



CITY OF BEND, OREGON



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED
JUNE 30, 2015





CITY OF BEND

CITY OF BEND, OREGON

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015

Prepared by the City of Bend Finance Department

Sharon Wojda, Finance Director

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December 15, 2015

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

CITY OF BEND

The Comprehensive Annual Financial Report (CAFR) of the City of Bend, Oregon (the City) for the fiscal year ended June 30, 2015 is hereby submitted.

This report presents the City's financial position as of June 30, 2015 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.

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.

Talbot, Korvola & Warwick LLP, Certified Public Accountants, has issued an unmodified or "clean" opinion on the City's financial statements for the fiscal year ended June 30, 2015. 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

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 81,310 as of July 2015 (Portland State University's Population Estimates). 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

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MAYOR
Jim Clinton

MAYOR PRO TEM
Sally Russell

CITY COUNCILOR
Nathan Boddie
Barb Campbell
Victor Chudowsky
Doug Knight
Casey Roats

CITY MANAGER
Eric King

Manager along with two Assistant City Managers are responsible for the administration of the City and manages a staff of 14 department heads with approximately 550 full-time equivalent employees (FTE).

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

In addition to the above general government activities, the City has an urban renewal agency. The Bend urban renewal agency (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 microbreweries. Over the last 15 years, Bend experienced a large influx of new residents drawn by the lifestyle. Population grew significantly as a result of this influx, by 60.5% from 2000 to 2015 (50,650 in 2000 to 81,310 as of July 2015). 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. Fortunately, the housing market began improving in the region in 2012 and 2014-15 saw significant increases in development and housing permits, with 1,192 new housing permits issued, the highest number since 2007. The local housing market is also seeing rapidly increasing home prices. Affordable housing is a significant challenge for home buyers in the area with rent vacancy rates of approximately 1.04% as of March 2015 (Economic Development for Central Oregon (EDCO) 2015 Central Oregon Profile) and home prices and monthly rent increasing by 7.8% and 10% respectively in 2014. Longer term, in-migration will continue to drive the growth in Bend.

During fiscal year 2014-15, unemployment improved from 8.1% as of June 2014 to 6.2% as of June 2015. 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, including microbreweries, are continuing to expand.

Long-Term Financial Planning

With the economic recovery described above, the area is seeing significant growth and the City has hired additional staff to meet the growing workload. Staffing reached pre-recession levels in this fiscal year from a low of approximately 440 FTE in 2010 to 550 FTE at June 30, 2015. The greatest staffing increases have been in public safety, building, planning, and engineering. Projected staffing is anticipated to reach 590 by the end of the 2015-17 biennium.

The City recently adjusted how water and sewer bills are calculated. The City's long-term twenty year utility rate models were updated through this "rate modernization project" which aimed to create an incentive to conserve water 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.

In 2014-15 the City entered into several short term and long term financings including loans for water, the City's enterprise resource planning (ERP) system, fire engine replacements and a contribution to the BURA Murphy Crossing project. Long term funding solutions are still needed for 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 need to address street funding heightened in this fiscal year as street conditions continued to decline due to several years of street maintenance deferral brought on by lack of funding during the economic downturn. The City responded by creating a Street Maintenance Funding Committee tasked with providing recommendations to Council on street maintenance funding solutions. The committee expressed a preference for a fuel tax, and Council adopted a resolution to put a \$0.05 fuel tax on the March 2016 ballot. Per the City's Charter, any tax must be approved by a majority of voters.

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 and discuss funding issues to ensure the long term financial stability of the City.

Major Initiatives

The City anticipates continued growth in population and real estate development with the Oregon State University 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.

The City Council's top goals and priorities in the coming years include improving the transportation system, managing growth, neighborhood livability, economic health and diversification and protecting natural resources to sustain Bend's quality of life. 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 as well as achieve the Council's goals and vision for the future.

Urban Growth Boundary (UGB) – The City is working with a team of planning experts and advisors to address requirements of a "Remand" of the City's previously proposed UGB expansion. This is a two-year process that addresses a variety of specific technical issues and planning requirements established by the Oregon Land Conservation and Development Commission (LCDC) in the Remand. In June 2015, the Bend Urban Growth Boundary Steering Committee (USC) approved three UGB expansion scenarios for further evaluation. The three

scenarios and the supplemental analysis areas will be evaluated based the following factors, which are legally required by the State of Oregon's Land Use Planning: Efficient accommodation of identified land needs, orderly and economic provision of public facilities and services, comparative environmental, social, economic and energy consequences, and compatibility of proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB. The project team will present the results of the scenario evaluations and supplemental analysis to the Boundary Technical Advisory Committee (TAC) and other community members in the fall of 2015.

Street Funding – An increasing number of the City's roads are in need of repair brought on by years of inadequate street construction standards, rural to urban roads, deferred maintenance and significant increases in material costs. An estimated \$80 million is required to achieve and maintain a "good" pavement condition index (PCI). This is the minimum desired rating since maintenance costs increase exponentially once the PCI falls below 70%. An adequately funded maintenance program would require an additional \$7 million annually to maintain roads at the level to maximize road life and minimize future costs. In August 2015, City Council approved a resolution to establish a temporary committee to evaluate and recommend street funding options. The 13 member subcommittee began meeting weekly in September 2015. The subcommittee was tasked with gathering information about revenue sources and requirements to achieve City's street maintenance goals. Scenarios reviewed included: (1) No additional funding; (2) Sufficient funding to maintain the desired (PCI); and (3) Identify what level of sustainable funding is necessary to improve PCI to the desired level. An analysis of these options by the Committee was presented and accepted by Council in early November, which suggested additional allocation of City General Fund resources, a phasing in of repairs to residential street repairs, and a preference for a local fuel tax to improve the overall street conditions by 5 PCI points in 5 years.

Short Term Rentals (STR) – During 2014–15 STRs and their impact on neighborhood livability became a significant focus within the City. In November 2014, City Council appointed 24 individuals from the community to the Vacation Home Rental Task force to develop recommendations for a regulatory approach to STRs to accomplish the goal of protecting livability in Bend. Through a series of public hearings and committee meetings the committee recommended and Council approved code changes and new regulations governing STR's including an annual licensing program, additional land use permit requirements, density restrictions and good neighbor guidelines. In April 2015 Council adopted the STR code amendments and new licensing code. The new program was fully implemented in October 2015.

Bridge Creek Intake, Pipeline, and Water Treatment Project – The City is reconstructing the existing Bridge Creek Intake Structure, has replaced two aging pipelines of ten miles each that transport water from its surface water source to the City's Outback site, and is completing installation of 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. Construction of the new pipeline between the Bridge Creek Intake Structure and the Outback facility is complete. Final commissioning and startup of the water treatment facility at Outback will be complete in January 2016. Final construction and completion of the Bridge Creek Intake Structure is expected in early summer 2016.

Secondary Treatment Expansion Project – Construction of the Secondary Treatment Expansion Project which provides additional treatment capacity at the Water Reclamation Facility began in April of 2013. 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 80% complete. The current anticipated final completion date is July 2016.

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 has updated its Collection System Master Plan (CSMP) to address both short term and long term sewer solutions. This was a collaborative effort between City staff and the Sewer Infrastructure Advisory Group (SIAG), an 18 member citizen volunteer committee. Three near-term solutions were identified for immediate implementation. They include the South East Interceptor, North Area Capacity Improvements, and Colorado Pump Station / Force Main projects. Other projects

identified in the CSMP include the Valhalla Odor Control and Sewer Relocation project, the Plant Interceptor Rehabilitation project and the Condition-Related Life Station Improvements. All of these projects are expected to be completed by the end of calendar year 2017.

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 21 cents per \$1,000 of assessed value. During fiscal year 2012-13 three roundabouts at Empire & 18th, Simpson & Mt. Washington, and Powers & Brookwood were completed. During fiscal year 2013-14 Reed Market from Newberry to 27th was completed. The roundabout at 15th and Reed Market was completed in November 2014. Construction on the remainder of Reed Market from 3rd to 15th is currently underway and is scheduled to be completed by the end of calendar year 2015. Additional projects anticipated for next year include: Construction of the Murphy Road and Parrell Road Roundabout which is the final phase of the Murphy Overcrossing Project and increases vehicle and pedestrian safety at one of the highest crash rate intersections in the City; and the design and construction of the 14th Street: Simpson to Galveston which includes multi-modal and safety improvements along the primary north-south route on the west side of the City.

Airport Development – The City will begin construction on the helicopter operations area during fiscal year 2015-16. The Federal Aviation Administration (FAA) funded Environmental Assessment (EA) for the Helicopter operations area has been completed and the associated update to the Fly Friendly program now includes a traffic pattern change and is in the process of being finalized. The Airport applied for a grant from FAA who has provided a letter of intent to fund the final planning, engineering and construction of the Helicopter Operations Area. An FAA funded Wildlife Hazard Assessment and Wildlife Hazard Management Plan proposal is currently out to bid and once the successful bidder is selected that project will begin. County Implementation of the Airport Master Plan was submitted in October 2015.

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 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 and also completed access to fixed route bus stops currently administered by Central Oregon Intergovernmental Council (COIC). In July 2014, the DOJ closed its files on the City's 2004 Project Civic Access Settlement Agreement as the City had satisfied the terms of the Settlement Agreement. The City 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. 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.

Current ADA improvement construction projects included the South 3rd Street Pedestrian Improvement Project and the Summit Drive ADA ramp improvements. These projects include installation and rehabilitation of sidewalks, ADA compliant curb ramps and ADA compliant bus stops to meet accessibility requirements.

Transit Expansion – The City transferred operations of a fixed route and on demand transit system to the Central Oregon Intergovernmental Council (COIC) in 2010. In 2015, the fixed route system was expanded through a partnership with the City of Bend, Oregon State University-Cascades, Central Oregon Community College, and St. Charles Medical Center. Through this partnership, each of these organizations provided a three year funding commitment that resulted in the creation of two additional routes, extended hours and more frequent service. Additionally, the City extended its intergovernmental agreement with COIC to cover this additional 3-year commitment, with the ultimate need and goal of establishing a more sustainable funding source for transit in Bend and in the Central Oregon region.

Enterprise Resource Planning (ERP) - The City is in the midst of a major project to replace its financial and human resources business process software from the current 25 year old system to a modern system to improve efficiency and effectiveness. The project is expected to be completed summer 2018.

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, 2015. 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, 2014. 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 22 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 has also received the Distinguished Budget Presentation Award for its biennial budget document from the GFOA for 15 years. 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. The City submitted its 2015-17 biennial budget to GFOA in September 2015 and we believe that budget document will continue to meet the Certificate of Achievements Program's requirements.

