550	320,153	-	2,940,508	39,331,211
Other infrastructure	20,148,965	-	-	307,285	20,456,250
<b>Total capital assets being depreciated</b>	<b>352,685,256</b>	<b>4,804,595</b>	<b>(420,526)</b>	<b>3,466,115</b>	<b>360,535,440</b>
Less accumulated depreciation for:					
Buildings and improvements	6,012,994	507,646	-	-	6,520,640
Equipment	4,770,948	390,070	(280,070)	(53,138)	4,827,810
Vehicles	2,828,565	228,226	(9,120)	51,005	3,098,676
Software	478,393	44,142	(20,357)	117,677	619,855
Water infrastructure	26,039,763	2,686,685	-	-	28,726,448
Water reclamation infrastructure	43,807,226	2,604,469	-	-	46,411,695
Stormwater infrastructure	12,694,920	750,595	-	-	13,445,515
Other infrastructure	1,360,473	422,191	-	-	1,782,664
<b>Total accumulated depreciation</b>	<b>97,993,282</b>	<b>7,634,024</b>	<b>(309,547)</b>	<b>115,544</b>	<b>105,433,303</b>
<b>Total capital assets being depreciated, net</b>	<b>254,691,974</b>	<b>(2,829,429)</b>	<b>(110,979)</b>	<b>3,350,571</b>	<b>255,102,137</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 305,130,176</b>	<b>\$ 30,607,544</b>	<b>\$ (211,263)</b>	<b>\$ (10,756)</b>	<b>\$ 335,515,701</b>

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

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

<u>Business-type activities</u>	
Water	\$ 2,874,053
Water reclamation	3,027,722
Nonmajor	
Airport	567,944
Parking	356,346
Stormwater	800,793
Cemetery	<u>7,166</u>
Business-type activities depreciation expense	<u>\$ 7,634,024</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, 2014 totaled \$230,549. Minimum future lease payments not including annual consumer price index adjustments are \$229,601 each fiscal year from 2015 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, 2014 is \$759,765. Cost of leased assets totaled \$1,947,061 at June 30, 2014 with a carrying amount of \$1,172,859 and current year depreciation of \$41,134.

**Note 8 – GASB 49 Pollution Remediation Obligations**

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB 49) addresses accounting and financial reporting standards for pollution (including contamination) and remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.

The City has detected higher than acceptable Department of Environmental Quality levels of lead in the soil near the College Reservoir water site generated as a result of blasting grit material left from the removal of old paint. A contractor is being hired to perform the necessary cleanup and the pollution remediation obligation at June 30, 2014 of \$234,419. The clean-up work consists of the removal and disposal of contaminated debris from the affected site in compliance with applicable Environmental Protection Agency and Oregon Department of Environmental Quality rules and regulations.

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

**Note 9 - Due To / From Other Funds**

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

<u>Amount</u>	<u>Description</u>
\$ 53,891	Due to the General Fund from Nonmajor Enterprise Funds

This amount is non-interest bearing and is repaid in the following fiscal year.

**Note 10 – 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, 2014, the remaining outstanding balance is \$7,388.

**Note 11 - Interfund Transfers**

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. During fiscal year 2013-14, the City made the following interfund transfers between its governmental activities and business-type activities:

<u>Amount</u>	<u>Description</u>
\$ 22,000	From the General Fund to the Nonmajor Enterprise Funds for general operations
2,446,153	From the Nonmajor Governmental Funds to the Water Fund to transfer system development charges for eligible expenses
2,758,959	From the Nonmajor Governmental Funds to the Water Reclamation Fund to transfer system development charges for eligible expenses
19,253	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, 2014 was as follows and are included in accrued liabilities on the Statement of Net Position:

	Balance at <u>June 30, 2013</u>	<u>Earned</u>	<u>Used</u>	Balance at <u>June 30, 2014</u>	Due within <u>one year</u>
Governmental activities	\$ 3,018,183	\$ 2,937,936	\$ (2,762,849)	\$ 3,193,270	\$ 2,662,460
Business-type activities	465,637	472,133	(456,157)	\$ 481,613	432,931
	<u>\$ 3,483,820</u>	<u>\$ 3,410,069</u>	<u>\$ (3,219,006)</u>	<u>\$ 3,674,883</u>	<u>\$ 3,095,391</u>

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

**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 Issue	Interest Rate	Maturity
<b>Full faith &amp; credit obligations</b>			
Transportation & fire equipment, 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, series 2006	4,950,000	3.75% to 6.00%	12/01/31
Cooley road, police expansion, and fire equipment, series 2008	4,425,000	3.00% to 4.25%	12/01/27
Fire stations, series 2010, refinance series 1999	3,225,000	3.23%	06/01/24
Transportation system, series 2010, 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 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 series 2002	4,670,000	2.60%	12/01/26
General obligation bonds, series 2012	26,805,000	2.62%	06/01/32
Transportation, series 2013, refinance series 2003	6,283,391	1.50%	12/1/2021
<b>Notes payable</b>			
Juniper ridge, series 2013, refinance line of credit	3,700,000	1.50%	12/1/2023
<b>Line of credit</b>			
Juniper ridge line of credit	5,208,850	variable	12/31/13

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

<u>Governmental activities:</u>	Balance at June 30, 2013	Additions	Reductions/ Adjustments	Balance at June 30, 2014	Due within one year
<b>Full faith &amp; credit obligations</b>					
Transportation & fire equipment, series 2003	\$ 6,785,000	\$ -	\$ (6,785,000)	\$ -	\$ -
Pension obligation bonds, series 2004	13,055,000	-	(285,000)	12,770,000	345,000
Police expansion and ambulance, series 2006	3,735,000	-	(275,000)	3,460,000	280,000
Cooley road, police expansion, and fire equipment, series 2008	3,710,000	-	(220,000)	3,490,000	225,000
Fire stations, series 2010, refinance series 1999	2,515,000	-	(190,000)	2,325,000	190,000
Transportation system, series 2010, refinance series 2000	3,053,000	-	(340,000)	2,713,000	355,000
Accessibility, series 2010	2,610,000	-	(195,000)	2,415,000	200,000
City hall land, series 2010, refinance series 2005	2,100,000	-	(700,000)	1,400,000	1,400,000
Street equipment, series 2012	1,270,000	-	(165,000)	1,105,000	170,000
Police facility, series 2012, refinance series 2002	4,370,000	-	(245,000)	4,125,000	255,000
General obligation bonds, series 2012	25,950,000	-	(1,030,000)	24,920,000	1,060,000
Transportation, series 2013, refinance series 2003	-	6,283,391	(220,677)	6,062,714	769,729
<b>Notes payable</b>					
Juniper ridge, series 2013, refinance line of credit	-	3,700,000	(171,256)	3,528,744	348,350
<b>Line of credit</b>					
Juniper ridge line of credit	3,708,850	-	(3,708,850)	-	-
Long-term debt obligations	72,861,850	9,983,391	(14,530,783)	68,314,458	5,598,079
Premiums and discounts	2,087,126	-	(138,630)	1,948,496	130,906
	<u>\$ 74,948,976</u>	<u>\$ 9,983,391</u>	<u>\$ (14,669,413)</u>	<u>\$ 70,262,954</u>	<u>\$ 5,728,985</u>

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

<u>Business-type activities:</u>	Original Issue	Interest Rate	Maturity
Full faith & credit obligations			
Airport, series 2003, refinance series 1993	\$ 279,200	2.00% to 3.70%	12/01/13
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 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 R14511	14,484,130	2.48%	TBD
Clean Water State Revolving Fund Loan R14512	18,833,534	2.44%	12/01/33

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

<u>Business-type activities:</u>	Balance at June 30, 2013	Additions	Reductions/ Adjustments	Balance at June 30, 2014	Due within one year
<b>Full faith &amp; credit obligations</b>					
Airport, series 2003, refinance series 1993	\$ 30,000	\$ -	\$ (30,000)	\$ -	\$ -
Airport, series 2010, refinance series 1999	722,000	-	(90,000)	632,000	120,000
Water RZEDB, series 2010	2,300,000	-	(105,909)	2,194,091	106,792
Water, series 2010, refinance series 2000	725,000	-	(725,000)	-	-
Sewer RZEDB, series 2010	10,730,000	-	(494,091)	10,235,909	498,207
Sewer, series 2012, refinance series 2002	3,115,000	-	(270,000)	2,845,000	280,000
<b>Revenue bonds</b>					
Sewer, series 2005	5,100,000	-	(670,000)	4,430,000	690,000
Sewer, series 2008	8,585,000	-	(390,000)	8,195,000	405,000
<b>Notes payable</b>					
Pacific Aviation Composites	296,584	-	(54,333)	242,251	54,800
Airport Eastside Improvement	729,873	-	(24,453)	705,420	29,631
Safe Drinking Water Revolving Loan Fund Loan	2,703,346	-	(107,540)	2,595,806	110,766
Clean Water State Revolving Fund Loan R14510	5,482,336	-	-	5,482,336	203,816
Clean Water State Revolving Fund Loan R14511	-	68,385	-	68,385	N/A
Clean Water State Revolving Fund Loan R14512	418,180	18,415,354	-	18,833,534	379,988
Long-term debt obligations	40,937,319	18,483,739	(2,961,326)	56,459,732	2,879,000
Premiums and discounts	217,445	-	(18,733)	198,712	18,629
<b>Total business-type activities</b>	<b>\$ 41,154,764</b>	<b>\$ 18,483,739</b>	<b>\$ (2,980,059)</b>	<b>\$ 56,658,444</b>	<b>\$ 2,897,629</b>

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

<u>Total long-term debt obligations:</u>	Governmental Activities	Business-type Activities	Total	Due within one year
Full faith & credit	\$ 64,785,714	\$ 15,907,000	\$ 80,692,714	\$ 6,254,728
Revenue bonds	-	12,625,000	12,625,000	1,095,000
Notes payable	3,528,744	27,927,732	31,456,476	1,127,351
Long-term debt obligations	68,314,458	56,459,732	124,774,190	8,477,079
Premiums and discounts	1,948,496	198,712	2,147,208	149,535
<b>Total long-term debt obligations</b>	<b>\$ 70,262,954</b>	<b>\$ 56,658,444</b>	<b>\$ 126,921,398</b>	<b>\$ 8,626,614</b>

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

Year ending June 30	Governmental activities		Business-type activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 5,598,079	\$ 2,461,539	\$ 2,879,001	\$ 2,319,803	\$ 8,477,080	\$ 4,781,342
2016	4,329,790	2,300,338	3,353,774	1,965,405	7,683,564	4,265,743
2017	4,501,999	2,178,943	3,443,955	1,853,490	7,945,954	4,032,433
2018	4,534,344	2,042,154	3,549,987	1,735,168	8,084,331	3,777,322
2019	4,739,950	1,896,271	3,271,943	1,614,338	8,011,893	3,510,609
2020-2024	22,515,291	6,973,534	15,195,470	6,294,138	37,710,761	13,267,672
2025-2029	16,310,000	2,660,684	14,903,507	3,445,254	31,213,507	6,105,938
2030-2034	5,785,005	352,172	9,793,709	779,090	15,578,714	1,131,262
	<b>\$ 68,314,458</b>	<b>\$ 20,865,634</b>	<b>\$ 56,391,346</b>	<b>\$ 20,006,686</b>	<b>\$124,705,804</b>	<b>\$ 40,872,320</b>

Debt Service requirements for the water reclamation Clean Water State Revolving Fund loan R14511 of \$68,386 are not included in the schedule above. The debt service schedule for this obligations will be determined when the loan has been drawn in-full.

The balance of unamortized premiums and discounts on long-term debt issuances is \$2,147,208, 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.

**Current Refunding** On November 22, 2013 the City issued \$6,283,391 in full faith & credit debt with an interest rate of 1.50% to refinance the 2003 series Transportation and Fire Equipment bonds with an interest rate of 4.03%. The



CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

refunding was undertaken to reduce the total future debt service payments by \$1,073,284. The transaction also resulted in an economic gain of \$816,736.

Revenue Bonds

In prior years, 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, 2014. The outstanding bonds have stated interest rates on specific maturities ranging from 3.0% to 4.5% and maturities through fiscal year 2029.

Notes Payable

The City has long-term notes payable to the State of Oregon Business Development Department (OBDD) and the Oregon Department of Environmental Quality (ODEQ) 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.

Oregon Business Development Department has provided \$1,522,335 of notes payable for airport infrastructure improvements; the current outstanding balance of the notes is \$947,671.

During fiscal year 2009-10, the City was awarded an 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, 2014, 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% with an outstanding balance of \$2,595,806.

In May 2011, Council approved a loan of \$5,482,336 from ODEQ for the Wastewater Treatment Plant upgrade. The loan has an interest rate of 3.32%. As of June 30, 2014, the loan has been fully drawn upon, and is in repayment. The Wastewater Treatment Plant upgrade remains in construction. Principal payments will begin in fiscal year 2015.

In October 2011, the City applied for additional funding from the ODEQ for the Wastewater Treatment Plant upgrade and was awarded another loan of \$14,484,130. The loan term is 20 years with an interest rate of 2.48% 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, 2014, there is a pending reimbursement request for \$68,385.

In September 2012, the City applied for additional funding from the ODEQ for the Wastewater Treatment Plant upgrade and was awarded another loan of \$18,833,534. The loan term is 20 years with an interest rate of 2.44% and repayment will be required annually following the loan being fully-drawn. This loan is drawn on a reimbursement basis and as of June 30, 2014 the City has requested the final draw request.

On November 22, 2013, the City refinanced its \$5,208,850 long-term line-of-credit with a \$3,700,000 note payable to the Bank of Cascades. Net line-of-credit outstanding at time of refinance was \$3,700,000. The loan term is 10 years with an interest rate of 1.50%. The original line-of-credit was issued for Juniper Ridge development funding. As of June 30, 2014 the City had an outstanding balance of \$3,528,744 on the note payable. This debt is serviced by the Juniper Ridge Debt Service Fund.

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

**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 <u>July 1</u>	and Changes in <u>Estimate</u>	Claims <u>Paid</u>	Balance at <u>June 30</u>
2011-2012	\$ 421,727	\$ 668,491	\$ (545,537)	\$ 544,681
2012-2013	544,681	408,063	(657,074)	295,670
2013-2014	295,670	792,391	(403,547)	684,514

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 \$45,800 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 and amended by state statute.

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

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).

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 2013-14, the City was required to contribute 13.04% of covered OPERS employees' salaries. For OPSRP employees, the City contributed 9.84% of eligible police and fire salaries and 7.11% of eligible general service salaries to the plan. These contribution rates were determined based on actuarial valuations as of December 31, 2011 and are effective for the period beginning July 1, 2013 through June 30, 2015. 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 2013-14, the City's annual pension cost for OPERS was equal to the City's required and actual contributions and consisted of \$3,765,119 for the City's required share. The City also paid the employees' contribution of \$1,910,882. 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>
2011-12	\$ 3,562,706	\$ 3,562,706	100%	\$ -
2012-13	3,562,522	3,562,522	100%	-
2013-14	3,765,119	3,765,119	100%	-

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

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 10 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.

**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, 2013 the total number of plan participants is 614: 513 active, 101 inactive.

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

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

Funding Policy

The City has not established a trust fund to supplement the costs for 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.

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 June 30, 2014</u>
<u>Determination of Annual Required Contribution</u>	
Normal cost at year end	\$ 1,279,846
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	1,508,328
Annual required contribution (ARC)	<u>\$ 2,788,174</u>
 <u>Determination of Net OPEB Obligation</u>	
Annual required contribution	\$ 2,788,174
Interest on prior year net OPEB obligation	526,576
Adjustment to annual required contribution	<u>(820,019)</u>
Annual OPEB expense	2,494,731
Benefit payments	<u>(512,706)</u>
Increase in net OPEB obligation	1,982,025
Net OPEB obligation - beginning of year	<u>11,701,672</u>
Net OPEB obligation - end of year	<u>\$ 13,683,697</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 2012-14 were as follows.

Year ended <u>June 30</u>	Annual <u>OPEB Cost</u>	OPEB <u>Contribution</u>	Percentage of <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2012	\$ 2,886,987	\$ 609,478	21%	\$ 9,747,826
2013	2,442,951	489,105	20%	11,701,672
2014	2,494,731	512,706	21%	13,683,697

CITY OF BEND, OREGON  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2014

**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)	\$	19,220,844
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.

**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 0.49% 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, 2014, June 30, 2013, and June 30, 2012 were \$164,227, \$173,353, and \$172,059, 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, 2014 the City was committed on outstanding construction, engineering, consulting, service and equipment purchase contracts totaling \$16,311,975 in the governmental activities, and \$71,506,385 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, 2014 amounts collected and potentially due to developers totaled \$1,102,471 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  
Fiscal Year Ended June 30, 2014

**Note 19 – Restatement Due to Change in Accounting Principle**

Prior to GASB Statement No. 65, bond issuance costs were deferred and amortized over the life of the loan. According to Statement No. 65, these costs should be recognized as an expense in the period incurred. The implementation of GASB 65 resulted in the write-off of bond issuance costs and the effect of adoption is the reduction of beginning net position at July 1, 2013 of \$1,909,325. This change to the beginning net position amounted to \$20,971 in the Street Operations Fund, \$52,622 in the Fire/EMS Fund, \$274,158 in the Transportation Construction Fund, \$473,731 in the Nonmajor Governmental Funds, \$32,789 in the Water Fund, \$839,248 in the Water Reclamation Fund, \$21,266 in the Nonmajor Enterprise Funds, and \$194,540 in the Internal Service Fund.

**Note 20 – 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 filed another lawsuit against the U.S. Forest Service and on March 18, 2014 the Deschutes County hearings officer approved Bend's water filtration land use application. 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.

In December 2014, City Council authorized the issuance of up to \$63,000,000 in water revenue bonds to finance the Bridge Creek Pipeline and water treatment facility.



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**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 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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14 Actual</u>	<u>FY2014-15 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Property taxes:						
Current year's property tax levy	\$ 45,378,400	\$ 45,378,400	\$ 23,185,215	\$ -	\$ 23,185,215	\$ (22,193,185)
Delinquent property taxes	1,931,100	1,931,100	735,159	-	735,159	(1,195,941)
Transient room taxes	5,199,100	5,199,100	3,263,811	-	3,263,811	(1,935,289)
Franchise fees	11,902,400	11,902,400	5,971,438	-	5,971,438	(5,930,962)
Intergovernmental	4,716,100	4,913,100	2,362,991	-	2,362,991	(2,550,109)
Licenses and permits	196,700	196,700	117,393	-	117,393	(79,307)
Charges for services:						
Charges to others	176,200	356,200	101,248	-	101,248	(254,952)
Charges to other City funds	37,800	37,800	16,400	-	16,400	(21,400)
Contributions	60,000	60,000	-	-	-	(60,000)
Fines and forfeitures	1,820,700	1,820,700	926,907	-	926,907	(893,793)
Investment income	166,600	166,600	104,978	-	104,978	(61,622)
Miscellaneous	4,400	4,400	48,785	-	48,785	44,385
<b>Total Revenues</b>	<b>71,589,500</b>	<b>71,966,500</b>	<b>36,834,324</b>	<b>-</b>	<b>36,834,324</b>	<b>(35,132,176)</b>
<b><u>Expenditures</u></b>						
Accessibility	498,311	498,311	202,969	-	202,969	295,342
Municipal court	1,226,136	1,226,136	559,803	-	559,803	666,333
Code enforcement	439,808	448,808	225,177	-	225,177	223,631
Business advocacy	22,000	22,000	-	-	-	22,000
Community projects	2,250,275	2,370,275	1,181,172	-	1,181,172	1,189,103
Police	39,483,446	39,933,846	19,044,058	-	19,044,058	20,889,788
Transportation growth	-	2,204,624	97,073	-	97,073	2,107,551
Nondepartmental	-	63,900	63,808	-	63,808	92
Contingency	7,782,684	6,180,160	-	-	-	6,180,160
Reserves	125,000	125,000	-	-	-	125,000
<b>Total Expenditures</b>	<b>51,827,660</b>	<b>53,073,060</b>	<b>21,374,061</b>	<b>-</b>	<b>21,374,061</b>	<b>31,698,999</b>

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, 2014

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	\$ 19,761,840	\$ 18,893,440	\$ 15,460,263	\$ -	\$ 15,460,263	\$ (3,433,177)
<b><u>Other Financing Sources (Uses)</u></b>						
Proceeds from sale of assets	-	-	30,434	-	30,434	30,434
Advances to other governments	(180,000)	(180,000)	(60,000)	-	(60,000)	120,000
Repayments from other governments	180,000	180,000	50,000	-	50,000	(130,000)
Advances to other funds	(750,000)	(750,000)	(53,891)	-	(53,891)	696,109
Interfund loan repayments	1,270,260	1,270,260	437,212	-	437,212	(833,048)
Transfers in	5,000	5,000	3,500	-	3,500	(1,500)
Transfers out	(29,788,900)	(29,282,801)	(14,863,686)	-	(14,863,686)	14,419,115
<b>Total Other Financing Sources (Uses)</b>	<b>(29,263,640)</b>	<b>(28,757,541)</b>	<b>(14,456,431)</b>	<b>-</b>	<b>(14,456,431)</b>	<b>14,301,110</b>
Net change in fund balance	(9,501,800)	(9,864,101)	1,003,832	-	1,003,832	10,867,933
Beginning Fund Balance	9,501,800	9,864,101	9,913,214	-	9,913,214	49,113
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,917,047</b>	<b>\$ -</b>	<b>\$ 10,917,047</b>	<b>\$ 10,917,047</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Other Financing Sources (Uses) - Budgetary Basis	\$ (14,456,431)
Advances to other governments reported as other financing uses on the budgetary basis are reported as receivables on the GAAP basis	60,000
Repayments from other governments reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis	(50,000)
Advances to other funds reported as other financing uses on the budgetary basis are reported as assets on the GAAP basis	53,891
Repayments from other funds reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis	(437,212)
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b>\$ (14,829,752)</b>

City of Bend, Oregon

**Transportation Operations Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
For the fiscal year ended June 30, 2014

	<u>Biennium Budget</u>		<u>FY2013-14 Actual</u>	<u>FY2014-15 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Franchise fees	\$ 1,016,500	\$ 1,016,500	\$ 512,342	\$ -	\$ 512,342	\$ (504,158)
Intergovernmental:						
State highway fund apportionment	8,903,700	8,903,700	4,452,504	-	4,452,504	(4,451,196)
Grants and agreements	1,710,800	2,113,800	1,165,784	-	1,165,784	(948,016)
Licenses and permits	215,400	215,400	142,612	-	142,612	(72,788)
Charges for services:						
Charges to other City funds	1,114,600	1,115,700	385,032	-	385,032	(730,668)
Investment income	30,800	30,800	19,746	-	19,746	(11,054)
Miscellaneous	47,100	47,100	14,077	-	14,077	(33,023)
<b>Total Revenues</b>	<b>13,038,900</b>	<b>13,443,000</b>	<b>6,692,097</b>	<b>-</b>	<b>6,692,097</b>	<b>(6,750,903)</b>
<b><u>Expenditures</u></b>						
Current:						
Personal services	5,927,536	5,907,832	2,880,585	-	2,880,585	3,027,247
Materials and services	3,750,322	3,721,822	1,645,754	-	1,645,754	2,076,068
Interfund charges	3,821,100	3,869,304	1,807,203	-	1,807,203	2,062,101
Debt service	401,300	401,300	200,625	-	200,625	200,675
Principal	335,000	335,000	165,000	-	165,000	170,000
Interest	66,300	66,300	35,625	-	35,625	30,675
Capital outlay	4,690,000	5,148,100	2,742,796	-	2,742,796	2,405,304
Contingency	1,980,142	1,980,142	-	-	-	1,980,142
<b>Total Expenditures</b>	<b>20,570,400</b>	<b>21,028,500</b>	<b>9,276,963</b>	<b>-</b>	<b>9,276,963</b>	<b>11,751,537</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,531,500)</b>	<b>(7,585,500)</b>	<b>(2,584,866)</b>	<b>-</b>	<b>(2,584,866)</b>	<b>5,000,634</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Proceeds from sale of assets	-	-	304,233	-	304,233	304,233
Insurance proceeds	-	-	1,779	-	1,779	1,779
Transfers in	4,900,000	4,900,000	2,450,000	-	2,450,000	(2,450,000)
<b>Total Other Financing Sources (Uses)</b>	<b>4,900,000</b>	<b>4,900,000</b>	<b>2,756,012</b>	<b>-</b>	<b>2,756,012</b>	<b>(2,143,988)</b>
Net change in fund balance	(2,631,500)	(2,685,500)	171,145	-	171,145	2,856,645
Beginning Fund Balance (Deficit)	2,631,500	2,685,500	2,685,268	-	2,685,268	(232)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,856,413</b>	<b>\$ -</b>	<b>\$ 2,856,413</b>	<b>\$ 2,856,413</b>



City of Bend, Oregon

**Transportation Operations Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
For the fiscal year ended June 30, 2014

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 6,692,097
Revenues reported on the budgetary basis are reported as contra revenue on the GAAP basis	<u>(394,268)</u>
<b>Total Revenues - GAAP Basis</b>	<b><u>\$ 6,297,829</u></b>
Total Expenses - Budgetary Basis	\$ 9,276,963
Expenditures reported on the budgetary basis are reported as contra expense on the GAAP basis	<u>(394,268)</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 8,882,696</u></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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Transient room taxes	\$ -	\$ -	\$ 8,990	\$ -	\$ 8,990	\$ 8,990
Intergovernmental	5,191,800	5,191,800	2,604,533	-	2,604,533	(2,587,267)
Charges for services:						
Charges to others	4,295,900	4,295,900	2,461,153	-	2,461,153	(1,834,747)
Charges to other City funds	6,000	6,000	2,779	-	2,779	(3,221)
Contributions	1,900	1,900	-	-	-	(1,900)
Loan repayments	-	-	6,000	-	6,000	6,000
Investment income	9,700	9,700	14,109	-	14,109	4,409
Miscellaneous	10,000	10,000	3,291	-	3,291	(6,709)
<b>Total Revenues</b>	<b>9,515,300</b>	<b>9,515,300</b>	<b>5,100,855</b>	<b>-</b>	<b>5,100,855</b>	<b>(4,414,445)</b>
<b><u>Expenditures</u></b>						
Current:						
Personal services	25,526,311	25,619,174	12,513,451	-	12,513,451	13,105,723
Materials and services	2,606,220	2,606,220	1,258,665	-	1,258,665	1,347,555
Interfund charges	3,372,600	3,542,037	1,815,181	-	1,815,181	1,726,856
Debt service	877,800	877,800	293,139	-	293,139	584,661
Capital outlay	2,935,000	3,127,000	260,129	-	260,129	2,866,871
Contingency	635,069	455,069	-	-	-	455,069
Reserved for maintenance	100,000	100,000	-	-	-	100,000
<b>Total Expenditures</b>	<b>36,053,000</b>	<b>36,327,300</b>	<b>16,140,566</b>	<b>-</b>	<b>16,140,566</b>	<b>20,186,734</b>
<b>Excess (deficiency) of revenues</b>						
<b>    over (under) expenditures</b>	<b>(26,537,700)</b>	<b>(26,812,000)</b>	<b>(11,039,711)</b>	<b>-</b>	<b>(11,039,711)</b>	<b>15,772,289</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Insurance proceeds	40,500	40,500	13,098	-	13,098	(27,402)
Issuance of long-term debt	2,846,000	2,846,000	-	-	-	(2,846,000)
Transfers in	21,077,900	21,201,900	10,544,418	-	10,544,418	(10,657,482)
Transfers out	(17,100)	(58,800)	(46,141)	-	(46,141)	12,659
<b>Total Other Financing Sources (Uses)</b>	<b>23,947,300</b>	<b>24,029,600</b>	<b>10,511,376</b>	<b>-</b>	<b>10,511,376</b>	<b>(13,518,224)</b>
Net change in fund balance	(2,590,400)	(2,782,400)	(528,335)	-	(528,335)	2,254,065
Beginning Fund Balance (Deficit)	2,590,400	2,782,400	2,921,006	-	2,921,006	138,606
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,392,671</b>	<b>\$ -</b>	<b>\$ 2,392,671</b>	<b>\$ 2,392,671</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, 2014

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
System development charges	\$ 13,666,700	\$ 15,666,700	\$ 9,090,708	\$ -	\$ 9,090,708	\$ (6,575,992)
Loan repayments	98,300	98,300	220,846	-	220,846	122,546
Investment income	62,400	62,400	59,103	-	59,103	(3,297)
<b>Total Revenues</b>	<b>13,827,400</b>	<b>15,827,400</b>	<b>9,370,657</b>	<b>-</b>	<b>9,370,657</b>	<b>(6,456,743)</b>
<b>Expenditures</b>						
Current:						
Interfund charges	196,400	196,400	422,909	-	422,909	(226,509)
<b>Total Expenditures</b>	<b>196,400</b>	<b>196,400</b>	<b>422,909</b>	<b>-</b>	<b>422,909</b>	<b>(226,509)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>13,631,000</b>	<b>15,631,000</b>	<b>8,947,748</b>	<b>-</b>	<b>8,947,748</b>	<b>(6,683,252)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	(13,631,000)	(15,631,000)	(6,267,013)	-	(6,267,013)	9,363,987
<b>Total Other Financing Sources (Uses)</b>	<b>(13,631,000)</b>	<b>(15,631,000)</b>	<b>(6,267,013)</b>	<b>-</b>	<b>(6,267,013)</b>	<b>9,363,987</b>
Net change in fund balance	-	-	2,680,735	-	2,680,735	2,680,735
Beginning Fund Balance (Deficit)	-	-	1,132,524	-	1,132,524	1,132,524
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,813,260</b>	<b>\$ -</b>	<b>\$ 3,813,260</b>	<b>\$ 3,813,260</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, 2014

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ 1,214,966	\$ 1,464,966	\$ 794,960	\$ -	\$ 794,960	\$ (670,006)
Loan repayments	54,500	54,500	146,990	-	146,990	92,490
Investment income	(1,300)	(1,300)	(92)	-	(92)	1,208
<b>Total Revenues</b>	<b>1,268,166</b>	<b>1,518,166</b>	<b>941,858</b>	<b>-</b>	<b>941,858</b>	<b>(576,308)</b>
<b>Expenditures</b>						
Current:						
Personal services	251,524	248,858	118,650	-	118,650	130,208
Materials and services	1,061,460	1,311,460	711,503	-	711,503	599,957
Interfund charges	55,900	58,566	35,362	-	35,362	23,204
Contingency	158,182	158,182	-	-	-	158,182
<b>Total Expenditures</b>	<b>1,527,066</b>	<b>1,777,066</b>	<b>865,515</b>	<b>-</b>	<b>865,515</b>	<b>911,551</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(258,900)</b>	<b>(258,900)</b>	<b>76,343</b>	<b>-</b>	<b>76,343</b>	<b>335,243</b>
<b>Other Financing Sources (Uses)</b>						
Interfund loan proceeds	250,000	250,000	-	-	-	(250,000)
Interfund loan repayment	(750,000)	(750,000)	(75,000)	-	(75,000)	675,000
Transfers in	127,200	127,200	5,000	-	5,000	(122,200)
<b>Total Other Financing Sources (Uses)</b>	<b>(372,800)</b>	<b>(372,800)</b>	<b>(70,000)</b>	<b>-</b>	<b>(70,000)</b>	<b>302,800</b>
Net change in fund balance	(631,700)	(631,700)	6,343	-	6,343	638,043
Beginning Fund Balance (Deficit)	631,700	631,700	88,100	-	88,100	(543,600)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 94,443</b>	<b>\$ -</b>	<b>\$ 94,443</b>	<b>\$ 94,443</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Other Financing Sources - Budgetary Basis	\$ (70,000)
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	75,000
<b>Total Other Financing Sources - GAAP Basis</b>	<b>\$ 5,000</b>

City of Bend, Oregon

**Other Postemployment Benefit Plans**

Schedule of Funding Progress and Employer Contributions

For the fiscal year ended June 30, 2014

(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Funding Progress				Employer Contributions				
		Actuarial		Unfunded AAL (UAAL)	Funded Ratio	UAAL as a Percentage of Covered Payroll		Fiscal Year Ended Date	Annual OPEB Cost	Percentage Contributed
		Accrued Liability (AAL)				of Covered Payroll	Payroll			
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%	
							6/30/2014	2,495	21%	

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, 2014

Required Supplementary Information includes budgetary comparisons for the General Fund, the Transportation Operations 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 2013-15 biennium. All appropriations terminate on June 30, 2014.

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**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, 2015

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>General Fund</u></b>			
Accessibility program	\$ 393,154	\$ 149,612	\$ 243,542
Municipal court program	899,198	398,374	500,824
Code enforcement program	371,022	190,698	180,324
Community projects program	2,370,275	1,181,172	1,189,103
Police program	34,453,055	16,224,856	18,228,199
Transportation growth	1,999,724	97,073	1,902,651
Nondepartmental	63,900	63,808	92
Transfers	36,430,373	18,046,043	18,384,330
Contingency	6,180,160	-	6,180,160
	<b>\$ 83,285,861</b>	<b>\$ 36,351,637</b>	<b>\$ 46,934,224</b>
<b><u>Transportation Operations Fund</u></b>			
Personal services	\$ 5,907,832	\$ 2,880,585	\$ 3,027,247
Materials and services	3,721,822	1,645,754	2,076,068
Transfers	3,869,304	1,807,203	2,062,101
Debt service	401,300	200,625	200,675
Capital outlay	5,148,100	2,742,796	2,405,304
Contingency	1,980,142	-	1,980,142
	<b>\$ 21,028,500</b>	<b>\$ 9,276,963</b>	<b>\$ 11,751,537</b>
<b><u>Fire/ Emergency Medical Services Fund</u></b>			
Personal services	\$ 25,619,174	\$ 12,513,451	\$ 13,105,723
Materials and services	2,606,220	1,258,665	1,347,555
Transfers	3,600,837	1,861,322	1,739,515
Debt service	877,800	293,139	584,661
Capital outlay	3,127,000	260,129	2,866,871
Contingency	455,069	-	455,069
Reserves	100,000	-	100,000
	<b>\$ 36,386,100</b>	<b>\$ 16,186,707</b>	<b>\$ 20,199,393</b>
<b><u>System Development Charges (SDC) Fund</u></b>			
Transfers	\$ 15,827,400	\$ 6,689,922	\$ 9,137,478
	<b>\$ 15,827,400</b>	<b>\$ 6,689,922</b>	<b>\$ 9,137,478</b>
<b><u>Community Development Block Grant</u></b>			
Personal services	\$ 248,858	\$ 118,650	\$ 130,208
Materials and services	1,311,460	711,503	599,957
Transfers	808,566	110,362	698,204
Contingency	158,182	-	158,182
	<b>\$ 2,527,066</b>	<b>\$ 940,515</b>	<b>\$ 1,586,551</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14 Actual</u>	<u>FY2014-15 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u>
						<u>Positive (Negative)</u>
<b><u>Revenues</u></b>						
Intergovernmental	\$ 96,700	\$ 96,700	\$ 70,024	\$ -	\$ 70,024	\$ (26,676)
Charges for services:						
Charges to others	31,758,400	31,758,400	16,898,417	-	16,898,417	(14,859,983)
Charges to other City funds	377,800	377,800	173,940	-	173,940	(203,860)
Investment income	83,600	83,600	96,793	-	96,793	13,193
Miscellaneous	263,300	263,300	209,170	-	209,170	(54,130)
<b>Total Revenues</b>	<b>32,579,800</b>	<b>32,579,800</b>	<b>17,448,344</b>	<b>-</b>	<b>17,448,344</b>	<b>(15,131,456)</b>
<b><u>Expenses</u></b>						
Current:						
Personal services	7,106,499	7,045,769	3,044,932	-	3,044,932	4,000,837
Materials and services	7,365,702	6,945,702	3,288,367	-	3,288,367	3,657,335
Interfund charges	8,799,750	6,587,480	3,078,933	-	3,078,933	3,508,547
Debt service	5,044,500	5,044,500	1,129,004	-	1,129,004	3,915,496
Capital outlay	30,696,000	9,121,000	2,254,490	-	2,254,490	6,866,510
Contingency	4,000,000	4,000,000	-	-	-	4,000,000
Reserved for rate stabilization	1,000,000	1,000,000	-	-	-	1,000,000
Reserved for debt service	2,020,000	2,020,000	-	-	-	2,020,000
Reserved for construction	5,062,749	1,831,749	-	-	-	1,831,749
<b>Total Expenses</b>	<b>71,095,200</b>	<b>43,596,200</b>	<b>12,795,727</b>	<b>-</b>	<b>12,795,727</b>	<b>30,800,473</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>(38,515,400)</b>	<b>(11,016,400)</b>	<b>4,652,617</b>	<b>-</b>	<b>4,652,617</b>	<b>15,669,017</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Proceeds from sale of assets	-	-	17,463	-	17,463	17,463
Insurance proceeds	-	-	4,431	-	4,431	4,431
Issuance of long-term debt	28,000,000	-	-	-	-	-
Transfers in	3,628,200	3,628,200	2,446,153	-	2,446,153	(1,182,047)
<b>Total Other Financing Sources (Uses)</b>	<b>31,628,200</b>	<b>3,628,200</b>	<b>2,468,047</b>	<b>-</b>	<b>2,468,047</b>	<b>(1,160,153)</b>
Net change in fund balance	(6,887,200)	(7,388,200)	7,120,664	-	7,120,664	14,508,864

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, 2014

Beginning Fund Balance (Deficit)	\$ 6,887,200	\$ 7,388,200	\$ 8,798,313	\$ -	\$ 8,798,313	\$ 1,410,113
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$15,918,977</b>	<b>\$ -</b>	<b>\$ 15,918,977</b>	<b>\$ 15,918,977</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 17,448,344
Revenues reported on the budgetary basis related to capitalized interest subsidy are reported as assets on the GAAP basis	(45,027)
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	1,572,169
<b>Total Revenues - GAAP Basis</b>	<b>\$ 18,975,486</b>
Total Expenses - Budgetary Basis	\$ 12,795,727
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	18,322
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(2,126,573)
Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(938,450)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	2,851,243
Amortization of premiums, and discounts are not reported on the budgetary basis but are reported as an expense on the GAAP basis	22,809
<b>Total Expenses - GAAP Basis</b>	<b>\$ 12,623,078</b>
Other Financing Sources (Uses) - Budgetary Basis	\$ 2,468,047
Loss on disposal of asset reported as an expense on the GAAP basis	(103,597)
<b>Other Financing Sources - GAAP Basis</b>	<b>\$ 2,364,449</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<b>Variance with</b>	
	<u>Original</u>	<u>Final</u>			<u>Total Actual</u>	<u>Final Budget</u>
					<u>Budget</u> <u>Basis</u>	<u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Intergovernmental	\$ 358,200	\$ 358,200	\$ 207,561	\$ -	\$ 207,561	\$ (150,639)
Charges for services:						
Charges to others	37,850,300	37,850,300	18,423,264	-	18,423,264	(19,427,036)
Charges to other City funds	38,200	38,200	17,814	-	17,814	(20,386)
Loan repayments	7,150	7,150	18,516	-	18,516	11,366
Contributions	-	-	100,000	-	100,000	100,000
Investment income	219,300	219,300	209,474	-	209,474	(9,826)
Miscellaneous	26,600	26,600	27,407	-	27,407	807
<b>Total Revenues</b>	<b>38,499,750</b>	<b>38,499,750</b>	<b>19,004,035</b>	<b>-</b>	<b>19,004,035</b>	<b>(19,495,715)</b>
<b><u>Expenses</u></b>						
Current:						
Personal services	8,924,842	8,848,334	4,105,645	-	4,105,645	4,742,689
Materials and services	5,742,148	5,403,648	2,462,980	-	2,462,980	2,940,668
Interfund charges	7,953,250	6,100,458	2,979,366	-	2,979,366	3,121,092
Debt service	10,931,400	10,931,400	3,193,401	-	3,193,401	7,737,999
Capital outlay	69,814,800	17,366,300	4,051,102	-	4,051,102	13,315,198
Contingency	3,900,000	3,900,000	-	-	-	3,900,000
Reserved for debt service	1,500,000	1,500,000	-	-	-	1,500,000
Reserved for construction	7,240,510	6,325,510	-	-	-	6,325,510
<b>Total Expenses</b>	<b>116,006,950</b>	<b>60,375,650</b>	<b>16,792,493</b>	<b>-</b>	<b>16,792,493</b>	<b>43,583,157</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenses</b>	<b>(77,507,200)</b>	<b>(21,875,900)</b>	<b>2,211,542</b>	<b>-</b>	<b>2,211,542</b>	<b>24,087,442</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Issuance of long-term debt	50,037,500	-	-	-	-	-
Transfers in	3,786,000	3,786,000	2,758,959	-	2,758,959	(1,027,041)
Transfers out	-	(6,211,800)	(1,667,582)	-	(1,667,582)	4,544,218
<b>Total Other Financing Sources (Uses)</b>	<b>53,823,500</b>	<b>(2,425,800)</b>	<b>1,091,377</b>	<b>-</b>	<b>1,091,377</b>	<b>3,517,177</b>
Net change in fund balance	(23,683,700)	(24,301,700)	3,302,919	-	3,302,919	27,604,619



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, 2014

Beginning Fund Balance (Deficit)	\$23,683,700	\$24,301,700	\$24,721,794	\$ -	\$24,721,794	\$ 420,094
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$28,024,713</b>	<b>\$ -</b>	<b>\$28,024,713</b>	<b>\$28,024,713</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$19,004,035
Revenues reported on the budgetary basis related to capitalized interest subsidy are reported as assets on the GAAP basis	(207,561)
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>1,615,600</u>
<b>Total Revenues - GAAP Basis</b>	<b><u>\$20,412,074</u></b>
Total Expenses - Budgetary Basis	\$16,792,493
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	96,524
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(4,814,567)
Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(1,824,091)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	3,021,926
Amortization of premiums, and discounts are not reported on the budgetary basis but are reported as an expense on the GAAP basis	<u>(14,662)</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$13,257,624</u></b>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ 1,091,377
Loss on disposal of asset reported as an expense on the GAAP basis	<u>(118,420)</u>
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b><u>\$ 972,957</u></b>

City of Bend, Oregon

**Other Major Funds**

Schedule of Expenses and Other Uses by Appropriation Levels

For the biennium ended June 30, 2015

	<u>Appropriation</u>	<u>Actual Expenses</u>	<u>Variance Positive (Negative)</u>
<b><u>Water Fund</u></b>			
Personal services	\$ 7,045,769	\$ 3,044,932	\$ 4,000,837
Materials and services	6,945,702	3,288,367	3,657,335
Transfers	6,587,480	3,078,933	3,508,547
Debt service	5,044,500	1,129,004	3,915,496
Capital outlay	9,121,000	2,254,490	6,866,510
Contingency	4,000,000	-	4,000,000
Reserves	4,851,749	-	4,851,749
	\$ 43,596,200	\$ 12,795,727	\$ 30,800,473

<b><u>Water Reclamation Fund</u></b>			
Personal services	\$ 8,848,334	\$ 4,105,645	\$ 4,742,689
Materials and services	5,403,648	2,462,980	2,940,668
Transfers	12,312,258	4,646,948	7,665,310
Debt service	10,931,400	3,193,401	7,737,999
Capital outlay	17,366,300	4,051,102	13,315,198
Contingency	3,900,000	-	3,900,000
Reserves	7,825,510	-	7,825,510
	\$ 66,587,450	\$ 18,460,075	\$ 48,127,375

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**NONMAJOR GOVERNMENTAL AND  
ENTERPRISE FUNDS**



City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 June 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total
<b>Assets</b>					
Pooled cash and investments	\$ 4,496,339	\$ -	\$ -	\$ -	\$ 4,496,339
Restricted cash and investments	5,734,054	4,853,471	18,402,741	635,411	29,625,676
Receivables:					
Property taxes	-	120,879	-	-	120,879
Accounts, net	249,158	-	69,495	-	318,653
Assessments, net	32,520	-	-	-	32,520
Loans and notes, net	2,809,368	-	-	-	2,809,368
<b>Total Assets</b>	<b>\$ 13,321,439</b>	<b>\$ 4,974,350</b>	<b>\$ 18,472,236</b>	<b>\$ 635,411</b>	<b>\$ 37,403,436</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 356,956	\$ -	\$ 690,387	\$ -	\$ 1,047,343
Salaries and benefits payable	47,042	-	-	-	47,042
Retainage payable	-	-	45,952	-	45,952
Other accrued liabilities	875	-	-	-	875
Deposits	220,032	-	-	-	220,032
<b>Total Liabilities</b>	<b>624,905</b>	<b>-</b>	<b>736,339</b>	<b>-</b>	<b>1,361,244</b>
Deferred Inflows of Resources:					
Unavailable revenue-property taxes	-	94,426	-	-	94,426
Unavailable revenue-assessments & loans receivable	2,869,790	-	-	-	2,869,790
Unavailable revenue-other	-	-	69,495	-	69,495
<b>Total Deferred Inflows of Resources</b>	<b>2,869,790</b>	<b>94,426</b>	<b>69,495</b>	<b>-</b>	<b>3,033,710</b>
Fund balances (deficits):					
Nonspendable:					
Required to remain intact	-	-	-	599,386	599,386
Restricted:					
Externally imposed	226,673	2,327,619	16,048,813	-	18,603,105
Imposed by law	5,373,615	-	-	36,025	5,409,640
Committed	1,969,254	-	1,029,606	-	2,998,860
Assigned	2,257,202	2,552,305	587,982	-	5,397,490
<b>Total Fund Balances (Deficits)</b>	<b>9,826,745</b>	<b>4,879,925</b>	<b>17,666,401</b>	<b>635,411</b>	<b>33,008,481</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 13,321,439</b>	<b>\$ 4,974,350</b>	<b>\$ 18,472,236</b>	<b>\$ 635,411</b>	<b>\$ 37,403,436</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, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total
<b>Revenues</b>					
Property taxes	\$ -	\$ 2,982,358	\$ -	\$ -	\$ 2,982,358
Transient room taxes	1,436,876	-	-	-	1,436,876
Franchise fees	-	-	536,696	-	536,696
Intergovernmental	36,393	230,549	367,002	-	633,944
Assessments	175,291	-	-	-	175,291
Licenses and permits	5,599,915	-	-	-	5,599,915
Charges for services	3,433,239	2,161,726	-	-	5,594,965
Contributions	3,500	-	19,985	-	23,485
Permanent maintenance fees	-	-	-	3,434	3,434
Loan repayments	844,337	-	-	-	844,337
Investment income	73,966	39,350	162,414	59,922	335,653
Miscellaneous	5,933	-	-	-	5,933
<b>Total Revenues</b>	<b>11,609,451</b>	<b>5,413,984</b>	<b>1,086,096</b>	<b>63,356</b>	<b>18,172,887</b>

**Expenditures**

Current:

General government	-	20,300	-	-	20,300
Public safety	28,029	6,295	-	-	34,324
Public ways and facilities	-	-	245,256	-	245,256
Community and economic development	8,639,313	-	-	-	8,639,313
Permanent maintenance	-	-	-	4,644	4,644
Urban renewal	13,000	-	53,450	-	66,450
Debt service:					
Principal	-	1,811,256	3,903,850	-	5,715,106
Interest	-	1,834,699	109,553	-	1,944,251
Capital outlay	48,841	-	4,944,430	-	4,993,271
<b>Total Expenditures</b>	<b>8,729,183</b>	<b>3,672,550</b>	<b>9,256,538</b>	<b>4,644</b>	<b>21,662,914</b>

**Excess (deficiency) of revenues**

**over (under) expenditures**                      2,880,269                      1,741,434                      (8,170,442)                      58,712                      (3,490,027)

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, 2014

	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Projects <u>Funds</u>	Permanent <u>Funds</u>	<u>Total</u>
<b><u>Other Financing Sources (Uses)</u></b>					
Insurance proceeds	\$ 636	\$ -	\$ -	\$ -	\$ 636
Issuance of long-term debt	-	-	3,700,000	-	3,700,000
Transfers in	864,959	6,100	600,946	-	1,472,006
Transfers out	(464,915)	-	-	(19,254)	(484,168)
<b>Total Other Financing Sources (Uses)</b>	<b>400,681</b>	<b>6,100</b>	<b>4,300,946</b>	<b>(19,254)</b>	<b>4,688,473</b>
Net change in fund balances	3,280,950	1,747,534	(3,869,496)	39,459	1,198,446
Fund Balances (Deficits), July 1, 2013	6,545,795	3,132,391	21,535,897	595,952	31,810,035
<b>Fund Balances (Deficits), June 30, 2014</b>	<b>\$ 9,826,745</b>	<b>\$ 4,879,925</b>	<b>\$ 17,666,401</b>	<b>\$ 635,411</b>	<b>\$ 33,008,481</b>



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## **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.

### Helen Lorenz Estate Fund

This fund accounts for earnings received from the Helen Lorenz estate and expenditures to fund Public Safety purposes.

### 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 1/5 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.

### Business Advocacy Fund

This fund accounts for business license revenues and expenditures for the purpose of providing a liaison function between businesses and the City.

### 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, 2014

	BURA General Fund	Police Grant Fund	Energy ARRA Grant Fund	Helen Lorenz Estate Fund
<b>Assets</b>				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	415,111	-	55,312	85,815
Receivables:				
Accounts, net	-	-	-	-
Assessments, net	-	-	-	-
Loans and notes receivable, net	14,294	-	204,469	-
<b>Total Assets</b>	<b>\$ 429,405</b>	<b>\$ -</b>	<b>\$ 259,781</b>	<b>\$ 85,815</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-	-
Other accrued liabilities	-	-	-	-
Deposits	-	-	-	84,952
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,952</b>
Deferred Inflow s of Resources:				
Unavailable revenue-assessments & loans receivable	14,294	-	204,469	-
<b>Total Deferred Inflow s of Resources</b>	<b>14,294</b>	<b>-</b>	<b>204,469</b>	<b>-</b>
Fund balances (deficits):				
Restricted:				
Externally imposed	-	-	55,311	863
Imposed by law	415,111	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>415,111</b>	<b>-</b>	<b>55,311</b>	<b>863</b>
<b>Total Liabilities, Deferred Inflow s of Resources and Fund Balances</b>	<b>\$ 429,405</b>	<b>\$ -</b>	<b>\$ 259,781</b>	<b>\$ 85,815</b>

City of Bend, Oregon

**Combining Balance Sheet (Continued)**

Nonmajor Special Revenue Funds

June 30, 2014

	<u>Building</u>	<u>Planning</u>	<u>Private Development Engineering</u>	<u>Affordable Housing</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<b>Assets</b>				
Pooled cash and investments	\$ -	\$ 2,197,701	\$ -	\$ 1,518,891
Restricted cash and investments	5,042,960	134,857	-	-
Receivables:				
Accounts, net	2,789	42,347	-	-
Assessments, net	-	-	-	-
Loans and notes receivable, net	-	-	-	2,578,606
<b>Total Assets</b>	<b>\$ 5,045,749</b>	<b>\$ 2,374,904</b>	<b>\$ -</b>	<b>\$ 4,097,496</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 57,845	\$ 14,656	\$ -	\$ 174,020
Salaries and benefits payable	26,387	17,786	-	773
Other accrued liabilities	-	-	-	-
Deposits	224	134,857	-	-
<b>Total Liabilities</b>	<b>84,456</b>	<b>167,299</b>	<b>-</b>	<b>174,793</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue-assessments & loans receivable	2,789	42,347	-	2,578,606
<b>Total Deferred Inflows of Resources</b>	<b>2,789</b>	<b>42,347</b>	<b>-</b>	<b>2,578,606</b>
Fund balances (deficits):				
Restricted:				
Externally imposed	-	-	-	-
Imposed by law	4,958,504	-	-	-
Committed	-	-	-	1,344,097
Assigned	-	2,165,259	-	-
<b>Total Fund Balances (Deficits)</b>	<b>4,958,504</b>	<b>2,165,259</b>	<b>-</b>	<b>1,344,097</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 5,045,749</b>	<b>\$ 2,374,904</b>	<b>\$ -</b>	<b>\$ 4,097,496</b>

City of Bend, Oregon

**Combining Balance Sheet (Continued)**

Nonmajor Special Revenue Funds

June 30, 2014

	<b>Business Advocacy Fund</b>	<b>Tourism Fund</b>	<b>Economic Improvement District Fund</b>	<b>Police Reserve Fund</b>	<b>Total</b>
<b>Assets</b>					
Pooled cash and investments	\$ 103,308	\$ 33,288	\$ 17,995	\$ 625,157	\$ 4,496,339
Restricted cash and investments		-	-	-	5,734,054
Receivables:					
Accounts, net	-	204,023	-	-	249,158
Assessments, net	-	-	32,520	-	32,520
Loans and notes receivable, net	12,000	-	-	-	2,809,368
<b>Total Assets</b>	<b>\$ 115,308</b>	<b>\$ 237,311</b>	<b>\$ 50,514</b>	<b>\$ 625,157</b>	<b>\$ 13,321,439</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 8,394	\$ 66,812	\$ 35,229	\$ -	\$ 356,956
Salaries and benefits payable	2,095	-	-	-	47,042
Other accrued liabilities	875	-	-	-	875
Deposits	-	-	-	-	220,032
<b>Total Liabilities</b>	<b>11,364</b>	<b>66,812</b>	<b>35,229</b>	<b>-</b>	<b>624,905</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue-assessments & loans receivable	12,000	-	15,285	-	2,869,790
<b>Total Deferred Inflow s of Resources</b>	<b>12,000</b>	<b>-</b>	<b>15,285</b>	<b>-</b>	<b>2,869,790</b>
Fund balances (deficits):					
Restricted:					
Externally imposed	-	170,499	-	-	226,673
Imposed by law	-	-	-	-	5,373,615
Committed	-	-	-	625,157	1,969,254
Assigned	91,944	-	-	-	2,257,202
<b>Total Fund Balances (Deficits)</b>	<b>91,944</b>	<b>170,499</b>	<b>-</b>	<b>625,157</b>	<b>9,826,745</b>
<b>Total Liabilities, Deferred Inflow s of Resources and Fund Balances</b>	<b>\$ 115,308</b>	<b>\$ 237,311</b>	<b>\$ 50,514</b>	<b>\$ 625,157</b>	<b>\$ 13,321,439</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, 2014

	BURA General Fund	Police Grant Fund	Energy ARRA Grant Fund	Helen Lorenz Estate Fund	Building Fund
<b><u>Revenues</u></b>					
Transient room taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	26,730	9,663	-	-
Assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	5,315,875
Charges for services	-	-	-	-	226,651
Contributions	-	-	-	3,500	-
Loan repayments	711	-	23,961	-	-
Investment income	3,817	59	467	863	34,135
Miscellaneous	-	-	-	-	3,294
<b>Total Revenues</b>	<b>4,529</b>	<b>26,789</b>	<b>34,091</b>	<b>4,363</b>	<b>5,579,956</b>
<b><u>Expenditures</u></b>					
Current:					
Public safety	-	26,789	-	1,240	-
Community and economic development	-	-	36,979	-	2,980,829
Urban renewal	13,000	-	-	-	-
Capital outlay	-	-	-	-	48,841
<b>Total Expenditures</b>	<b>13,000</b>	<b>26,789</b>	<b>36,979</b>	<b>1,240</b>	<b>3,029,670</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(8,471)</b>	<b>-</b>	<b>(2,887)</b>	<b>3,123</b>	<b>2,550,286</b>
<b><u>Other Financing Sources (Uses)</u></b>					
Insurance proceeds	-	-	-	-	636
Transfers in	-	-	-	35,558	-
Transfers out	(40,000)	-	-	(37,818)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(40,000)</b>	<b>-</b>	<b>-</b>	<b>(2,260)</b>	<b>636</b>
<b>Net change in fund balance</b>	<b>(48,471)</b>	<b>-</b>	<b>(2,887)</b>	<b>863</b>	<b>2,550,922</b>
Fund Balances (Deficits), July 1, 2013	463,582	-	58,199	-	2,407,582
<b>Fund Balances (Deficits), June 30, 2014</b>	<b>\$ 415,111</b>	<b>\$ -</b>	<b>\$ 55,311</b>	<b>\$ 863</b>	<b>\$ 4,958,504</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, 2014

	Planning	Private Development Engineering	Affordable Housing	Business Advocacy	Tourism
	Fund	Fund	Fund	Fund	Fund
<b>Revenues</b>					
Transient room taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,436,876
Intergovernmental	-	-	-	-	-
Assessments	-	-	-	-	-
Licenses and permits	-	-	-	284,040	-
Charges for services	2,604,022	-	601,953	613	-
Contributions	-	-	-	-	-
Loan repayments	-	-	810,664	9,000	-
Investment income	16,558	-	12,258	463	92
Miscellaneous	842	-	-	1,796	-
<b>Total Revenues</b>	<b>2,621,422</b>	<b>-</b>	<b>1,424,876</b>	<b>295,912</b>	<b>1,436,969</b>
<b>Expenditures</b>					
Current:					
Public safety	-	-	-	-	-
Community and economic development	2,116,537	-	1,544,097	380,870	1,404,596
Urban renewal	-	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total Expenditures</b>	<b>2,116,537</b>	<b>-</b>	<b>1,544,097</b>	<b>380,870</b>	<b>1,404,596</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>504,884</b>	<b>-</b>	<b>(119,221)</b>	<b>(84,957)</b>	<b>32,373</b>
<b>Other Financing Sources (Uses)</b>					
Insurance proceeds	-	-	-	-	-
Transfers in	652,500	-	-	176,901	-
Transfers out	(5,809)	(376,288)	(5,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>646,691</b>	<b>(376,288)</b>	<b>(5,000)</b>	<b>176,901</b>	<b>-</b>
Net change in fund balance	1,151,576	(376,288)	(124,221)	91,944	32,373
Fund Balances (Deficits), July 1, 2013	1,013,683	376,288	1,468,318	-	138,125
<b>Fund Balances (Deficits), June 30, 2014</b>	<b>\$ 2,165,259</b>	<b>\$ -</b>	<b>\$ 1,344,097</b>	<b>\$ 91,944</b>	<b>\$ 170,499</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, 2014

	Economic Improvement District Fund	Police Reserve Fund	Total
<b><u>Revenues</u></b>			
Transient room taxes	\$ -	\$ -	\$ 1,436,876
Intergovernmental	-	-	36,393
Assessments	175,291	-	175,291
Licenses and permits	-	-	5,599,915
Charges for services	-	-	3,433,239
Contributions	-	-	3,500
Loan repayments	-	-	844,337
Investment income	114	5,139	73,966
Miscellaneous	-	-	5,933
<b>Total Revenues</b>	<b>175,405</b>	<b>5,139</b>	<b>11,609,451</b>
<b><u>Expenditures</u></b>			
Current:			
Public safety	-	-	28,029
Community and economic development	175,405	-	8,639,313
Urban renewal	-	-	13,000
Capital outlay	-	-	48,841
<b>Total Expenditures</b>	<b>175,405</b>	<b>-</b>	<b>8,729,183</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>5,139</b>	<b>2,880,269</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Insurance proceeds	-	-	636
Transfers in	-	-	864,959
Transfers out	-	-	(464,915)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>400,681</b>
Net change in fund balance	-	5,139	3,280,950
Fund Balances (Deficits), July 1, 2013	-	620,017	6,545,795
<b>Fund Balances (Deficits), June 30, 2014</b>	<b>\$ -</b>	<b>\$ 625,157</b>	<b>\$ 9,826,745</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, 2014

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Variance with	
	<u>Original</u>	<u>Final</u>			Total Actual	Final Budget
					<u>Budget Basis</u>	<u>Positive (Negative)</u>
<b><u>Revenues</u></b>						
Loan repayments	\$ -	\$ -	\$ 711	\$ -	\$ 711	\$ 711
Investment income	5,300	5,300	3,817	-	3,817	(1,483)
<b>Total Revenues</b>	<b>5,300</b>	<b>5,300</b>	<b>4,529</b>	<b>-</b>	<b>4,529</b>	<b>(771)</b>
<b><u>Expenditures</u></b>						
Current:						
Materials and services	17,000	17,000	8,400	-	8,400	8,600
Interfund charges	9,200	9,200	4,600	-	4,600	4,600
Reserve	428,000	378,000	-	-	-	378,000
<b>Total Expenditures</b>	<b>454,200</b>	<b>404,200</b>	<b>13,000</b>	<b>-</b>	<b>13,000</b>	<b>391,200</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(448,900)</b>	<b>(398,900)</b>	<b>(8,471)</b>	<b>-</b>	<b>(8,471)</b>	<b>390,429</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers out	-	(50,000)	(40,000)	-	(40,000)	10,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(50,000)</b>	<b>(40,000)</b>	<b>-</b>	<b>(40,000)</b>	<b>10,000</b>
Net change in fund balance	(448,900)	(448,900)	(48,471)	-	(48,471)	400,429
Beginning Fund Balance (Deficit)	448,900	448,900	463,582	-	463,582	14,682
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 415,111</b>	<b>\$ -</b>	<b>\$ 415,111</b>	<b>\$ 415,111</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Intergovernmental	\$ 49,600	\$ 51,600	\$ 26,730	\$ -	\$ 26,730	\$ (24,870)
Investment income	-	-	59	-	59	59
<b>Total Revenues</b>	<b>49,600</b>	<b>51,600</b>	<b>26,789</b>	<b>-</b>	<b>26,789</b>	<b>(24,811)</b>
<b><u>Expenditures</u></b>						
Current:						
Materials and services	-	-	26,789	-	26,789	(26,789)
Capital outlay	49,600	51,600	-	-	-	51,600
<b>Total Expenditures</b>	<b>49,600</b>	<b>51,600</b>	<b>26,789</b>	<b>-</b>	<b>26,789</b>	<b>24,811</b>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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

**Energy ARRA Grant Fund**

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

For the fiscal year ended June 30, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u>
	<u>Original</u>	<u>Final</u>				<u>(Negative)</u>
<b><u>Revenues</u></b>						
Intergovernmental	\$ -	\$ -	\$ 9,663	\$ -	\$ 9,663	\$ 9,663
Loan repayments	30,000	30,000	23,961	-	23,961	(6,039)
Investment income	600	600	467	-	467	(133)
<b>Total Revenues</b>	<b>30,600</b>	<b>30,600</b>	<b>34,091</b>	<b>-</b>	<b>34,091</b>	<b>3,491</b>
<b><u>Expenditures</u></b>						
Current:						
Interfund charges	80,000	80,000	36,979	-	36,979	43,021
Contingency	3,700	3,700	-	-	-	3,700
<b>Total Expenditures</b>	<b>83,700</b>	<b>83,700</b>	<b>36,979</b>	<b>-</b>	<b>36,979</b>	<b>46,721</b>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	<b>(53,100)</b>	<b>(53,100)</b>	<b>(2,887)</b>	<b>-</b>	<b>(2,887)</b>	<b>50,213</b>
Beginning Fund Balance (Deficit)	53,100	53,100	58,199	-	58,199	5,099
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,311</b>	<b>\$ -</b>	<b>\$ 55,311</b>	<b>\$ 55,311</b>

City of Bend, Oregon

**Helen Lorenz Estate Fund**

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

For the fiscal year ended June 30, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Contributions	\$ -	\$ 39,000	\$ 3,500	\$ -	\$ 3,500	\$ (35,500)
Investment income	-	-	863	-	863	863
<b>Total Revenues</b>	<b>-</b>	<b>39,000</b>	<b>4,363</b>	<b>-</b>	<b>4,363</b>	<b>(34,637)</b>
<b><u>Expenditures</u></b>						
Current:						
Materials and services	-	1,300	1,240	-	1,240	60
Contingency	-	37,700	-	-	-	37,700
<b>Total Expenditures</b>	<b>-</b>	<b>39,000</b>	<b>1,240</b>	<b>-</b>	<b>1,240</b>	<b>37,760</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>3,123</b>	<b>-</b>	<b>3,123</b>	<b>3,123</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers in	-	41,700	35,558	-	35,558	(6,142)
Transfers out	-	(41,700)	(37,818)	-	(37,818)	3,882
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(2,260)</b>	<b>-</b>	<b>(2,260)</b>	<b>(2,260)</b>
Net change in fund balance	-	-	863	-	863	863
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 863</b>	<b>\$ -</b>	<b>\$ 863</b>	<b>\$ 863</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14 Actual</u>	<u>FY2014-15 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget Positive (Negative)</u>
<b><u>Revenues</u></b>						
Licenses and permits	\$ 7,057,200	\$ 7,632,200	\$ 5,315,875	\$ -	\$ 5,315,875	\$ (2,316,325)
Charges for services:						
Charges to others	4,000	4,000	2,493	-	2,493	(1,507)
Charges to other City funds	10,870	10,870	224,158	-	224,158	213,288
Investment income	16,200	16,200	34,135	-	34,135	17,935
Miscellaneous	3,000	3,000	3,294	-	3,294	294
<b>Total Revenues</b>	<b>7,091,270</b>	<b>7,666,270</b>	<b>5,579,956</b>	<b>-</b>	<b>5,579,956</b>	<b>(2,086,314)</b>
<b><u>Expenditures</u></b>						
Current:						
Personal services	4,714,747	5,153,085	2,344,348	-	2,344,348	2,808,737
Materials and services	253,632	348,632	220,989	-	220,989	127,643
Interfund charges	786,900	828,562	415,493	-	415,493	413,069
Capital outlay	80,000	80,000	48,841	-	48,841	31,159
Contingency	2,742,681	2,742,681	-	-	-	2,742,681
Reserves	80,000	80,000	-	-	-	80,000
<b>Total Expenditures</b>	<b>8,657,960</b>	<b>9,232,960</b>	<b>3,029,670</b>	<b>-</b>	<b>3,029,670</b>	<b>6,203,290</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,566,690)</b>	<b>(1,566,690)</b>	<b>2,550,286</b>	<b>-</b>	<b>2,550,286</b>	<b>4,116,976</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Insurance proceeds	-	-	636	-	636	636
Transfers in	9,690	9,690	-	-	-	(9,690)
<b>Total Other Financing Sources (Uses)</b>	<b>9,690</b>	<b>9,690</b>	<b>636</b>	<b>-</b>	<b>636</b>	<b>(9,054)</b>
Net change in fund balance	(1,557,000)	(1,557,000)	2,550,922	-	2,550,922	4,107,922
Beginning Fund Balance (Deficit)	1,557,000	1,557,000	2,407,582	-	2,407,582	850,582
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,958,504</b>	<b>\$ -</b>	<b>\$ 4,958,504</b>	<b>\$ 4,958,504</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u>
						<u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Charges for services:						
Charges to others	\$ 2,798,600	\$ 3,183,600	\$ 2,339,977	\$ -	\$ 2,339,977	\$ (843,623)
Charges to other City funds	544,422	278,522	264,044	-	264,044	(14,478)
Investment income	5,300	5,300	16,558	-	16,558	11,258
Miscellaneous	600	600	842	-	842	242
<b>Total Revenues</b>	<b>3,348,922</b>	<b>3,468,022</b>	<b>2,621,422</b>	<b>-</b>	<b>2,621,422</b>	<b>(846,600)</b>
<b><u>Expenditures</u></b>						
Current:						
Personal services	3,058,968	2,721,992	1,569,025	-	1,569,025	1,152,967
Materials and services	289,530	338,767	172,768	-	172,768	165,999
Interfund charges	716,400	591,073	374,745	-	374,745	216,328
Contingency	1,156,724	1,156,724	-	-	-	1,156,724
<b>Total Expenditures</b>	<b>5,221,622</b>	<b>4,808,556</b>	<b>2,116,537</b>	<b>-</b>	<b>2,116,537</b>	<b>2,692,019</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenditures</b>	<b>(1,872,700)</b>	<b>(1,340,534)</b>	<b>504,884</b>	<b>-</b>	<b>504,884</b>	<b>1,845,418</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers in	1,467,600	934,034	652,500	-	652,500	(281,534)
Transfers out	(2,700)	(1,300)	(5,809)	-	(5,809)	(4,509)
<b>Total Other Financing Sources (Uses)</b>	<b>1,464,900</b>	<b>932,734</b>	<b>646,691</b>	<b>-</b>	<b>646,691</b>	<b>(286,043)</b>
Net change in fund balance	(407,800)	(407,800)	1,151,576	-	1,151,576	1,559,376
Beginning Fund Balance (Deficit)	407,800	407,800	1,013,683	-	1,013,683	605,883
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,165,259</b>	<b>\$ -</b>	<b>\$ 2,165,259</b>	<b>\$ 2,165,259</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u>
						<u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Expenditures</u></b>						
Contingency	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers out	(340,500)	(376,500)	(376,288)	-	(376,288)	212
<b>Total Other Financing Sources (Uses)</b>	<b>(340,500)</b>	<b>(376,500)</b>	<b>(376,288)</b>	<b>-</b>	<b>(376,288)</b>	<b>212</b>
Net change in fund balance	(340,500)	(376,500)	(376,288)	-	(376,288)	212
Beginning Fund Balance (Deficit)	340,500	376,500	376,288	-	376,288	(212)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Charges for services	\$ 755,400	\$ 755,400	\$ 601,953	\$ -	\$ 601,953	\$ (153,447)
Loan repayments	2,032,700	2,032,700	810,664	-	810,664	(1,222,036)
Investment income	18,400	18,400	12,258	-	12,258	(6,142)
<b>Total Revenues</b>	<b>2,806,500</b>	<b>2,806,500</b>	<b>1,424,876</b>	<b>-</b>	<b>1,424,876</b>	<b>(1,381,624)</b>
<b><u>Expenditures</u></b>						
Current:						
Personal services	148,206	146,766	72,267	-	72,267	74,499
Materials and services	3,027,658	3,317,658	1,461,690	-	1,461,690	1,855,968
Interfund charges	18,000	19,440	10,140	-	10,140	9,300
Contingency	496,736	206,736	-	-	-	206,736
<b>Total Expenditures</b>	<b>3,690,600</b>	<b>3,690,600</b>	<b>1,544,097</b>	<b>-</b>	<b>1,544,097</b>	<b>2,146,503</b>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	<b>(884,100)</b>	<b>(884,100)</b>	<b>(119,221)</b>	<b>-</b>	<b>(119,221)</b>	<b>764,879</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers out	(127,200)	(127,200)	(5,000)	-	(5,000)	122,200
<b>Total Other Financing Sources (Uses)</b>	<b>(127,200)</b>	<b>(127,200)</b>	<b>(5,000)</b>	<b>-</b>	<b>(5,000)</b>	<b>122,200</b>
Net change in fund balance	(1,011,300)	(1,011,300)	(124,221)	-	(124,221)	887,079
Beginning Fund Balance (Deficit)	1,011,300	1,011,300	1,468,319	-	1,468,319	457,019
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,344,097</b>	<b>\$ -</b>	<b>\$ 1,344,097</b>	<b>\$ 1,344,097</b>