Acknowledgments – We wish to thank everyone who contributed to the preparation of this report with special thanks to Heidi Faller, James Wood, Dillon Jenkins and Rose Schaefer, 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Bend
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

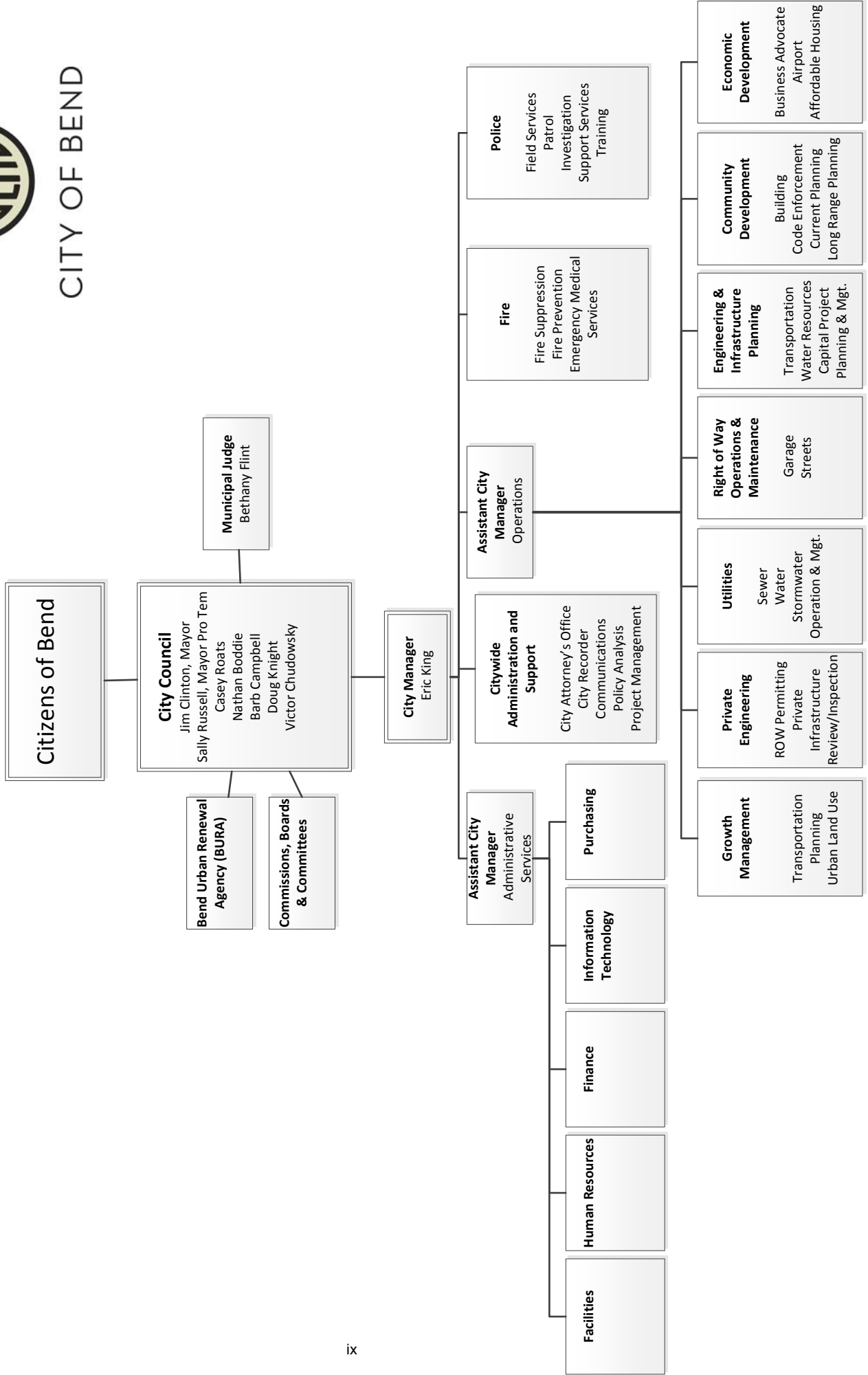
Executive Director/CEO

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Organization Chart



CITY OF BEND



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THE CITY OF BEND, OREGON

City Officials as of June 30, 2015

Mayor

Jim Clinton

Mayor Pro-Tem

Sally Russell

Council Members

Term Expiration

Barb Campbell
Victor Chudowsky
Doug Knight
Casey Roats
Nathan Boddie

December 2018
December 2016
December 2016
December 2018
December 2018

City Manager

Eric King

Finance Director

Sharon Wojda

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Talbot, Korvola
& Warwick, LLP

Certified Public Accountants
& Consultants

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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, 2015, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, 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

EMPHASIS OF MATTERS

As discussed in Note 1 to the financial statements, the City adopted the accounting requirements of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, which resulted in the restatement of previously reported amounts for the year ended June 30, 2014. Our opinions are not modified with respect to this matter.

As discussed in Note 15 to the financial statements, changes in benefit terms of the Oregon Public Employees Retirement System resulting from the April 30, 2015 Oregon Supreme Court decision are not reflected in the December 31, 2012 actuarial valuation used to measure pension amounts as of and for the fiscal year ended June 30, 2015.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Funding Progress, Schedule of City's Proportionate Share of Net Pension (Asset)/Liability, Schedule of Pension Plan Contributions, and Notes to Required Supplementary Information, 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.

Accounting principles generally accepted in the United States require that the budgetary comparison information for the General Fund and major special revenue funds, as listed in the Table of Contents as Required Supplementary Information, be presented to supplement the basic financial statements. Such information, although not 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. The required budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as 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*, and Other Supplementary Information, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

OTHER MATTERS (CONTINUED)

Other Information (Continued)

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

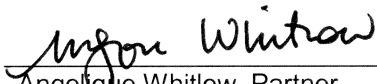
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 15, 2015, 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: 

Angelle Whitlow, Partner

Lake Oswego, Oregon
December 15, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2015

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, 2015. 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 and deferred outflows of resources totaled \$1.091 billion at fiscal year-end and consisted of \$910.4 million in capital assets, \$134.1 million in cash and investments, \$34.6 million in receivables, prepaid expenses and other assets, \$8.5 million in net pension assets, and a deferred outflow related to pensions of \$3.8 million. Total assets increased by \$89.7 million due mainly to an increase in investments in capital assets of \$61.1 million, an increase in cash and investments of \$21.2 million, an increase in accounts receivable of \$1.4 million, an increase in the net pension asset of \$8.5 million, offset by a decrease in amounts due from other governments, other assets, and assessments, loans, and notes receivable of \$2.5 million.
- The City's liabilities and deferred inflows totaled \$224.8 million at fiscal year-end and consisted of \$183.2 million in long-term debt, \$25.1 million in accounts payable and other liabilities, and \$16.5 million in deferred inflows from pensions. Total liabilities increased by \$29.3 million from the prior year due mainly to an increase in long term debt of \$23.4 million, and an increase in accounts payable of \$2.8 million. Total deferred inflows of resources increased \$16.5 million related to pensions.
- Net position (assets and deferred outflows minus liabilities and deferred inflows) was \$866.6 million at fiscal year-end. Net position consisted of net investment in capital assets of \$771.6 million, unrestricted net position of \$64.0 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 \$72.5 million in direct program and \$6.1 million in transfers. These activities were funded by \$25.6 million in charges for services, \$27.6 million in grants and contributions and \$45.0 million of general revenues from property and room taxes, franchise fees, and investments. This resulted in a current year increase of net position of \$19.6 million. In addition, net position was reduced \$18.2 million for the effect of a change in accounting principle related to the implementation of Government Accounting Standards Board Statement No. 68 (GASB 68) and a prior period adjustment related to the accrual of other post-employment benefits (OPEB) liability, as described in Note 19.
- Expenses for business-type activities totaled \$31.0 million in direct program. These activities were funded by \$42.5 million of charges for services, \$6.5 million in grants and contributions and \$6.4 million of general revenues from investment income and transfers. This resulted in a current year increase in net position of \$24.4 million compared to the prior fiscal year. In addition, net position was reduced by the \$1.7 million for the effect of a change in accounting principle related to the implementation of GASB 68, and a prior period adjustment related to the accrual of OPEB, as described in Note 19.
- The City's general revenues of \$45.3 million for the year consisted of \$30.2 million in property taxes, \$7.8 million in franchise fees, \$6.4 million of transient room taxes, and \$0.9 million of investment income.

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, and OPEB and OPERS schedules.
 - 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 compliance section.

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 and deferred inflows of the City (including infrastructure) as well as all liabilities and deferred outflows (including long-term debt). Net Position is the difference between assets and deferred inflows and liabilities and deferred outflows, 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)

1. Government-wide Financial Statements (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, growth management, community development block grant, affordable housing, tourist promotion, and economic improvement district activities.
- *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

The government-wide financial statements can be found on pages 21-23 of this report.

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.

The basic governmental fund financial statements can be found on pages 24-33 of this report.

Management's Discussion and Analysis (Continued)

2. Fund Financial Statements (Continued)

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.

The basic proprietary fund financial statements can be found on pages 34-39 of this report.

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 the costs of the City's central services to all operating departments. 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, and 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 City. 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's only fiduciary fund is to collect and pass-through park SDC's for Bend Park and Recreation District. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 40 of this report.

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, liabilities, and deferred inflows/outflows are included in the notes, which should be read in conjunction with the basic financial statements. The notes to the financial statements can be found on pages 41-76 of this report.

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

As previously mentioned, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$866.6 million at June 30, 2015. 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	
	2015	2014 *	2015	2014 *	2015	2014
Current and other assets	\$ 114.3	\$ 99.6	\$ 63.0	\$ 49.2	\$ 177.3	\$ 148.8
Capital assets, net	518.2	513.7	392.2	335.5	910.4	849.2
Total assets	<u>632.5</u>	<u>613.3</u>	<u>455.2</u>	<u>384.7</u>	<u>1,087.7</u>	<u>998.0</u>
Deferred outflows from pensions	3.2	3.2	0.5	0.5	3.7	3.7
Total deferred outflows of resources	<u>3.2</u>	<u>3.2</u>	<u>0.5</u>	<u>0.5</u>	<u>3.7</u>	<u>3.7</u>
Long-term debt	83.3	98.5	99.9	61.3	183.2	159.8
Other liabilities	12.7	12.0	12.4	7.2	25.1	19.2
Total liabilities	<u>96.0</u>	<u>110.5</u>	<u>112.3</u>	<u>68.5</u>	<u>208.3</u>	<u>179.0</u>
Deferred inflows from pensions	14.1	-	2.4	-	16.5	-
Total deferred inflows of resources	<u>14.1</u>	<u>-</u>	<u>2.4</u>	<u>-</u>	<u>16.5</u>	<u>-</u>
Net position						
Net investment in capital assets	477.8	472.3	293.8	278.9	771.6	751.1
Restricted	29.3	29.7	1.7	1.3	31.0	31.0
Unrestricted	18.4	4.1	45.7	36.6	64.0	40.6
Total net position	<u>\$ 525.5</u>	<u>\$ 506.0</u>	<u>\$ 341.1</u>	<u>\$ 316.7</u>	<u>\$ 866.6</u>	<u>\$ 822.7</u>

* As restated (See Note 19)

Actual amounts may vary due to rounding

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 \$43.9 million from the prior year. The prior period adjustment was a decrease of \$19.9 million which accounted for recording the GASB 68 net pension asset, deferred outflows and inflows from pensions, and restating the actuarially determined OPEB liability.

Capital assets increased \$61.1 million as a result of extensive work on the City's water and water reclamation infrastructure as discussed on page 17. Restricted and unrestricted cash and investments increased \$21.2 million in large part due to issuing debt in the Water Fund. Due from other governments is primarily a receivable from the State of Oregon related to the Department of Environmental Quality loans. This amount decreased \$2.2 million from the prior fiscal year due to the timing of reimbursement requests on these loans.

Management's Discussion and Analysis (Continued)

Analysis of Net Position (Continued)

Long-term debt increased by \$23.4 million as discussed in further detail in the debt administration section. Accounts payable increased \$2.8 million, other liabilities and deposits increased \$0.4 million, and due to developers and unearned revenue decreased \$0.4 million. Total deferred outflows increased \$16.5 million related to pensions.

The City applied new pension reporting standards to the financial statements for FY 2015 as required by GASB 68. The GASB 68 statement dramatically affected the government-wide statements resulting in a large prior period adjustment and affected the categories of pension expense, deferred inflows and outflows of resources and assets. Due to the calculations required by the statement on the part of the actuaries for the state retirement system, the City's share of the collective net pension expense was a negative number and the City's share of the collective net pension liability was actually a pension asset.

Further discussion of the implementation of GASB 68 can be found later in this discussion and in the footnotes to the financial statements.

Management's Discussion and Analysis (Continued)

Analysis of Changes in Net Position

Changes in Net Position						
(in millions)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	FY14-15	FY13-14	FY14-15	FY13-14	FY14-15	FY13-14
Revenues						
Program revenues:						
Charges for services	\$ 25.6	\$ 23.6	\$ 42.5	\$ 40.0	\$ 68.1	\$ 63.6
Operating grants & contributions	12.0	13.0	-	-	12.0	13.0
Capital grants & contributions	15.7	12.7	6.5	3.8	22.2	16.5
General revenues:						
Taxes	36.6	31.5	-	-	36.6	31.5
Franchise fees	7.8	7.6	-	-	7.8	7.6
Gain on sale of capital assets	-	-	-	-	-	-
Investment income	0.6	0.7	0.2	0.3	0.8	1.0
Total revenues	98.2	89.1	49.3	44.1	147.5	133.2
Expenses						
Governmental Activities:						
General government	17.2	17.4	-	-	17.2	17.4
Public safety	26.3	30.9	-	-	26.3	30.9
Public ways and facilities	19.5	19.7	-	-	19.5	19.7
Community & economic development	7.2	8.7	-	-	7.2	8.7
Permanent maintenance	-	0.1	-	-	-	0.1
Urban renewal	-	0.1	-	-	-	0.1
Interest on long-term debt	2.2	2.3	-	-	2.2	2.3
Business-type activities:						
Water	-	-	12.8	14.0	12.8	14.0
Water reclamation	-	-	13.2	14.4	13.2	14.4
Airport	-	-	1.3	1.2	1.3	1.2
Cemetery	-	-	0.1	0.1	0.1	0.1
Downtown parking	-	-	0.9	0.9	0.9	0.9
Stormwater	-	-	2.7	2.9	2.7	2.9
Total expenses	72.5	79.2	31.0	33.5	103.5	112.7
Revenues over expenses	25.7	9.9	18.3	10.6	44.0	20.5
Transfers	(6.1)	(5.2)	6.1	5.2	-	-
Change in net position	19.6	4.7	24.4	15.8	44.0	20.5
Net position, beginning	506.0	519.5	316.7	302.6	822.7	822.1
Prior period adjustment	-	(18.2)	-	(1.7)	-	(19.9)
Net position, ending	\$ 525.5	\$ 506.0	\$ 341.1	\$ 316.7	\$ 866.6	\$ 822.7

* Actual amount is too small to report

Management’s Discussion and Analysis (Continued)

Government-wide Activities

Total revenues from governmental activities increased by \$9.2 million from the prior year. Program revenues increased by \$3.9 million. This increase is mainly due to increased charges for services of \$2.0 million primarily due to public safety, increased building permit charges and planning fees. Capital and operating grants and contributions increased \$1.9 million due mainly to an increase in public ways and facilities. Specifically, the public ways and facilities increase is caused, in part, by increased contributions from developers. Developer contributions arise when a developer, working with the City’s Engineering Department, installs agreed upon infrastructure to mitigate the impact the development will have on the existing area and then contributes those assets to the City. Taxes, franchise fees, and investment income increased \$5.2 million. On June 2014, the transient room tax rate increased 1.0%. This rate increase, in conjunction with record levels of nightly rentals, resulted in \$1.7 million of revenue growth. Property taxes increased \$3.4 million primarily due to the 2014 voter approved Fire District Levy.

Governmental expenses decreased by \$6.6 million mainly due to decreases across the board in general government, public safety, public ways and facilities, community and economic development, and urban renewal.

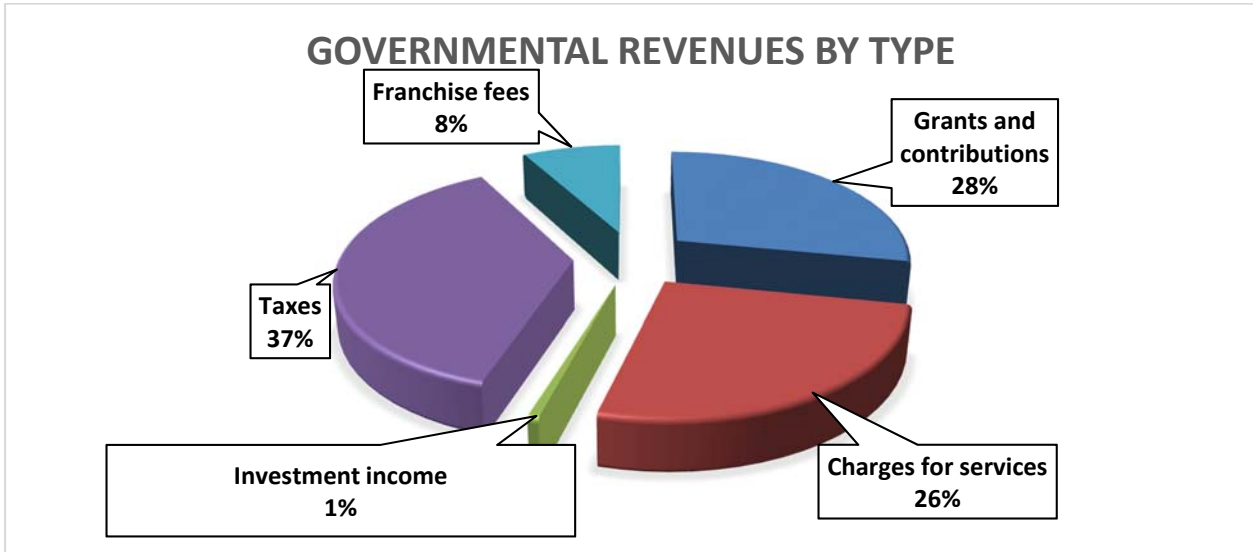
Total revenues from business-type activities increased by \$5.2 million from the prior year. Increases in charges for services of \$2.5 million are due to higher water reclamation rates (9.0%) and water rates (5.0%). Capital grants and contributions increased by \$2.7 million, offset by a slight decrease in investment income.

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

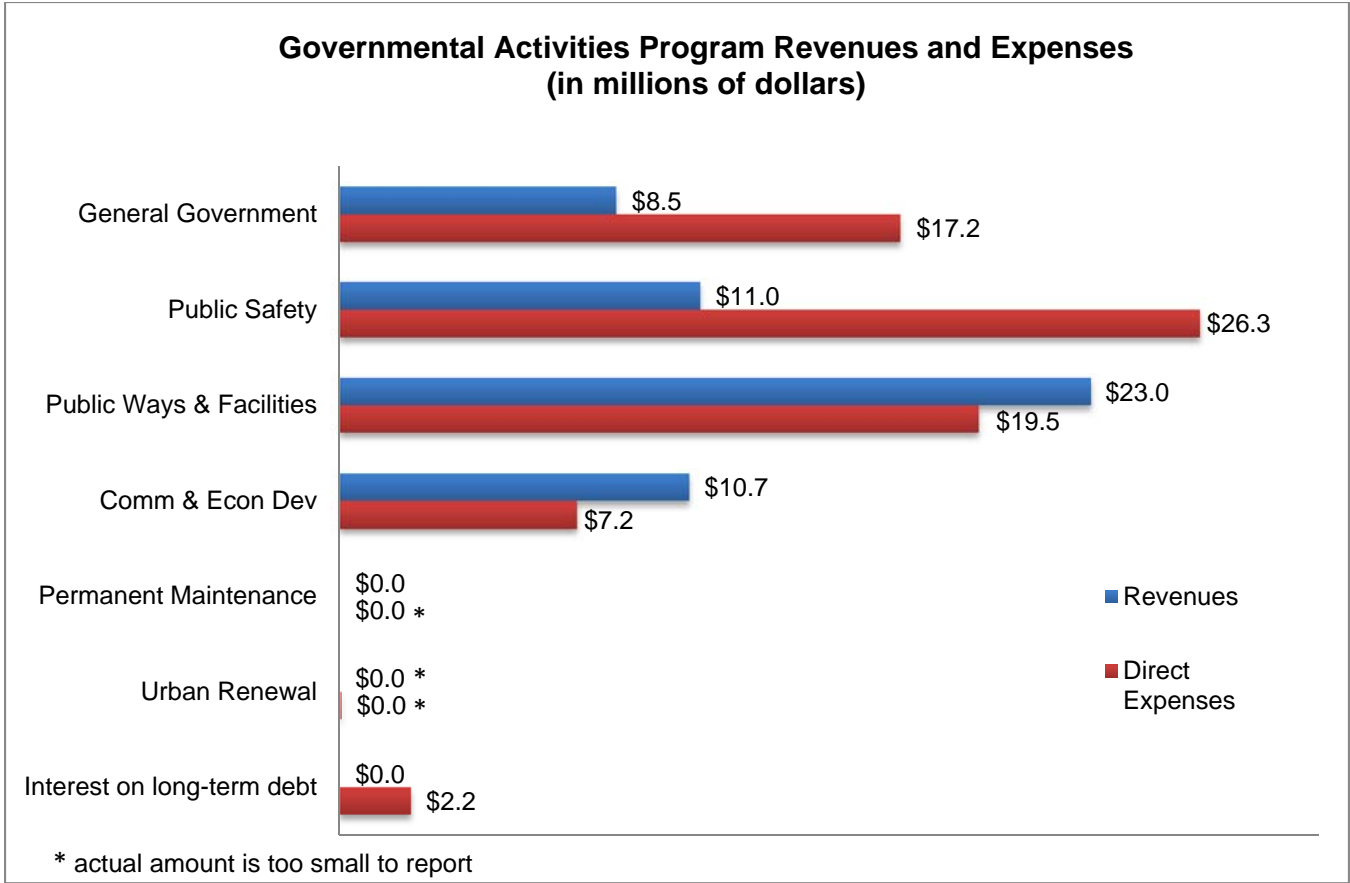
Overall, total net position for the City increased by \$43.9 million due to decreased personnel expenses related to GASB 68, and increased charges for services and capital grants and contributions. The largest change came from the application of GASB 68 to the FY 2015 report. Pension payments to the state retirement system the City made during FY 2015 of \$3.8 million were backed out of expense on the statement of activities, and recorded instead as a deferred outflow. This amount was then replaced in the statement of activities with a negative expense of \$7.5 million. The negative expense number is the City’s share of the collective net pension expense given to the City from the Pension system’s actuary for FY 2013, rolled forward to June 30, 2014, as required by GASB 68. These two adjustments to expense account for \$11.3 million of the increase in net position.