City of Bend, Oregon

**Business Advocacy Fund**

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

For the fiscal year ended June 30, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u>
						<u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Licenses and permits	\$ 612,000	\$ 612,000	\$ 284,040	\$ -	\$ 284,040	\$ (327,960)
Charges for services:						
Charges to others	-	-	225	-	225	225
Charges to other City funds	-	-	388	-	388	388
Loan repayments	9,000	9,000	9,000	-	9,000	-
Investment income	-	-	463	-	463	463
Miscellaneous	-	1,000	1,796	-	1,796	796
<b>Total Revenues</b>	<b>621,000</b>	<b>622,000</b>	<b>295,912</b>	<b>-</b>	<b>295,912</b>	<b>(326,088)</b>
<b><u>Expenditures</u></b>						
Current:						
Personal services	395,367	394,249	185,502	-	185,502	208,747
Materials and services	257,180	342,931	132,059	-	132,059	210,872
Interfund charges	124,600	128,218	63,309	-	63,309	64,909
Contingency	5,853	25,503	-	-	-	25,503
<b>Total Expenditures</b>	<b>783,000</b>	<b>890,901</b>	<b>380,870</b>	<b>-</b>	<b>380,870</b>	<b>510,031</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenditures</b>	<b>(162,000)</b>	<b>(268,901)</b>	<b>(84,957)</b>	<b>-</b>	<b>(84,957)</b>	<b>183,944</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers in	162,000	268,901	176,901	-	176,901	(92,000)
<b>Total Other Financing Sources (Uses)</b>	<b>162,000</b>	<b>268,901</b>	<b>176,901</b>	<b>-</b>	<b>176,901</b>	<b>(92,000)</b>
Net change in fund balance	-	-	91,944	-	91,944	91,944
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 91,944</b>	<b>\$ -</b>	<b>\$ 91,944</b>	<b>\$ 91,944</b>

\*Activity in this fund was accounted for in the General Fund in prior years.

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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Transient room taxes	\$ 2,228,200	\$ 2,578,200	\$ 1,436,876	\$ -	\$ 1,436,876	\$ (1,141,324)
Investment income	-	-	92	-	92	92
<b>Total Revenues</b>	<b>2,228,200</b>	<b>2,578,200</b>	<b>1,436,969</b>	<b>-</b>	<b>1,436,969</b>	<b>(1,141,231)</b>
<b><u>Expenditures</u></b>						
Current:						
Materials and services	2,162,700	2,512,700	1,372,096	-	1,372,096	1,140,604
Interfund charges	65,000	65,000	32,500	-	32,500	32,500
Contingency	100,000	100,000	-	-	-	100,000
<b>Total Expenditures</b>	<b>2,327,700</b>	<b>2,677,700</b>	<b>1,404,596</b>	<b>-</b>	<b>1,404,596</b>	<b>1,273,104</b>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	<b>(99,500)</b>	<b>(99,500)</b>	<b>32,373</b>	<b>-</b>	<b>32,373</b>	<b>131,873</b>
Beginning Fund Balance (Deficit)	99,500	99,500	138,125	-	138,125	38,625
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 170,499</b>	<b>\$ -</b>	<b>\$ 170,499</b>	<b>\$ 170,499</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, 2014

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual <u>Budget Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget <u>Positive (Negative)</u>
<b>Revenues</b>						
Assessments	\$ 320,000	\$ 320,000	\$ 175,291	\$ -	\$ 175,291	\$ (144,709)
Investment income	200	200	114	-	114	(86)
<b>Total Revenues</b>	<b>320,200</b>	<b>320,200</b>	<b>175,405</b>	<b>-</b>	<b>175,405</b>	<b>(144,795)</b>
<b>Expenditures</b>						
Current:						
Materials and services	304,200	304,200	166,640	-	166,640	137,560
Interfund charges	16,000	16,000	8,765	-	8,765	7,235
<b>Total Expenditures</b>	<b>320,200</b>	<b>320,200</b>	<b>175,405</b>	<b>-</b>	<b>175,405</b>	<b>144,795</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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, 2014

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual <u>Budget</u> <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget <u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Investment income	\$ 5,900	\$ 5,900	\$ 5,139	\$ -	\$ 5,139	\$ (761)
<b>Total Revenues</b>	<b>5,900</b>	<b>5,900</b>	<b>5,139</b>	<b>-</b>	<b>5,139</b>	<b>(761)</b>
<b><u>Expenditures</u></b>						
Reserves	625,000	625,000	-	-	-	625,000
<b>Total Expenditures</b>	<b>625,000</b>	<b>625,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>625,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(619,100)</b>	<b>(619,100)</b>	<b>5,139</b>	<b>-</b>	<b>5,139</b>	<b>624,239</b>
Beginning Fund Balance (Deficit)	619,100	619,100	620,017	-	620,017	917
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 625,157</b>	<b>\$ -</b>	<b>\$ 625,157</b>	<b>\$ 625,157</b>

City of Bend, Oregon

**Nonmajor Special Revenue Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the biennium ended June 30, 2015

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>BURA General Fund</u></b>			
Materials and services	\$ 17,000	\$ 8,400	\$ 8,600
Transfers	59,200	44,600	14,600
Reserves	378,000	-	378,000
	<b>\$ 454,200</b>	<b>\$ 53,000</b>	<b>\$ 401,200</b>
<b><u>Police Grant Fund</u></b>			
Materials and services	\$ -	\$ 26,789	\$ (26,789)
Capital outlay	51,600	-	51,600
	<b>\$ 51,600</b>	<b>\$ 26,789</b>	<b>\$ 24,811</b>
<b><u>Energy ARRA Grant Fund</u></b>			
Transfers	\$ 80,000	\$ 36,979	\$ 43,021
Contingency	3,700	-	3,700
	<b>\$ 83,700</b>	<b>\$ 36,979</b>	<b>\$ 46,721</b>
<b><u>Helen Lorenz Estate Fund</u></b>			
Materials and services	\$ 1,300	\$ 1,240	\$ 60
Transfers	41,700	37,818	3,882
Contingency	37,700	-	37,700
	<b>\$ 80,700</b>	<b>\$ 39,058</b>	<b>\$ 41,642</b>
<b><u>Building Fund</u></b>			
Personal services	\$ 5,153,085	\$ 2,344,348	\$ 2,808,737
Materials and services	348,632	220,989	127,643
Transfers	828,562	415,493	413,069
Capital outlay	80,000	48,841	31,159
Contingency	2,742,681	-	2,742,681
Reserves	80,000	-	80,000
	<b>\$ 9,232,960</b>	<b>\$ 3,029,670</b>	<b>\$ 6,203,290</b>
<b><u>Planning Fund</u></b>			
Personal services	\$ 2,721,992	\$ 1,569,025	\$ 1,152,967
Materials and services	338,767	172,768	165,999
Transfers	592,373	380,553	211,820
Contingency	1,156,724	-	1,156,724
	<b>\$ 4,809,856</b>	<b>\$ 2,122,346</b>	<b>\$ 2,687,510</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, 2015

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>Private Development Engineering Fund</u></b>			
Transfers	\$ 376,500	\$ 376,288	\$ 212
	<b>\$ 376,500</b>	<b>\$ 376,288</b>	<b>\$ 212</b>
<b><u>Affordable Housing Fund</u></b>			
Personal services	\$ 146,766	\$ 72,267	\$ 74,499
Materials and services	3,317,658	1,461,690	1,855,968
Transfers	146,640	15,140	131,500
Contingency	206,736	-	206,736
	<b>\$ 3,817,800</b>	<b>\$ 1,549,097</b>	<b>\$ 2,268,703</b>
<b><u>Business Advocacy Fund</u></b>			
Personal services	\$ 394,249	\$ 185,502	\$ 208,747
Materials and services	342,931	132,059	210,872
Transfers	128,218	63,309	64,909
Contingency	25,503	-	25,503
	<b>\$ 890,901</b>	<b>\$ 380,870</b>	<b>\$ 510,031</b>
<b><u>Tourism Fund</u></b>			
Materials and services	\$ 2,512,700	\$ 1,372,096	\$ 1,140,604
Transfers	65,000	32,500	32,500
Contingency	100,000	-	100,000
	<b>\$ 2,677,700</b>	<b>\$ 1,404,596</b>	<b>\$ 1,273,104</b>
<b><u>Economic Improvement District Fund</u></b>			
Materials and services	\$ 304,200	\$ 166,640	\$ 137,560
Transfers	16,000	8,765	7,235
	<b>\$ 320,200</b>	<b>\$ 175,405</b>	<b>\$ 144,795</b>
<b><u>Police Reserve Fund</u></b>			
Reserves	\$ 625,000	\$ -	\$ 625,000
	<b>\$ 625,000</b>	<b>\$ -</b>	<b>\$ 625,000</b>

## **NONMAJOR DEBT SERVICE FUNDS**

### 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, 2014

	<b>Murphy</b>		
	<b>Crossing</b>		
	<b>Urban Renewal</b>	<b>Fire Station</b>	<b>PERS</b>
	<b>Debt Service</b>	<b>Debt Service</b>	<b>Debt Service</b>
	<b><u>Fund</u></b>	<b><u>Fund</u></b>	<b><u>Fund</u></b>
<b><u>Assets</u></b>			
Restricted cash and investments	\$ 369,384	\$ 6,750	\$ 2,552,305
Receivables:			
Property taxes	4,268	-	-
<b>Total Assets</b>	<b>\$ 373,653</b>	<b>\$ 6,750</b>	<b>\$ 2,552,305</b>
<b><u>Deferred Inflows of Resources</u></b>			
Unavailable revenue-property taxes	\$ 3,202	\$ -	\$ -
<b>Total Deferred Inflow s of Resources</b>	<b>3,202</b>	<b>-</b>	<b>-</b>
Fund balances (deficits):			
Restricted:			
Externally imposed	370,451	6,750	-
Assigned	-	-	2,552,305
<b>Total Fund Balances (Deficits)</b>	<b>370,451</b>	<b>6,750</b>	<b>2,552,305</b>
<b>Total Liabilities, Deferred Inflow s of Resources, and Fund Balances</b>	<b>\$ 373,653</b>	<b>\$ 6,750</b>	<b>\$ 2,552,305</b>

City of Bend, Oregon

**Combining Balance Sheet (Continued)**

Nonmajor Debt Service Funds

June 30, 2014

	<b>Juniper Ridge Urban Renewal Debt Service Fund</b>	<b>General Obligation Bond Debt Service Fund</b>	<b>Total</b>
<b><u>Assets</u></b>			
Restricted cash and investments	\$ 1,060,114	\$ 864,917	\$ 4,853,471
Receivables:			
Property taxes	38,143	78,468	120,879
<b>Total Assets</b>	<b>\$ 1,098,256</b>	<b>\$ 943,385</b>	<b>\$ 4,974,350</b>
<b><u>Deferred Inflows of Resources</u></b>			
Unavailable revenue-property taxes	\$ 29,296	\$ 61,928	\$ 94,426
<b>Total Deferred Inflows of Resources</b>	<b>29,296</b>	<b>61,928</b>	<b>94,426</b>
Fund balances (deficits):			
Restricted:			
Externally imposed	1,068,960	881,457	2,327,619
Assigned	-	-	2,552,305
<b>Total Fund Balances (Deficits)</b>	<b>1,068,960</b>	<b>881,457</b>	<b>4,879,925</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,098,256</b>	<b>\$ 943,385</b>	<b>\$ 4,974,350</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, 2014

	<b>Murphy Crossing</b>		
	<b>Urban Renewal Debt Service Fund</b>	<b>Fire Station Debt Service Fund</b>	<b>PERS Debt Service Fund</b>
<b><u>Revenues</u></b>			
Property taxes	\$ 130,512	\$ -	\$ -
Intergovernmental	-	230,549	-
Charges for services	-	-	2,161,726
Investment income	2,826	246	16,426
<b>Total Revenues</b>	<b>133,338</b>	<b>230,796</b>	<b>2,178,153</b>
<b><u>Expenditures</u></b>			
Current:			
General government	-	-	20,300
Public safety	-	6,295	-
Debt service:			
Principal	-	155,000	285,000
Interest	-	74,601	786,017
<b>Total Expenditures</b>	<b>-</b>	<b>235,896</b>	<b>1,091,317</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>133,338</b>	<b>(5,101)</b>	<b>1,086,836</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers in	-	6,100	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>6,100</b>	<b>-</b>
Net change in fund balances	133,338	999	1,086,836
Fund Balances (Deficits), July 1, 2013	237,113	5,751	1,465,470
<b>Fund Balances (Deficits), June 30, 2014</b>	<b>\$ 370,451</b>	<b>\$ 6,750</b>	<b>\$ 2,552,305</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, 2014

	Juniper Ridge Urban Renewal Debt Service Fund	General Obligation Bond Debt Service Fund	Total
<b><u>Revenues</u></b>			
Property taxes	\$ 917,646	\$ 1,934,199	\$ 2,982,358
Intergovernmental	-	-	230,549
Charges for services	-	-	2,161,726
Investment income	8,681	11,172	39,350
<b>Total Revenues</b>	<b>926,327</b>	<b>1,945,371</b>	<b>5,413,984</b>
<b><u>Expenditures</u></b>			
Current:			
General government	-	-	20,300
Public safety	-	-	6,295
Debt service:			
Principal	341,256	1,030,000	1,811,256
Interest	164,331	809,750	1,834,699
<b>Total Expenditures</b>	<b>505,587</b>	<b>1,839,750</b>	<b>3,672,550</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>420,740</b>	<b>105,621</b>	<b>1,741,434</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers in	-	-	6,100
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>6,100</b>
Net change in fund balances	420,740	105,621	1,747,534
Fund Balances (Deficits), July 1, 2013	648,221	775,837	3,132,391
<b>Fund Balances (Deficits), June 30, 2014</b>	<b>\$ 1,068,960</b>	<b>\$ 881,457</b>	<b>\$ 4,879,925</b>

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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u>
						<u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Property taxes	\$ 286,600	\$ 286,600	\$ 130,512	\$ -	\$ 130,512	\$ (156,088)
Investment income	2,300	2,300	2,826	-	2,826	526
<b>Total Revenues</b>	<b>288,900</b>	<b>288,900</b>	<b>133,338</b>	<b>-</b>	<b>133,338</b>	<b>(155,562)</b>
<b><u>Expenditures</u></b>						
Reserved for debt service	525,600	525,600	-	-	-	525,600
<b>Total Expenditures</b>	<b>525,600</b>	<b>525,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,600</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenditures</b>	(236,700)	(236,700)	133,338	-	133,338	370,038
Beginning Fund Balance (Deficit)	236,700	236,700	237,113	-	237,113	413
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 370,451</b>	<b>\$ -</b>	<b>\$ 370,451</b>	<b>\$ 370,451</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Intergovernmental	\$ 462,000	\$ 462,000	\$ 230,549	\$ -	\$ 230,549	\$ (231,451)
Investment income	600	600	246	-	246	(354)
<b>Total Revenues</b>	<b>462,600</b>	<b>462,600</b>	<b>230,796</b>	<b>-</b>	<b>230,796</b>	<b>(231,805)</b>
<b><u>Expenditures</u></b>						
Current:						
Materials and services	-	-	195	-	195	(195)
Interfund charges	12,200	12,200	6,100	-	6,100	6,100
Debt service	461,700	461,700	229,601	-	229,601	232,099
Reserved for debt service	7,600	7,600	-	-	-	7,600
<b>Total Expenditures</b>	<b>481,500</b>	<b>481,500</b>	<b>235,896</b>	<b>-</b>	<b>235,896</b>	<b>245,604</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenditures</b>	(18,900)	(18,900)	(5,101)	-	(5,101)	13,799
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers in	12,200	12,200	6,100	-	6,100	(6,100)
<b>Total Other Financing Sources (Uses)</b>	<b>12,200</b>	<b>12,200</b>	<b>6,100</b>	<b>-</b>	<b>6,100</b>	<b>(6,100)</b>
Net change in fund balance	(6,700)	(6,700)	999	-	999	7,699
Beginning Fund Balance (Deficit)	6,700	6,700	5,751	-	5,751	(949)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,750</b>	<b>\$ -</b>	<b>\$ 6,750</b>	<b>\$ 6,750</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Charges to other City funds	\$ 2,104,400	\$ 2,104,400	\$ 2,161,726	\$ -	\$ 2,161,726	\$ 57,326
Investment income	18,800	18,800	16,426	-	16,426	(2,374)
<b>Total Revenues</b>	<b>2,123,200</b>	<b>2,123,200</b>	<b>2,178,153</b>	<b>-</b>	<b>2,178,153</b>	<b>54,953</b>
<b><u>Expenditures</u></b>						
Current:						
Interfund charges	40,600	40,600	20,300	-	20,300	20,300
Debt service	2,186,300	2,186,300	1,071,017	-	1,071,017	1,115,283
Reserved for debt service	1,358,200	1,358,200	-	-	-	1,358,200
<b>Total Expenditures</b>	<b>3,585,100</b>	<b>3,585,100</b>	<b>1,091,317</b>	<b>-</b>	<b>1,091,317</b>	<b>2,493,783</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenditures</b>	<b>(1,461,900)</b>	<b>(1,461,900)</b>	<b>1,086,836</b>	<b>-</b>	<b>1,086,836</b>	<b>2,548,736</b>
Beginning Fund Balance (Deficit)	1,461,900	1,461,900	1,465,470	-	1,465,470	3,570
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,552,305</b>	<b>\$ -</b>	<b>\$ 2,552,305</b>	<b>\$ 2,552,305</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Property taxes	\$ 1,956,400	\$ 1,956,400	\$ 917,646	\$ -	\$ 917,646	\$ (1,038,754)
Investment income	21,300	21,300	8,681	-	8,681	(12,619)
<b>Total Revenues</b>	<b>1,977,700</b>	<b>1,977,700</b>	<b>926,327</b>	<b>-</b>	<b>926,327</b>	<b>(1,051,373)</b>
<b><u>Expenditures</u></b>						
Debt service	1,249,800	1,249,800	505,587	-	505,587	744,213
Reserved for debt service	1,357,600	1,357,600	-	-	-	1,357,600
<b>Total Expenditures</b>	<b>2,607,400</b>	<b>2,607,400</b>	<b>505,587</b>	<b>-</b>	<b>505,587</b>	<b>2,101,813</b>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	<b>(629,700)</b>	<b>(629,700)</b>	<b>420,740</b>	<b>-</b>	<b>420,740</b>	<b>1,050,440</b>
Beginning Fund Balance (Deficit)	629,700	629,700	648,221	-	648,221	18,521
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$1,068,960</b>	<b>\$ -</b>	<b>\$ 1,068,960</b>	<b>\$ 1,068,960</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Property taxes	\$ 3,780,200	\$ 3,780,200	\$ 1,934,199	\$ -	\$ 1,934,199	\$ (1,846,001)
Investment income	20,000	20,000	11,172	-	11,172	(8,828)
<b>Total Revenues</b>	<b>3,800,200</b>	<b>3,800,200</b>	<b>1,945,371</b>	<b>-</b>	<b>1,945,371</b>	<b>(1,854,829)</b>
<b><u>Expenditures</u></b>						
Debt service	3,678,900	3,678,900	1,839,750	-	1,839,750	1,839,150
Reserved for debt service	839,600	839,600	-	-	-	839,600
<b>Total Expenditures</b>	<b>4,518,500</b>	<b>4,518,500</b>	<b>1,839,750</b>	<b>-</b>	<b>1,839,750</b>	<b>2,678,750</b>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	<b>(718,300)</b>	<b>(718,300)</b>	<b>105,621</b>	<b>-</b>	<b>105,621</b>	<b>823,921</b>
Beginning Fund Balance (Deficit)	718,300	718,300	775,837	-	775,837	57,537
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 881,457</b>	<b>\$ -</b>	<b>\$ 881,457</b>	<b>\$ 881,457</b>

City of Bend, Oregon

**Nonmajor Debt Service Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the biennium ended June 30, 2015

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>Murphy Crossing Urban Renewal Debt Service Fund</u></b>			
Reserves	\$ 525,600	\$ -	\$ 525,600
	<b>\$ 525,600</b>	<b>\$ -</b>	<b>\$ 525,600</b>
<b><u>Fire Station Debt Service Fund</u></b>			
Materials and services	\$ -	\$ 195	\$ (195)
Transfers	12,200	6,100	6,100
Debt service	461,700	229,601	232,099
Reserves	7,600	-	7,600
	<b>\$ 481,500</b>	<b>\$ 235,896</b>	<b>\$ 245,604</b>
<b><u>PERS Debt Service Fund</u></b>			
Transfers	\$ 40,600	\$ 20,300	\$ 20,300
Debt service	2,186,300	1,071,017	1,115,283
Reserves	1,358,200	-	1,358,200
	<b>\$ 3,585,100</b>	<b>\$ 1,091,317</b>	<b>\$ 2,493,783</b>
<b><u>Juniper Ridge Urban Renewal Debt Service Fund</u></b>			
Debt service	\$ 1,249,800	\$ 505,587	\$ 744,213
Reserves	1,357,600	-	1,357,600
	<b>\$ 2,607,400</b>	<b>\$ 505,587</b>	<b>\$ 2,101,813</b>
<b><u>General Obligation Bond Debt Service Fund</u></b>			
Debt service	\$ 3,678,900	\$ 1,839,750	\$ 1,839,150
Reserves	839,600	-	839,600
	<b>\$ 4,518,500</b>	<b>\$ 1,839,750</b>	<b>\$ 2,678,750</b>

## **MAJOR CAPITAL PROJECTS FUNDS**

### 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

**Transportation Construction Fund**

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

For the fiscal year ended June 30, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Franchise fees	\$ 1,147,500	\$ 1,147,500	\$ 620,793	\$ -	\$ 620,793	\$ (526,707)
Intergovernmental	767,500	767,500	850,949	-	850,949	83,449
Rental income	24,800	24,800	17,236	-	17,236	(7,564)
Charges for services:						
Charges to others	-	48,900	-	-	-	(48,900)
Charges to other City funds	12,400	111,900	6,567	-	6,567	(105,333)
Contributions	-	-	129,876	-	129,876	129,876
Loan repayments	6,800	6,800	4,835	-	4,835	(1,965)
Investment income	66,300	66,300	65,854	-	65,854	(446)
Miscellaneous	-	-	95	-	95	95
<b>Total Revenues</b>	<b>2,025,300</b>	<b>2,173,700</b>	<b>1,696,207</b>	<b>-</b>	<b>1,696,207</b>	<b>(477,493)</b>
<b><u>Expenditures</u></b>						
Current:						
Personal services	-	250,320	-	-	-	250,320
Materials and services	1,333,200	1,333,200	138,253	-	138,253	1,194,947
Interfund charges	2,016,800	1,874,500	881,291	-	881,291	993,209
Debt service	2,559,700	8,959,700	7,652,659	-	7,652,659	1,307,041
Capital outlay	3,188,300	3,153,300	1,470,458	-	1,470,458	1,682,842
Contingency	500,000	576,480	-	-	-	576,480
Reserved	7,579,600	7,467,500	-	-	-	7,467,500
<b>Total Expenditures</b>	<b>17,177,600</b>	<b>23,615,000</b>	<b>10,142,661</b>	<b>-</b>	<b>10,142,661</b>	<b>13,472,339</b>
<b>Excess (deficiency) of revenues</b>						
<b>    over (under) expenditures</b>	<b>(15,152,300)</b>	<b>(21,441,300)</b>	<b>(8,446,454)</b>	<b>-</b>	<b>(8,446,454)</b>	<b>12,994,846</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Proceeds from sale of assets	120,000	120,000	230,069	-	230,069	110,069
Issuance of long-term debt	-	6,400,000	6,283,391	-	6,283,391	(116,609)
Transfers in	6,008,600	6,008,600	1,061,901	-	1,061,901	(4,946,699)
Transfers out	-	(111,000)	(110,946)	-	(110,946)	54
<b>Total Other Financing Sources (Uses)</b>	<b>6,128,600</b>	<b>12,417,600</b>	<b>7,464,415</b>	<b>-</b>	<b>7,464,415</b>	<b>(4,953,185)</b>
Net change in fund balance	(9,023,700)	(9,023,700)	(982,039)	-	(982,039)	8,041,661
Beginning Fund Balance (Deficit)	9,023,700	9,023,700	7,926,361	-	7,926,361	(1,097,339)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,944,322</b>	<b>\$ -</b>	<b>\$ 6,944,322</b>	<b>\$ 6,944,322</b>

City of Bend, Oregon

**Major Capital Projects Fund**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the biennium ended June 30, 2015

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>Transportation Construction Fund</u></b>			
Personal services	\$ 250,320	\$ -	\$ 250,320
Materials and services	1,333,200	138,253	1,194,947
Transfers	1,985,500	992,237	993,263
Debt service	8,959,700	7,652,659	1,307,041
Capital outlay	3,153,300	1,470,458	1,682,842
Contingency	576,480	-	576,480
Reserves	7,467,500	-	7,467,500
	<b>\$ 23,726,000</b>	<b>\$ 10,253,607</b>	<b>\$ 13,472,393</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 and franchise fees.