Governmental Activities

As previously mentioned, governmental revenues consisted of taxes of \$36.6 million, operating and capital grants and contributions of \$27.6 million, charges for services of \$25.6 million, franchise fees of \$7.8 million, and \$0.6 million of investment income.



Management’s Discussion and Analysis (Continued)



Property taxes increased by \$3.4 million (13.0%) from the prior year due to an increase in property tax assessed values and an additional assessment for the Fire District Levy. Charges for services increased by \$2.0 million (11.0%) from the prior year due to increased activity in general government, public safety, and community development revenues. Grants and contributions increased by \$1.9 million (7.7%) from the prior year due to increased grant revenues from public safety, and public ways and facilities.

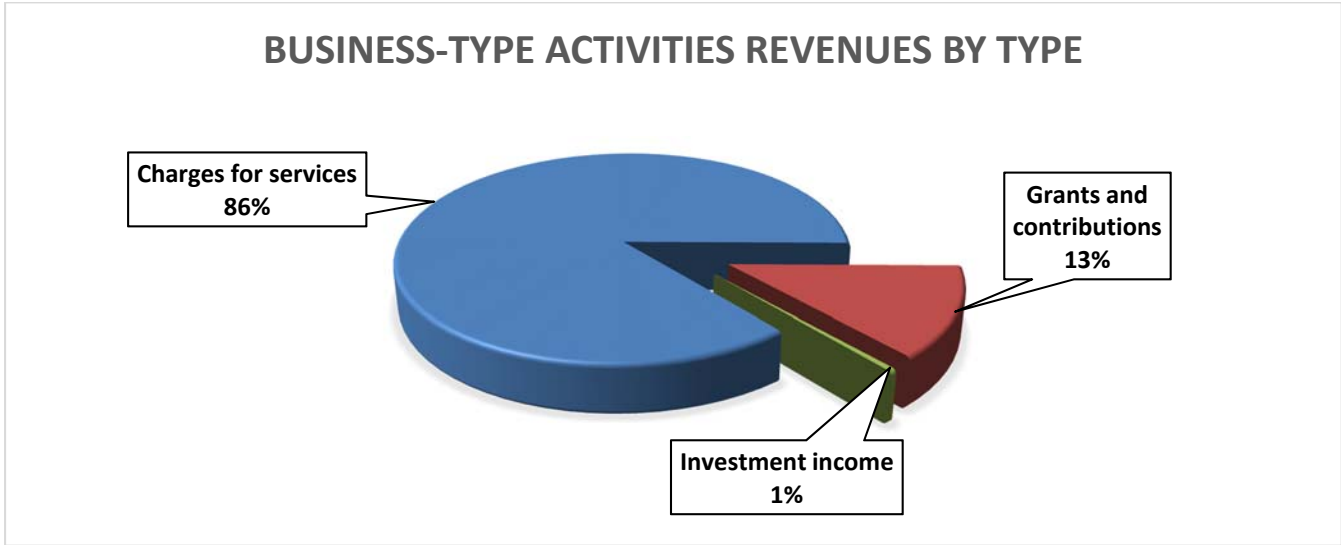
As discussed earlier, the City’s governmental activities are categorized into the following programs: public safety; public ways and facilities; community and economic development; permanent maintenance; and urban renewal. General government activities are activities not categorized in any of the programs 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 chart above compares the revenues, not including any subsidies from the general fund, 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)

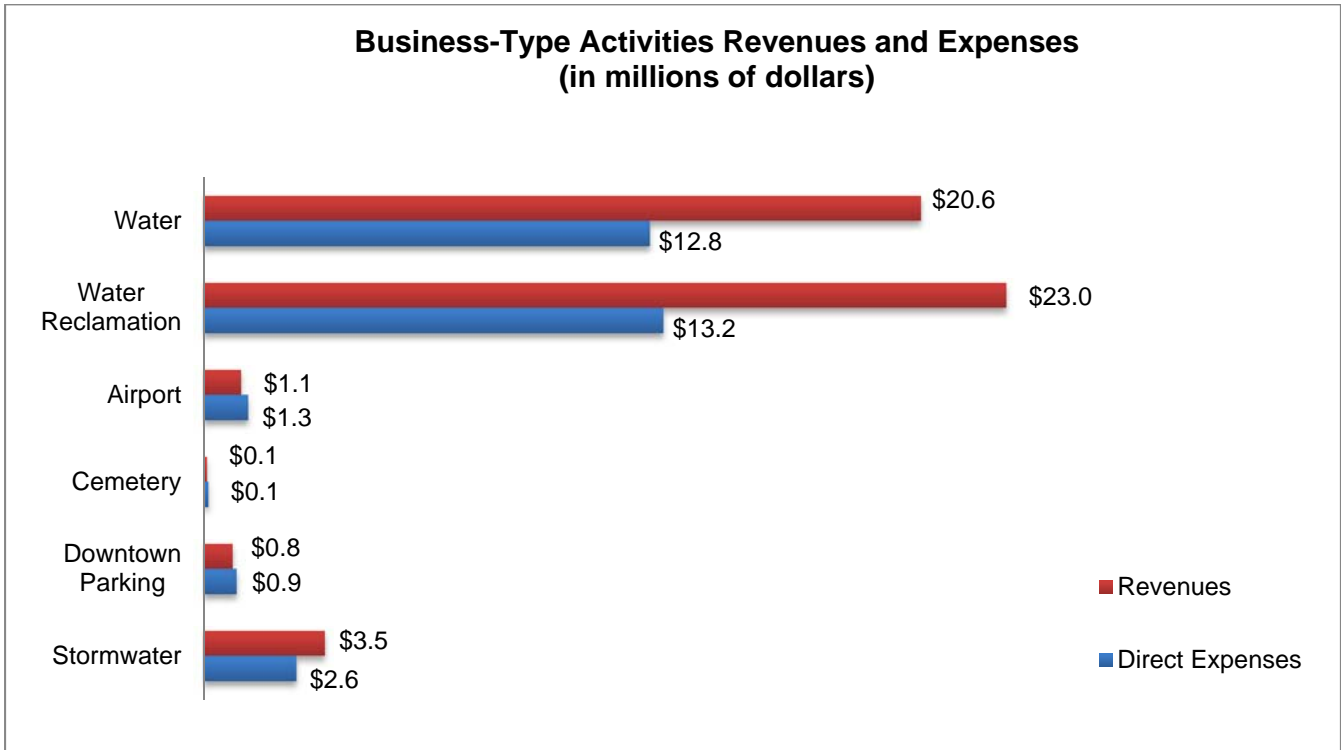
Business-Type Activities

Business-type revenues consisted of charges for services of \$42.5 million, grants and contributions of \$6.5 million and \$0.2 million of investment income.



Charges for services accounted for 86% of total business-type revenue in fiscal year 2014-15 compared to 90.7% in fiscal year 2013-14. This shift resulted from an increase in capital grants and contributions of \$2.7 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.



Management's Discussion and Analysis (Continued)

Business-Type Activities (Continued)

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 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. Stormwater operations are funded by a monthly customer fee 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 \$74.2 million which is an increase of \$7.7 million from the prior fiscal year. This increase is due mainly to the increased program revenues for fire and medical services and system development charges, combined with the prior period adjustment related to OPEB liability.

Of the combined ending fund balance of \$74.2 million, \$5.2 million was nonspendable related to the asset held for resale and the Cemetery Permanent Maintenance Fund; \$28.7 million was restricted by creditors, grantors or by law; \$8.9 million was committed to specific purposes through council resolution or ordinance; \$21.0 million was assigned by intent of the City to a specific purpose; and \$10.4 million, was unassigned and available for spending by the City within the purposes specified for the City's funds.

The General Fund is the primary operating fund of the City. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$10.8 million, down \$0.3 million (2.5%) from the previous year. The unassigned fund balance represents 27.2% 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 \$0.3 million due primarily to subsidies from the general fund. The Fire/EMS fund balance increased by \$1.5 million due to increased revenue from a property tax local option levy and transient room taxes. The SDC Fund balance increased by \$1.7 million due to increased SDC fees being collected from developers for new construction. The CDBG fund balance increased by \$0.4 million due to increased loan repayments. The Transportation Construction Fund balance increased by \$0.9 million due primarily to a decrease in capital outlay expenditures.

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. The City's two major proprietary funds are the Water Fund, and the Water Reclamation Fund.

Unrestricted net position of the Water Fund and Water Reclamation Fund at the end of the year amounted to \$10.8 million and \$29.5 million, respectively. The growth in unrestricted net position of the Water Fund and the Water Reclamation Fund was \$3.8 million and \$4.4 million respectively, reflecting the implementation of rate increases, debt issuances, and the prior period adjustments related to GASB 68, and OPEB. In the Water Fund, system development charges generated \$2.9 million of revenue and developer contributed infrastructure totaled \$2.8 million. In the Water Reclamation Fund, system development charges generated \$3.1 million of revenue and developer contributed infrastructure totaled \$2.5 million.