### 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  
**Combining Balance Sheet**  
 Nonmajor Capital Projects Funds  
 June 30, 2014

	Local			General		
	Improvement	Juniper Ridge		Obligation Bond		
	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>Assets</b>						
Restricted cash and investments	\$ 588,026	\$ 2,853	\$ 1,029,606	\$ 16,782,255		\$ 18,402,741
Receivables:						
Accounts, net	-	-	69,495	-		69,495
<b>Total Assets</b>	<b>\$ 588,026</b>	<b>\$ 2,853</b>	<b>\$ 1,099,101</b>	<b>\$ 16,782,255</b>		<b>\$ 18,472,236</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>						
Liabilities:						
Accounts payable	\$ 44	\$ -	\$ -	\$ 690,343		\$ 690,387
Retainage payable	-	-	-	45,952		45,952
<b>Total Liabilities</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>736,295</b>		<b>736,339</b>
Deferred Inflows of Resources:						
Unavailable revenue-other	-	-	69,495	-		69,495
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>69,495</b>	<b>-</b>		<b>69,495</b>
Fund balances (deficits):						
Restricted:						
Externally imposed	-	2,853	-	16,045,960		16,048,813
Committed	-	-	1,029,606	-		1,029,606
Assigned	587,982	-	-	-		587,982
<b>Total Fund Balances (Deficits)</b>	<b>587,982</b>	<b>2,853</b>	<b>1,029,606</b>	<b>16,045,960</b>		<b>17,666,401</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 588,026</b>	<b>\$ 2,853</b>	<b>\$ 1,099,101</b>	<b>\$ 16,782,255</b>		<b>\$ 18,472,236</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, 2014

	Local		General		
	Improvement	Juniper Ridge	Accessibility	Obligation Bond	
	District	Urban Renewal	Construction	Transportation	
	Construction	Construction	Construction	Construction	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<b>Revenues</b>					
Franchise fees	\$ -	\$ -	\$ 536,696	\$ -	\$ 536,696
Intergovernmental	-	-	45,749	321,253	367,002
Contributions	-	-	-	19,985	19,985
Investment income	4,999	(33)	7,918	149,530	162,414
<b>Total Revenues</b>	<b>4,999</b>	<b>(33)</b>	<b>590,363</b>	<b>490,767</b>	<b>1,086,096</b>
<b>Expenditures</b>					
Current:					
Public ways and facilities	-	-	244,756	500	245,256
Urban renewal	-	53,450	-	-	53,450
Debt service:					
Principal	-	3,708,850	195,000	-	3,903,850
Interest	-	-	109,553	-	109,553
Capital outlay	-	-	13,585	4,930,845	4,944,430
<b>Total Expenditures</b>	<b>-</b>	<b>3,762,300</b>	<b>562,893</b>	<b>4,931,345</b>	<b>9,256,538</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>4,999</b>	<b>(3,762,334)</b>	<b>27,470</b>	<b>(4,440,578)</b>	<b>(8,170,442)</b>
<b>Other Financing Sources (Uses)</b>					
Issuance of long-term debt	-	3,700,000	-	-	3,700,000
Transfers in	-	40,000	450,000	110,946	600,946
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>3,740,000</b>	<b>450,000</b>	<b>110,946</b>	<b>4,300,946</b>
Net change in fund balance	4,999	(22,334)	477,470	(4,329,631)	(3,869,496)
<b>Fund Balances (Deficits), July 1, 2013</b>	<b>582,983</b>	<b>25,187</b>	<b>552,137</b>	<b>20,375,591</b>	<b>21,535,897</b>
<b>Fund Balances (Deficits), June 30, 2014</b>	<b>\$ 587,982</b>	<b>\$ 2,853</b>	<b>\$ 1,029,606</b>	<b>\$ 16,045,960</b>	<b>\$ 17,666,401</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Investment income	\$ -	\$ -	\$ 4,999	\$ -	\$ 4,999	\$ 4,999
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>4,999</b>	<b>-</b>	<b>4,999</b>	<b>4,999</b>
<b><u>Expenditures</u></b>						
Reserve	582,200	582,200	-	-	-	582,200
<b>Total Expenditures</b>	<b>582,200</b>	<b>582,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>582,200</b>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	<b>(582,200)</b>	<b>(582,200)</b>	<b>4,999</b>	<b>-</b>	<b>4,999</b>	<b>587,199</b>
Beginning Fund Balance (Deficit)	582,200	582,200	582,983	-	582,983	783
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 587,982</b>	<b>\$ -</b>	<b>\$ 587,982</b>	<b>\$ 587,982</b>

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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u>
						<u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Investment income	\$ 300	\$ 300	\$ (33)	\$ -	\$ (33)	\$ (333)
<b>Total Revenues</b>	<b>300</b>	<b>300</b>	<b>(33)</b>	<b>-</b>	<b>(33)</b>	<b>(333)</b>
<b><u>Expenditures</u></b>						
Current:						
Materials and services	83,650	83,650	53,450	-	53,450	30,200
Debt service	3,708,850	3,708,850	3,708,850	-	3,708,850	-
<b>Total Expenditures</b>	<b>3,792,500</b>	<b>3,792,500</b>	<b>3,762,300</b>	<b>-</b>	<b>3,762,300</b>	<b>30,200</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenditures</b>	<b>(3,792,200)</b>	<b>(3,792,200)</b>	<b>(3,762,334)</b>	<b>-</b>	<b>(3,762,334)</b>	<b>29,866</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Issuance of long-term debt	3,760,000	3,760,000	3,700,000	-	3,700,000	(60,000)
Transfers in	-	-	40,000	-	40,000	40,000
<b>Total Other Financing Sources (Uses)</b>	<b>3,760,000</b>	<b>3,760,000</b>	<b>3,740,000</b>	<b>-</b>	<b>3,740,000</b>	<b>(20,000)</b>
Net change in fund balance	(32,200)	(32,200)	(22,334)	-	(22,334)	9,866
Beginning Fund Balance (Deficit)	32,200	32,200	25,187	-	25,187	(7,013)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,853</b>	<b>\$ -</b>	<b>\$ 2,853</b>	<b>\$ 2,853</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Franchise fees	\$1,147,500	\$1,147,500	\$ 536,696	\$ -	\$ 536,696	\$ (610,804)
Intergovernmental	77,400	77,400	45,749	-	45,749	(31,651)
Investment income	6,300	6,300	7,918	-	7,918	1,618
<b>Total Revenues</b>	<b>1,231,200</b>	<b>1,231,200</b>	<b>590,363</b>	<b>-</b>	<b>590,363</b>	<b>(640,837)</b>
<b><u>Expenditures</u></b>						
Current:						
Materials and services	61,900	77,900	15,164	-	15,164	62,736
Interfund charges	632,200	632,700	229,592	-	229,592	403,108
Debt service	609,500	609,500	304,553	-	304,553	304,948
Capital outlay	-	20,000	13,585	-	13,585	6,415
Contingency	1,000,800	963,800	-	-	-	963,800
Reserved for construction	300,000	300,000	-	-	-	300,000
<b>Total Expenditures</b>	<b>2,604,400</b>	<b>2,603,900</b>	<b>562,893</b>	<b>-</b>	<b>562,893</b>	<b>2,041,007</b>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	<b>(1,373,200)</b>	<b>(1,372,700)</b>	<b>27,470</b>	<b>-</b>	<b>27,470</b>	<b>1,400,170</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers in	900,000	900,000	450,000	-	450,000	(450,000)
Transfers out	-	(500)	-	-	-	500
<b>Total Other Financing Sources (Uses)</b>	<b>900,000</b>	<b>899,500</b>	<b>450,000</b>	<b>-</b>	<b>450,000</b>	<b>(449,500)</b>
Net change in fund balance	(473,200)	(473,200)	477,470	-	477,470	950,670
Beginning Fund Balance (Deficit)	473,200	473,200	552,137	-	552,137	78,937
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,029,606</b>	<b>\$ -</b>	<b>\$ 1,029,606</b>	<b>\$ 1,029,606</b>

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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Intergovernmental	\$ -	\$ -	\$ 321,253	\$ -	\$ 321,253	\$ 321,253
Contributions	-	-	19,985	-	19,985	19,985
Investment income	89,600	89,600	149,530	-	149,530	59,930
<b>Total Revenues</b>	<b>89,600</b>	<b>89,600</b>	<b>490,767</b>	<b>-</b>	<b>490,767</b>	<b>401,167</b>
<b><u>Expenditures</u></b>						
Current:						
Materials and services	1,600	1,600	500	-	500	1,100
Capital outlay	18,498,400	18,801,400	4,930,845	-	4,930,845	13,870,555
Reserved	1,825,100	1,662,100	-	-	-	1,662,100
<b>Total Expenditures</b>	<b>20,325,100</b>	<b>20,465,100</b>	<b>4,931,345</b>	<b>-</b>	<b>4,931,345</b>	<b>15,533,755</b>
<b>Excess (deficiency) of revenues</b> <b>over (under) expenditures</b>	<b>(20,235,500)</b>	<b>(20,375,500)</b>	<b>(4,440,578)</b>	<b>-</b>	<b>(4,440,578)</b>	<b>15,934,922</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers in	-	-	110,946	-	110,946	110,946
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>110,946</b>	<b>-</b>	<b>110,946</b>	<b>110,946</b>
Net change in fund balance	(20,235,500)	(20,375,500)	(4,329,631)	-	(4,329,631)	16,045,869
Beginning Fund Balance (Deficit)	20,235,500	20,375,500	20,375,591	-	20,375,591	91
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,045,960</b>	<b>\$ -</b>	<b>\$ 16,045,960</b>	<b>\$ 16,045,960</b>

City of Bend, Oregon

**Nonmajor Capital Projects Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the biennium ended June 30, 2015

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>Local Improvement District Construction Fund</u></b>			
Reserves	\$ 582,200	\$ -	\$ 582,200
	<b>\$ 582,200</b>	<b>\$ -</b>	<b>\$ 582,200</b>
<b><u>Juniper Ridge Urban Renewal Construction Fund</u></b>			
Materials and services	\$ 83,650	\$ 53,450	\$ 30,200
Debt service	3,708,850	3,708,850	-
	<b>\$ 3,792,500</b>	<b>\$ 3,762,300</b>	<b>\$ 30,200</b>
<b><u>Accessibility Construction Fund</u></b>			
Materials and services	\$ 77,900	\$ 15,164	\$ 62,736
Transfers	633,200	229,592	403,608
Debt service	609,500	304,553	304,948
Capital outlay	20,000	13,585	6,415
Contingency	963,800	-	963,800
Reserves	300,000	-	300,000
	<b>\$ 2,604,400</b>	<b>\$ 562,893</b>	<b>\$ 2,041,507</b>
<b><u>General Obligation Bond Construction Fund</u></b>			
Materials and services	\$ 1,600	\$ 500	\$ 1,100
Capital outlay	18,801,400	4,930,845	13,870,555
Reserves	1,662,100	-	1,662,100
	<b>\$ 20,465,100</b>	<b>\$ 4,931,345</b>	<b>\$ 15,533,755</b>



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## **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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Permanent maintenance fees	\$ 8,000	\$ 8,000	\$ 3,434	\$ -	\$ 3,434	\$ (4,567)
Investment income	46,600	46,600	59,922	-	59,922	13,322
<b>Total Revenues</b>	<b>54,600</b>	<b>54,600</b>	<b>63,356</b>	<b>-</b>	<b>63,356</b>	<b>8,756</b>
<b><u>Expenditures</u></b>						
Current:						
Materials and services	9,000	9,500	4,644	-	4,644	4,856
Reserved for permanent maintenance	590,100	590,100	-	-	-	590,100
<b>Total Expenditures</b>	<b>599,100</b>	<b>599,600</b>	<b>4,644</b>	<b>-</b>	<b>4,644</b>	<b>594,956</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(544,500)</b>	<b>(545,000)</b>	<b>58,712</b>	<b>-</b>	<b>58,712</b>	<b>603,712</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers out	(46,600)	(46,100)	(19,254)	-	(19,254)	26,846
<b>Total Other Financing Sources (Uses)</b>	<b>(46,600)</b>	<b>(46,100)</b>	<b>(19,254)</b>	<b>-</b>	<b>(19,254)</b>	<b>26,846</b>
Net change in fund balance	(591,100)	(591,100)	39,459	-	39,459	630,559
Beginning Fund Balance (Deficit)	591,100	591,100	595,952	-	595,952	4,852
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 635,411</b>	<b>\$ -</b>	<b>\$ 635,411</b>	<b>\$ 635,411</b>

City of Bend, Oregon

**Nonmajor Permanent Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the biennium ended June 30, 2015

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>Cemetery Permanent Maintenance Fund</u></b>			
Expenditures & other uses	\$ 55,600	\$ 23,897	\$ 31,703
Reserves	590,100	-	590,100
	<b>\$ 645,700</b>	<b>\$ 23,897</b>	<b>\$ 621,803</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, 2014

	Airport	Cemetery	Downtown Parking	Stormwater	Total
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<b><u>Assets</u></b>					
Current assets:					
Pooled cash and investments	\$ 470,191	\$ 195	\$ 1,256,622	\$ 3,161,465	\$ 4,888,474
Accounts receivable, net	12,281	-	107,901	360,267	480,449
Due from other governments	57,024	-	-	-	57,024
<b>Total Current Assets</b>	<b>539,496</b>	<b>195</b>	<b>1,364,523</b>	<b>3,521,732</b>	<b>5,425,947</b>
Noncurrent assets:					
Restricted cash and investments	9,742	-	19,877	-	29,619
Capital assets, net	23,290,181	120,215	13,524,214	26,895,381	63,829,990
<b>Total Noncurrent Assets</b>	<b>23,299,922</b>	<b>120,215</b>	<b>13,544,091</b>	<b>26,895,381</b>	<b>63,859,609</b>
<b>Total Assets</b>	<b>23,839,419</b>	<b>120,410</b>	<b>14,908,614</b>	<b>30,417,113</b>	<b>69,285,556</b>
<b><u>Liabilities</u></b>					
Current liabilities:					
Accounts payable	44,607	2,360	27,084	163,860	237,912
Salaries and benefits payable	2,034	631	757	8,356	11,778
Retainage payable	-	-	-	12,231	12,231
Compensated absences	7,321	17,034	1,315	28,743	54,414
Interest payable	26,463	-	-	-	26,463
Insurance claims	-	-	110	889	998
Other accrued liabilities	10,757	-	121	-	10,878
Deposits - restricted	9,742	-	19,877	-	29,619
Due to other funds	53,891	-	-	-	53,891
Advances from other funds	-	-	7,388	-	7,388
Current portion of long-term debt, net	208,398	-	-	-	208,398
<b>Total Current Liabilities</b>	<b>363,214</b>	<b>20,025</b>	<b>56,652</b>	<b>214,080</b>	<b>653,971</b>
Noncurrent liabilities:					
Other post-retirement benefits payable	54,663	13,982	19,018	215,633	303,297
Long-term debt, net	1,388,285	-	-	-	1,388,285
<b>Total Noncurrent Liabilities</b>	<b>1,442,947</b>	<b>13,982</b>	<b>19,018</b>	<b>215,633</b>	<b>1,691,581</b>
<b>Total Liabilities</b>	<b>1,806,161</b>	<b>34,008</b>	<b>75,671</b>	<b>429,713</b>	<b>2,345,553</b>
<b><u>Net Position</u></b>					
Invested in capital assets	21,693,498	120,215	13,524,214	26,895,381	62,233,307
Unrestricted	339,759	(33,813)	1,308,730	3,092,019	4,706,696
<b>Total Net Position</b>	<b>\$ 22,033,257</b>	<b>\$ 86,402</b>	<b>\$ 14,832,944</b>	<b>\$ 29,987,400</b>	<b>\$ 66,940,003</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, 2014

	Airport	Cemetery	Downtown Parking	Stormwater	Total
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<b><u>Operating Revenues</u></b>					
Charges for services	\$ 877,932	\$ 43,428	\$ 752,232	\$ 2,539,074	\$ 4,212,665
Miscellaneous	1,484	259	394	846	2,983
<b>Total Operating Revenues</b>	<b>879,416</b>	<b>43,687</b>	<b>752,626</b>	<b>2,539,921</b>	<b>4,215,649</b>
<b><u>Operating Expenses</u></b>					
Salaries and benefits	206,207	77,855	68,465	905,315	1,257,842
Materials and supplies	148,642	21,860	331,161	305,049	806,711
Internal services	257,244	27,501	118,939	831,555	1,235,240
Depreciation	567,944	7,166	356,346	800,793	1,732,250
<b>Total Operating Expenses</b>	<b>1,180,037</b>	<b>134,382</b>	<b>874,911</b>	<b>2,842,712</b>	<b>5,032,042</b>
<b>Operating income (loss)</b>	<b>(300,622)</b>	<b>(90,695)</b>	<b>(122,285)</b>	<b>(302,791)</b>	<b>(816,393)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment income	2,791	84	10,214	28,871	41,960
Interest expense	(67,515)	-	-	-	(67,515)
Amortization	4,071	-	-	-	4,071
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(60,652)</b>	<b>84</b>	<b>10,214</b>	<b>28,871</b>	<b>(21,483)</b>
<b>Income (loss) before contributions and transfers</b>	<b>(361,273)</b>	<b>(90,612)</b>	<b>(112,071)</b>	<b>(273,920)</b>	<b>(837,877)</b>
<b><u>Contributions and Transfers</u></b>					
Capital contributions	63,127	-	-	320,153	383,280
Transfers in	-	41,254	-	-	41,254
<b>Total Contributions and Transfers</b>	<b>63,127</b>	<b>41,254</b>	<b>-</b>	<b>320,153</b>	<b>424,533</b>
Change in net position	(298,146)	(49,358)	(112,071)	46,232	(413,343)
Net Position, July 1, 2013, as previously stated	22,352,669	135,760	14,945,015	29,941,167	67,374,612
Cumulative Effect of a Change in					
Accounting Principle	(21,266)	-	-	-	(21,266)
Net Position, July 1, 2013, as restated	22,331,403	135,760	14,945,015	29,941,167	67,353,346
<b>Net Position, June 30, 2014</b>	<b>\$ 22,033,257</b>	<b>\$ 86,402</b>	<b>\$ 14,832,944</b>	<b>\$ 29,987,400</b>	<b>\$ 66,940,003</b>

City of Bend, Oregon

**Combining Statement of Cash Flows**

Nonmajor Enterprise Funds

For the fiscal year ended June 30, 2014

	Airport Fund	Cemetery Fund	Downtown		Total
			Parking Fund	Stormwater Fund	
<b><u>Cash Flows from Operating Activities</u></b>					
Cash received from customers	\$ 887,012	\$ 43,687	\$ 718,309	\$ 2,536,185	\$ 4,185,193
Cash received from interfund services provided	-	-	-	14,660	14,660
Cash paid to employees for services	(198,606)	(61,494)	(69,734)	(891,762)	(1,221,597)
Cash paid to suppliers for goods and services	(156,152)	(23,510)	(332,130)	(296,389)	(808,180)
Cash paid for interfund services used	(257,244)	(27,501)	(118,939)	(831,555)	(1,235,240)
<b>Net Cash From Operating Activities</b>	<b>275,009</b>	<b>(68,819)</b>	<b>197,507</b>	<b>531,139</b>	<b>934,836</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>					
Interfund loan repayments	-	-	(7,212)	-	(7,212)
Transfers from other funds	-	41,254	-	-	41,254
<b>Net Cash From Noncapital Financing Activities</b>	<b>-</b>	<b>41,254</b>	<b>(7,212)</b>	<b>-</b>	<b>34,042</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>					
Advances from other funds for capital activities	53,891	-	-	-	53,891
Short-term loan repayment	(355,000)	-	-	-	(355,000)
Principal payments on capital debt	(198,786)	-	-	-	(198,786)
Interest payments on capital debt	(69,912)	-	-	-	(69,912)
Capital grants and contributions	357,713	-	-	-	357,713
Acquisition and construction of capital assets	(48,169)	-	(14,501)	(2,583,697)	(2,646,366)
<b>Net Cash From Capital and Related Financing Activities</b>	<b>(260,263)</b>	<b>-</b>	<b>(14,501)</b>	<b>(2,583,697)</b>	<b>(2,858,461)</b>
<b><u>Cash Flows from Investing Activities</u></b>					
Investment income	2,791	84	10,214	28,871	41,960
<b>Net Cash From Investing Activities</b>	<b>2,791</b>	<b>84</b>	<b>10,214</b>	<b>28,871</b>	<b>41,960</b>
Net change in pooled cash and investments	17,538	(27,482)	186,007	(2,023,686)	(1,847,623)
Pooled Cash and Investments, July 1, 2013	462,396	27,677	1,090,492	5,185,151	6,765,716
<b>Pooled Cash and Investments, June 30, 2014</b>	<b>\$ 479,933</b>	<b>\$ 195</b>	<b>\$ 1,276,500</b>	<b>\$ 3,161,465</b>	<b>\$ 4,918,093</b>

City of Bend, Oregon

**Combining Statement of Cash Flows**

Nonmajor Enterprise Funds

For the fiscal year ended June 30, 2014

	Airport	Cemetery	Downtown		
	<u>Fund</u>	<u>Fund</u>	Parking	Stormwater	<u>Total</u>
			<u>Fund</u>	<u>Fund</u>	
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>					
<b>Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ (300,622)	\$ (90,695)	\$ (122,285)	\$ (302,791)	\$ (816,393)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	567,944	7,166	356,346	800,793	1,732,250
Change in:					
Accounts receivable	8,815	-	(35,145)	10,924	(15,405)
Accounts payable	(4,672)	(1,650)	(1,090)	8,660	1,248
Salaries and benefits payable	(1,019)	(290)	(314)	(4,226)	(5,849)
Other post-employment benefits	7,512	7,479	(957)	16,577	30,610
Compensated absences payable	1,219	9,171	(22)	1,134	11,502
Insurance claim payable	(111)	-	24	68	(18)
Other accrued liabilities	(2,838)	-	121	-	(2,717)
Prepays and deposits payable	(1,219)	-	828	-	(391)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 275,009</b>	<b>\$ (68,819)</b>	<b>\$ 197,507</b>	<b>\$ 531,139</b>	<b>\$ 934,836</b>

Noncash Capital and Related Financing Activities

The City received donated stormwater infrastructure totaling \$320,153 in the current year.

Acquisition of capital assets financed through accounts payable or retainage payable for the current year totaled \$37,471 in the Airport Fund, and \$122,887 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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Intergovernmental	\$ 2,621,700	\$ 2,771,700	\$ 63,127	\$ -	\$ 63,127	\$ (2,708,573)
Charges for services	1,673,300	1,673,300	823,045	-	823,045	(850,255)
Rental income						
Rental income from others	134,600	134,600	54,887	-	54,887	(79,713)
Investment income	(600)	(600)	2,791	-	2,791	3,391
Miscellaneous	3,800	3,800	1,484	-	1,484	(2,316)
<b>Total Revenues</b>	<b>4,432,800</b>	<b>4,582,800</b>	<b>945,334</b>	<b>-</b>	<b>945,334</b>	<b>(3,637,466)</b>
<b><u>Expenses</u></b>						
Current:						
Personal services	409,571	406,055	198,806	-	198,806	207,249
Materials and services	196,700	303,700	148,642	-	148,642	155,058
Interfund charges	527,100	543,616	257,244	-	257,244	286,372
Capital outlay	2,711,700	2,861,700	72,430	-	72,430	2,789,270
Debt service	537,500	537,500	266,301	-	266,301	271,199
Contingency	626,029	531,029	-	-	-	531,029
<b>Total Expenses</b>	<b>5,008,600</b>	<b>5,183,600</b>	<b>943,422</b>	<b>-</b>	<b>943,422</b>	<b>4,240,178</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenses</b>	<b>(575,800)</b>	<b>(600,800)</b>	<b>1,912</b>	<b>-</b>	<b>1,912</b>	<b>602,712</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Interfund loan proceeds	500,000	500,000	53,891	-	53,891	(446,109)
Interfund loan repayment	(505,000)	(605,000)	(355,000)	-	(355,000)	250,000
<b>Total Other Financing Sources (Uses)</b>	<b>(5,000)</b>	<b>(105,000)</b>	<b>(301,109)</b>	<b>-</b>	<b>(301,109)</b>	<b>(196,109)</b>
Net change in fund balance	(580,800)	(705,800)	(299,197)	-	(299,197)	406,603
Beginning Fund Balance (Deficit)	580,800	705,800	773,005	-	773,005	67,205
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 473,807</b>	<b>\$ -</b>	<b>\$ 473,807</b>	<b>\$ 473,807</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, 2014

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 943,422
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	7,401
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(72,430)
Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(198,786)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	567,944
Amortization of premiums, and discounts are not reported on the budgetary basis but are reported as an expense on the GAAP basis	(4,071)
<b>Total Expenses - GAAP Basis</b>	<u><u>\$ 1,243,480</u></u>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ (301,109)
Interfund loan proceeds reported as other financing source on the budgetary basis is reported as a liability on the GAAP basis	(53,891)
Repayment of interfund loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis	355,000
<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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Burial and lot fees	\$ 102,300	\$ 102,300	\$ 43,428	\$ -	\$ 43,428	\$ (58,873)
Investment income	-	-	84	-	84	84
Miscellaneous	-	-	259	-	259	259
<b>Total Revenues</b>	<b>102,300</b>	<b>102,300</b>	<b>43,770</b>	<b>-</b>	<b>43,770</b>	<b>(58,530)</b>
<b><u>Expenses</u></b>						
Current:						
Personal services	120,002	118,919	70,376	-	70,376	48,543
Materials and services	51,790	51,790	21,860	-	21,860	29,930
Interfund charges	54,200	55,283	27,501	-	27,501	27,782
Contingency	41,308	41,308	-	-	-	41,308
<b>Total Expenses</b>	<b>267,300</b>	<b>267,300</b>	<b>119,737</b>	<b>-</b>	<b>119,737</b>	<b>147,563</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenses</b>	(165,000)	(165,000)	(75,967)	-	(75,967)	89,033
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers in	126,600	126,600	41,254	-	41,254	(85,346)
<b>Total Other Financing Sources (Uses)</b>	<b>126,600</b>	<b>126,600</b>	<b>41,254</b>	<b>-</b>	<b>41,254</b>	<b>(85,346)</b>
Net change in fund balance	(38,400)	(38,400)	(34,713)	-	(34,713)	3,687
Beginning Fund Balance (Deficit)	38,400	38,400	14,879	-	14,879	(23,520)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (19,834)</b>	<b>\$ -</b>	<b>\$ (19,834)</b>	<b>\$ (19,834)</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 119,737
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	7,479
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	7,166
<b>Total Expenses - GAAP Basis</b>	<b>\$ 134,382</b>

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, 2014

	<u>Biennium Budget</u>				<b>Variance with</b>	
	<u>Original</u>	<u>Final</u>	FY2013-14	FY2014-15	Total Actual	Final Budget
			<u>Actual</u>	<u>Actual</u>	Budget	Positive
				<u>Basis</u>	<u>(Negative)</u>	
<b><u>Revenues</u></b>						
Fines and lot rental fees	\$ 1,379,100	\$ 1,379,100	\$ 747,865	\$ -	\$ 747,865	\$ (631,235)
License & permits	9,400	9,400	4,367	-	4,367	(5,033)
Investment income	12,200	12,200	10,214	-	10,214	(1,986)
Miscellaneous	300	300	394	-	394	94
<b>Total Revenues</b>	<b>1,401,000</b>	<b>1,401,000</b>	<b>762,840</b>	<b>-</b>	<b>762,840</b>	<b>(638,160)</b>
<b><u>Expenses</u></b>						
Current:						
Personal services	143,237	141,928	69,398	-	69,398	72,530
Materials and services	698,374	698,374	331,161	-	331,161	367,213
Interfund charges	235,900	237,209	118,939	-	118,939	118,270
Capital outlay	27,500	27,500	-	-	-	27,500
Contingency	207,937	207,937	-	-	-	207,937
Reserved for construction	1,115,292	1,115,292	-	-	-	1,115,292
Reserved for maintenance	30,000	30,000	-	-	-	30,000
<b>Total Expenses</b>	<b>2,458,240</b>	<b>2,458,240</b>	<b>519,498</b>	<b>-</b>	<b>519,498</b>	<b>1,938,742</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenses</b>	<b>(1,057,240)</b>	<b>(1,057,240)</b>	<b>243,342</b>	<b>-</b>	<b>243,342</b>	<b>1,300,582</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Interfund loan repayment	(15,260)	(15,260)	(7,212)	-	(7,212)	8,048
<b>Total Other Financing Sources (Use)</b>	<b>(15,260)</b>	<b>(15,260)</b>	<b>(7,212)</b>	<b>-</b>	<b>(7,212)</b>	<b>8,048</b>
Net change in fund balance	(1,072,500)	(1,072,500)	236,130	-	236,130	1,308,630
Beginning Fund Balance (Deficit)	1,072,500	1,072,500	1,100,471	-	1,100,471	27,971
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,336,601</b>	<b>\$ -</b>	<b>\$ 1,336,601</b>	<b>\$ 1,336,601</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, 2014

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 519,498
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	(933)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	<u>356,346</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 874,911</u></b>
Total Other Financing Sources - Budgetary Basis	\$ (7,212)
Repayment of interfund loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis	<u>7,212</u>
<b>Total Other Income (Expenses) - GAAP Basis</b>	<b><u>\$ -</u></b>

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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Charges for services:						
Charges to others	\$ 5,145,100	\$ 5,145,100	\$ 2,524,414	\$ -	\$ 2,524,414	\$ (2,620,686)
Charges to other City funds	30,800	30,800	14,660	-	14,660	(16,140)
Investment income	55,100	55,100	28,871	-	28,871	(26,229)
Miscellaneous	200	200	846	-	846	646
<b>Total Revenues</b>	<b>5,231,200</b>	<b>5,231,200</b>	<b>2,568,792</b>	<b>-</b>	<b>2,568,792</b>	<b>(2,662,408)</b>
<b><u>Expenses</u></b>						
Current:						
Personal services	1,888,380	1,872,610	888,670	-	888,670	983,940
Materials and services	840,396	840,396	305,049	-	305,049	535,347
Interfund charges	1,804,000	1,848,770	831,555	-	831,555	1,017,215
Capital outlay	2,547,000	3,442,000	2,277,171	-	2,277,171	1,164,829
Contingency	620,000	591,000	-	-	-	591,000
Reserved for construction	1,572,824	1,572,824	-	-	-	1,572,824
<b>Total Expenses</b>	<b>9,272,600</b>	<b>10,167,600</b>	<b>4,302,445</b>	<b>-</b>	<b>4,302,445</b>	<b>5,865,155</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenses</b>	<b>(4,041,400)</b>	<b>(4,936,400)</b>	<b>(1,733,653)</b>	<b>-</b>	<b>(1,733,653)</b>	<b>3,202,747</b>
Beginning Fund Balance (Deficit)	4,041,400	4,936,400	5,041,815	-	5,041,815	105,415
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,308,163</b>	<b>\$ -</b>	<b>\$ 3,308,163</b>	<b>\$ 3,308,163</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, 2014

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 2,568,792
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>320,153</u>
<b>Total Revenues - GAAP Basis</b>	<b><u>\$ 2,888,944</u></b>
Total Expenses - Budgetary Basis	\$ 4,302,445
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	16,645
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(2,277,171)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	<u>800,793</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 2,842,712</u></b>

City of Bend, Oregon

**Nonmajor Enterprise Funds**

Schedule of Expenses and Other Uses by Appropriation Levels

For the biennium ended June 30, 2015

	<u>Appropriation</u>	<u>Actual Expenses</u>	<u>Variance Positive (Negative)</u>
<b><u>Airport Fund</u></b>			
Personal services	\$ 406,055	\$ 198,806	\$ 207,249
Materials and services	303,700	148,642	155,058
Transfers	1,148,616	612,244	536,372
Debt service	537,500	266,301	271,199
Capital outlay	2,861,700	72,430	2,789,270
Contingency	531,029	-	531,029
	<b>\$ 5,788,600</b>	<b>\$ 1,298,422</b>	<b>\$ 4,490,178</b>
<b><u>Cemetery Fund</u></b>			
Personal services	\$ 118,919	\$ 70,376	\$ 48,543
Materials and services	51,790	21,860	29,930
Transfers	55,283	27,501	27,782
Contingency	41,308	-	41,308
	<b>\$ 267,300</b>	<b>\$ 119,737</b>	<b>\$ 147,563</b>
<b><u>Downtown Parking Fund</u></b>			
Personal services	\$ 141,928	\$ 69,398	\$ 72,530
Materials and services	698,374	331,161	367,213
Transfers	252,469	126,151	126,318
Capital outlay	27,500	-	27,500
Contingency	207,937	-	207,937
Reserves	1,145,292	-	1,145,292
	<b>\$ 2,473,500</b>	<b>\$ 526,710</b>	<b>\$ 1,946,790</b>
<b><u>Stormwater Fund</u></b>			
Personal services	\$ 1,872,610	\$ 888,670	\$ 983,940
Materials and services	840,396	305,049	535,347
Transfers	1,848,770	831,555	1,017,215
Capital outlay	3,442,000	2,277,171	1,164,829
Contingency	591,000	-	591,000
Reserves	1,572,824	-	1,572,824
	<b>\$ 10,167,600</b>	<b>\$ 4,302,445</b>	<b>\$ 5,865,155</b>

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## **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 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, Volunteer Program, Communications, Human Resources, Purchasing 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, 2014

	<u>Garage</u> <u>Division</u>	<u>Information</u> <u>Technology</u> <u>Division</u>	<u>Facility</u> <u>Management</u> <u>Division</u>	<u>Engineering</u> <u>Administration</u> <u>Division</u>	<u>Public</u> <u>Works</u> <u>Division</u>
<b>Assets</b>					
Current assets:					
Pooled cash and investments	\$ 246,544	\$ 2,333,565	\$ 1,369,044	\$ 1,345,494	\$ 440,382
Accounts receivable, net	-	-	5,236	1,391	-
Due from other governments	18,570	-	-	-	-
Other assets	41,464	-	-	-	-
Prepays and deposits	-	121,321	9,863	-	7,442
<b>Total Current Assets</b>	<b>306,578</b>	<b>2,454,887</b>	<b>1,384,142</b>	<b>1,346,885</b>	<b>447,825</b>
Noncurrent assets:					
Restricted cash and investments	-	-	6,014	389,261	-
Capital assets, net	18,576	644,949	21,412,066	44,516	-
<b>Total Noncurrent Assets</b>	<b>18,576</b>	<b>644,949</b>	<b>21,418,080</b>	<b>433,777</b>	<b>-</b>
<b>Total Assets</b>	<b>325,154</b>	<b>3,099,836</b>	<b>22,802,222</b>	<b>1,780,662</b>	<b>447,825</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	119,377	71,073	175,672	51,916	5,555
Salaries and benefits payable	6,261	14,741	4,012	30,798	7,880
Other accrued liabilities:					
Compensated absences	46,979	111,678	39,161	99,278	40,537
Interest	-	-	26,811	-	-
Insurance claims	595	646	124	1,979	1,099
Deposits	-	-	6,014	389,261	-
Current portion of long-term debt, net	-	-	1,801,314	-	-
<b>Total Current Liabilities</b>	<b>173,212</b>	<b>198,138</b>	<b>2,053,108</b>	<b>573,231</b>	<b>55,070</b>
Noncurrent liabilities:					
Other post-retirement benefits payable	147,807	313,523	91,150	708,564	219,931
Long-term debt, net	-	-	7,065,038	-	-
<b>Total Noncurrent Liabilities</b>	<b>147,807</b>	<b>313,523</b>	<b>7,156,188</b>	<b>708,564</b>	<b>219,931</b>
<b>Total Liabilities</b>	<b>321,020</b>	<b>511,661</b>	<b>9,209,296</b>	<b>1,281,795</b>	<b>275,002</b>
<b>Net Position</b>					
Invested in capital assets	18,576	644,949	12,545,714	44,516	-
Unrestricted (deficit)	(14,441)	1,943,225	1,047,212	454,350	172,823
<b>Total Net Position</b>	<b>\$ 4,135</b>	<b>\$ 2,588,174</b>	<b>\$ 13,592,926</b>	<b>\$ 498,866</b>	<b>\$ 172,823</b>



City of Bend, Oregon

**Combining Statement of Net Position (Continued)**

Internal Service Fund

June 30, 2014

	<b>Public Works Laboratory Division</b>	<b>Insurance Division</b>	<b>Administration and Financial Services Division</b>	<b>Legal and Risk Management Division</b>	<b>Total</b>
<b>Assets</b>					
Current assets:					
Pooled cash and investments	\$ 232,626	\$ 3,561,750	\$ 1,391,068	\$ 138,928	\$ 11,059,402
Accounts receivable, net	-	-	16,625	-	23,252
Due from other governments	-	-	-	-	18,570
Other assets	-	-	-	-	41,464
Prepays and deposits	-	-	15,858	-	154,484
<b>Total Current Assets</b>	<b>232,626</b>	<b>3,561,750</b>	<b>1,423,551</b>	<b>138,928</b>	<b>11,297,172</b>
Noncurrent assets:					
Restricted cash and investments	-	-	-	-	395,275
Capital assets, net	44,729	-	20,529	-	22,185,365
<b>Total Noncurrent Assets</b>	<b>44,729</b>	<b>-</b>	<b>20,529</b>	<b>-</b>	<b>22,580,640</b>
<b>Total Assets</b>	<b>277,355</b>	<b>3,561,750</b>	<b>1,444,080</b>	<b>138,928</b>	<b>33,877,812</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	10,766	67,813	57,042	5,075	564,289
Salaries and benefits payable	6,321	-	39,863	6,402	116,277
Other accrued liabilities:					
Compensated absences	46,627	-	197,000	61,957	643,216
Interest	-	-	-	-	26,811
Insurance claims	481	684,514	2,629	655	692,721
Deposits	-	-	-	-	395,275
Current portion of long-term debt, net	-	-	-	-	1,801,314
<b>Total Current Liabilities</b>	<b>64,195</b>	<b>752,327</b>	<b>296,535</b>	<b>74,088</b>	<b>4,239,904</b>
Noncurrent liabilities:					
Other post-retirement benefits payable	161,374	-	930,979	156,408	2,729,737
Long-term debt, net	-	-	-	-	7,065,038
<b>Total Noncurrent Liabilities</b>	<b>161,374</b>	<b>-</b>	<b>930,979</b>	<b>156,408</b>	<b>9,794,775</b>
<b>Total Liabilities</b>	<b>225,568</b>	<b>752,327</b>	<b>1,227,514</b>	<b>230,496</b>	<b>14,034,679</b>
<b>Net Position</b>					
Invested in capital assets	44,729	-	20,529	-	13,319,013
Unrestricted (deficit)	7,057	2,809,423	196,037	(91,568)	6,524,120
<b>Total Net Position</b>	<b>\$ 51,787</b>	<b>\$ 2,809,423</b>	<b>\$ 216,566</b>	<b>\$ (91,568)</b>	<b>\$ 19,843,133</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, 2014