System development charges are received in the System Development Charges Fund (a major governmental fund) and transferred to the Water and Water Reclamation Funds as qualifying expenses are incurred. Revenues from system development charges increased in both the Water and Water Reclamation Funds by 19.2% and 37.8% respectively in fiscal year 2015-16 over fiscal year 2014-15.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

During the biennium budget, General Fund budgeted revenues were increased by \$2.5 million for additional property tax levied, changes in charges for services, increased transient room tax collections due to a rate increase and increased tourism activity, and unanticipated grant revenues. Budgeted expenditures were increased by \$1.5 million for public safety, expected additional expenditures related to the Urban Growth Boundary and the growth management program, and right of way expenditures.

Management's Discussion and Analysis (Continued)

CAPITAL ASSETS

As of June 30, 2015 the City had invested \$910.4 million in capital assets, net of depreciation, as reflected in the following table. This represents a net increase (additions, disposals and depreciation) of \$61.2 million. Governmental capital assets totaled \$518.2 million while business-type capital assets totaled \$392.2 million.

Capital Assets as of June 30th

(in millions, net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land including right-of-way	\$ 152.8	\$ 152.8	\$ 6.9	\$ 6.9	\$ 159.7	\$ 159.7
Land use rights	-	-	1.3	1.1	1.3	1.1
Artwork	0.7	0.7	-	-	0.7	0.7
Buildings and improvements	15.8	16.5	17.3	17.8	33.1	34.3
Infrastructure	324.7	330.1	235.4	234.0	560.1	564.1
Equipment	2.6	2.6	2.3	2.5	4.9	5.1
Vehicles	3.6	3.4	0.8	0.7	4.4	4.1
Software	0.2	0.4	-	0.1	0.2	0.5
Construction in progress	17.8	7.2	128.2	72.4	146.0	79.6
	<u>\$ 518.2</u>	<u>\$ 513.7</u>	<u>\$ 392.2</u>	<u>\$ 335.5</u>	<u>\$ 910.4</u>	<u>\$ 849.2</u>

Major construction projects affecting capital assets for fiscal year 2014-15 are as follows:

- Street Construction - Construction of various street improvements added \$2.2 million to capital assets. Major projects primarily included street maintenance improvements of \$2.1 million and other street construction and safety projects of \$0.1 million. Developer constructed infrastructure contributed to the City totaled \$3.5 million in the current year.
- Water Improvements - Improvements to the City's water system added \$0.7 million to capital assets. Projects included the Reed Market waterline project of \$0.4 million, and other minor projects of \$0.3 million. Developer constructed infrastructure contributed to the City totaled \$2.8 million in the current year.
- Water Reclamation Improvements - Improvements to the water reclamation system added \$0.8 million to capital assets. Major projects included the Yeoman interceptor rehabilitation project of \$0.4 million, water reclamation facility HVAC system project of \$0.2 million, and other water reclamation projects of \$0.2 million. Developer constructed infrastructure totaled \$2.5 million.
- Stormwater Improvements - Improvements to the City's stormwater system added \$0.4 million to capital assets. Projects included the master plan of \$0.3 million and the 3rd Street underpass project of \$0.1 million. Developer constructed infrastructure contributed to the City totaled \$0.9 million in the current year.

Please refer to Note 5 on pages 52-55 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:

Outstanding Debt as of June 30th
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Full faith & credit obligations	\$ 67.1	\$ 64.8	\$ 14.9	\$ 15.9	\$ 82.0	\$ 80.7
Revenue bonds	-	-	11.5	12.6	11.5	12.6
Notes payable	-	3.5	41.8	28.0	41.8	31.5
Line of credit	0.4	-	30.0	-	30.4	-
	<u>67.5</u>	<u>68.3</u>	<u>98.2</u>	<u>56.5</u>	<u>165.7</u>	<u>124.8</u>
Unamortized premiums & discounts	<u>1.8</u>	<u>1.9</u>	<u>0.2</u>	<u>0.2</u>	<u>2.0</u>	<u>2.1</u>
Total Outstanding Debt	<u>\$ 69.3</u>	<u>\$ 70.2</u>	<u>\$ 98.4</u>	<u>\$ 56.7</u>	<u>\$ 167.7</u>	<u>\$ 126.9</u>

As of June 30, 2015, the City had \$167.7 million in long-term debt and unamortized premiums and discounts, an increase of \$40.8 million from the prior year. The City has an unamortized balance of premiums and discounts on long-term debt issuances of \$2.0 million that are amortized over the life of the associated debt.

The City has \$82.0 million of full faith & credit obligations outstanding for street improvements (\$36.7 million), water and sewer improvements (\$14.4 million), pension obligation (\$12.4 million), fire and police stations (\$8.9 million), infrastructure improvements in the Juniper Ridge Urban Renewal Area (\$3.2 million), transportation improvements in the Murphy Crossing Urban Renewal Area (\$2.9 million), street and fire equipment (\$1.6 million), land acquired (\$1.4 million), and airport improvements (\$0.5 million). The street improvement bonds are serviced by transportation development charges and property taxes, the water and sewer improvement bonds are serviced by charges for services. The pension obligation bonds are serviced by property taxes and other revenues of the City, and the fire and police station bonds are serviced by property taxes and other discretionary revenues. The Juniper Ridge and Murphy Crossing Urban Renewal Area debt is serviced by property taxes revenue, and the equipment bonds are repaid from other tax revenues. The airport improvement bonds are serviced by airport lease revenues.

The City has \$41.8 million of notes payable issued for water reclamation improvements (\$38.4 million), water improvements (\$2.5 million), and airport improvements (\$0.9 million).

The City has two lines of credits totaling \$30.4 million for water improvements (\$30.0), and Enterprise Software (\$0.4). These credit facilities are issued with the intent to be refinanced by long-term issuances. The water improvement line of credit is budgeted to be paid-off with the issuance of long-term water revenue bonds in 2015-16. The Enterprise Software line of credit will be converted to long term debt when the project is complete and final costs, including taxable vs. tax-exempt status, are known.

Revenue bonds outstanding total \$11.5 million and are for water reclamation infrastructure. These bonds are repaid from water reclamation service charges and system development charges.

The significant changes in long-term debt include the issuance of \$14.3 million of notes payable from the State of Oregon Department of Environmental Quality to fund construction on the water reclamation system, the issuance of \$30.0 million in short term financing for the Bridge Creek Water Pipeline and Treatment project, and the issuance of \$3.0 million related to transportation improvements in the Murphy Crossing Urban Renewal Area. This increase was offset by \$6.8 million in scheduled principal payments.

Management's Discussion and Analysis (Continued)

Debt Limitation and Ratings

Oregon Revised Status 287A.050 provides a limit on general obligation bonded indebtedness in excess of 3% of the real market value of all taxable property within the City. Based on the fiscal year 2014-15 value, the City's debt limitation is \$373.9 million. The City is well within its debt limitation with an amount of outstanding debt subject to this limitation of \$23.9 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>
Unlimited Tax General Obligation Bonds	Aa2
Full Faith and Credit Obligations	Aa3
Sewer Revenue Bonds	Aa2
Water Revenue Bonds	Aa2

Please refer to Note 13 on pages 57-63 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 79,985, which is 48.1% of Deschutes County's population of 166,400. Between July 1, 2002 and July 1, 2014, Deschutes County population increased by 27.8%. 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. In 2012, the City began slowly recovering from the impacts of the nationwide recession. In 2014-15 the City once again experienced a rapid increase in building activity and related revenues. Property values and property tax revenues also increased although not as rapidly.

The City is dependent on property taxes, charges for services, and grants and contributions to support its operations. Property taxes make up approximately 20.5% 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 6.4% during fiscal year 2014-15. 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 fiscal year 2014-15, charges for services made up approximately 46.2% of the City's total revenue sources. In June 2015, Council approved the 2015-16 fee resolution which included fee increases for many of the City's fee bases services. These increases were needed to cover the rising costs of providing these services.

The City's long-term twenty year utility rate models were updated in fiscal year 2014-15. The new model aims to create an incentive to conserve water by rewarding those who use less and to more equitably distribute the cost of running the drinking water and sewer systems based on use. In addition, water and water reclamation rates increased by 5.0% and 9.0%, respectively. These increases are necessary to finance construction of new and replacement infrastructure.

The city continues to face an imbalance between the service-delivery expectations of its residents and businesses and the human and financial resources available to provide those services.

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.

BASIC FINANCIAL STATEMENTS

City of Bend, Oregon
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Pooled cash and investments	\$ 51,101,709	\$ 46,205,745	\$ 97,307,454
Receivables, net	6,035,750	5,852,049	11,887,799
Internal balances	40,000	(40,000)	-
Due from other governments	1,065,733	7,654,268	8,720,001
Restricted cash and investments	34,835,237	1,938,649	36,773,886
Other assets	130,894	68,168	199,061
Assessments receivable	10,468	101,567	112,035
Loans and notes receivable	9,191,250	11,343	9,202,593
Assets held for resale	4,554,943	-	4,554,943
Non-depreciable capital assets	171,407,163	136,487,640	307,894,802
Depreciable capital assets, net	346,762,397	255,706,786	602,469,183
Net pension asset	7,317,357	1,225,968	8,543,325
Total Assets	632,452,901	455,212,182	1,087,665,084
<u>Deferred Outflows of Resources</u>			
Deferred outflows from pensions	3,240,754	542,965	3,783,719
Total Deferred Outflows of Resources	3,240,754	542,965	3,783,719
<u>Liabilities</u>			
Accounts payable	5,053,801	6,914,759	11,968,560
Accrued liabilities	5,966,327	5,204,934	11,171,260
Due to developers	704,609	-	704,609
Deposits	1,015,250	261,042	1,276,292
Unearned revenue	1,639	-	1,639
Long-term debt, net			
Other post-employment benefits payable	13,997,604	1,460,199	15,457,803
Portion due or payable within one year	6,083,334	2,812,679	8,896,012
Portion due or payable after one year	63,212,314	95,629,235	158,841,549
Total Liabilities	96,034,877	112,282,847	208,317,724
<u>Deferred Inflows of Resources</u>			
Deferred inflows from pensions	14,119,541	2,365,616	16,485,157
Total Deferred Inflows of Resources:	14,119,541	2,365,616	16,485,157
<u>Net Position</u>			
Net investment in capital assets	477,808,681	293,752,513	771,561,193
Restricted for:			
Debt service	2,830,723	1,677,607	4,508,330
Capital projects	17,206,185	-	17,206,185
Building program	7,418,818	-	7,418,818
Tourism	301,650	-	301,650
Permanent maintenance	616,397	-	616,397
Urban renewal	398,503	-	398,503
Grant activity	546,470	-	546,470
Unrestricted	18,411,810	45,676,564	64,088,375
Total Net Position	\$ 525,539,237	\$ 341,106,684	\$ 866,645,921

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, 2015

	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
Functions/ Programs							
Governmental Activities:							
General government	\$ 17,185,317	\$ 8,278,508	\$ 196,259	\$ -	\$ (8,710,551)	\$ -	\$ (8,710,551)
Public safety	26,332,393	5,051,815	5,940,047	44,931	(15,295,599)	-	(15,295,599)
Public ways and facilities	19,549,931	2,721,734	4,644,630	15,615,976	3,432,410	-	3,432,410
Community and economic development	7,248,587	9,525,310	1,170,652	-	3,447,375	-	3,447,375
Permanent maintenance	4,842	5,368	-	-	525	-	525
Urban renewal	40,741	-	-	261	(40,480)	-	(40,480)
Interest on long-term debt	2,171,065	-	-	-	(2,171,065)	-	(2,171,065)
Total Governmental Activities	72,532,877	25,582,735	11,951,588	15,661,169	(19,337,385)	-	(19,337,385)
Business-Type Activities:							
Water	12,820,805	17,767,739	-	2,816,497	-	7,763,430	7,763,430
Water reclamation	13,196,246	20,326,614	-	2,712,404	-	9,842,772	9,842,772
Airport	1,279,482	911,267	-	156,872	-	(211,343)	(211,343)
Cemetery	125,369	78,541	-	-	-	(46,827)	(46,827)
Downtown parking	923,753	825,401	-	-	-	(98,351)	(98,351)
Stormwater	2,647,542	2,598,732	-	862,595	-	813,784	813,784
Total Business-Type Activities	30,993,197	42,508,294	-	6,548,368	-	18,063,464	18,063,464
Total Activities	\$ 103,526,074	\$ 68,091,029	\$ 11,951,588	\$ 22,209,536	(19,337,385)	18,063,464	(1,273,921)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					27,043,751	-	27,043,751
Property taxes, levied for debt service					3,134,924	-	3,134,924
Transient room taxes					6,396,657	-	6,396,657
Franchise fees					7,833,553	-	7,833,553
Unrestricted investment income					636,261	220,776	857,037
Transfers					(6,135,047)	6,135,047	-
Total General Revenues and Transfers					38,910,099	6,355,823	45,265,922
Change in Net Position					19,572,713	24,419,287	43,992,001
Net Position, July 1, 2014, as previously stated					524,195,711	318,376,262	842,571,972
Prior period adjustment, Note 19					(18,229,187)	(1,688,865)	(19,918,052)
Net Position, July 1, 2014, as restated					505,966,524	316,687,397	822,653,920
Net Position, June 30, 2015					\$ 525,539,237	\$ 341,106,684	\$ 866,645,921

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

City of Bend, Oregon
Balance Sheet
 Governmental Funds
 June 30, 2015

	<u>General</u> *	<u>Transportation Operations Fund</u>	<u>Fire / Emergency Medical Services</u>	<u>System Development Charges (SDC) Fund</u>
<u>Assets</u>				
Pooled cash and investments	\$ 17,464,534	\$ 3,338,945	\$ 3,783,962	\$ -
Restricted cash and investments	155,449	28,790	-	6,270,221
Receivables:				
Property taxes	860,307	-	37,277	-
Accounts, net	2,888,953	81,094	1,242,091	77,351
Assessments, net	-	-	-	-
Loans and notes, net	639,656	-	-	1,131,204
Interest	245,468	-	-	-
Due from other funds	68,875	-	19,117	-
Due from other governments	510,107	429,850	16,480	-
Assets held for resale	4,554,943	-	-	-
Total Assets	\$ 27,388,292	\$ 3,878,680	\$ 5,098,927	\$ 7,478,776

Liabilities, Deferred Inflows of Resources, and Fund Balances

Liabilities:				
Accounts payable	\$ 1,811,603	\$ 640,558	\$ 133,431	\$ 40,410
Salaries and benefits payable	211,645	42,213	180,856	-
Retainage payable	-	4,480	-	-
Due to developers	-	-	-	704,609
Other accrued liabilities	708,797	-	-	-
Deposits	155,449	28,790	-	-
Unearned revenues	-	-	439	-
Due to other funds	-	-	-	-
Total Liabilities	2,887,494	716,041	314,726	745,019
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	639,019	-	26,800	-
Unavailable revenue-ambulance billings	-	-	865,953	-
Unavailable revenue-assessments & loans receivable	2,207,668	2,558	-	1,208,555
Total Deferred Inflows of Resources	2,846,687	2,558	892,752	1,208,555

* The General Fund presented here includes the General Fund Stabilization Fund. Details of the combination are at page 181.

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

City of Bend, Oregon
Balance Sheet (Continued)
 Governmental Funds
 June 30, 2015

	<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:				
Asset held for resale	\$ 4,554,943	\$ -	\$ -	\$ -
Permanent maintenance funds	-	-	-	-
Restricted:				
Outside grantor covenant	-	-	-	-
Outside debt covenant	-	-	-	-
Outside construction covenant	-	-	-	-
State law revenue restriction	-	-	-	-
Committed:				
Reserves for General Fund Stabilization	2,092,473	-	-	-
Fire service agreements	-	-	3,891,449	-
Affordable housing	-	-	-	-
Construction activities	-	-	-	5,525,202
Reserves for police operations	-	-	-	-
Assigned:				
OPEB liability	4,231,874	-	-	-
Construction activities	-	3,160,081	-	-
Planning support services	-	-	-	-
Community development contracts	-	-	-	-
Debt service	-	-	-	-
Construction activities	-	-	-	-
Unassigned	10,774,822	-	-	-
Total Fund Balances (Deficits)	21,654,111	3,160,081	3,891,449	5,525,202
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 27,388,292	\$ 3,878,680	\$ 5,098,927	\$ 7,478,776

* The General Fund presented here includes the General Fund Stabilization Fund. Details of the combination are at page 181.

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

City of Bend, Oregon
Balance Sheet (Continued)
Governmental Funds
June 30, 2015

	Community Development Block Grant Fund	Transportation Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and investments	\$ 419,593	\$ 7,888,520	\$ 5,795,422	\$ 38,690,976
Restricted cash and investments	-	-	27,704,638	34,159,098
Receivables:				
Property taxes	-	-	105,412	1,002,996
Accounts, net	-	77,953	391,960	4,759,402
Assessments, net	-	-	10,468	10,468
Loans and notes, net	4,772,696	-	2,647,694	9,191,250
Interest	-	-	-	245,468
Due from other funds	-	-	-	87,992
Due from other governments	109,296	-	-	1,065,733
Assets held for resale	-	-	-	4,554,943
Total Assets	\$ 5,301,585	\$ 7,966,473	\$ 36,655,593	\$ 93,768,326

Liabilities, Deferred Inflows of Resources, and Fund Balances

Liabilities:				
Accounts payable	\$ 35,159	\$ 148,897	\$ 1,624,782	\$ 4,434,841
Salaries and benefits payable	1,645	4,047	63,168	503,574
Retainage payable	-	2,330	344,700	351,510
Due to developers	-	-	-	704,609
Other accrued liabilities	-	1,200	-	709,997
Deposits	-	1,350	153,522	339,110
Unearned revenues	-	-	1,200	1,639
Due to other funds	25,000	-	22,992	47,992
Total Liabilities	61,804	157,824	2,210,364	7,093,272
Deferred Inflows of Resources:				
Unavailable revenue-property taxes	-	-	77,672	743,491
Unavailable revenue-ambulance billings	-	-	-	865,953
Unavailable revenue-assessments & loans receivable	4,772,696	-	2,649,910	10,841,386
Total Deferred Inflows of Resources	4,772,696	-	2,727,582	12,450,829

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

City of Bend, Oregon
Balance Sheet (Continued)
Governmental Funds
June 30, 2015

	Community Development Block Grant <u>Fund</u>	Transportation Construction <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Fund Balances (Deficits):				
Nonspendable:				
Asset held for resale	\$ -	\$ -	\$ -	\$ 4,554,943
Permanent maintenance funds	-	-	604,753	604,753
Restricted:				
Outside grantor covenant	467,085	-	79,385	546,470
Outside debt covenant	-	-	2,830,723	2,830,723
Outside construction covenant	-	1,325,886	10,355,097	11,680,983
State law revenue restriction	-	-	8,130,615	8,130,615
Committed:				
Reserves for General Fund Stabilization	-	-	-	2,092,473
Fire service agreements	-	-	-	3,891,449
Affordable housing	-	-	1,935,191	1,935,191
Construction activities	-	-	360,000	5,885,202
Reserves for police operations	-	-	629,888	629,888
Assigned:				
OPEB liability	-	-	-	4,231,874
Construction activities	-	6,482,763	-	9,642,844
Planning support services	-	-	2,846,615	2,846,615
Community development contracts	-	-	88,036	88,036
Debt service	-	-	2,713,429	2,713,429
Construction activities	-	-	1,503,498	1,503,498
Unassigned	-	-	(359,583)	10,415,239
Total Fund Balances (Deficits)	467,085	7,808,649	31,717,648	74,224,225
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,301,585	\$ 7,966,473	\$ 36,655,593	\$ 93,768,326

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, 2015

Total Fund Balances (Deficits) \$ 74,224,225

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. 495,895,200

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

Interest receivable 8,283

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	743,491
Unavailable assessments and loans	6,176,379
Other unavailable revenues	5,530,959
Interest payable	(209,535)
Accrued compensated absences	(2,626,721)
Net pension activity	(2,819,620)
Other post-employment benefits	(11,742,504)
Accrued health insurance benefits	(29,252)
Long-term debt	(60,427,411)

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.