	<b>Garage Division</b>	<b>Information Technology Division</b>	<b>Facility Management Division</b>	<b>Engineering Division</b>	<b>Public Works Administration Division</b>
<b><u>Operating Revenues</u></b>					
Charges for services	\$ 2,136,184	\$ 3,068,691	\$ 148,926	\$ 4,340,811	\$ 1,337,108
Rental income					
Rental income from others	-	-	81,473	-	-
Rental income from other City funds	-	-	1,637,200	-	-
Insurance settlement and refunds	-	-	-	-	-
Miscellaneous	3,470	1,818	3,363	373	78
<b>Total Operating Revenues</b>	<b>2,139,654</b>	<b>3,070,509</b>	<b>1,870,962</b>	<b>4,341,183</b>	<b>1,337,185</b>
<b><u>Operating Expenses</u></b>					
Salaries and benefits	694,139	1,506,368	400,791	3,160,529	834,735
Materials and supplies	1,374,934	1,465,951	927,013	246,364	95,345
Internal services	287,046	103,182	95,320	608,599	266,730
Insurance premiums and claims	-	-	-	-	-
Depreciation	6,787	95,603	824,696	1,936	-
<b>Total Operating Expenses</b>	<b>2,362,907</b>	<b>3,171,104</b>	<b>2,247,820</b>	<b>4,017,429</b>	<b>1,196,810</b>
<b>Operating income (loss)</b>	<b>(223,253)</b>	<b>(100,594)</b>	<b>(376,858)</b>	<b>323,754</b>	<b>140,375</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment income	2,682	19,731	13,152	9,142	3,365
Interest expense	-	-	(347,409)	-	-
Amortization	-	(120,577)	26,071	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>2,682</b>	<b>(100,846)</b>	<b>(308,185)</b>	<b>9,142</b>	<b>3,365</b>
<b>Income (loss) before contributions and transfers</b>	<b>(220,571)</b>	<b>(201,441)</b>	<b>(685,043)</b>	<b>332,896</b>	<b>143,741</b>
<b><u>Contributions and Transfers</u></b>					
Capital contributions	-	-	-	-	-
Transfers in	-	-	400,000	436,288	-
Transfers out	(1,080)	(7,394)	(6,284)	(2,734)	(1,216)
<b>Total Contributions and Transfers</b>	<b>(1,080)</b>	<b>(7,394)</b>	<b>393,716</b>	<b>433,554</b>	<b>(1,216)</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, 2014

	<b>Garage Division</b>	<b>Information Technology Division</b>	<b>Facility Management Division</b>	<b>Engineering Division</b>	<b>Public Works Administration Division</b>
Change in net position	\$ (221,651)	\$ (208,835)	\$ (291,328)	\$ 766,450	\$ 142,525
Net Position, July 1, 2013, as previously stated	225,785	2,797,009	14,078,793	(267,584)	30,299
Cumulative Effect of a Change in Accounting Principle	-	-	(194,540)	-	-
Net Position, July 1, 2013, as restated	225,785	2,797,009	13,884,254	(267,584)	30,299
<b>Net Position, June 30, 2014</b>	<b>\$ 4,135</b>	<b>\$ 2,588,174</b>	<b>\$ 13,592,926</b>	<b>\$ 498,866</b>	<b>\$ 172,823</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, 2014

	<b>Public Works Laboratory Division</b>	<b>Administration and Financial Insurance Division</b>	<b>Administration and Financial Services Division</b>	<b>Legal and Risk Management Division</b>	<b>Total</b>
<b><u>Operating Revenues</u></b>					
Charges for services	\$ 1,008,000	\$ 1,537,718	\$ 5,307,702	\$ 645,500	\$ 19,530,639
Rental income					
Rental income from others	-	-	-	-	81,473
Rental income from other City funds	-	-	-	-	1,637,200
Insurance settlement and refunds	-	179,910	-	-	179,910
Miscellaneous	16	8,402	855	100	18,473
<b>Total Operating Revenues</b>	<b>1,008,016</b>	<b>1,726,029</b>	<b>5,308,556</b>	<b>645,600</b>	<b>21,447,696</b>
<b><u>Operating Expenses</u></b>					
Salaries and benefits	634,988	-	3,554,350	586,293	11,372,193
Materials and supplies	137,547	-	913,955	40,799	5,201,909
Internal services	130,027	-	653,758	28,790	2,173,451
Insurance premiums and claims	-	1,499,457	-	-	1,499,457
Depreciation	24,626	-	2,102	-	955,751
<b>Total Operating Expenses</b>	<b>927,188</b>	<b>1,499,457</b>	<b>5,124,165</b>	<b>655,882</b>	<b>21,202,761</b>
<b>Operating income (loss)</b>	<b>80,828</b>	<b>226,572</b>	<b>184,391</b>	<b>(10,282)</b>	<b>244,934</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment income	1,759	28,019	10,905	1,048	89,803
Interest expense	-	-	-	-	(347,409)
Amortization	-	-	(5,963)	-	(100,469)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,759</b>	<b>28,019</b>	<b>4,942</b>	<b>1,048</b>	<b>(358,074)</b>
<b>Income (loss) before contributions and transfers</b>	<b>82,587</b>	<b>254,591</b>	<b>189,334</b>	<b>(9,234)</b>	<b>(113,140)</b>
<b><u>Contributions and Transfers</u></b>					
Capital contributions	10,754	8,950	-	-	19,704
Transfers in	-	-	-	-	836,288
Transfers out	(633)	(10,237)	(3,979)	(377)	(33,935)
<b>Total Contributions and Transfers</b>	<b>10,121</b>	<b>(1,287)</b>	<b>(3,979)</b>	<b>(377)</b>	<b>822,057</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, 2014

	<b>Public Works Laboratory Division</b>	<b>Insurance Division</b>	<b>Administration and Financial Services Division</b>	<b>Legal and Risk Management Division</b>	<b>Total</b>
Change in net position	\$ 92,708	\$ 253,304	\$ 185,355	\$ (9,611)	\$ 708,917
<hr/>					
Net Position, July 1, 2013, as previously stated	(40,921)	2,556,119	31,212	(81,957)	19,328,755
Cumulative Effect of a Change in Accounting Principle	-	-	-	-	(194,540)
Net Position, July 1, 2013, as restated	(40,921)	2,556,119	31,212	(81,957)	19,134,215
<b>Net Position, June 30, 2014</b>	<b>\$ 51,787</b>	<b>\$ 2,809,423</b>	<b>\$ 216,566</b>	<b>\$ (91,568)</b>	<b>\$ 19,843,133</b>

City of Bend, Oregon

**Combining Statement of Cash Flows**

Internal Service Fund

For the fiscal year ended June 30, 2014

	<b>Garage Division</b>	<b>Information Technology Division</b>	<b>Facility Management Division</b>
<b><u>Cash Flows from Operating Activities</u></b>			
Cash received from customers	\$ 236,623	\$ 1,818	\$ 79,600
Cash received from interfund services provided	1,922,904	3,068,691	1,786,126
Cash paid to employees for services	(684,851)	(1,476,653)	(384,222)
Cash paid to suppliers for goods and services	(1,361,718)	(1,506,202)	(895,609)
Cash paid for interfund services used	(287,046)	(103,182)	(95,320)
<b>Net Cash From Operating Activities</b>	<b>(174,087)</b>	<b>(15,528)</b>	<b>490,576</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>			
Transfers from other funds	-	-	400,000
Transfers to other funds	(1,080)	(7,394)	(6,284)
<b>Net Cash From Noncapital Financing Activities</b>	<b>(1,080)</b>	<b>(7,394)</b>	<b>393,716</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>			
Principal payments on notes, bonds, and certificates	-	-	(1,065,000)
Interest payments on notes, bonds, and certificates	-	-	(352,359)
Capital grants and contributions	-	-	-
Acquisition and construction of capital assets	-	(153,714)	(172,905)
<b>Net Cash From Capital and Related Financing Activities</b>	<b>-</b>	<b>(153,714)</b>	<b>(1,590,264)</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Investment income	2,682	19,731	13,152
<b>Net Cash From Investing Activities</b>	<b>2,682</b>	<b>19,731</b>	<b>13,152</b>
 Net change in pooled cash and investments	 (172,485)	 (156,905)	 (692,820)
Pooled Cash and Investments, July 1, 2013	419,029	2,490,471	2,067,878
<b>Pooled Cash and Investments, June 30, 2014</b>	<b>\$ 246,544</b>	<b>\$ 2,333,565</b>	<b>\$ 1,375,058</b>

City of Bend, Oregon

**Combining Statement of Cash Flows (Continued)**

Internal Service Fund

For the fiscal year ended June 30, 2014

	<u>Garage Division</u>	<u>Information Technology Division</u>	<u>Facility Management Division</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities</b>			
Operating income (loss)	\$ (223,253)	\$ (100,594)	\$ (376,858)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	6,787	95,603	824,696
Change in:			
Accounts receivable	19,874	-	(5,236)
Inventories	(2,063)	-	-
Prepays and deposits	-	(58,271)	(9,863)
Accounts payable	16,867	18,523	41,250
Salaries and benefits payable	(3,825)	(7,819)	(1,695)
Other post-employment benefits	17,039	39,908	14,036
Compensated absences payable	(3,925)	(2,374)	4,227
Insurance claims payable	(1,588)	(502)	17
Prepays and deposits payable	-	-	-
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ (174,087)</b>	<b>\$ (15,528)</b>	<b>\$ 490,576</b>

City of Bend, Oregon

**Combining Statement of Cash Flows (Continued)**

Internal Service Fund

For the fiscal year ended June 30, 2014

	<b>Engineering Division</b>	<b>Public Works Administration Division</b>	<b>Public Works Laboratory Division</b>
<b><u>Cash Flows from Operating Activities</u></b>			
Cash received from customers	\$ 1,338,466	\$ 78	\$ 16
Cash received from interfund services provided	3,390,588	1,337,108	1,008,000
Cash paid to employees for services	(2,763,350)	(803,551)	(605,323)
Cash paid to suppliers for goods and services	(199,298)	(101,641)	(155,636)
Cash paid for interfund services used	(608,599)	(266,730)	(130,027)
<b>Net Cash From Operating Activities</b>	<b>1,157,806</b>	<b>165,263</b>	<b>117,030</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>			
Transfers from other funds	436,288	-	-
Transfers to other funds	(2,734)	(1,216)	(633)
<b>Net Cash From Noncapital Financing Activities</b>	<b>433,554</b>	<b>(1,216)</b>	<b>(633)</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>			
Principal payments on notes, bonds, and certificates	-	-	-
Interest payments on notes, bonds, and certificates	-	-	-
Capital grants and contributions	-	-	10,754
Acquisition and construction of capital assets	(46,452)	-	(32,594)
<b>Net Cash From Capital and Related Financing Activities</b>	<b>(46,452)</b>	<b>-</b>	<b>(21,840)</b>
<b><u>Cash Flows from Investing Activities</u></b>			
Investment income	9,142	3,365	1,759
<b>Net Cash From Investing Activities</b>	<b>9,142</b>	<b>3,365</b>	<b>1,759</b>
 Net change in pooled cash and investments	 1,554,050	 167,412	 96,315
Pooled Cash and Investments, July 1, 2013	180,705	272,970	136,311
<b>Pooled Cash and Investments, June 30, 2014</b>	<b>\$ 1,734,755</b>	<b>\$ 440,382</b>	<b>\$ 232,626</b>



City of Bend, Oregon

**Combining Statement of Cash Flows (Continued)**

Internal Service Fund

For the fiscal year ended June 30, 2014

	<b>Engineering</b>	<b>Public Works</b>	<b>Public Works</b>
	<b>Division</b>	<b>Administration</b>	<b>Laboratory</b>
	<u>Division</u>	<u>Division</u>	<u>Division</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities</b>			
Operating income (loss)	\$ 323,754	\$ 140,375	\$ 80,828
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,936	-	24,626
Change in:			
Accounts receivable	(1,391)	-	-
Inventories	-	-	-
Prepays and deposits	-	45	-
Accounts payable	45,702	(6,497)	(18,161)
Salaries and benefits payable	1,872	(3,955)	(2,017)
Other post-employment benefits	382,223	27,146	35,947
Compensated absences payable	13,084	7,993	(4,265)
Insurance claims payable	1,364	156	73
Prepays and deposits payable	389,261	-	-
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 1,157,806</b>	<b>\$ 165,263</b>	<b>\$ 117,030</b>

City of Bend, Oregon

**Combining Statement of Cash Flows (Continued)**

Internal Service Fund

For the fiscal year ended June 30, 2014

	<b>Insurance</b>	<b>Administration and Financial Services</b>	<b>Legal and Risk Management</b>	<b>Total</b>
	<u>Division</u>	<u>Division</u>	<u>Division</u>	
<b><u>Cash Flows from Operating Activities</u></b>				
Cash received from customers	\$ 188,312	\$ 183,654	\$ 100	\$ 2,028,667
Cash received from interfund services provided	1,537,718	5,124,463	645,500	19,821,097
Cash paid to employees for services	-	(3,457,861)	(553,098)	(10,728,909)
Cash paid to suppliers for goods and services	(1,139,821)	(901,742)	(46,777)	(6,308,444)
Cash paid for interfund services used	-	(653,758)	(28,790)	(2,173,451)
<b>Net Cash From Operating Activities</b>	<b>586,209</b>	<b>294,756</b>	<b>16,935</b>	<b>2,638,960</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers from other funds	-	-	-	836,288
Transfers to other funds	(10,237)	(3,979)	(377)	(33,935)
<b>Net Cash From Noncapital Financing Activities</b>	<b>(10,237)</b>	<b>(3,979)</b>	<b>(377)</b>	<b>802,353</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Principal payments on notes, bonds, and certificates	-	-	-	(1,065,000)
Interest payments on notes, bonds, and certificates	-	-	-	(352,359)
Capital grants and contributions	8,950	-	-	19,704
Acquisition and construction of capital assets	-	-	-	(405,666)
<b>Net Cash From Capital and Related Financing Activities</b>	<b>8,950</b>	<b>-</b>	<b>-</b>	<b>(1,803,320)</b>
<b><u>Cash Flows from Investing Activities</u></b>				
Investment income	28,019	10,905	1,048	89,803
<b>Net Cash From Investing Activities</b>	<b>28,019</b>	<b>10,905</b>	<b>1,048</b>	<b>89,803</b>
Net change in pooled cash and investments	612,940	301,682	17,607	1,727,796
Pooled Cash and Investments, July 1, 2013	2,948,810	1,089,387	121,322	9,726,881
<b>Pooled Cash and Investments, June 30, 2014</b>	<b>\$ 3,561,750</b>	<b>\$ 1,391,068</b>	<b>\$ 138,928</b>	<b>\$ 11,454,677</b>

City of Bend, Oregon

**Combining Statement of Cash Flows (Continued)**

Internal Service Fund

For the fiscal year ended June 30, 2014

	<b>Insurance</b>	<b>Administration and Financial Services</b>	<b>Legal and Risk Management</b>	<b>Total</b>
	<u>Division</u>	<u>Division</u>	<u>Division</u>	<u>Division</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities</b>				
Operating income (loss)	\$ 226,572	\$ 184,391	\$ (10,282)	\$ 244,934
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	2,102	-	955,751
Change in:				
Accounts receivable	-	(440)	-	12,807
Inventories	-	-	-	(2,063)
Prepays and deposits	-	(3,378)	-	(71,468)
Accounts payable	(29,208)	14,447	(5,888)	77,035
Salaries and benefits payable	-	(9,745)	(1,968)	(29,152)
Other post-employment benefits	-	127,553	24,014	667,864
Compensated absences payable	-	(21,319)	11,150	4,572
Insurance claims payable	388,844	1,144	(91)	389,418
Prepays and deposits payable	-	-	-	389,261
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 586,209</b>	<b>\$ 294,756</b>	<b>\$ 16,935</b>	<b>\$ 2,638,960</b>

Noncash Capital and Related Financing Activities

Acquisition of capital assets financed through accounts payable or retainage payable for the current year totaled \$4,350 in the Information Technology Division, and \$96,632 in the Facility Management Division.

The net book value of capital assets contributed from other funds, or gain from disposal, in the current year totaled \$10,754 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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Charges for services:						
Charges to others	\$ 510,700	\$ 510,700	\$ 213,280	\$ -	\$ 213,280	\$ (297,420)
Charges to other City funds	4,170,400	4,170,400	1,922,904	-	1,922,904	(2,247,496)
Investment income	5,100	5,100	2,682	-	2,682	(2,418)
Miscellaneous	15,200	15,200	3,470	-	3,470	(11,730)
<b>Total Revenues</b>	<b>4,701,400</b>	<b>4,701,400</b>	<b>2,142,336</b>	<b>-</b>	<b>2,142,336</b>	<b>(2,559,064)</b>
<b><u>Expenses</u></b>						
Current:						
Personal services	1,463,957	1,451,617	678,689	-	678,689	772,928
Materials and services	2,892,860	2,892,860	1,374,934	-	1,374,934	1,517,926
Interfund charges	597,300	609,640	287,046	-	287,046	322,594
Contingency	143,983	143,983	-	-	-	143,983
<b>Total Expenses</b>	<b>5,098,100</b>	<b>5,098,100</b>	<b>2,340,668</b>	<b>-</b>	<b>2,340,668</b>	<b>2,757,432</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenses</b>	<b>(396,700)</b>	<b>(396,700)</b>	<b>(198,333)</b>	<b>-</b>	<b>(198,333)</b>	<b>198,367</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers out	(2,600)	(2,600)	(1,080)	-	(1,080)	1,520
<b>Total Other Financing Sources (Uses)</b>	<b>(2,600)</b>	<b>(2,600)</b>	<b>(1,080)</b>	<b>-</b>	<b>(1,080)</b>	<b>1,520</b>
Net change in fund balance	(399,300)	(399,300)	(199,412)	-	(199,412)	199,888
Beginning Fund Balance (Deficit)	399,300	399,300	356,307	-	356,307	(42,993)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 156,895</b>	<b>\$ -</b>	<b>\$ 156,895</b>	<b>\$ 156,895</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 2,340,668
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	15,451
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	6,787
<b>Total Expenses - GAAP Basis</b>	<b>\$ 2,362,907</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Intergovernmental	\$ -	\$ 10,500	\$ -	\$ -	\$ -	\$ (10,500)
Charges to other City funds	7,053,943	6,863,143	3,151,982	-	3,151,982	(3,711,161)
Investment income	18,800	18,800	19,731	-	19,731	931
Miscellaneous	900	900	1,818	-	1,818	918
<b>Total Revenues</b>	<b>7,073,643</b>	<b>6,893,343</b>	<b>3,173,531</b>	<b>-</b>	<b>3,173,531</b>	<b>(3,719,812)</b>
<b><u>Expenses</u></b>						
Current:						
Personal services	3,259,111	3,094,917	1,466,963	-	1,466,963	1,627,954
Materials and services	2,978,866	3,079,385	1,465,951	-	1,465,951	1,613,434
Interfund charges	155,000	183,275	103,182	-	103,182	80,093
Capital outlay	1,150,400	1,163,400	183,901	-	183,901	979,499
Contingency	150,000	150,000	-	-	-	150,000
Reserved for replacements	1,552,366	1,455,166	-	-	-	1,455,166
<b>Total Expenses</b>	<b>9,245,743</b>	<b>9,126,143</b>	<b>3,219,996</b>	<b>-</b>	<b>3,219,996</b>	<b>5,906,147</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenses</b>	(2,172,100)	(2,232,800)	(46,465)	-	(46,465)	2,186,335
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers out	(9,500)	(9,500)	(7,394)	-	(7,394)	2,106
<b>Total Other Financing Sources (Uses)</b>	<b>(9,500)</b>	<b>(9,500)</b>	<b>(7,394)</b>	<b>-</b>	<b>(7,394)</b>	<b>2,106</b>
Net change in fund balance	(2,181,600)	(2,242,300)	(53,859)	-	(53,859)	2,188,441
Beginning Fund Balance (Deficit)	2,181,600	2,242,300	2,335,991	-	2,335,991	93,691
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,282,132</b>	<b>\$ -</b>	<b>\$ 2,282,132</b>	<b>\$ 2,282,132</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, 2014

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 3,173,531
Contributions of capital assets reported as revenues on the budgetary basis are reported as assets on the GAAP basis	<u>(83,291)</u>
<b>Total Revenues - GAAP Basis</b>	<b><u>\$ 3,090,240</u></b>
Total Expenses - Budgetary Basis	\$ 3,219,996
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	39,405
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(183,901)
Depreciation and amortization not reported on the budgetary basis is reported as an expense on the GAAP basis	<u>216,180</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 3,291,681</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u>
	<u>Original</u>	<u>Final</u>				<u>(Negative)</u>
<b><u>Revenues</u></b>						
Charges to other City funds	\$ 615,000	\$ 615,000	\$ 148,926	\$ -	\$ 148,926	\$ (466,074)
Rental income						
Rental income from others	158,631	158,631	81,473	-	81,473	(77,158)
Rental income from other City funds	3,428,100	3,428,100	1,637,200	-	1,637,200	(1,790,900)
Investment income	26,700	26,700	13,152	-	13,152	(13,548)
Miscellaneous	-	-	3,363	-	3,363	3,363
<b>Total Revenues</b>	<b>4,228,431</b>	<b>4,228,431</b>	<b>1,884,115</b>	<b>-</b>	<b>1,884,115</b>	<b>(2,344,316)</b>
<b><u>Expenses</u></b>						
Current:						
Personal services	789,779	782,857	386,738	-	386,738	396,119
Materials and services	1,499,778	1,499,778	927,013	-	927,013	572,765
Interfund charges	185,000	191,922	95,320	-	95,320	96,602
Debt service	3,509,250	3,509,250	1,412,409	-	1,412,409	2,096,841
Capital outlay	988,500	1,043,500	172,927	-	172,927	870,573
Contingency	246,432	191,432	-	-	-	191,432
Reserved for debt service	66,500	66,500	-	-	-	66,500
Reserved for major maintenance	660,792	660,792	-	-	-	660,792
<b>Total Expenses</b>	<b>7,946,031</b>	<b>7,946,031</b>	<b>2,994,407</b>	<b>-</b>	<b>2,994,407</b>	<b>4,951,624</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenses</b>	<b>(3,717,600)</b>	<b>(3,717,600)</b>	<b>(1,110,292)</b>	<b>-</b>	<b>(1,110,292)</b>	<b>2,607,308</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Issuance of long-term debt	1,100,000	1,100,000	-	-	-	(1,100,000)
Transfers in	800,000	800,000	400,000	-	400,000	(400,000)
Transfers out	(15,700)	(15,700)	(6,284)	-	(6,284)	9,416
<b>Total Other Financing Sources (Uses)</b>	<b>1,884,300</b>	<b>1,884,300</b>	<b>393,716</b>	<b>-</b>	<b>393,716</b>	<b>(1,490,584)</b>
Net change in fund balance	(1,833,300)	(1,833,300)	(716,576)	-	(716,576)	1,116,724
Beginning Fund Balance (Deficit)	1,833,300	1,833,300	1,879,585	-	1,879,585	46,285
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,163,009</b>	<b>\$ -</b>	<b>\$ 1,163,009</b>	<b>\$ 1,163,009</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, 2014

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 2,994,407
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	14,053
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(172,927)
Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(1,065,000)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	824,696
Amortization of premiums, and discounts are not reported on the budgetary basis but are reported as an expense on the GAAP basis	(26,071)
<b>Total Expenses - GAAP Basis</b>	<u><u>\$ 2,569,158</u></u>



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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Intergovernmental	\$ -	\$ 4,500	\$ -	\$ -	\$ -	\$ (4,500)
Charges for services:						
Charges to others	803,200	931,800	950,223	-	950,223	18,423
Charges to other City funds	7,159,600	6,678,878	3,390,588	-	3,390,588	(3,288,290)
Investment income	9,700	9,700	9,142	-	9,142	(558)
Miscellaneous	-	-	373	-	373	373
<b>Total Revenues</b>	<b>7,972,500</b>	<b>7,624,878</b>	<b>4,350,325</b>	<b>-</b>	<b>4,350,325</b>	<b>(3,274,553)</b>
<b><u>Expenses</u></b>						
Current:						
Personal services	6,216,209	6,023,186	2,776,942	-	2,776,942	3,246,244
Materials and services	803,552	671,832	246,364	-	246,364	425,468
Interfund charges	1,198,300	1,095,421	608,599	-	608,599	486,822
Capital Outlay	55,000	55,000	46,452	-	46,452	8,548
Contingency	220,539	220,539	-	-	-	220,539
<b>Total Expenses</b>	<b>8,493,600</b>	<b>8,065,978</b>	<b>3,678,358</b>	<b>-</b>	<b>3,678,358</b>	<b>4,387,620</b>
<b>Excess (deficiency) of revenues</b>						
<b>    over (under) expenses</b>	<b>(521,100)</b>	<b>(441,100)</b>	<b>671,967</b>	<b>-</b>	<b>671,967</b>	<b>1,113,067</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers in	480,500	400,500	436,288	-	436,288	35,788
Transfers out	(4,900)	(4,900)	(2,734)	-	(2,734)	2,166
<b>Total Other Financing Sources (Uses)</b>	<b>475,600</b>	<b>395,600</b>	<b>433,554</b>	<b>-</b>	<b>433,554</b>	<b>37,954</b>
Net change in fund balance	(45,500)	(45,500)	1,105,522	-	1,105,522	1,151,022
Beginning Fund Balance (Deficit)	45,500	45,500	79,740	-	79,740	34,240
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,185,262</b>	<b>\$ -</b>	<b>\$ 1,185,262</b>	<b>\$ 1,185,262</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, 2014

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 3,678,358
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	383,587
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(46,452)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	1,936
<b>Total Expenses - GAAP Basis</b>	<u><u>\$ 4,017,429</u></u>

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, 2014

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual <u>Budget</u> <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>						
Charges to other City funds	\$ 2,682,800	\$ 2,682,800	\$ 1,337,108	\$ -	\$ 1,337,108	\$ (1,345,692)
Investment income	4,900	4,900	3,365	-	3,365	(1,535)
Miscellaneous	-	-	78	-	78	78
<b>Total Revenues</b>	<b>2,687,700</b>	<b>2,687,700</b>	<b>1,340,551</b>	<b>-</b>	<b>1,340,551</b>	<b>(1,347,149)</b>
<b>Expenses</b>						
Current:						
Personal services	2,056,696	2,038,248	807,433	-	807,433	1,230,815
Materials and services	237,136	237,136	95,345	-	95,345	141,791
Interfund charges	528,000	546,448	266,730	-	266,730	279,718
Capital outlay	30,000	30,000	-	-	-	30,000
Contingency	10,368	10,368	-	-	-	10,368
<b>Total Expenses</b>	<b>2,862,200</b>	<b>2,862,200</b>	<b>1,169,508</b>	<b>-</b>	<b>1,169,508</b>	<b>1,692,692</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>(174,500)</b>	<b>(174,500)</b>	<b>171,043</b>	<b>-</b>	<b>171,043</b>	<b>345,543</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	(2,500)	(2,500)	(1,216)	-	(1,216)	1,284
<b>Total Other Financing Sources (Uses)</b>	<b>(2,500)</b>	<b>(2,500)</b>	<b>(1,216)</b>	<b>-</b>	<b>(1,216)</b>	<b>1,284</b>
Net change in fund balance	(177,000)	(177,000)	169,827	-	169,827	346,827
Beginning Fund Balance (Deficit)	177,000	177,000	279,943	-	279,943	102,943
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 449,770</b>	<b>\$ -</b>	<b>\$ 449,770</b>	<b>\$ 449,770</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 1,169,508
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	27,302
<b>Total Expenses - GAAP Basis</b>	<b>\$ 1,196,810</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14 Actual</u>	<u>FY2014-15 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u>
						<u>Positive (Negative)</u>
<b>Revenues</b>						
Charges for services:						
Charges to other City funds	\$ 2,016,000	\$ 2,016,000	\$ 1,008,000	\$ -	\$ 1,008,000	\$ (1,008,000)
Investment income	2,900	2,900	1,759	-	1,759	(1,141)
Miscellaneous	-	-	16	-	16	16
<b>Total Revenues</b>	<b>2,018,900</b>	<b>2,018,900</b>	<b>1,009,775</b>	<b>-</b>	<b>1,009,775</b>	<b>(1,009,125)</b>
<b>Expenses</b>						
Current:						
Personal services	1,301,227	1,290,115	598,968	-	598,968	691,147
Materials and services	418,300	418,300	137,547	-	137,547	280,753
Interfund charges	248,100	259,212	130,027	-	130,027	129,185
Capital outlay	20,800	20,800	8,845	-	8,845	11,955
Contingency	43,173	43,173	-	-	-	43,173
<b>Total Expenses</b>	<b>2,031,600</b>	<b>2,031,600</b>	<b>875,388</b>	<b>-</b>	<b>875,388</b>	<b>1,156,212</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>(12,700)</b>	<b>(12,700)</b>	<b>134,387</b>	<b>-</b>	<b>134,387</b>	<b>147,087</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	(1,500)	(1,500)	(633)	-	(633)	867
<b>Total Other Financing Sources (Uses)</b>	<b>(1,500)</b>	<b>(1,500)</b>	<b>(633)</b>	<b>-</b>	<b>(633)</b>	<b>867</b>
Net change in fund balance	(14,200)	(14,200)	133,754	-	133,754	147,954
Beginning Fund Balance (Deficit)	14,200	14,200	34,971	-	34,971	20,771
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 168,725</b>	<b>\$ -</b>	<b>\$ 168,725</b>	<b>\$ 168,725</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, 2014

**Reconciliation of Budgetary basis to GAAP basis**

Revenues - Budgetary Basis	\$ 1,009,775
Contributed vehicles & equipment not reported on the budgetary basis are reported as contribution revenue on the GAAP basis	10,754
<b>Revenues - GAAP Basis</b>	<b>\$ 1,020,529</b>
Total Expenses - Budgetary Basis	\$ 875,388
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	36,020
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(8,845)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	24,626
<b>Total Expenses - GAAP Basis</b>	<b>\$ 927,188</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14 Actual</u>	<u>FY2014-15 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u>
						<u>Positive (Negative)</u>
<b><u>Revenues</u></b>						
Charges for services:						
Charges to other City funds	\$ 3,308,600	\$ 3,308,600	\$ 1,537,718	\$ -	\$ 1,537,718	\$ (1,770,882)
Insurance settlements and refunds	-	-	179,910	-	179,910	179,910
Investment income	32,700	32,700	28,019	-	28,019	(4,681)
Miscellaneous	-	-	8,402	-	8,402	8,402
<b>Total Revenues</b>	<b>3,341,300</b>	<b>3,341,300</b>	<b>1,754,048</b>	<b>-</b>	<b>1,754,048</b>	<b>(1,587,252)</b>
<b><u>Expenses</u></b>						
Current:						
Materials and services	2,587,215	2,587,215	1,038,759	-	1,038,759	1,548,456
Reserve for insurance	3,985,385	3,985,385	-	-	-	3,985,385
<b>Total Expenses</b>	<b>6,572,600</b>	<b>6,572,600</b>	<b>1,038,759</b>	<b>-</b>	<b>1,038,759</b>	<b>5,533,841</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>(3,231,300)</b>	<b>(3,231,300)</b>	<b>715,289</b>	<b>-</b>	<b>715,289</b>	<b>3,946,589</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Capital contributions	-	-	8,950	-	8,950	8,950
Transfers out	(16,400)	(16,400)	(10,237)	-	(10,237)	6,163
<b>Total Other Financing Sources (Uses)</b>	<b>(16,400)</b>	<b>(16,400)</b>	<b>(1,287)</b>	<b>-</b>	<b>(1,287)</b>	<b>15,113</b>
Net change in fund balance	(3,247,700)	(3,247,700)	714,002	-	714,002	3,961,702
Beginning Fund Balance (Deficit)	3,247,700	3,247,700	3,368,456	-	3,368,456	120,756
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,082,458</b>	<b>\$ -</b>	<b>\$ 4,082,458</b>	<b>\$ 4,082,458</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 1,038,759
Estimated self insurance expenses not reported on the budgetary basis are reported as an expense on the GAAP basis	460,698
<b>Total Expenses - GAAP Basis</b>	<b>\$ 1,499,457</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Intergovernmental	\$ -	\$ 9,800	\$ -	\$ -	\$ -	\$ (9,800)
Charges for services:						
Charges to others	100,000	140,000	183,239	-	183,239	43,239
Charges to other City funds	10,182,310	10,309,110	5,124,463	-	5,124,463	(5,184,647)
Investment income	10,300	10,300	10,905	-	10,905	605
Miscellaneous	2,700	2,700	855	-	855	(1,845)
<b>Total Revenues</b>	<b>10,295,310</b>	<b>10,471,910</b>	<b>5,319,461</b>	<b>-</b>	<b>5,319,461</b>	<b>(5,152,449)</b>
<b><u>Expenses</u></b>						
Current:						
Personal services	7,651,478	7,706,596	3,425,653	-	3,425,653	4,280,943
Materials and services	1,755,932	1,938,252	913,955	-	913,955	1,024,297
Interfund charges	1,540,100	1,606,662	653,758	-	653,758	952,904
Capital outlay	7,500	100	-	-	-	100
Contingency	214,030	94,030	-	-	-	94,030
<b>Total Expenses</b>	<b>11,169,040</b>	<b>11,345,640</b>	<b>4,993,366</b>	<b>-</b>	<b>4,993,366</b>	<b>6,352,274</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenses</b>	<b>(873,730)</b>	<b>(873,730)</b>	<b>326,095</b>	<b>-</b>	<b>326,095</b>	<b>1,199,825</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers in	122,930	122,930	-	-	-	(122,930)
Transfers out	(5,200)	(5,200)	(3,979)	-	(3,979)	1,221
<b>Total Other Financing Sources (Uses)</b>	<b>117,730</b>	<b>117,730</b>	<b>(3,979)</b>	<b>-</b>	<b>(3,979)</b>	<b>(121,709)</b>
Net change in fund balance	(756,000)	(756,000)	322,116	-	322,116	1,078,116
Beginning Fund Balance (Deficit)	756,000	756,000	870,346	-	870,346	114,346
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,192,462</b>	<b>\$ -</b>	<b>\$ 1,192,462</b>	<b>\$ 1,192,462</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 4,993,366
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	128,697
Depreciation and amortization not reported on the budgetary basis is reported as an expense on the GAAP basis	8,065
<b>Total Expenses - GAAP Basis</b>	<b>\$ 5,130,128</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, 2014