20,815,744

Total Net Position

\$ 525,539,237

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, 2015

	<u>General</u> *	<u>Transportation Operations Fund</u>	<u>Fire / Emergency Medical Services</u>	<u>System Development Charges (SDC) Fund</u>
Revenues				
Taxes	\$ 29,485,139	\$ -	\$ 1,890,083	\$ -
Franchise fees	6,035,657	544,458	-	-
Intergovernmental	2,452,496	5,312,904	3,271,722	-
Assessments	-	-	-	-
Licenses and permits	132,099	163,206	-	-
Charges for services	1,334,180	550,284	2,903,655	-
System development charges	-	-	-	10,239,272
Contributions	-	-	665	-
Fines and forfeitures	900,148	-	-	-
Loan repayments	-	-	-	198,841
Permanent maintenance fees	-	-	-	-
Investment income	118,430	16,041	17,877	80,491
Miscellaneous	16,335	30,876	4,797	-
Total Revenues	40,474,482	6,617,770	8,088,799	10,518,604
Expenditures				
Current:				
General government	2,314,276	-	-	-
Public safety	19,184,199	-	17,236,556	-
Public ways and facilities	1,983,568	6,818,284	-	227,549
Community and economic development	-	-	-	-
Permanent maintenance	-	-	-	-
Urban renewal	-	-	-	-
Debt service:				
Principal	-	170,000	240,000	-
Interest	-	30,600	44,295	-
Capital outlay	616,872	2,320,219	198,474	-
Total Expenditures	24,098,915	9,339,103	17,719,326	227,549
Excess (deficiency) of revenues over (under) expenditures	16,375,567	(2,721,333)	(9,630,527)	10,291,055

* The General Fund presented here includes the General Fund Stabilization Fund. Details of the combination are at page 182

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, 2015

	<u>General</u> *	<u>Transportation Operations Fund</u>	<u>Fire / Emergency Medical Services</u>	<u>System Development Charges (SDC) Fund</u>
<u>Other Financing Sources (Uses)</u>				
Insurance proceeds	\$ -	\$ 25,000	\$ 3,934	\$ -
Issuance of long-term debt	-	-	55,000	-
Discount on issuance of long-term debt	-	-	-	-
Transfers in	236,190	3,000,000	11,085,750	-
Transfers out	(15,552,916)	-	(15,379)	(8,579,112)
Total Other Financing Sources (Uses)	(15,316,726)	3,025,000	11,129,305	(8,579,112)
Net change in fund balances	1,058,842	303,667	1,498,778	1,711,942
Fund Balances (Deficits), July 1, 2014	17,447,414	2,856,413	2,392,671	3,813,260
Prior period adjustment	3,147,856	-	-	-
Fund Balances (Deficits), July 1, 2014, as restated	20,595,270	2,856,413	2,392,671	3,813,260
Fund Balances (Deficits), June 30, 2015	\$ 21,654,111	\$ 3,160,081	\$ 3,891,449	\$ 5,525,202

* The General Fund presented here includes the General Fund Stabilization Fund. Details of the combination are at page 182

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, 2015

	Community Development Block Grant <u>Fund</u>	Transportation Construction <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues				
Taxes	\$ -	\$ -	\$ 5,310,615	\$ 36,685,836
Franchise fees	-	693,096	699,331	7,972,543
Intergovernmental	257,222	116,644	303,831	11,714,819
Assessments	-	-	164,939	164,939
Licenses and permits	-	-	6,650,461	6,945,766
Charges for services	-	224,359	4,302,812	9,315,289
System development charges	-	-	-	10,239,272
Contributions	-	391,575	22,992	415,231
Fines and forfeitures	-	-	-	900,148
Loan repayments	397,451	2,033	904,129	1,502,454
Permanent maintenance fees	-	-	5,368	5,368
Investment income	1,698	50,588	260,286	545,411
Miscellaneous	-	8,675	38,141	98,824
Total Revenues	656,371	1,486,970	18,662,903	86,505,898
Expenditures				
Current:				
General government	-	-	23,754	2,338,030
Public safety	-	-	34,906	36,455,662
Public ways and facilities	-	1,516,621	413,747	10,959,769
Community and economic development	405,729	-	9,474,449	9,880,178
Permanent maintenance	-	-	4,842	4,842
Urban renewal	-	-	59,576	59,576
Debt service:				
Principal	-	1,124,229	2,383,039	3,917,268
Interest	-	183,508	1,915,172	2,173,576
Capital outlay	-	319,867	9,466,557	12,921,988
Total Expenditures	405,729	3,144,226	23,776,042	78,710,889
Excess (deficiency) of revenues over (under) expenditures	250,642	(1,657,256)	(5,113,139)	7,795,009

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, 2015

	Community Development Block Grant <u>Fund</u>	Transportation Construction <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<u>Other Financing Sources (Uses)</u>				
Insurance proceeds	\$ -	\$ -	\$ 1,939	\$ 30,873
Issuance of long-term debt	-	-	3,000,000	3,055,000
Discount on issuance of long-term debt	-	-	(2,500)	(2,500)
Transfers in	122,000	2,521,583	1,026,600	17,992,123
Transfers out	-	-	(203,733)	(24,351,140)
Total Other Financing Sources (Uses)	122,000	2,521,583	3,822,306	(3,275,644)
Net change in fund balances	372,642	864,327	(1,290,833)	4,519,365
Fund Balances (Deficits), July 1, 2014	94,443	6,944,322	33,008,481	66,557,003
Prior period adjustment	-	-	-	3,147,856
Fund Balances (Deficits), July 1, 2014, as restated	94,443	6,944,322	33,008,481	69,704,859
Fund Balances (Deficits), June 30, 2015	\$ 467,085	\$ 7,808,649	\$ 31,717,648	\$ 74,224,225

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, 2015

Net Change in Fund Balances \$ 4,519,365

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

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

Capital asset additions	\$ 13,318,734	
Depreciation	(12,430,405)	
Loss on sale of assets	<u>(13,207)</u>	875,123

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

4,058,468

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	(3,055,000)
Long-term debt principal repayments	3,917,268
Discount on issuance of long term debt	2,500

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	2,510
Amortization of bond premium and discounts	104,422
Accrued pension obligation	7,669,783
Accrued compensated absences	(76,667)
Accrued other postemployment benefit obligations	(1,587,658)
Accrued health insurance benefits	(109)

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.

3,142,708

Change in Net Position

\$ 19,572,713

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, 2015

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water *	Water ** Reclamation	Nonmajor Enterprise Funds	Total	Internal Service Fund
Assets					
Current assets:					
Pooled cash and investments	\$ 16,043,426	\$ 24,748,172	\$ 5,414,146	\$ 46,205,745	\$ 12,410,734
Receivables:					
Accounts, net	2,531,606	2,735,244	496,251	5,763,102	19,600
Interest	-	88,947	-	88,947	-
Due from other governments	-	7,599,419	54,849	7,654,268	-
Other assets	32,133	-	-	32,133	24,146
Prepays and deposits	36,035	-	-	36,035	106,748
Total Current Assets	18,643,200	35,171,783	5,965,246	59,780,229	12,561,227
Noncurrent assets:					
Restricted cash and investments	229,657	1,677,607	31,385	1,938,649	676,140
Assessments receivable, net	-	101,567	-	101,567	-
Loans and notes receivable, net	-	11,343	-	11,343	-
Capital assets, net	148,053,742	180,816,060	63,324,623	392,194,426	22,274,360
Net pension asset	437,420	615,119	173,429	1,225,968	1,524,127
Total Noncurrent Assets	148,720,819	183,221,697	63,529,437	395,471,953	24,474,627
Total Assets	167,364,019	218,393,479	69,494,684	455,252,182	37,035,854
Deferred Outflows of Resources					
Deferred outflows from pensions	193,726	272,428	76,811	542,965	675,014
Total Deferred Outflows of Resources	193,726	272,428	76,811	542,965	675,014
Liabilities					
Current liabilities:					
Accounts payable	4,679,917	2,092,758	142,084	6,914,759	618,960
Salaries and benefits payable	45,257	52,910	14,221	112,388	147,048
Retainage payable	1,802,124	1,507,539	847	3,310,510	-
Other accrued liabilities:					
Compensated absences	234,933	249,070	56,087	540,090	710,821
Interest	89,276	765,103	23,874	878,253	52,231
Insurance claims	5,054	5,556	766	11,376	625,638
Other	242,635	84,924	24,758	352,317	-
Deposits - restricted	229,657	-	31,385	261,042	676,140
Due to other funds	-	-	40,000	40,000	-
Current portion of long-term debt, net	222,647	2,370,959	219,073	2,812,679	1,811,318
Total Current Liabilities	7,551,500	7,128,818	553,094	15,233,413	4,642,156

* The Water Fund presented here includes the Bridge Creek Pipe Fund. Details of the combination are at page 184.

** The Water Reclamation Fund presented here includes the Secondary Expansion Project and Southeast Interceptor. Details of the combinations are at page 187.

Disclosure Cross Reference: Prior year data can be found in the Comprehensive Annual Financial Report for each corresponding year.

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

City of Bend, Oregon
Statement of Fund Net Position (Continued)

Proprietary Funds
 June 30, 2015

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water *	Water ** Reclamation	Nonmajor Enterprise Funds	Total	Internal Service Fund
Noncurrent liabilities:					
Other post-retirement benefits payable	\$ 511,891	\$ 711,156	\$ 237,152	\$ 1,460,199	\$ 2,255,099
Long-term debt, net	34,349,690	60,110,334	1,169,211	95,629,235	7,056,918
Total Noncurrent Liabilities	34,861,581	60,821,490	1,406,363	97,089,434	9,312,017
Total Liabilities	42,413,081	67,950,308	1,959,458	112,322,847	13,954,173
Deferred Inflows of Resources					
Deferred inflows from pensions	844,040	1,186,928	334,648	2,365,616	2,940,951
Total Deferred Inflows of Resources	844,040	1,186,928	334,648	2,365,616	2,940,951
Net Position					
Net investment in capital assets	113,481,405	118,334,768	61,936,339	293,752,513	13,406,124
Restricted for:					
Debt service	-	1,677,607	-	1,677,607	-
Unrestricted	10,819,218	29,516,296	5,341,050	45,676,564	7,409,620
Total Net Position	\$ 124,300,624	\$ 149,528,671	\$ 67,277,389	\$ 341,106,684	\$ 20,815,744

* The Water Fund presented here includes the Bridge Creek Pipe Fund. Details of the combination are at page 184.

** The Water Reclamation Fund presented here includes the Secondary Expansion Project and Southeast Interceptor. Details of the combinations are at page 187.

Disclosure Cross Reference: Prior year data can be found in the Comprehensive Annual Financial Report for each corresponding year.

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, 2015

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water *	Water ** Reclamation	Nonmajor Enterprise Funds	Total	Internal Service Fund
<u>Operating Revenues</u>					
Charges for services	\$ 17,647,730	\$ 20,302,940	\$ 4,399,146	\$ 42,349,817	\$ 21,888,290
Loan repayments	-	9,151	-	9,151	-
Miscellaneous	120,009	14,523	7,262	141,794	234,091
Total Operating Revenues	17,767,739	20,326,614	4,406,409	42,500,761	22,122,381
<u>Operating Expenses</u>					
Salaries and benefits	2,635,124	3,690,319	988,301	7,313,743	8,354,700
Materials and supplies	3,318,994	2,354,116	943,693	6,616,803	5,781,054
Internal services	3,879,334	3,577,899	1,203,093	8,660,326	2,823,790
Insurance premiums and claims	-	-	-	-	945,398
Depreciation	2,898,027	3,030,855	1,783,754	7,712,636	986,861
Total Operating Expenses	12,731,479	12,653,188	4,918,841	30,303,508	18,891,803
Operating income (loss)	5,036,260	7,673,426	(512,432)	12,197,254	3,230,579
<u>Nonoperating Revenues (Expenses)</u>					
Investment income	5,584	176,083	39,109	220,776	92,871
Interest expense	(75,936)	(560,251)	(61,273)	(697,460)	(316,418)
Insurance proceeds	-	-	7,533	7,533	-
Amortization	(13,391)	14,662	3,968	5,239	(85,780)
Gain (loss) on disposal of assets	-	2,532	-	2,532	(2,514)
Total Nonoperating Revenues (Expenses)	(83,742)	(366,975)	(10,664)	(461,381)	(311,841)
Income (loss) before contributions and transfers	4,952,518	7,306,451	(523,096)	11,735,873	2,918,738
<u>Contributions and Transfers</u>					
Capital grants and contributions	2,816,497	2,712,404	1,019,467	6,548,368	-
Transfers in	8,983,724	9,470,995	77,517	18,532,237	278,100
Transfers out	(6,068,490)	(6,328,700)	-	(12,397,190)	(54,130)
Total Contributions and Transfers	5,731,731	5,854,699	1,096,985	12,683,415	223,970

* The Water Fund presented here includes the Bridge Creek Pipe Fund. Details of the combination are at page 185.