	<u>Biennium Budget</u>		FY2013-14		FY2014-15		Total Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Basis</u>	<u>Final Budget</u>	<u>Positive</u>
<b>Revenues</b>								
Charges for services:								
Charges to other City funds	\$ 1,291,000	\$ 1,291,000	\$ 645,500	\$ -	\$ 645,500	\$ (645,500)		
Investment income	1,500	1,500	1,048	-	1,048	(452)		
Miscellaneous	-	-	100	-	100	100		
<b>Total Revenues</b>	<b>1,292,500</b>	<b>1,292,500</b>	<b>646,648</b>	<b>-</b>	<b>646,648</b>	<b>(645,852)</b>		
<b>Expenses</b>								
Current:								
Personal services	1,114,462	1,103,671	562,370	-	562,370	541,301		
Materials and services	147,714	147,714	40,799	-	40,799	106,915		
Interfund charges	40,200	50,991	28,790	-	28,790	22,201		
Contingency	36,024	36,024	-	-	-	36,024		
<b>Total Expenses</b>	<b>1,338,400</b>	<b>1,338,400</b>	<b>631,959</b>	<b>-</b>	<b>631,959</b>	<b>706,441</b>		
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>(45,900)</b>	<b>(45,900)</b>	<b>14,689</b>	<b>-</b>	<b>14,689</b>	<b>60,589</b>		
<b>Other Financing Sources (Uses)</b>								
Transfers out	(800)	(800)	(377)	-	(377)	423		
<b>Total Other Financing Sources (Uses)</b>	<b>(800)</b>	<b>(800)</b>	<b>(377)</b>	<b>-</b>	<b>(377)</b>	<b>423</b>		
Net change in fund balance	(46,700)	(46,700)	14,312	-	14,312	61,012		
Beginning Fund Balance (Deficit)	46,700	46,700	50,841	-	50,841	4,141		
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,154</b>	<b>\$ -</b>	<b>\$ 65,154</b>	<b>\$ 65,154</b>		

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 631,959
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	23,923
<b>Total Expenses - GAAP Basis</b>	<b>\$ 655,882</b>



City of Bend, Oregon

**Internal Service Fund**

Schedule of Expenses and Other Uses by Appropriation Levels

For the biennium ended June 30, 2015

	<u>Appropriation</u>	<u>Actual</u> <u>Expenses</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Garage division	\$ 4,344,477	\$ 2,053,623	\$ 2,290,854
Information technology division	7,337,702	3,116,816	4,220,886
Facility management division	3,326,135	1,486,677	1,839,458
Engineering division	6,750,018	3,069,760	3,680,258
Public works administration division	2,305,384	902,774	1,402,610
Public works laboratory division	1,729,215	745,363	983,852
Insurance division	2,587,215	1,038,759	1,548,456
Administration and financial services division	9,644,948	4,339,608	5,305,340
Legal and risk management division	1,251,385	603,169	648,216
Transfers	4,602,671	2,207,386	2,395,285
Debt service	3,509,250	1,412,409	2,096,841
Contingency	889,548	-	889,548
Reserves	6,167,843	-	6,167,843
	<b>\$ 54,445,791</b>	<b>\$ 20,976,344</b>	<b>\$ 33,469,447</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, 2014

	<u>Balance</u> <u>July 1, 2013</u>		<u>Additions</u>		<u>Deductions</u>		<u>Balance</u> <u>June 30, 2014</u>
<b><u>Assets</u></b>							
Cash and investments	\$ 442,762	\$	5,473,318	\$	(5,524,572)	\$	391,509
Accounts receivable, net	5		-		-		5
<b>Total Assets</b>	<b>\$ 442,767</b>	<b>\$</b>	<b>5,473,318</b>	<b>\$</b>	<b>(5,524,572)</b>	<b>\$</b>	<b>391,513</b>
<b><u>Liabilities</u></b>							
Amounts held for others	\$ 403,729	\$	5,417,510	\$	(5,429,726)	\$	391,513
<b>Total Liabilities</b>	<b>\$ 403,729</b>	<b>\$</b>	<b>5,417,510</b>	<b>\$</b>	<b>(5,429,726)</b>	<b>\$</b>	<b>391,513</b>

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**OTHER FUNDS**



City of Bend, Oregon

**Combining Balance Sheet**

General Fund

June 30, 2014

	<u>General</u> <u>Fund</u>	<u>General Fund</u> <u>Stabilization</u> <u>Fund</u>	<u>Total</u> <u>General</u> <u>Fund</u>
<b>Assets</b>			
Pooled cash and investments	\$ 14,270,760	\$ 1,843,114	\$ 16,113,874
Restricted cash and investments	126,502	-	126,502
Receivables:			
Property taxes	997,618	-	997,618
Accounts, net	2,299,322	-	2,299,322
Loans and notes, net	639,656	-	639,656
Interest	305,262	-	305,262
Due from other funds	53,891	-	53,891
Due from other governments	446,498	-	446,498
Advances to other funds	7,388	-	7,388
Assets held for resale	4,554,943	-	4,554,943
<b>Total Assets</b>	<b>\$ 23,701,840</b>	<b>\$ 1,843,114</b>	<b>\$ 25,544,953</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 1,531,520	\$ -	\$ 1,531,520
Salaries and benefits payable	151,801	-	151,801
Other accrued liabilities	3,773,961	-	3,773,961
Deposits	126,502	-	126,502
Unavailable revenues	12,000	-	12,000
<b>Total Liabilities</b>	<b>5,595,784</b>	<b>-</b>	<b>5,595,784</b>
Deferred Inflows of Resources:			
Unavailable revenue-property taxes	759,569	-	759,569
Unavailable revenue-assessments & loans receivable	1,742,186	-	1,742,186
<b>Total Deferred Inflows of Resources</b>	<b>2,501,755</b>	<b>-</b>	<b>2,501,755</b>
Fund Balances (Deficits):			
Nonspendable:			
In form	4,562,331	-	4,562,331
Committed	12,000	1,843,114	1,855,114
Unassigned	11,029,969	-	11,029,969
<b>Total Fund Balances (Deficits)</b>	<b>15,604,300</b>	<b>1,843,114</b>	<b>17,447,414</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 23,701,840</b>	<b>\$ 1,843,114</b>	<b>\$ 25,544,953</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, 2014

	<b>General</b>	<b>General Fund</b>	<b>Total</b>
	<b>Fund</b>	<b>Stabilization</b>	<b>General</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
<b><u>Revenues</u></b>			
Taxes	\$ 27,184,185	\$ -	\$ 27,184,185
Franchise fees	5,971,438	-	5,971,438
Intergovernmental	2,362,991	-	2,362,991
Licenses and permits	117,393	-	117,393
Charges for services	117,648	-	117,648
Fines and forfeitures	926,907	-	926,907
Investment income	104,978	15,300	120,278
Miscellaneous	48,785	-	48,785
<b>Total Revenues</b>	<b>36,834,324</b>	<b>15,300</b>	<b>36,849,624</b>
<b><u>Expenditures</u></b>			
Current operating:			
General government	2,232,929	-	2,232,929
Public safety	18,302,089	-	18,302,089
Transportation growth	97,073	-	97,073
Capital outlay	741,969	-	741,969
<b>Total Expenditures</b>	<b>21,374,061</b>	<b>-</b>	<b>21,374,061</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>15,460,263</b>	<b>15,300</b>	<b>15,475,563</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Proceeds from sale of assets	30,434	-	30,434
Transfers in	3,500	186,410	189,910
Transfers out	(14,863,686)	-	(14,863,686)
<b>Total Other Financing Sources (Uses)</b>	<b>(14,829,752)</b>	<b>186,410</b>	<b>(14,643,342)</b>
<b>Net change in fund balances</b>	<b>630,511</b>	<b>201,710</b>	<b>832,221</b>
<b>Fund Balances (Deficits), July 1, 2013</b>	<b>14,973,789</b>	<b>1,641,404</b>	<b>16,615,193</b>
<b>Fund Balances (Deficits), June 30, 2014</b>	<b>\$ 15,604,300</b>	<b>\$ 1,843,114</b>	<b>\$ 17,447,414</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, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Investment income	\$ 17,500	\$ 17,500	\$ 15,300	\$ -	\$ 15,300	\$ (2,200)
<b>Total Revenues</b>	<b>17,500</b>	<b>17,500</b>	<b>15,300</b>	<b>-</b>	<b>15,300</b>	<b>(2,200)</b>
<b><u>Expenditures</u></b>						
Reserves	1,989,700	1,989,700	-	-	-	1,989,700
<b>Total Expenditures</b>	<b>1,989,700</b>	<b>1,989,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,989,700</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,972,200)</b>	<b>(1,972,200)</b>	<b>15,300</b>	<b>-</b>	<b>15,300</b>	<b>1,987,500</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers in	350,000	350,000	186,410	-	186,410	(163,590)
<b>Total Other Financing Sources</b>	<b>350,000</b>	<b>350,000</b>	<b>186,410</b>	<b>-</b>	<b>186,410</b>	<b>(163,590)</b>
Net change in fund balance	(1,622,200)	(1,622,200)	201,710	-	201,710	1,823,910
Beginning Fund Balance (Deficit)	1,622,200	1,622,200	1,641,404	-	1,641,404	19,204
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,843,114</b>	<b>\$ -</b>	<b>\$ 1,843,114</b>	<b>\$ 1,843,114</b>

City of Bend, Oregon

**Combining Statement of Fund Net Position**

Water Fund

June 30, 2014

**Business-Type Activities**

**Enterprise Funds**

	<b>Bridge Creek</b>		
	<u>Water</u>	<u>Pipe Project</u>	<u>Total</u>
<b><u>Assets</u></b>			
Current assets:			
Pooled cash and investments	\$ 14,414,716	\$ (5,876,554)	\$ 8,538,162
Receivables:			
Accounts, net	2,600,489	-	2,600,489
Other assets	48,427	-	48,427
Prepays and deposits	57,191	-	57,191
<b>Total Current Assets</b>	<b>17,120,823</b>	<b>(5,876,554)</b>	<b>11,244,269</b>
Noncurrent assets:			
Restricted cash and investments	254,730	-	254,730
Capital assets, net	105,144,916	6,261,289	111,406,205
<b>Total Noncurrent Assets</b>	<b>105,399,646</b>	<b>6,261,289</b>	<b>111,660,935</b>
<b>Total Assets</b>	<b>122,520,469</b>	<b>384,735</b>	<b>122,905,204</b>
<b><u>Liabilities</u></b>			
Current liabilities:			
Accounts payable	689,706	1,358,030	2,047,737
Salaries and benefits payable	26,771	-	26,771
Retainage payable	6,928	361,738	368,666
Other accrued liabilities:			
Compensated absences	215,438	-	215,438
Interest	63,089	-	63,089
Insurance claims	3,357	-	3,357
Other	242,435	-	242,435
Deposits - restricted	254,730	-	254,730
Current portion of long-term debt	217,557	-	217,557
<b>Total Current Liabilities</b>	<b>1,720,011</b>	<b>1,719,768</b>	<b>3,439,779</b>
Noncurrent liabilities:			
Other post-retirement benefits payable	687,512	-	687,512
Long-term debt	4,572,339	-	4,572,339
<b>Total Noncurrent Liabilities</b>	<b>5,259,851</b>	<b>-</b>	<b>5,259,851</b>
<b>Total Liabilities</b>	<b>6,979,861</b>	<b>1,719,768</b>	<b>8,699,629</b>
<b><u>Net Position</u></b>			
Invested in capital assets	100,355,021	6,261,289	106,616,309
Unrestricted	15,185,587	(7,596,322)	7,589,265
<b>Total Net Position</b>	<b>\$ 115,540,608</b>	<b>\$ (1,335,033)</b>	<b>\$ 114,205,575</b>

City of Bend, Oregon

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

Water Fund

For the fiscal year ended June 30, 2014

	Business-Type Activities		
	Enterprise Funds		
	Bridge Creek		Total
Water	Pipe Project		
<b><u>Operating Revenues</u></b>			
Charges for services	\$ 17,072,357	\$ -	\$ 17,072,357
Miscellaneous	209,170	9,923	219,093
<b>Total Operating Revenues</b>	<b>17,281,527</b>	<b>9,923</b>	<b>17,291,450</b>
<b><u>Operating Expenses</u></b>			
Salaries and benefits	3,063,254	-	3,063,254
Materials and supplies	3,522,786	-	3,522,786
Internal services	3,078,933	1,322,576	4,401,510
Depreciation	2,851,243	-	2,851,243
<b>Total Operating Expenses</b>	<b>12,516,217</b>	<b>1,322,576</b>	<b>13,838,793</b>
<b>Operating income (loss)</b>	<b>4,765,311</b>	<b>(1,312,653)</b>	<b>3,452,657</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>			
Investment income	96,793	(22,380)	74,413
Interest expense	(84,052)	-	(84,052)
Amortization	(22,809)	-	(22,809)
Insurance proceeds	4,431	-	4,431
Gain (loss) on disposal of assets	(86,135)	-	(86,135)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(91,772)</b>	<b>(22,380)</b>	<b>(114,152)</b>
<b>Income (loss) before contributions and transfers</b>	<b>4,673,539</b>	<b>(1,335,033)</b>	<b>3,338,505</b>
<b><u>Contributions and Transfers</u></b>			
Capital grants and contributions	1,597,166	-	1,597,166
Transfers in	2,446,153	-	2,446,153
<b>Total Contributions and Transfers</b>	<b>4,043,319</b>	<b>-</b>	<b>4,043,319</b>
Change in net position	8,716,858	(1,335,033)	7,381,825
Net Position, July 1, 2013, as previously stated	106,856,539	-	106,856,539
Cumulative Effect of a Change in Accounting Principle	(32,789)	-	(32,789)
Net Position, July 1, 2013, as restated	106,823,750	-	106,823,750
<b>Net Position, June 30, 2014</b>	<b>\$ 115,540,608</b>	<b>\$ (1,335,033)</b>	<b>\$ 114,205,575</b>

City of Bend, Oregon

**Bridge Creek Pipe Project Fund**

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

For the fiscal year ended June 30, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Investment income	\$ -	\$ -	\$ (22,380)	\$ -	\$ (22,380)	\$ (22,380)
Miscellaneous	-	-	9,923	-	9,923	9,923
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>(12,457)</b>	<b>-</b>	<b>(12,457)</b>	<b>(12,457)</b>
<b><u>Expenses</u></b>						
Current:						
Materials and services	-	420,000	-	-	-	420,000
Interfund charges	-	2,281,000	1,322,576	-	1,322,576	958,424
Capital outlay	-	22,076,000	6,261,289	-	6,261,289	15,814,711
Contingency	-	(8,000)	-	-	-	(8,000)
Reserves	-	3,231,000	-	-	-	3,231,000
<b>Total Expenses</b>	<b>-</b>	<b>28,000,000</b>	<b>7,583,865</b>	<b>-</b>	<b>7,583,865</b>	<b>20,416,135</b>
<b>Excess (deficiency) of revenues</b>						
<b>over (under) expenses</b>	<b>-</b>	<b>(28,000,000)</b>	<b>(7,596,322)</b>	<b>-</b>	<b>(7,596,322)</b>	<b>20,403,678</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Issuance of long-term debt	-	28,000,000	-	-	-	(28,000,000)
<b>Total Other Financing Sources</b>	<b>-</b>	<b>28,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28,000,000)</b>
Net change in fund balance	-	-	(7,596,322)	-	(7,596,322)	(7,596,322)
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (7,596,322)</b>	<b>\$ -</b>	<b>\$ (7,596,322)</b>	<b>\$ (7,596,322)</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 7,583,865
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	<u>(6,261,289)</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 1,322,576</u></b>

City of Bend, Oregon

**Combining Statement of Fund Net Position**

Water Reclamation Fund

June 30, 2014

	Business-Type Activities			
	Enterprise Funds			
	Water	Secondary	Southeast	Total
<u>Reclamation</u>	<u>Expansion</u>	<u>Interceptor</u>		
		Project	Project	
<b><u>Assets</u></b>				
Current assets:				
Pooled cash and investments	\$ 25,869,606	\$ (7,770,070)	\$ 200,048	\$ 18,299,585
Receivables:				
Accounts, net	2,523,354	-	-	2,523,354
Interest	81,810	-	-	81,810
Due from other governments	-	9,976,868	-	9,976,868
Prepays and deposits	1,115	-	-	1,115
<b>Total Current Assets</b>	<b>28,475,885</b>	<b>2,206,797</b>	<b>200,048</b>	<b>30,882,731</b>
Noncurrent assets:				
Restricted cash and investments	1,265,167	-	-	1,265,167
Assessments receivable, net	112,082	-	-	112,082
Loans and notes receivable, net	12,500	-	-	12,500
Capital assets, net	141,085,517	18,516,060	677,929	160,279,507
<b>Total Noncurrent Assets</b>	<b>142,475,267</b>	<b>18,516,060</b>	<b>677,929</b>	<b>161,669,256</b>
<b>Total Assets</b>	<b>170,951,152</b>	<b>20,722,857</b>	<b>877,978</b>	<b>192,551,987</b>
<b><u>Liabilities</u></b>				
Current liabilities:				
Accounts payable	1,057,290	1,401,085	178,655	2,637,031
Salaries and benefits payable	41,158	-	-	41,158
Retainage payable	11,523	822,170	20,969	854,663
Other accrued liabilities:				
Compensated absences	211,761	-	-	211,761
Interest	290,511	-	-	290,511
Insurance claims	4,095	-	-	4,095
Other	81,465	-	-	81,465
Current portion of long-term debt, net	2,091,686	379,988	-	2,471,674
<b>Total Current Liabilities</b>	<b>3,789,489</b>	<b>2,603,244</b>	<b>199,625</b>	<b>6,592,357</b>
Noncurrent liabilities:				
Other post-retirement benefits payable	928,755	-	-	928,755
Long-term debt, net	29,696,440	18,103,752	-	47,800,191
<b>Total Noncurrent Liabilities</b>	<b>30,625,194</b>	<b>18,103,752</b>	<b>-</b>	<b>48,728,946</b>
<b>Total Liabilities</b>	<b>34,414,683</b>	<b>20,706,995</b>	<b>199,625</b>	<b>55,321,303</b>
<b><u>Net Position</u></b>				
Invested in capital assets	109,297,392	32,320	677,929	110,007,641
Restricted for:				
Debt service	1,265,167	-	-	1,265,167
Unrestricted	25,973,910	(16,458)	424	25,957,876
<b>Total Net Position</b>	<b>\$ 136,536,469</b>	<b>\$ 15,862</b>	<b>\$ 678,353</b>	<b>\$ 137,230,684</b>

City of Bend, Oregon

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

Water Reclamation Fund

For the fiscal year ended June 30, 2014

	Business-Type Activities			Total
	Enterprise Funds			
	Water Reclamation	Secondary Expansion Project	Southeast Interceptor Project	
<b><u>Operating Revenues</u></b>				
Charges for services	\$ 18,441,078	\$ -	\$ -	\$ 18,441,078
Loan repayments	18,516	-	-	18,516
Miscellaneous	27,407	8	-	27,415
<b>Total Operating Revenues</b>	<b>18,487,000</b>	<b>8</b>	<b>-</b>	<b>18,487,008</b>
<b><u>Operating Expenses</u></b>				
Salaries and benefits	4,202,169	-	-	4,202,169
Materials and supplies	2,462,980	-	-	2,462,980
Internal services	2,979,366	719,168	325,800	4,024,334
Depreciation	3,021,926	5,796	-	3,027,722
<b>Total Operating Expenses</b>	<b>12,666,441</b>	<b>724,964</b>	<b>325,800</b>	<b>13,717,205</b>
<b>Operating income (loss)</b>	<b>5,820,559</b>	<b>(724,955)</b>	<b>(325,800)</b>	<b>4,769,804</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Investment income	209,474	(34,868)	(998)	173,607
Interest expense	(605,845)	-	-	(605,845)
Amortization	14,662	-	-	14,662
Gain (loss) on disposal of assets	(118,420)	-	-	(118,420)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(500,129)</b>	<b>(34,868)</b>	<b>(998)</b>	<b>(535,995)</b>
<b>Income (loss) before contributions and transfers</b>	<b>5,320,431</b>	<b>(759,824)</b>	<b>(326,798)</b>	<b>4,233,809</b>
<b><u>Contributions and Transfers</u></b>				
Capital grants and contributions	1,715,600	-	113,255	1,828,855
Transfers in	2,758,959	775,686	891,896	4,426,541
Transfers out	(1,667,582)	-	-	(1,667,582)
<b>Total Contributions and Transfers</b>	<b>2,806,977</b>	<b>775,686</b>	<b>1,005,151</b>	<b>4,587,814</b>
Change in net position	8,127,407	15,862	678,353	8,821,622
Net Position, July 1, 2013, as previously stated	129,248,310	-	-	129,248,310
Cumulative Effect of a Change in Accounting Principle	(839,248)	-	-	(839,248)
Net Position, July 1, 2013, as restated	128,409,062	-	-	128,409,062
<b>Net Position, June 30, 2014</b>	<b>\$ 136,536,469</b>	<b>\$ 15,862</b>	<b>\$ 678,353</b>	<b>\$ 137,230,684</b>

City of Bend, Oregon

**Secondary Expansion Project Fund**

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

For the fiscal year ended June 30, 2014

	<u>Biennium Budget</u>		<u>FY2013-14 Actual</u>	<u>FY2014-15 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget Positive (Negative)</u>
<b>Revenues</b>						
Investment income	\$ -	\$ -	\$ (34,868)	\$ -	\$ (34,868)	\$ (34,868)
Miscellaneous	-	-	8	-	8	8
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>(34,860)</b>	<b>-</b>	<b>(34,860)</b>	<b>(34,860)</b>
<b>Expenses</b>						
Current:						
Interfund charges	-	1,433,400	768,849	-	768,849	664,551
Capital outlay	-	35,800,000	18,472,175	-	18,472,175	17,327,825
<b>Total Expenses</b>	<b>-</b>	<b>37,233,400</b>	<b>19,241,024</b>	<b>-</b>	<b>19,241,024</b>	<b>17,992,376</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>-</b>	<b>(37,233,400)</b>	<b>(19,275,884)</b>	<b>-</b>	<b>(19,275,884)</b>	<b>17,957,516</b>
<b>Other Financing Sources (Uses)</b>						
Issuance of long-term debt	-	32,037,500	18,483,740	-	18,483,740	(13,553,760)
Transfers in	-	5,195,900	775,686	-	775,686	(4,420,214)
<b>Total Other Financing Sources</b>	<b>-</b>	<b>37,233,400</b>	<b>19,259,425</b>	<b>-</b>	<b>19,259,425</b>	<b>(17,973,975)</b>
Net change in fund balance	-	-	(16,458)	-	(16,458)	(16,458)
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (16,458)</b>	<b>\$ -</b>	<b>\$ (16,458)</b>	<b>\$ (16,458)</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 19,241,024
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(18,521,856)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	5,796
<b>Total Expenses - GAAP Basis</b>	<b>\$ 724,964</b>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ 19,259,425
Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis	(18,483,740)
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b>\$ 775,686</b>



City of Bend, Oregon

**Southeast Interceptor Project Fund**

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

For the fiscal year ended June 30, 2014

	<u>Biennium Budget</u>		<u>FY2013-14</u> <u>Actual</u>	<u>FY2014-15</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b><u>Revenues</u></b>						
Intergovernmental	\$ -	\$ -	\$ 113,255	\$ -	\$ 113,255	\$ 113,255
Investment income	-	-	(998)	-	(998)	(998)
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>112,257</b>	<b>-</b>	<b>112,257</b>	<b>112,257</b>
<b><u>Expenses</u></b>						
Current:						
Materials and services	-	270,000	-	-	-	270,000
Interfund charges	-	645,900	325,800	-	325,800	320,100
Capital outlay	-	18,100,000	677,929	-	677,929	17,422,071
<b>Total Expenses</b>	<b>-</b>	<b>19,015,900</b>	<b>1,003,729</b>	<b>-</b>	<b>1,003,729</b>	<b>18,012,171</b>
<b>Excess (deficiency) of revenues over (under) expenses</b>	<b>-</b>	<b>(19,015,900)</b>	<b>(891,473)</b>	<b>-</b>	<b>(891,473)</b>	<b>18,124,427</b>
<b><u>Other Financing Sources (Uses)</u></b>						
Issuance of long-term debt	-	18,000,000	-	-	-	(18,000,000)
Transfers in	-	1,015,900	891,896	-	891,896	(124,004)
<b>Total Other Financing Sources</b>	<b>-</b>	<b>19,015,900</b>	<b>891,896</b>	<b>-</b>	<b>891,896</b>	<b>(18,124,004)</b>
Net change in fund balance	-	-	424	-	424	424
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 424</b>	<b>\$ -</b>	<b>\$ 424</b>	<b>\$ 424</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenses - Budgetary Basis	\$ 1,003,729
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(677,929)
<b>Total Expenses - GAAP Basis</b>	<b>\$ 325,800</b>

City of Bend, Oregon

**General Fund Stabilization Fund**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the biennium ended June 30, 2015

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>General Fund Stabilization Fund</u></b>			
Reserves	\$ 1,989,700	\$ -	\$ 1,989,700
	\$ 1,989,700	\$ -	\$ 1,989,700

City of Bend, Oregon

**Other Major Funds**

Schedule of Expenses and Other Uses by Appropriation Levels

For the biennium ended June 30, 2015

	<u>Appropriation</u>	<u>Actual Expenses</u>	<u>Variance Positive (Negative)</u>
<b><u>Bridge Creek Pipe Project Fund</u></b>			
Materials and services	\$ 420,000	\$ -	\$ 420,000
Transfers	2,281,000	1,322,576	958,424
Capital outlay	22,076,000	6,261,289	15,814,711
Contingency	(8,000)	-	(8,000)
Reserves	3,231,000	-	3,231,000
	<b>\$ 28,000,000</b>	<b>\$ 7,583,865</b>	<b>\$ 20,416,135</b>
<b><u>Secondary Expansion Project Fund</u></b>			
Transfers	\$ 1,433,400	\$ 768,849	\$ 664,551
Capital outlay	35,800,000	18,472,175	17,327,825
	<b>\$ 37,233,400</b>	<b>\$ 19,241,024</b>	<b>\$ 17,992,376</b>
<b><u>Southeast Interceptor Project Fund</u></b>			
Materials and services	\$ 270,000	\$ -	\$ 270,000
Transfers	645,900	325,800	320,100
Capital outlay	18,100,000	677,929	17,422,071
	<b>\$ 19,015,900</b>	<b>\$ 1,003,729</b>	<b>\$ 18,012,171</b>

**OTHER FINANCIAL SCHEDULES**



City of Bend, Oregon

**Schedule of Property Tax Transactions**

For the fiscal year ended June 30, 2014

<u>Fiscal Year</u>	<u>Uncollected Balances June 30, 2013</u>	<u>Current Year's Levy</u>	<u>Adjustments, Interest and Discounts</u>	<u>Net Collections</u>	<u>Uncollected Balances June 30, 2014</u>
Prior	\$ 2,223	\$ -	\$ 455	\$ (239)	\$ 2,439
2004-05	897	-	(17)	(164)	715
2005-06	(1,626)	-	(66)	(95)	(1,788)
2006-07	(22,854)	-	(107)	(373)	(23,334)
2007-08	11,575	-	382	(4,470)	7,487
2008-09	6,635	-	449	(6,624)	460
2009-10	(14,756)	-	9,440	(63,209)	(68,524)
2010-11	287,069	-	25,243	(144,935)	167,377
2011-12	308,565	-	21,109	(185,690)	143,984
2012-13	682,292	-	(9,261)	(424,126)	248,905
2013-14	-	27,456,652	(751,185)	(26,064,692)	640,775
<b>Totals</b>	<b>\$ 1,260,020</b>	<b>\$ 27,456,652</b>	<b>\$ (703,558)</b>	<b>\$ (26,894,617)</b>	<b>\$ 1,118,498</b>

Reconciliation to revenues:

Collections	\$ 26,894,617
Change in unavailable revenue	149,638
<b>Total Property Tax Revenues</b>	<b>\$ 27,044,254</b>

<u>Summary by fund:</u>	<u>Revenues</u>	<u>Property Tax Receivable</u>
General Fund	\$ 24,055,578	\$ 997,618
Juniper Ridge Urban Renewal Debt Service Fund	922,192	38,143
Murphy Crossing Urban Renewal Debt Service Fund	129,244	4,268
General Obligation Bond Debt Service Fund	1,937,240	78,468
<b>Totals</b>	<b>\$ 27,044,254</b>	<b>\$ 1,118,498</b>

City of Bend, Oregon

## Schedule of Long-Term Debt Transactions - Principal

For the fiscal year ended June 30, 2014

<u>Series</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Unmatured and Outstanding June 30, 2013</u>	<u>Bonds Issued</u>	<u>Bonds Called and Matured</u>	<u>Unmatured and Outstanding June 30, 2014</u>
<u>Full Faith &amp; Credit Obligation Bonds:</u>							
Transportation & fire equipment, series 2003	04/01/03	12/01/22	\$ 13,050,800	\$ 6,785,000	\$ -	\$ (6,785,000)	\$ -
Airport, series 2003, refinance 1993	04/01/03	12/01/13	279,200	30,000	-	(30,000)	-
Pension obligation bonds, series 2004	05/27/04	06/01/28	13,725,000	13,055,000	-	(285,000)	12,770,000
Police expansion and ambulance, series 2006	12/21/06	12/01/31	4,950,000	3,735,000	-	(275,000)	3,460,000
Police expansion, Cooley Road, and fire equipment, series 2008	02/14/08	12/01/27	4,425,000	3,710,000	-	(220,000)	3,490,000
Fire stations, series 2010, refinance 1999	02/18/10	06/01/24	3,225,000	2,515,000	-	(190,000)	2,325,000
Accessibility, series 2010	02/18/10	06/30/24	3,265,000	2,610,000	-	(195,000)	2,415,000
Transportation system, series 2000, refinance series 2010	02/18/10	06/01/21	4,103,000	3,053,000	-	(340,000)	2,713,000
Airport, series 2010, refinance 1999	02/18/10	06/01/19	1,057,000	722,000	-	(90,000)	632,000
City Hall land, series 2010, refinance 2005	05/28/10	06/01/15	3,600,000	2,100,000	-	(700,000)	1,400,000
Water revenue series 2010, refinance 2000	11/30/10	11/01/13	2,175,000	725,000	-	(725,000)	-
Water recovery zone, series 2010C	11/30/10	11/01/30	2,300,000	2,300,000	-	(105,909)	2,194,091
Water reclamation recovery zone, series 2010C	11/30/10	11/01/30	10,730,000	10,730,000	-	(494,091)	10,235,909
Street equipment, police facility, sewer, series 2012, refinance series 2002	04/01/12	12/01/26	9,280,000	8,755,000	-	(680,000)	8,075,000
GO Bond construction, series 2012	09/20/12	06/01/32	26,805,000	25,950,000	-	(1,030,000)	24,920,000
Transportation, series 2013, refinance series 2003	11/20/13	12/01/21	6,283,391	-	6,283,391	(220,677)	6,062,714
<b>Total Full Faith &amp; Credit Obligation Bonds</b>				<b>86,775,000</b>	<b>6,283,391</b>	<b>(12,365,677)</b>	<b>80,692,714</b>
<u>Revenue Bonds:</u>							
Water reclamation, series 2005	09/29/05	11/01/20	7,585,000	5,100,000	-	(670,000)	4,430,000
Water reclamation, series 2008	08/14/08	10/31/28	10,000,000	8,585,000	-	(390,000)	8,195,000
<b>Total Revenue Bonds</b>				<b>13,685,000</b>	<b>-</b>	<b>(1,060,000)</b>	<b>12,625,000</b>
<u>Notes Payable:</u>							
Oregon Business Development Department:							
Pacific Aviation composites	10/15/97	12/01/17	655,000	296,584	-	(54,333)	242,251
Airport eastside improvements	05/01/07	12/01/31	867,335	729,873	-	(24,453)	705,420
Safe drinking water revolving loan fund loan	09/03/09	12/01/31	2,806,500	2,703,346	-	(107,541)	2,595,805
Oregon Department of Environmental Quality:							
Clean water revolving fund loan R14510	06/10/11	10/01/33	5,482,336	5,482,336	-	-	5,482,336
Clean water revolving fund loan R14512	10/02/12	12/01/33	18,833,534	418,180	18,415,354	-	18,833,534
Clean water revolving fund loan R14511	11/01/11	10/01/34	14,484,130	-	68,386	-	68,386
Bank of the Cascades							
Juniper ridge, series 2013	11/22/13	12/01/23	3,700,000	-	3,700,000	(171,256)	3,528,744
<b>Total Notes Payable</b>				<b>9,630,319</b>	<b>22,183,740</b>	<b>(357,583)</b>	<b>31,456,476</b>
<u>Lines of Credit</u>							
Bank of America							
Juniper ridge	06/19/08	06/19/13	6,000,000	3,708,850	-	(3,708,850)	-
<b>Total Lines of Credit</b>				<b>3,708,850</b>	<b>-</b>	<b>(3,708,850)</b>	<b>-</b>
<b>Total Long-Term Debt</b>				<b>\$ 113,799,169</b>	<b>\$ 28,467,131</b>	<b>\$ (17,492,110)</b>	<b>\$ 124,774,190</b>

City of Bend, Oregon

## Schedule of Long-Term Debt Transactions - Interest

For the fiscal year ended June 30, 2014

<u>Series</u>	<u>Interest Rates on Outstanding Balances</u>	<u>Unmatured and Outstanding June 30, 2013</u>	<u>Bonds Issued</u>	<u>Coupons Called and Matured</u>	<u>Unmatured and Outstanding June 30, 2014</u>
<u>Full Faith &amp; Credit Obligation Bonds:</u>					
Transportation & fire equipment, series 2003	2.00% - 4.50%	\$ 1,566,754	\$ -	\$ (1,566,754)	\$ -
Airport, series 2003, refinance 1993	2.00% - 3.70%	555	-	(555)	-
Pension obligation bonds, series 2004	2.13% - 6.095%	7,803,653	-	(786,022)	7,017,632
Police expansion and ambulance, series 2006	3.75% - 6.00%	1,334,238	-	(150,040)	1,184,198
Police expansion, Cooley Road, and fire equipment, series 2008	3.00% - 4.25%	1,170,263	-	(132,364)	1,037,899
Fire stations, series 2010, refinance 1999	3.23%	580,531	-	(86,262)	494,269
Accessibility, series 2010	2.62%	764,065	-	(109,553)	654,512
Transportation system, series 2000, refinance series 2010	2.84%	508,770	-	(101,733)	407,037
Airport, series 2010, refinance 1999	2.60%	92,930	-	(23,380)	69,550
City Hall land, series 2010, refinance 2005	3.65%	171,550	-	(120,450)	51,100
Water revenue series 2010, refinance 2000	1.56%	7,250	-	(7,250)	-
Water recovery zone, series 2010C	3.05%	807,146	-	(498,091)	309,055
Water reclamation recovery zone, series 2010C	3.05%	5,998,936	-	(106,766)	5,892,169
Street equipment, police facility, sewer, series 2012, refinance series 2002	1.66% - 2.60%	1,979,975	-	(287,550)	1,692,425
GO Bond construction, series 2012	2.62%	8,976,050	-	(809,750)	8,166,300
Transportation, series 2013, refinance series 2003	1.50%	-	419,627	(49,482)	370,145
<b>Total Full Faith &amp; Credit Obligation Bonds</b>		<b>31,762,665</b>	<b>419,627</b>	<b>(4,836,002)</b>	<b>27,346,290</b>
<u>Revenue Bonds:</u>					
Water reclamation, series 2005	3.00% - 4.00%	723,466	-	(174,537)	548,929
Water reclamation, series 2008	3.50% - 4.50%	3,100,169	-	(338,413)	2,761,756
<b>Total Revenue Bonds</b>		<b>3,823,634</b>	<b>-</b>	<b>(512,949)</b>	<b>3,310,685</b>
<u>Notes Payable:</u>					
Oregon Business Development Department:					
Pacific Aviation composites	5.01%	46,571	-	(14,957)	31,614
Airport eastside improvements	4.00% - 4.375%	353,648	-	(31,020)	322,628
Safe drinking water revolving loan fund loan	3.83%	883,096	-	(81,100)	801,996
Oregon Department of Environmental Quality:					
Clean water revolving fund loan R14510	3.32%	2,243,096	295,835	(234,466)	2,304,465
Clean water revolving fund loan R14512	2.44%	-	6,483,799	-	6,483,799
Clean water revolving fund loan R14511	2.48%	-	-	-	-
Bank of the Cascades					
Juniper ridge, series 2013	1.50%	-	299,581	(28,738)	270,843
<b>Total Notes Payable</b>		<b>3,526,411</b>	<b>7,079,215</b>	<b>(390,281)</b>	<b>10,215,345</b>
<u>Lines of Credit</u>					
Bank of America					
Juniper ridge	variable	26,000	-	(26,000)	-
<b>Total Lines of Credit</b>		<b>26,000</b>	<b>-</b>	<b>(26,000)</b>	<b>-</b>
<b>Total Long-Term Debt</b>		<b>\$ 39,138,711</b>	<b>\$ 7,498,842</b>	<b>\$ (5,765,232)</b>	<b>\$ 40,872,320</b>



City of Bend, Oregon

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

For the fiscal year ended June 30, 2014

<u>Fiscal Year</u>	<u>Total Requirements</u>			<u>Pension Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Series 2004</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2014-15	\$ 6,254,730	\$ 3,117,037	\$ 9,371,767	\$ 345,000	\$ 770,144
2015-16	5,001,319	2,934,535	7,935,854	410,000	750,579
2016-17	5,188,083	2,788,452	7,976,535	485,000	726,918
2017-18	5,240,024	2,623,516	7,863,540	565,000	698,443
2018-19	5,462,144	2,445,089	7,907,233	650,000	664,877
2019-20	5,559,447	2,253,509	7,812,956	750,000	625,779
2020-21	5,591,936	2,053,338	7,645,274	850,000	580,667
2021-22	5,010,031	1,830,864	6,840,895	965,000	529,539
2022-23	4,785,000	1,617,985	6,402,985	1,085,000	471,495
2023-24	4,680,000	1,401,755	6,081,755	1,215,000	406,232
2024-25	4,360,000	1,176,378	5,536,378	1,360,000	332,178
2025-26	4,615,000	975,471	5,590,471	1,515,000	249,286
2026-27	4,895,000	759,438	5,654,438	1,680,000	156,946
2027-28	3,795,000	535,406	4,330,406	895,000	54,550
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>\$ 80,692,714</b>	<b>\$ 27,346,290</b>	<b>\$ 108,039,004</b>	<b>\$ 12,770,000</b>	<b>\$ 7,017,632</b>

City of Bend, Oregon

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

For the fiscal year ended June 30, 2014

<u>Fiscal Year</u>	<u>Police Facility Expansion/Ambulance Series 2006</u>		<u>Police Facility, Cooley Rd, and Fire Equipment Series 2008</u>		<u>Fire Stations Series 2010</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014-15	\$ 280,000	\$ 138,940	\$ 225,000	\$ 125,689	\$ 190,000	\$ 82,463
2015-16	295,000	127,440	200,000	119,314	200,000	76,763
2016-17	310,000	112,240	210,000	113,164	210,000	70,763
2017-18	160,000	99,940	215,000	106,789	215,000	64,463
2018-19	170,000	93,668	220,000	99,989	225,000	55,863
2019-20	175,000	87,026	230,000	92,389	235,000	46,863
2020-21	185,000	80,050	235,000	84,104	240,000	37,463
2021-22	190,000	72,738	250,000	75,001	260,000	29,363
2022-23	140,000	66,268	260,000	64,958	265,000	19,938
2023-24	145,000	60,639	265,000	54,458	285,000	10,327
2024-25	150,000	54,775	275,000	43,520	-	-
2025-26	160,000	48,575	285,000	32,040	-	-
2026-27	165,000	41,972	305,000	19,793	-	-
2027-28	170,000	35,063	315,000	6,693	-	-
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>\$ 3,460,000</b>	<b>\$ 1,184,198</b>	<b>\$ 3,490,000</b>	<b>\$ 1,037,899</b>	<b>\$ 2,325,000</b>	<b>\$ 494,269</b>

City of Bend, Oregon

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

For the fiscal year ended June 30, 2014

<u>Fiscal Year</u>	<u>Accessibility</u>		<u>Transportation System</u>		<u>Airport</u>	
	<u>Series 2010</u>		<u>Series 2010</u>		<u>Series 2010</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014-15	\$ 200,000	\$ 104,483	\$ 355,000	\$ 94,933	\$ 120,000	\$ 21,580
2015-16	210,000	98,983	365,000	84,283	125,000	17,980
2016-17	215,000	91,633	370,000	73,332	125,000	14,230
2017-18	225,000	83,463	385,000	62,232	130,000	10,480
2018-19	235,000	74,124	398,000	46,832	132,000	5,280
2019-20	240,000	64,137	410,000	30,912	-	-
2020-21	255,000	53,337	430,000	14,513	-	-
2021-22	265,000	41,352	-	-	-	-
2022-23	280,000	28,500	-	-	-	-
2023-24	290,000	14,500	-	-	-	-
2024-25	-	-	-	-	-	-
2025-26	-	-	-	-	-	-
2026-27	-	-	-	-	-	-
2027-28	-	-	-	-	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
	\$ 2,415,000	\$ 654,512	\$ 2,713,000	\$ 407,037	\$ 632,000	\$ 69,550

City of Bend, Oregon

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

For the fiscal year ended June 30, 2014

<u>Fiscal Year</u>	<u>City Hall Land</u>		<u>Water &amp; Sewer RZEDB</u>		<u>Street, Sewer, Police, Facilities</u>	
	<u>Series 2010</u>		<u>Series 2010C</u>		<u>Series 2012</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014-15	\$ 1,400,000	\$ 51,100	\$ 605,000	\$ 594,005	\$ 705,000	\$ 266,775
2015-16	-	-	615,000	579,658	720,000	245,400
2016-17	-	-	625,000	561,975	745,000	223,425
2017-18	-	-	635,000	541,175	770,000	200,700
2018-19	-	-	645,000	517,646	800,000	177,150
2019-20	-	-	660,000	491,370	825,000	152,775
2020-21	-	-	675,000	461,985	640,000	127,600
2021-22	-	-	695,000	430,128	670,000	101,400
2022-23	-	-	715,000	396,278	700,000	74,000
2023-24	-	-	735,000	359,650	350,000	53,000
2024-25	-	-	755,000	320,155	370,000	38,600
2025-26	-	-	780,000	278,320	380,000	23,600
2026-27	-	-	805,000	233,928	400,000	8,000
2027-28	-	-	830,000	186,500	-	-
2028-29	-	-	855,000	136,365	-	-
2029-30	-	-	885,000	83,723	-	-
2030-31	-	-	915,000	28,365	-	-
2031-32	-	-	-	-	-	-
	\$ 1,400,000	\$ 51,100	\$ 12,430,000	\$ 6,201,224	\$ 8,075,000	\$ 1,692,425

City of Bend, Oregon

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

For the fiscal year ended June 30, 2014

<u>Fiscal Year</u>	<u>GO Bond Construction</u>		<u>Transportation System</u>	
	<u>Series 2012</u>		<u>Series 2013</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014-15	\$ 1,060,000	\$ 778,850	\$ 769,730	\$ 88,075
2015-16	1,080,000	757,650	781,319	76,486
2016-17	1,100,000	736,050	793,083	64,722
2017-18	1,135,000	703,050	805,024	52,781
2018-19	1,170,000	669,000	817,144	40,661
2019-20	1,205,000	633,900	829,447	28,358
2020-21	1,240,000	597,750	841,936	15,869
2021-22	1,290,000	548,150	425,031	3,193
2022-23	1,340,000	496,550	-	-
2023-24	1,395,000	442,950	-	-
2024-25	1,450,000	387,150	-	-
2025-26	1,495,000	343,650	-	-
2026-27	1,540,000	298,800	-	-
2027-28	1,585,000	252,600	-	-
2028-29	1,635,000	205,050	-	-
2029-30	1,680,000	156,000	-	-
2030-31	1,735,000	105,600	-	-
2031-32	1,785,000	53,550	-	-
	<b>\$ 24,920,000</b>	<b>\$ 8,166,300</b>	<b>\$ 6,062,714</b>	<b>\$ 370,145</b>

City of Bend, Oregon

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

For the fiscal year ended June 30, 2014

<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>
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	392,827	1,572,827	740,000	102,189	440,000	290,638
2017-18	1,225,000	347,737	1,572,737	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	15,192	730,192	-	-	715,000	15,192
	<b>\$ 12,625,000</b>	<b>\$ 3,310,685</b>	<b>\$ 15,935,685</b>	<b>\$ 4,430,000</b>	<b>\$ 548,929</b>	<b>\$ 8,195,000</b>	<b>\$ 2,761,756</b>

City of Bend, Oregon

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

For the fiscal year ended June 30, 2014

<u>Fiscal Year</u>	<u>Total Requirements</u>			<u>Pacific Aviation Composites 1998</u>		<u>Airport Eastside Improvements 2007</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014-15	\$ 1,127,352	\$ 1,188,690	\$ 2,316,042	\$ 54,800	\$ 12,241	\$ 29,631	\$ 30,042
2015-16	1,542,245	895,251	2,437,496	60,289	9,501	29,816	28,857
2016-17	1,577,872	851,155	2,429,027	60,805	6,487	30,009	27,664
2017-18	1,619,308	806,069	2,425,377	66,357	3,385	30,209	26,464
2018-19	1,589,749	759,647	2,349,396	-	-	30,417	25,255
2019-20	1,627,427	715,596	2,343,023	-	-	30,634	24,039
2020-21	1,671,206	670,269	2,341,475	-	-	35,867	22,775
2021-22	1,710,918	623,633	2,334,551	-	-	36,113	21,269
2022-23	1,751,656	575,806	2,327,462	-	-	36,373	19,734
2023-24	1,593,141	526,779	2,119,920	-	-	36,644	18,188
2024-25	1,436,809	481,004	1,917,813	-	-	41,929	16,612
2025-26	1,474,695	435,299	1,909,994	-	-	42,232	14,778
2026-27	1,513,628	388,379	1,902,007	-	-	42,549	12,930
2027-28	1,558,633	340,215	1,898,848	-	-	47,879	11,069
2028-29	1,599,743	290,552	1,890,295	-	-	48,224	8,974
2029-30	1,641,989	239,572	1,881,561	-	-	48,584	6,864
2030-31	1,690,402	187,238	1,877,640	-	-	53,959	4,739
2031-32	1,737,281	133,291	1,870,572	-	-	54,351	2,375
2032-33	1,537,534	77,848	1,615,382	-	-	-	-
2033-34	1,386,502	29,052	1,415,554	-	-	-	-
	<b>\$ 31,388,090</b>	<b>\$ 10,215,345</b>	<b>\$ 41,603,435</b>	<b>\$ 242,251</b>	<b>\$ 31,614</b>	<b>\$ 705,420</b>	<b>\$ 322,628</b>

City of Bend, Oregon

**Schedule of Future Debt Service Requirements of Notes Payable (Continued)**

For the fiscal year ended June 30, 2014

Fiscal Year	Clean Water State					
	Safe Drinking Water		Revolving Loan Fund Loan		Juniper Ridge	
	Revolving Loan Fund Loan		R14510		Series 2013 Note	
	Principal	Interest	Principal	Interest	Principal	Interest
2014-15	\$ 110,767	\$ 77,874	\$ 203,816	\$ 194,042	\$ 348,350	\$ 51,638
2015-16	114,090	74,551	210,639	199,906	353,471	46,517
2016-17	117,512	71,128	217,690	191,801	358,917	41,072
2017-18	121,038	67,603	224,978	183,425	364,321	35,668
2018-19	124,669	63,972	232,508	174,770	369,806	30,182
2019-20	128,409	60,232	240,292	165,824	375,310	24,678
2020-21	132,261	56,380	248,336	156,578	381,025	18,964
2021-22	136,229	52,412	256,649	147,023	386,762	13,227
2022-23	140,316	48,325	265,241	137,148	392,585	7,404
2023-24	144,525	44,115	274,120	126,943	198,197	1,493
2024-25	148,861	39,780	283,296	116,396	-	-
2025-26	153,327	35,314	292,780	105,496	-	-
2026-27	157,927	30,714	302,581	94,231	-	-
2027-28	162,665	25,976	312,710	82,589	-	-
2028-29	167,545	21,096	323,178	70,558	-	-
2029-30	172,571	16,070	333,997	58,123	-	-
2030-31	177,748	10,893	345,177	45,273	-	-
2031-32	185,345	5,561	356,732	31,992	-	-
2032-33	-	-	368,674	18,266	-	-
2033-34	-	-	188,942	4,081	-	-
	<b>\$ 2,595,805</b>	<b>\$ 801,996</b>	<b>\$ 5,482,336</b>	<b>\$ 2,304,465</b>	<b>\$ 3,528,744</b>	<b>\$ 270,843</b>



City of Bend, Oregon

**Schedule of Future Debt Service Requirements of Notes Payable (Concluded)**

For the fiscal year ended June 30, 2014

<b>Clean Water State</b>		
<b>Revolving Loan Fund Loan</b>		
<b>R14512</b>		
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>
2014-15	\$ 379,988	\$ 822,853
2015-16	773,940	535,919
2016-17	792,939	513,003
2017-18	812,405	489,524
2018-19	832,349	465,468
2019-20	852,782	440,823
2020-21	873,717	415,572
2021-22	895,165	389,702
2022-23	917,141	363,195
2023-24	939,655	336,040
2024-25	962,723	308,216
2025-26	986,356	279,711
2026-27	1,010,571	250,504
2027-28	1,035,379	220,581
2028-29	1,060,796	189,924
2029-30	1,086,837	158,515
2030-31	1,113,518	126,333
2031-32	1,140,853	93,363
2032-33	1,168,860	59,582
2033-34	1,197,560	24,971
	<b>\$ 18,833,534</b>	<b>\$ 6,483,799</b>

## **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 201 to 212)

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 213 to 216)

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

### Debt Capacity (pages 217 to 222)

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 223 to 225)

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 226 to 228)

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b><u>Governmental activities</u></b>					
Net investment in capital assets	\$ 201,948	\$ 228,481	\$ 501,420	\$ 491,487	\$ 493,230
Restricted	4,031	4,405	5,522	6,782	13,119
Unrestricted	29,622	28,248	35,884	29,912	20,823
<b>Total Governmental Activities Net Position</b>	<b>235,601</b>	<b>261,134</b>	<b>542,826</b>	<b>528,181</b>	<b>527,172</b>
<b><u>Business-type activities</u></b>					
Net investment in capital assets	131,031	155,014	186,218	237,030	237,706
Restricted	1,207	844	844	844	844
Unrestricted	16,400	11,905	10,028	8,329	20,638
<b>Total Business-type Activities Net Position</b>	<b>148,638</b>	<b>167,763</b>	<b>197,090</b>	<b>246,203</b>	<b>259,188</b>
<b><u>Primary government</u></b>					
Net investment in capital assets	332,979	383,495	687,638	728,517	730,935
Restricted	5,238	5,249	6,366	7,626	13,963
Unrestricted	46,022	40,153	45,912	38,241	41,461
<b>Total Primary Government Net Position</b>	<b>\$ 384,239</b>	<b>\$ 428,897</b>	<b>\$ 739,916</b>	<b>\$ 774,384</b>	<b>\$ 786,360</b>

City of Bend, Oregon

**Net Position by Component (Continued)**

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>Governmental activities</u></b>					
Net investment in capital assets	\$ 485,325	\$ 484,814	\$ 474,505	\$ 474,356	\$ 472,258
Restricted	15,370	13,915	13,637	16,565	29,652
Unrestricted	24,295	27,398	30,167	29,610	22,286
<b>Total Governmental Activities Net Position</b>	<b>524,991</b>	<b>526,127</b>	<b>518,309</b>	<b>520,530</b>	<b>524,196</b>
<b><u>Business-type activities</u></b>					
Net investment in capital assets	242,003	241,176	256,230	263,975	278,857
Restricted	936	-	676	1,289	1,265
Unrestricted	23,050	32,522	33,405	38,215	38,254
<b>Total Business-type Activities Net Position</b>	<b>265,988</b>	<b>273,698</b>	<b>290,311</b>	<b>303,479</b>	<b>318,376</b>
<b><u>Primary government</u></b>					
Net investment in capital assets	727,328	725,990	730,736	738,331	751,115
Restricted	16,307	13,915	14,313	17,853	30,917
Unrestricted	47,345	59,920	63,572	67,825	60,540
<b>Total Primary Government Net Position</b>	<b>\$ 790,979</b>	<b>\$ 799,825</b>	<b>\$ 808,620</b>	<b>\$ 824,010</b>	<b>\$ 842,572</b>

City of Bend, Oregon

## Changes in Net Position

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b><u>Expenses</u></b>					
Governmental activities:					
General government	\$ 10,706	\$ 12,177	\$ 14,010	\$ 15,155	\$ 17,159
Public safety	20,007	22,447	24,178	26,176	27,812
Public ways and facilities	7,624	9,030	11,679	16,928	15,691
Community and economic development	6,527	7,854	8,673	8,728	8,087
Permanent maintenance	-	-	-	-	-
Urban renewal	578	640	302	585	1,841
Transit	1,622	1,513	1,854	1,902	1,941
Interest on long-term debt	2,875	2,864	2,936	2,909	2,373
<b>Total Governmental Activities Expenses</b>	<b>49,939</b>	<b>56,525</b>	<b>63,632</b>	<b>72,383</b>	<b>74,904</b>
Business-type activities:					
Water	8,082	8,960	11,519	9,776	10,690
Water reclamation	7,580	8,380	10,250	10,184	10,844
Airport	516	675	690	733	731
Cemetery	140	167	151	182	141
Downtown parking	348	502	744	816	881
Stormwater	-	178	222	1,378	1,744
<b>Total Business-type Activities Expenses</b>	<b>16,666</b>	<b>18,862</b>	<b>23,576</b>	<b>23,069</b>	<b>25,032</b>
<b>Total Primary Government Expenses</b>	<b>\$ 66,605</b>	<b>\$ 75,387</b>	<b>\$ 87,208</b>	<b>\$ 95,452</b>	<b>\$ 99,936</b>
<b><u>Program Revenues</u></b>					
Governmental activities:					
Charges for services:					
General government	\$ 5,032	\$ 5,678	\$ 5,875	\$ 7,599	\$ 7,064
Public safety	2,713	3,265	4,303	4,057	3,396
Public ways and facilities	2,607	3,204	3,165	2,761	1,368
Community and economic development	6,896	8,110	8,177	7,869	5,282
Permanent maintenance	-	-	-	-	-
Urban renewal	67	71	64	98	1,611
Transit	257	110	208	172	234
Operating grants and contributions	8,019	8,966	10,219	9,372	9,209
Capital grants and contributions	19,179	22,513	17,014	16,641	11,208
<b>Total Governmental Activities Program Revenues</b>	<b>44,770</b>	<b>51,917</b>	<b>49,025</b>	<b>48,569</b>	<b>39,373</b>



City of Bend, Oregon

**Changes in Net Position (Continued)**

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>Expenses</u></b>					
Governmental activities:					
General government	\$ 16,732	\$ 18,530	\$ 21,164	\$ 15,300	\$ 17,436
Public safety	28,025	27,958	28,952	30,695	30,873
Public ways and facilities	15,699	16,042	17,318	18,208	19,733
Community and economic development	6,216	8,012	7,031	7,771	8,720
Permanent maintenance	-	-	-	4	5
Urban renewal	358	192	1,567	30	64
Transit	1,851	1,800	-	-	-
Interest on long-term debt	2,287	1,973	1,772	2,335	2,321
<b>Total Governmental Activities Expenses</b>	<b>71,168</b>	<b>74,506</b>	<b>77,804</b>	<b>74,343</b>	<b>79,151</b>
Business-type activities:					
Water	12,686	12,757	11,701	12,576	14,032
Water reclamation	11,832	12,045	12,528	13,968	14,427
Airport	746	951	1,010	1,053	1,243
Cemetery	110	75	85	83	134
Downtown parking	889	878	875	869	875
Stormwater	2,159	2,425	2,216	2,400	2,843
<b>Total Business-type Activities Expenses</b>	<b>28,422</b>	<b>29,131</b>	<b>28,414</b>	<b>30,949</b>	<b>33,554</b>
<b>Total Primary Government Expenses</b>	<b>\$ 99,590</b>	<b>\$103,637</b>	<b>\$106,218</b>	<b>\$105,292</b>	<b>\$ 112,705</b>

**Program Revenues**

Governmental activities:

Charges for services:

General government	\$ 7,598	\$ 9,661	\$ 5,404	\$ 6,475	\$ 7,827
Public safety	3,615	3,389	3,615	3,285	3,255
Public ways and facilities	1,253	1,052	1,736	2,507	3,652
Community and economic development	3,083	4,015	3,853	5,957	8,843
Permanent maintenance	-	11	4	6	3
Urban renewal	57	35	18	-	-
Transit	269	74	-	-	-
Operating grants and contributions	11,610	15,714	12,175	13,359	12,963
Capital grants and contributions	4,176	6,659	7,075	11,720	12,725
<b>Total Governmental Activities Program Revenues</b>	<b>31,660</b>	<b>40,609</b>	<b>33,879</b>	<b>43,310</b>	<b>49,268</b>

City of Bend, Oregon

**Changes in Net Position (Continued)**

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Business-type activities:					
Charges for services:					
Water	\$ 8,767	\$ 10,405	\$ 10,676	\$ 11,012	\$ 12,020
Water reclamation	7,824	8,718	9,099	10,206	12,393
Airport	467	557	702	684	700
Cemetery	153	92	111	102	69
Downtown parking	325	328	387	610	606
Stormwater	-	-	-	2,458	2,405
Other business activities	-	-	-	-	-
Capital grants and contributions	20,758	17,867	20,148	16,373	9,282
<b>Total Business-type Activities Program Revenues</b>	<b>38,294</b>	<b>37,967</b>	<b>41,123</b>	<b>41,446</b>	<b>37,475</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 83,064</b>	<b>\$ 89,884</b>	<b>\$ 90,148</b>	<b>\$ 90,015</b>	<b>\$ 76,848</b>

**Net Revenues (Expenses)**

Governmental activities	\$ (5,169)	\$ (4,608)	\$ (14,607)	\$ (23,814)	\$ (35,532)
Business-type activities	21,628	19,105	21,203	18,378	12,443
<b>Total Primary Government Net Revenues (Expenses)</b>	<b>\$ 16,459</b>	<b>\$ 14,497</b>	<b>\$ 6,596</b>	<b>\$ (5,436)</b>	<b>\$ (23,088)</b>

**General Revenues and Other Changes in Net Position**

Governmental activities:

Taxes:					
Property taxes	\$ 16,701	\$ 18,563	\$ 20,752	\$ 22,656	\$ 24,140
Transient room taxes	2,799	3,107	3,303	3,427	2,938
Franchise fees	4,283	5,018	5,644	6,158	6,386
Unrestricted investment income	1,169	1,799	2,245	2,204	968
Other revenues	107	688	1,029	3,976	-
Transfers	(45)	966	(9,980)	(29,253)	91
<b>Total Governmental Activities</b>	<b>25,014</b>	<b>30,141</b>	<b>22,993</b>	<b>9,168</b>	<b>34,523</b>

Business-type activities:

Franchise fees	-	175	556	604	-
Unrestricted investment income	368	811	1,243	853	626
Other revenues	-	-	-	27	5
Transfers	45	(966)	9,980	29,253	(91)
<b>Total Business-type Activities</b>	<b>413</b>	<b>20</b>	<b>11,779</b>	<b>30,737</b>	<b>541</b>
<b>Total Primary Government</b>	<b>\$ 25,427</b>	<b>\$ 30,161</b>	<b>\$ 34,772</b>	<b>\$ 39,905</b>	<b>\$ 35,063</b>

**Change in Net Position**

Governmental activities	\$ 19,845	\$ 25,533	\$ 8,386	\$ (14,646)	\$ (1,009)
Business-type activities	22,041	19,125	29,327	49,114	12,984
<b>Total Primary Government</b>	<b>\$ 41,886</b>	<b>\$ 44,658</b>	<b>\$ 41,368</b>	<b>\$ 34,469</b>	<b>\$ 11,975</b>

City of Bend, Oregon

**Changes in Net Position (Continued)**

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Business-type activities:					
Charges for services:					
Water	\$ 12,689	\$ 14,068	\$ 14,809	\$ 15,815	\$ 17,296
Water reclamation	13,257	13,920	15,973	17,092	18,487
Airport	773	777	833	794	879
Cemetery	50	45	58	66	44
Downtown parking	551	643	569	639	753
Stormwater	2,465	2,515	2,519	2,534	2,540
Other business activities	-	139	10	-	-
Capital grants and contributions	3,914	2,670	7,815	2,767	3,809
<b>Total Business-type Activities Program Revenues</b>	<b>33,699</b>	<b>34,777</b>	<b>42,587</b>	<b>39,707</b>	<b>43,808</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 65,359</b>	<b>\$ 75,386</b>	<b>\$ 76,465</b>	<b>\$ 83,016</b>	<b>\$ 93,076</b>

**Net Revenues (Expenses)**

Governmental activities	\$ (39,507)	\$ (33,897)	\$ (43,925)	\$ (31,033)	\$ (29,883)
Business-type activities	5,276	5,646	14,172	8,757	10,254
<b>Total Primary Government Net Revenues (Expenses)</b>	<b>\$ (34,231)</b>	<b>\$ (28,251)</b>	<b>\$ (29,753)</b>	<b>\$ (22,277)</b>	<b>\$ (19,629)</b>

**General Revenues and Other Changes in Net Position**

Governmental activities:

Taxes:					
Property taxes	\$ 25,428	\$ 25,979	\$ 25,751	\$ 25,649	\$ 26,753
Transient room taxes	2,966	3,407	3,575	3,945	4,710
Franchise fees	7,447	7,241	7,204	7,170	7,645
Unrestricted investment income	412	425	338	546	703
Other revenues	2,293	15	1,456	43	-
Transfers	(1,220)	(2,035)	(2,216)	(4,169)	(5,246)
<b>Total Governmental Activities</b>	<b>37,327</b>	<b>35,032</b>	<b>36,108</b>	<b>33,184</b>	<b>34,565</b>

Business-type activities:

Franchise fees	-	-	-	-	-
Unrestricted investment income	304	322	225	243	290
Other revenues	-	-	-	-	-
Transfers	1,220	2,035	2,216	4,169	5,246
<b>Total Business-type Activities</b>	<b>1,524</b>	<b>2,357</b>	<b>2,441</b>	<b>4,412</b>	<b>5,536</b>
<b>Total Primary Government</b>	<b>\$ 38,850</b>	<b>\$ 37,389</b>	<b>\$ 38,549</b>	<b>\$ 37,595</b>	<b>\$ 40,101</b>

**Change in Net Position**

Governmental activities	\$ (2,181)	\$ 1,136	\$ (7,818)	\$ 2,151	\$ 4,681
Business-type activities	6,800	8,003	16,613	13,168	15,790
<b>Total Primary Government</b>	<b>\$ 4,619</b>	<b>\$ 9,138</b>	<b>\$ 8,796</b>	<b>\$ 15,318</b>	<b>\$ 20,471</b>

City of Bend, Oregon

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

Last ten fiscal years

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>General Fund</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	80	-	-	-	36
Unreserved	7,132	9,012	8,722	6,449	6,766
<b>Total General Fund</b>	<b>\$ 7,212</b>	<b>\$ 9,012</b>	<b>\$ 8,722</b>	<b>\$ 6,449</b>	<b>\$ 6,802</b>

**All Other Governmental Funds**

Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved for:					
Debt service	4,031	4,405	5,522	6,782	7,893
Long-term loans and advances	119	49	-	-	967
Construction	-	-	-	-	4,271
Building program	-	-	-	-	955
Designations reported in:					
Special revenue funds	15,077	14,213	15,833	7,659	5,123
Capital projects funds	7,535	304	(1,312)	5,139	-
<b>Total All Other Governmental Funds</b>	<b>\$ 26,762</b>	<b>\$ 18,971</b>	<b>\$ 20,043</b>	<b>\$ 19,580</b>	<b>\$ 19,210</b>

Note: The City of Bend implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended 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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>General Fund</u></b>					
Nonspendable	\$ -	\$ 4,639	\$ 4,594	\$ 4,581	\$ 4,562
Committed	-	1,263	1,483	1,709	1,855
Unassigned	-	9,251	10,669	10,325	11,030
Reserved	4,469	-	-	-	-
Unreserved	8,033	-	-	-	-
<b>Total General Fund</b>	<b>\$ 12,502</b>	<b>\$ 15,154</b>	<b>\$ 16,747</b>	<b>\$ 16,615</b>	<b>\$ 17,447</b>

**All Other Governmental Funds**

Nonspendable	\$ -	\$ 621	\$ 591	\$ 596	\$ 599
Restricted	-	7,644	6,903	26,669	29,053
Committed	-	10,869	11,032	12,997	11,204
Assigned	-	2,553	5,642	6,587	8,254
Unassigned	-	(316)	(340)	(360)	-
Reserved for:					
Debt service	5,686	-	-	-	-
Long-term loans and advances	34	-	-	-	-
Construction	9,858	-	-	-	-
Building program	497	-	-	-	-
Designations reported in:					
Special revenue funds	7,209	-	-	-	-
Capital projects funds	(223)	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 23,061</b>	<b>\$ 21,371</b>	<b>\$ 23,828</b>	<b>\$ 46,488</b>	<b>\$ 49,110</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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b><u>Revenues</u></b>					
Taxes	\$ 19,519	\$ 21,731	\$ 23,856	\$ 25,619	\$ 26,500
Franchise fees	4,283	5,018	5,645	6,157	6,386
Intergovernmental	8,819	13,181	11,645	9,746	10,171
Assessments	678	576	332	263	204
Licenses and permits	5,059	5,501	4,105	4,589	2,397
Charges for services	4,668	6,259	8,408	7,420	6,259
System development charges	6,415	7,311	5,616	8,126	2,726
Contributions	-	-	451	-	325
Fines and forfeitures	685	917	1,119	1,235	1,041
Loan repayments	-	-	23	72	180
Permanent maintenance fees	-	-	-	-	-
Investment income	995	1,610	1,723	1,547	730
Issuance of short-term debt	-	1,043	-	-	-
Miscellaneous	218	197	167	323	146
<b>Total Revenues</b>	<b>51,339</b>	<b>63,344</b>	<b>63,090</b>	<b>65,097</b>	<b>57,065</b>
<b><u>Expenditures</u></b>					
General government	428	889	481	661	651
Public safety	21,472	24,133	26,430	29,160	28,790
Public ways and facilities	5,866	6,813	5,390	6,436	6,214
Community and economic development	7,407	8,990	11,210	11,639	9,044
Permanent maintenance	-	-	-	-	-
Urban renewal	380	705	511	886	1,590
Transit	1,946	1,893	2,700	2,600	2,483
Debt service:					
Principal	2,442	3,784	2,852	2,984	2,693
Interest	1,744	2,369	2,310	2,320	2,429
Capital outlay	8,662	22,056	12,228	17,869	7,094
<b>Total Expenditures</b>	<b>50,347</b>	<b>71,632</b>	<b>64,112</b>	<b>74,555</b>	<b>60,989</b>

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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>Revenues</u></b>					
Taxes	\$ 28,340	\$ 29,446	\$ 29,684	\$ 29,990	\$ 31,612
Franchise fees	7,447	7,211	7,188	7,154	7,641
Intergovernmental	11,347	14,439	12,444	12,745	12,471
Assessments	201	154	145	158	175
Licenses and permits	2,181	2,850	2,991	4,274	5,860
Charges for services	5,772	6,159	6,136	6,779	8,568
System development charges	2,262	3,341	4,133	7,113	9,091
Contributions	92	55	261	104	153
Fines and forfeitures	1,059	1,231	1,108	955	927
Loan repayments	1,039	476	1,131	1,189	1,223
Permanent maintenance fees	-	11	4	6	3
Investment income	313	341	269	473	615
Issuance of short-term debt	-	-	-	-	-
Miscellaneous	99	126	83	47	89
<b>Total Revenues</b>	<b>60,152</b>	<b>65,839</b>	<b>65,576</b>	<b>70,986</b>	<b>78,430</b>
<b><u>Expenditures</u></b>					
General government	988	1,993	2,208	2,266	2,253
Public safety	29,375	29,925	31,307	31,848	33,924
Public ways and facilities	6,462	6,458	7,714	7,771	8,118
Community and economic development	7,063	8,948	8,039	8,309	9,505
Permanent maintenance	-	-	-	4	5
Urban renewal	581	405	871	32	66
Transit	2,442	1,744	-	-	-
Debt service:					
Principal	10,068	5,993	5,372	5,606	13,466
Interest	2,167	1,981	1,755	2,275	2,340
Capital outlay	4,589	4,231	6,078	13,376	9,814
<b>Total Expenditures</b>	<b>63,735</b>	<b>61,678</b>	<b>63,344</b>	<b>71,487</b>	<b>79,491</b>

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b><u>Other Financing Sources (Uses)</u></b>					
Proceeds from sale of assets	\$ 7	\$ 1,231	\$ 1,029	\$ 4,145	\$ 20
Proceeds from leases	-	-	-	-	1,550
Insurance proceeds	-	-	-	-	-
Issuance of short-term debt	-	-	-	-	-
Issuance of long-term debt	-	-	1,775	6,425	2,700
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	795	12,040	13,827	29,951	19,558
Transfers out	(840)	(10,973)	(14,864)	(33,814)	(19,923)
<b>Total Other Financing Sources (Uses)</b>	<b>(38)</b>	<b>2,298</b>	<b>1,803</b>	<b>6,722</b>	<b>3,905</b>
<b>Net Change in Fund Balances (Deficits)</b>	<b>\$ 954</b>	<b>\$ (5,990)</b>	<b>\$ 781</b>	<b>\$ (2,736)</b>	<b>\$ (18)</b>
Debt service as a percentage of noncapital expenditures	10.0%	12.4%	9.9%	9.4%	9.5%



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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>Other Financing Sources (Uses)</u></b>					
Proceeds from sale of assets	\$ 2,293	\$ 15	\$ 816	\$ 43	\$ 565
Proceeds from leases	-	-	-	-	-
Insurance proceeds	55	40	25	17	16
Issuance of short-term debt	-	-	3,000	-	-
Issuance of long-term debt	10,602	-	1,425	26,805	9,983
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	23,754	15,527	15,040	16,744	15,723
Transfers out	(25,520)	(18,783)	(18,591)	(22,131)	(21,772)
<b>Total Other Financing Sources (Uses)</b>	<b>7,211</b>	<b>(3,201)</b>	<b>1,818</b>	<b>23,029</b>	<b>4,515</b>
<b>Net Change in Fund Balances (Deficits)</b>	<b>\$ 3,628</b>	<b>\$ 960</b>	<b>\$ 4,050</b>	<b>\$ 22,529</b>	<b>\$ 3,454</b>
Debt service as a percentage of noncapital expenditures	20.7%	14%	12%	14%	23%

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 Year	Real Property		Personal Property		Public Utilities		Total		Total Direct Tax Rate	Percent of TAV to RMV
	RMV	TAV	RMV	TAV	RMV	TAV	RMV	TAV		
	2005	\$ 7,426,197	\$ 5,103,393	\$ 185,854	\$ 185,850	\$ 104,835	\$ 104,619	\$ 7,716,886		
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%
2014	10,212,590	8,390,967	235,303	235,303	154,588	153,383	10,602,481	8,779,653	3.12	82.8%

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>Bend Urban</u>		<u>Total Direct</u>	<u>Bend Metro Parks and Recreation</u>		<u>Deschutes County</u>		<u>Education Service Community College</u>			<u>Bend La-Pine Administrative School</u>
	<u>Bend</u>	<u>District</u>		<u>District</u>	<u>County</u>	<u>District</u>	<u>College</u>	<u>District #1</u>			
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		
2014	3.00	0.12	3.12	1.66	3.38	0.10	0.74	6.16	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, 2014 and June 30, 2005

(amounts expressed in thousands)

		2014			2005		
		Rank	Net Assessed Valuation	Percentage of Total Net Assessed	Rank	Net Assessed Valuation	Percentage of Total Net Assessed
<b>Taxpayer</b>	<b>Type of Business</b>	<b>Rank</b>	<b>Valuation</b>	<b>Valuation (1)</b>	<b>Rank</b>	<b>Valuation</b>	<b>Valuation (1)</b>
Pacificorp ( PP& L )	Electric utility	1	\$ 40,817	0.5%	9	\$ 15,798	0.3%
Touchmark at Mount Bachelor Village LLC	Retirement community	2	37,624	0.4%	-	-	-
CVSC LLC	Shopping center	3	35,345	0.4%	-	-	-
Deschutes Brew ery Inc	Microbrew manufacturer	4	33,263	0.4%	3	21,701	0.4%
Bend Cable Communications LLC	Cable utility	5	31,849	0.4%	-	-	-
Suterra LLC	Biorational Products	6	33,785	0.4%	-	-	-
West Bend Property Company LLC	Real estate developer	7	9,461	0.1%	-	-	-
Deschutes Properties LLC	Real estate developer	8	26,131	0.3%	-	-	-
Forum Holdings LLC	Shopping center	9	24,667	0.3%	8	15,909	0.3%
Cascade Natural Gas Corporation	Gas utility	10	24,632	0.3%	6	16,117	0.3%
Rivers Edge Investments, LLC	Real estate developer	-	-	-	10	15,139	0.3%
Qwest Corporation	Telephone utility	-	-	-	1	51,983	1.0%
Bend Millwork Systems, Inc.	Construction products	-	-	-	2	22,037	0.4%
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>\$ 297,574</b>	<b>3.4%</b>		<b>\$ 210,154</b>	<b>3.9%</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 \$8,679,100,181 for 2014 and \$5,333,387,765 for 2005.

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 Collected</u>	<u>Percent of Levy Collected</u>		<u>Amount Collected</u>	<u>Percent of Levy Collected</u>
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%
2014	27,457	26,065	94.9%	-	26,065	94.9%

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		
	Full Faith & Credit Obligation	Certificates of Participation	Limited Tax Improvement Bonds	Urban		Full Faith & Credit Obligation	Revenue Bonds	Notes Payable	Government Primary	Total Percentage of Personal Income (1)	Total Debt Per Capita (1)	
				Renewal Tax Increment	Urban Renewal Line of Credit							
				Bonds	Bonds							
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	
2014	62,536	-	-	-	-	15,907	12,627	31,456	122,526	4.15%	1,565	

**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 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

## Ratios of General Bonded Debt Outstanding

Last ten fiscal years

(amounts expressed in thousands, except per capita amounts)

<u>General Bonded Debt Outstanding</u>							
Fiscal Year	Full Faith & Credit		Total	Amounts		Ratio of Bonded Debt to Assessed Value (1)	General Bonded Debt Per Capita (2)
	Obligation Bonds	Limited Tax Improvement Bonds		Restricted for Debt Service	Net General Bonded Debt Outstanding		
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
2014	78,443	-	78,443	2,559	75,884	0.89%	1,002

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, 2014

<u>Jurisdiction</u>	<b>Net Property- Tax Backed Debt Outstanding (1)</b>	<b>Percent Applicable to City of Bend (2)</b>	<b>Amount Applicable to City of Bend</b>
Direct Debt			
City of Bend	\$ 22,326,408	100.0%	\$ 22,326,408
Overlapping Debt			
Bend Juniper Ridge Urban Renewal Agency	3,529,048	100.0%	3,529,048
Bend Metro Park & Rec District	28,230,000	97.0%	27,386,996
Bend-LaPine Administrative School District No. 1	276,456,965	66.4%	183,577,930
Central Oregon Community College	59,550,000	39.7%	23,610,503
Deschutes County	26,105,000	47.7%	12,445,298
Total Overlapping Debt	393,871,014	63.6%	250,549,775
Total Direct and Overlapping Debt	\$ 416,197,422	65.6%	\$ 272,876,183

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, 2014**

Real market value	\$ 10,602,480,751
	x <u>3%</u>
General obligation debt limit at 3% of real market value	<u>318,074,423</u>
General obligation debt subject to limit per ORS 287.001(1)	80,692,714
Less: Funds applicable to the payment of principal thereof per ORS 287.004(2)	
General obligation debt service fund	<u>(2,559,041)</u>
Net debt subject to 3% limitation	<u>78,133,673</u>
Legal debt margin	<u>\$ 239,940,750</u>
Debt capacity percent	75%

<u>Fiscal Year</u>	<b>Net Debt</b>			<b>Debt Capacity Percent</b>
	<b>3% Debt Limit (1)</b>	<b>Subject to 3% Limit (1)</b>	<b>Legal Debt Margin (1)</b>	
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%
2014	318,074	78,134	239,941	75%

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 - Pledged Revenue Coverage**

Last ten fiscal years

(amounts expressed in thousands)

**First Lien Water System Revenue Bonds**

Fiscal Year	Gross		Net Revenue Available for Debt Service		First Lien Annual Debt Service (3)		Coverage Ratio	Monthly	
	Revenues (1)	Operating Expenses (2)	Service	Principal	Interest	Total		Metered Rate (5)	Flat Rate (6)
	2005	\$ 8,953	\$ 6,499	\$ 2,454	\$ 820	\$ 189		\$ 1,009	2.4
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

Notes:

Water Revenue Bonds were paid off as of 2011, therefore the years 2012-2014 are not presented.

**Subordinated Lien Safe Drinking Water Loan**

Fiscal Year	Gross		Net Revenue Available for Debt Service		Subordinated Lien Annual Debt Service (4)		Coverage Ratio	Monthly	
	Revenues (1)	Operating Expenses (2)	Service	Principal	Interest	Total		Metered Rate (5)	Flat Rate (6)
	2013	\$ 15,866	\$ 9,520	\$ 6,347	\$ 103	\$ 111		\$ 214	29.6
2014	15,928	9,329	6,600	108	106	214	30.9	21.29	na

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. As of 2014, this is no longer in the Fee Resolution.

City of Bend, Oregon

**Rate Covenant - Pledged Revenue Coverage**

Last ten fiscal years

(amounts expressed in thousands)

**Sewer System Revenue Bonds**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service			Annual Debt Service (3)	Coverage Ratio	Monthly Sewer Rate (4)
			Service	Principal	Interest			
2005	\$ 9,788	\$ 4,763	\$ 5,025	\$ 1,290	\$ 686	\$ 1,976	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	526	1,266	4.4	23.75
2008	11,933	6,984	4,949	770	496	1,266	3.9	25.18
2009	12,396	7,043	5,353	790	823	1,613	3.3	28.83
2010	13,213	7,634	5,579	1,160	833	1,993	2.8	33.01
2011	14,071	8,130	5,941	1,200	786	1,986	3.0	35.90
2012	16,082	8,595	7,487	1,230	667	1,897	3.9	39.49
2013	17,239	8,687	8,552	1,275	555	1,830	4.7	41.86
2014	18,602	11,195	7,407	1,060	513	1,573	4.7	44.37

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Area (Square Miles)</u>	<u>Average Density (person / square miles)</u>	<u>Personal Income (2) expressed in thousands</u>	<u>Per Capita Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
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%
2014	78,280	32.5	2,409	2,955,383	37,754	16,863	8.1%

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, 2014 and June 30, 2005

<u>Employer</u>	<u>Product or Service</u>	<u>2014</u>			<u>2005</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	2,018	2.6%	1	2,023	3.1%
Bend-LaPine School Dist. No. 1	Education	2	1,690	2.2%	2	1,130	1.7%
Deschutes County	Government	3	1,050	1.3%	6	721	1.1%
Sunriver Resort	Resort	4	900	1.1%	4	870	1.3%
Mt. Bachelor Ski Resort	Recreation	5	756	1.0%	5	750	1.2%
TRG Customer Solutions	Call center	6	650	0.8%	-	-	0.0%
COCC - Bend Campus	Education	7	650	0.8%	-	-	0.0%
Bend Memorial Clinic	Health care	8	619	0.8%	14	460	0.7%
Dept of Forestry	Government	9	550	0.7%	-	-	0.0%
Jeld Wen Windows and Doors	Retailer	10	480	0.6%	-	-	0.0%
Les Schwab	Tire Manufacturer	11	482	0.6%	3	1,142	1.8%
City of Bend	Government	12	477	0.6%	-	-	0.0%
Walmart	Grocery Retailer	13	399	0.5%	-	-	0.0%
Beaver Motor Coaches	Motor Home Manufacturer	-	-	0.0%	7	654	1.0%
iSky	Call center	-	-	0.0%	8	625	1.0%
	<b>Total</b>		<b>10,721</b>	<b>13.7%</b>		<b>8,375</b>	<b>12.8%</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 78,280 for June 2014 and 65,210 for June 2005 (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>	
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
2014	225	117,995	1,126	251,939	2,682,783

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

<u>Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>General Government</b>										
Administration, finance & legal	27.4	31.4	35.7	33.8	36.3	36.3	37.3	38.0	38.0	37.5
Information technology	8.0	8.5	11.0	11.0	12.5	12.5	13.0	13.0	14.0	14.0
Public works administration/laboratory	27.0	23.5	25.5	16.0	16.0	18.0	18.0	14.0	12.0	13.0
Facility management	-	3.0	4.0	5.0	5.0	5.0	5.0	4.5	3.0	3.0
Garage	7.0	7.0	7.0	9.0	8.0	8.0	8.0	8.0	7.0	6.7
Accessibility program	-	-	-	4.0	1.0	1.0	1.0	1.5	1.0	1.0
Economic development administration	2.0	3.0	3.5	3.5	2.5	2.0	1.8	2.0	2.0	2.0
<b>Public Safety</b>										
Police	95.0	105.5	111.5	110.0	110.0	110.0	110.0	108.0	108.0	112.0
Fire/EMS	74.0	79.0	84.0	87.8	85.8	85.8	89.8	87.8	87.5	85.5
Municipal court	3.0	3.0	4.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
<b>Public Ways and Facilities</b>										
Street operations	30.0	29.0	32.0	31.0	32.0	31.0	31.0	31.0	31.0	34.5
Engineering	25.0	33.0	36.0	36.0	15.0	8.0	8.0	16.0	18.0	20.0
<b>Community and Economic Development</b>										
Community development administration	4.0	5.0	8.0	6.0	4.0	1.0	1.0	1.0	1.0	1.0
Planning	20.0	23.0	28.0	33.0	16.0	13.0	13.0	13.0	12.0	15.0
Building	32.5	45.5	57.5	42.0	24.0	17.0	17.0	18.0	21.0	28.0
Private development engineering	-	-	-	-	-	2.0	2.0	1.0	1.0	4.0
Code enforcement	-	-	-	-	-	1.0	1.0	1.0	1.0	2.0
Business Advocacy	-	-	-	-	-	-	-	-	-	1.0
Community development block grant program	-	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	3.0
<b>Other</b>										
Urban renewal	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	-	-	-
Airport	0.5	1.0	1.0	1.0	1.0	1.5	1.6	1.5	1.8	1.8
Water	21.0	24.0	26.0	30.0	31.0	26.5	26.5	29.5	30.5	29.5
Water reclamation	21.0	23.0	27.0	37.5	32.0	21.5	21.5	34.0	33.0	34.0
Stormwater	-	-	-	5.0	4.0	3.0	6.0	6.0	6.0	6.0
Utility support division	-	-	-	-	12.5	30.5	32.5	14.5	14.5	7.5
Data support division	-	-	-	-	-	-	-	-	-	5.0
Other business-type	2.0	3.0	3.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
<b>Total</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>	<b>472.0</b>

City of Bend, Oregon

**Operating Indicators by Program**

Last ten fiscal years

<u>Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Public Safety</b>										
Police:										
Physical arrest	4,009	3,666	2,050	4,302	3,841	3,616	3,744	3,843	3,277	3,280
Traffic violations	16,000	8,515	8,472	12,324	9,355	9,563	13,143	10,119	9,975	8,456
Calls for service	57,249	57,079	57,184	58,010	56,168	51,336	55,229	53,973	49,286	48,676
Fire/EMS:										
Fire responses	324	454	1,954	1,880	1,787	1,380	2,110	1,535	1,492	1,671
Ambulance responses	4,614	5,570	5,764	5,842	5,785	6,096	6,649	6,484	6,755	7,292
Inspections conducted	2,995	2,940	3,229	3,382	3,473	2,919	2,298	2,073	1,476	1,385
<b>Public Ways and Facilities</b>										
Streets resurfaced (lane miles)	10.70	13.56	20.07	15.05	11.87	12.90	13.60	39.00	28.00	47.18
Streets cleaned (lane miles)	33,688	32,467	34,573	34,628	36,058	35,850	31,165	29,000	23,111	29,930
Street signs repaired/replaced	2,297	2,479	2,502	2,531	2,426	1,850	559	665	1,216	632
<b>Community and Economic Development</b>										
Permits issued	16,985	17,897	12,174	8,968	5,651	4,443	4,901	5,919	8,894	9,799
Building inspections performed	72,891	79,567	59,407	41,137	22,869	16,262	17,552	20,221	30,775	33,947
<b>Transit (in thousands) (1)</b>										
Total miles	304	353	413	365	318	414	416	-	-	-
Total service hours	unavailable	33	40	40	35	35	36	-	-	-
Total rides	unavailable	108	301	326	354	377	434	-	-	-
<b>Water</b>										
New connections	632	562	998	514	122	107	419	147	377	667
Maximum Day Demand (MDD) (million gallons)	25.60	26.90	26.00	28.50	29.20	27.00	25.60	21.90	22.00	24.80
<b>Water Reclamation</b>										
New connections	681	1,825	1,006	483	208	216	260	373	566	555
Daily average treatment (million gallons)	5.40	5.40	5.80	6.20	5.80	5.55	5.40	5.48	5.39	5.67
Sewer lines cleaned (miles)	57.00	34.30	70.00	75.00	108.50	122.00	105.40	126.70	78.06	94.70
<b>Downtown Parking</b>										
Tickets issued	11,790	10,658	7,243	13,611	13,713	14,506	14,813	11,194	10,378	11,574
Permits issued	5,219	4,689	4,808	5,142	4,823	4,596	5,669	5,004	4,779	5,337

(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

<u>Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Public Safety</b>										
Police:										
Main station	1	1	1	1	1	1	1	1	1	1
Patrol units	21	29	29	29	31	32	37	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)	704	729	736	748	783	825	825	831	1,157	1,157
Streetlights	2,020	2,040	2,051	2,102	2,051	2,051	2,051	2,051	2,051	2,051
Traffic signals (2)	48	57	57	59	60	65	65	65	65	36
<b>Transit</b>										
Buses (3)	25	31	27	27	28	27	32	-	-	-
<b>Airport</b>										
Runway (feet)	5,005	5,005	5,005	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Hangars	14	14	14	14	14	15	15	15	15	15
<b>Water</b>										
Water mains (miles)	400	450	410	445	475	475	455	461	463	466
Reservoirs	13	13	13	15	15	18	16	16	16	16
Wells	16	16	16	16	16	16	23	22	23	23
Fire hydrants	4,345	5,200	4,900	4,945	4,984	5,074	5,061	5,073	5,108	5,168
Total Reservoir Capacity (million gallons)	34.00	34.00	34.00	34.00	34.00	31.00	31.00	31.00	30.35	30.35
Service connections	20,753	21,315	22,313	22,827	22,949	23,056	23,475	23,622	23,999	23,457
<b>Water Reclamation</b>										
Treatment plant	1	1	1	1	1	1	1	1	1	1
Sewerlines (miles)	450	450	450	450	432	424	430	430	412	446
Large pump stations	86	82	92	93	93	88	88	88	88	88
Small pump stations	271	271	271	271	271	324	325	325	326	326
Maximum daily capacity of plant (million gallons)	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Service connections	23,542	25,367	26,373	26,856	27,064	27,280	27,540	27,913	28,479	27,420
<b>Down town Parking</b>										
Parking Garages	-	-	1	1	1	1	1	1	1	1

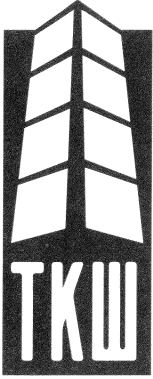
(1) Now includes bike paths and paved shoulders

(2) 2014-Removed state-owned signals from count; 1 City signal installation removed

(3) All transit assets contributed to Central Oregon Intergovernmental Council for the operation of transit services.

**COMPLIANCE SECTION**





Talbot, Korvola  
& Warwick, LLP

Certified Public Accountants  
& Consultants

ACHIEVE MORE

4800 Meadows Road, Suite 200  
Lake Oswego, Oregon 97035-4293

P 503.274.2849  
F 503.274.2853

www.tkw.com

## **INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS**

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, 2014, which collectively comprise of the City's basic financial statements and have issued our report thereon dated December 18, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement 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

**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS (Continued)**

Page 2

**COMPLIANCE (Continued)**

in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporation* except as follows:

The City exceeded appropriation authority as follows:

Police Grant Fund		
Materials and services	\$	26,789
Fire Station Debt Service Fund		
Materials and services		195

The Bridge Creek Pipe Project Fund has a deficit fund balance of (\$7,596,322).

**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. Deficiencies in internal control, if any, were communicated separately.

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, Korola & Warwick, LLP

Lake Oswego, Oregon  
December 18, 2014

**SINGLE AUDIT COMPLIANCE**





Talbot, Korvola  
& Warwick, LLP

Certified Public Accountants  
& Consultants

ACHIEVE MORE

4800 Meadows Road, Suite 200  
Lake Oswego, Oregon 97035-4293

P 503.274.2849  
F 503.274.2853

www.tkw.com

**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**

Honorable Mayor and City Council  
City of Bend, Oregon  
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, Oregon (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 18, 2014.

**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 City'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. 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.



**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)**

**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*.

**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 results of that testing, and not to provide an opinion on the effectiveness of the City'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, Korvels & Warwick, LLP

Lake Oswego, Oregon  
December 18, 2014



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& Warwick, LLP

Certified Public Accountants  
& Consultants

ACHIEVE MORE

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Lake Oswego, Oregon 97035-4293

P 503.274.2849  
F 503.274.2853

www.tkw.com

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Council  
City of Bend, Oregon  
Bend, Oregon

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited the City of Bend, Oregon (the City's) compliance 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, 2014. 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.

**BASIS FOR QUALIFIED OPINION ON CFDA 14.218/CFDA 14.XXX COMMUNITY DEVELOPMENT BLOCK GRANTS ENTITLEMENT GRANTS CLUSTER**

As described in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with the requirements regarding CFDA 14.218/14.XXX Community Development Block Grants Entitlement Grants Cluster, as described in finding 2014-001 for Reporting. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133 (Continued)**

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

**QUALIFIED OPINION ON CFDA 14.218/14.XXX COMMUNITY DEVELOPMENT BLOCK GRANTS  
ENTITLEMENT GRANTS CLUSTER (Continued)**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 CFDA 14.218/14.XXX Community Development Block Grants Entitlement Grants Cluster for the year ended June 30, 2014.

**UNMODIFIED OPINION ON THE OTHER 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 its other major federal program identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2014.

**OTHER MATTERS**

The results of our auditing procedures disclosed no other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

The City's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**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 a material weakness.

*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 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.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133 (Continued)**

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

**REPORT ON INTERNAL CONTROL OVER COMPLIANCE (Continued)**

We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-001 to be a material weakness.

*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.

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

Lake Oswego, Oregon  
December 18, 2014

City of Bend, Oregon  
**Schedule of Expenditures of Federal Awards**  
For the fiscal year ended June 30, 2014

<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>			
Direct			
Federal Aviation Administration			
Airport Improvement Program	20.106	n/a	\$ 57,433
Pass-through			
Highway Safety Cluster			
Oregon Department of Transportation			
State and Community Highway Safety	20.600	SC-14-35-14 aaa /OP-14-45-03 HHH	7,359
State Traffic Safety Information System Improvements Grants	20.610	n/a	100,000
Oregon Association of Chiefs of Police			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	K8-11-12-38	1,338
Drug Recognition Expert	20.601	n/a	733
Total Highway Safety Cluster			<u>109,430</u>
<b>Total Department of Transportation</b>			<b>166,863</b>
<u>Department of Justice</u>			
Direct			
Bureau of Justice Assistance			
Bulletproof Vest Partnership Program	16.607	n/a	5,315
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2013-MO-BX-0022	45,315
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	n/a	26,789
Total JAG Program Cluster			<u>26,789</u>
Pass-through			
Oregon Department of Justice/Deschutes County			
Office of National Drug Crime Prevention - High Intensity			
Drug Traffic Area Grant	95.001	LOA #2007-98	12,201
<b>Total Department of Justice</b>			<b>89,620</b>
<u>Department of Energy</u>			
Direct			
ARRA - Energy Efficiency and Conservation Block Grant			
Program (EECBG) (Recovery Act Funded)	81.128	n/a	36,979
<b>Total Department of Energy</b>			<b>36,979</b>

City of Bend, Oregon

**Schedule of Expenditures of Federal Awards (Continued)**

For the fiscal year ended June 30, 2014

<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 Homeland Security</u>			
Direct			
USDA - Forest Service			
Fire Management Assistance Grant	97.046	n/a	\$ 30,888
Staffing for Adequate Fire and Emergency Response	97.083	n/a	18,151
<b>Total Department of Homeland Security</b>			<b>49,039</b>
<u>Environmental Protection Agency</u>			
Pass-through			
Infrastructure Finance Authority			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	U13001	24,997
State of Oregon Department of Environmental Quality			
Capitalization Grants for Drinking Water State Revolving Funds	66.458	R14512	2,415,248
<b>Total Environmental Protection Agency</b>			<b>2,440,245</b>
<u>Department of Housing and Urban Development</u>			
Direct			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	n/a	374,456
Pass-through			
Oregon Housing and Community Services			
Other Department of Housing and Urban Development Program	14.XXX	n/a	433,819
Total CDBG - Entitlement Grants Cluster			<u>808,276</u>
<b>Total Department of Housing and Urban Development</b>			<b>808,276</b>
<b>Total Federal Expenditures</b>			<b>\$ 3,591,021</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.

City of Bend, Oregon

**Schedule of Expenditures of Federal Awards (Continued)**

For the fiscal year ended June 30, 2014

**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 CFDA Number</u>	<u>Expenditures</u>
Community Development Block Grants/Entitlement Grants	14.218	288,845
		<u>\$ 288,845</u>

**Note 4 - Loans Receivable**

The City had the following gross loan balances from current and prior year federal expenditures outstanding at June 30, 2014:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Loans Receivable</u>
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG) (Recovery Act Funded)	81.128	\$ 204,469
Community Development Block Grants/Entitlement Grants	14.218	1,064,609
ARRA - Neighborhood Stabilization Program (Recovery Act Funded)	14.256	2,272,632
		<u>\$ 3,541,711</u>

**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 CFDA Number</u>	<u>Amount</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 59
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG) (Recovery Act Funded)	81.128	27,315
Community Development Block Grants/Entitlement Grants	14.218	13,315
		<u>\$ 40,689</u>

In addition, the City received \$81,700 from loan repayment of federally funded Neighborhood Stabilization loans that have not yet been lent back out as of June 30, 2014.

**Note 6 - Outstanding Loans**

The City has an outstanding loan balance payable of \$2,595,806 in Oregon Business Development Department Capitalization Grants for Drinking Water State Revolving Funds (Federal CFDA Number 66.468).

The City has an outstanding loan balance payable of \$18,833,534 in State of Oregon Department of Environmental Quality Capitalization Grants for Drinking Water State Revolving Funds (Federal CFDA Number 66.458). The federally funded portion of this loan is \$2,415,248.

CITY OF BEND, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2014

**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 not considered to be material weakness(es)?	No
Noncompliance material to financial statements noted?	No

**Federal Awards:**

Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified not considered to be material weakness(es)?	No
Type of auditor's report issued on compliance for major programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of <i>OMB Circular A-133</i> ?	Yes

Identification of major programs:

<u>CFDA NUMBER(S)</u>	<u>NAME OF PROGRAM OR CLUSTER</u>
14.218/14.XXX 66.458	Community Development Block Grants Entitlement Grants Cluster Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish 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, 2014**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 2014-001**

Federal Program: CFDA 14.218/14.XXX - Community Development Block Grants Entitlement Grants Cluster

Agency: Department of Housing and Urban Development

Award Year: 2013-2014

Criteria: As provided in 2 CFR part 170 as a prime recipient of federal funding, the City is required to comply with requirements of the Federal Funding Accountability and Transparency Act (FFATA), which requires the City to report details of first-tier subcontracts that are greater than \$25,000 no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made or the subcontract award/subcontract modification was made on the FFATA Subaward Reporting System (FSRS).

Condition: The City failed to properly report subawards under the FFATA the last day of the month following the month in which the subaward/subaward amendment obligation was made.

Questioned Costs: Total amount of the three subawards not reported was \$214,629.

Context: Out of a population of three subawards subject to the FFATA the City did not report the subawards through the FSRS.

Cause: The underlying cause appears to result from program management being unaware of FFATA reporting requirements.

Effect: The City was not in compliance with the FFATA.

Recommendation: We recommend management develop and implement policies, procedures and controls to ensure timely reporting of subawards in accordance with the FFATA reporting requirements.

Views of responsible official: The City concurs and is working towards implementing an appropriate system of controls.

**CITY OF BEND, OREGON**

**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2014**

**SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Finding 2013-01**

Federal Program: Neighborhood Stabilization Program (NSP2) – CFDA 14.256

Agency: Department of Housing and Urban Development

Audit Finding: The City appeared to not have evidence indicating appropriate review of environmental performance inspections. 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. The City appeared to not have evidence indicating appropriate review of environmental performance inspections.

Corrective Action Taken: The City implemented a checklist for use by staff in review of loan files prior to payment of grant-funded expenditures to ensure all compliance items are complete and to ensure that all grant expenditures are reimbursable.

**Finding 2013-02**

Federal Program: Staffing for Adequate Fire & Emergency Response (SAFER) (CFDA 97.083)

Federal Agency: Department of Homeland Security

Audit Finding: The City had a cash reimbursement request under the grant which included non-allowable overtime. 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.

Corrective Action Taken: The City educated staff on grant requirements to ensure requests for reimbursement of grant expenditures are thoroughly reviewed for allowable or unallowable costs to ensure that unallowable costs are not charged to the grant and to ensure financial reports are accurate.

**Finding 2013-03**

Federal Program: Staffing for Adequate Fire & Emergency Response (SAFER) (CFDA 97.083)

Federal Agency: Department of Homeland Security

Audit Finding: The City did not have evidence of review over quarterly performance reporting. There should be 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.

Corrective Action Taken: The City educated staff and implemented review processes over performance reporting to ensure appropriate management review, and timely, accurate and complete filing of performance reports.

**CITY OF BEND, OREGON**

**SUMMARY OF PRIOR YEAR AUDIT FINDINGS (Continued)**

**YEAR ENDED JUNE 30, 2014**

**SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)**

**Finding 2013-04**

Federal Program:	Staffing for Adequate Fire & Emergency Response (SAFER) (CFDA 97.083)
Federal Agency:	Department of Homeland Security
Audit Finding:	The City reported incorrect “total expenditures covered by the grant”. There be 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.
Corrective Action Taken:	The City educated staff on grant requirements to ensure requests for reimbursement of grant expenditures are thoroughly reviewed for allowable or unallowable costs to ensure that unallowable costs are not charged to the grant and to ensure financial reports are accurate.