** The Water Reclamation Fund presented here includes the Secondary Expansion Project and Southeast Interceptor. Details of the combinations are at page 188.

Disclosure Cross Reference: Prior year data can be found in the Comprehensive Annual Financial Report for each corresponding year.

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 (Continued)

Proprietary Funds

For the fiscal year ended June 30, 2015

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water **		Nonmajor Enterprise	Total	Internal Service
	Water *	Reclamation	Funds		Fund
Change in net position	\$ 10,684,249	\$ 13,161,150	\$ 573,889	\$ 24,419,287	\$ 3,142,708
Net Position, July 1, 2014	114,205,575	137,230,684	66,940,003	318,376,262	19,843,133
Prior period adjustment	(589,200)	(863,163)	(236,502)	(1,688,865)	(2,170,097)
Net Position, July 1, 2014, as restated	113,616,375	136,367,521	66,703,501	316,687,397	17,673,035
Net Position, June 30, 2015	\$ 124,300,624	\$ 149,528,671	\$ 67,277,389	\$ 341,106,684	\$ 20,815,744

* The Water Fund presented here includes the Bridge Creek Pipe Fund. Details of the combination are at page 185.

** The Water Reclamation Fund presented here includes the Secondary Expansion Project and Southeast Interceptor. Details of the combinations are at page 188.

Disclosure Cross Reference: Prior year data can be found in the Comprehensive Annual Financial Report for each corresponding year.

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, 2015

	Business-Type Activities				Governmental
	Enterprise Funds			Total	Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds		Internal Service Fund
Cash Flows from Operating Activities					
Cash received from customers	\$ 17,615,062	\$ 20,099,570	\$ 4,377,308	\$ 42,091,941	\$ 2,009,961
Cash received from interfund services provided	196,486	19,688	15,064	231,239	20,415,507
Cash paid to employees for services	(3,149,070)	(4,422,638)	(1,202,656)	(8,774,364)	(10,159,250)
Cash paid to suppliers for goods and services	(3,605,941)	(2,436,258)	(901,090)	(6,943,289)	(6,936,755)
Cash paid for interfund services used	(3,879,334)	(3,577,899)	(1,203,093)	(8,660,326)	(2,823,790)
Net Cash From Operating Activities	7,177,204	9,682,463	1,085,533	17,945,200	2,505,674
Cash Flows from Noncapital Financing Activities					
Interfund loan repayments	-	-	(7,388)	(7,388)	-
Transfers from other funds	8,983,724	9,470,995	77,517	18,532,237	278,100
Transfers to other funds	(6,068,490)	(6,328,700)	-	(12,397,190)	(54,130)
Net Cash From Noncapital Financing Activities	2,915,234	3,142,295	70,129	6,127,659	223,970
Cash Flows from Capital and Related Financing Activities					
Advances from other funds for capital activities	-	-	40,000	40,000	-
Short-term loan repayment	-	-	(53,891)	(53,891)	-
Insurance proceeds	-	-	7,533	7,533	-
Issuance of debt	30,000,000	16,678,562	-	46,678,562	403,200
Principal payments on capital debt	(217,559)	(2,077,024)	(204,431)	(2,499,014)	(375,000)
Interest payments on capital debt	(49,748)	(85,659)	(63,863)	(199,270)	(290,998)
Capital grants and contributions	-	208,085	159,048	367,133	-
Proceeds from sale of assets	-	5,500	-	5,500	-
Acquisition and construction of capital assets	(32,350,525)	(20,869,278)	(551,728)	(53,771,531)	(927,520)
Net Cash From Capital and Related Financing Activities	(2,617,831)	(6,139,814)	(667,332)	(9,424,978)	(1,190,318)
Cash Flows from Investing Activities					
Investment income	5,584	176,083	39,109	220,776	92,871
Net Cash From Investing Activities	5,584	176,083	39,109	220,776	92,871
Net change in pooled cash and investments	7,480,191	6,861,028	527,439	14,868,657	1,632,196
Pooled Cash and Investments, July 1, 2014	8,792,892	19,564,752	4,918,093	33,275,736	11,454,677
Pooled Cash and Investments, June 30, 2015	\$ 16,273,083	\$ 26,425,779	\$ 5,445,531	\$ 48,144,394	\$ 13,086,873

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, 2015

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds	Total	Internal Service Fund
Reconciliation to Statement of Net Position					
Pooled cash and investments	\$ 16,043,426	\$ 24,748,172	\$ 5,414,146	\$ 46,205,745	\$ 12,410,734
Restricted cash and investments	229,657	1,677,607	31,385	1,938,649	676,140
Pooled Cash and Investments, June 30, 2015	\$ 16,273,083	\$ 26,425,779	\$ 5,445,531	\$ 48,144,394	\$ 13,086,873
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities					
Operating income (loss)	\$ 5,036,260	\$ 7,673,426	\$ (512,432)	\$ 12,197,254	\$ 3,230,579
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	2,898,027	3,030,855	1,783,754	7,712,636	986,861
Change in:					
Accounts receivable	68,883	(219,028)	(15,802)	(165,947)	22,222
Loans, notes and assessments receivable	-	11,672	-	11,672	-
Other assets	16,294	-	-	16,294	17,318
Prepays and deposits	21,156	1,115	-	22,271	47,736
Accounts payable	(326,294)	(88,177)	28,722	(385,749)	(208,275)
Salaries and benefits payable	18,486	11,752	2,443	32,681	30,771
Pension benefits	(376,306)	(563,782)	(152,094)	(1,092,182)	(1,428,287)
Other post-employment benefits	(175,621)	(217,598)	(66,145)	(459,364)	(474,638)
Compensated absences payable	19,495	37,309	1,673	58,477	67,605
Insurance claims payable	1,697	1,461	(232)	2,926	(67,083)
Other accrued liabilities	200	3,459	13,880	17,539	-
Deposits payable	(25,073)	-	1,766	(23,307)	280,865
Net Cash From Operating Activities	\$ 7,177,204	\$ 9,682,463	\$ 1,085,533	\$ 17,945,200	\$ 2,505,674

Noncash Capital and Related Financing Activities

The City received donated Water, Water Reclamation, and Nonmajor Enterprise Funds infrastructure totaling \$2,816,497, \$2,504,319, \$862,595, respectively, in the current year.

Acquisition of capital assets financed through accounts payable and retainage payable for the current year totaled \$6,148,612 in the Water Fund, \$3,395,418 in the Water Reclamation Fund, \$24,423 in the Nonmajor Enterprise Funds, and \$276,279 in the Internal Service Fund.

The net book value of capital assets contributed to other funds, or gain/(loss) on disposal, the Water Reclamation Fund and Internal Service Fund totaled \$2,532, \$(2,514), respectively, in the current year.

The Clean Water Loans in the Water Reclamation Fund are received on a reimbursement basis. As of year end, \$7,599,419 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, 2015

Agency Fund

Assets

Cash and investments	\$	775,485
Total Assets		775,485

Liabilities

Amounts held for others		775,485
Total Liabilities		775,485

Net Position	\$	-
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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, 2015

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 (BURA), is a legally separate public body corporate and politic, created by ordinance of the City. The BURA board consists exclusively of members of the City Council. The City can impose its will on BURA through its ability to modify and approve the budget and govern the overall policies. The services of BURA are exclusively for the benefit of the City, and the assets, liabilities, revenues and expenses related to BURA are reported in the government-wide financial statements. BURA 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.

BURA receives funds through tax increment financing pursuant to Oregon Revised Statutes (ORS) 457.420 through 457.450. Separate financial statements for BURA 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. The City operates under a council/manager form of government and provides the following services: police, fire, ambulance, municipal court, community and economic development, building, planning, growth management, street construction and maintenance, transportation facilities and airport, cemetery, public works and general government services, and 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, (Bend Parks and Recreation District), has been excluded from the government-wide financial statements.

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 1 - Summary of Significant Accounting Policies (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 activity and business-type activity.

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 where 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 fiscal year-end.

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

The following are the City's major governmental funds:

General Fund – The General Fund accounts for the City's police and municipal court operations, code enforcement, growth management, accessibility, 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.

Transportation Operations Fund – This fund accounts for the City's street and transportation operations, including street preservation, repair and maintenance, street lighting and landscaping. 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 suppression, prevention and emergency medical services. Revenues include General Fund support, the May 2014 voter approved fire levy, charges for emergency medical services, Firemed memberships and fire protection contracts.

System Development Charges (SDC) Fund – This fund accounts for the collection of SDC's for the City's street, water, and water reclamation systems. SDC's are fees collection for capital improvements to increase city-wide capacities for water, sewer, and transportation. 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 from the US Department of Housing and Urban Development, as well as loan repayments from prior grant recipients. Primary expenditures are for the distribution of grants and/or loans to qualified recipients.

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

In addition, the City also reports the following governmental 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, general obligation bonds, fire station bonds and pension 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.

Note 1 - Summary of Significant Accounting Policies (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, liabilities, and deferred inflows/flows 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. The 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, 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 Park 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, deferred inflows of resources, liabilities, deferred outflows of resources, 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, 2015

Note 1 - Summary of Significant Accounting Policies (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, 2015, the City had \$36,773,886 of cash and investments restricted for debt service, construction, the building program, tourism, permanent maintenance, Urban Renewal, 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. Assessed valuation and tax levies are certified by the County Assessor in Mid-October 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. All other receivables are shown net of an allowance for uncollectibles.

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

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

collections received within sixty days subsequent to year end, are recorded as unavailable revenue. In the proprietary funds, receivables include services provided but not received.

The enterprise funds' receivables include billings for residential and commercial customers utilizing the City's water, sewer, and storm water services and are reported net of an allowance for uncollectible amounts based on past performance of uncollectible accounts.

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.

Assets Held for Resale

Assets held for resale, including Juniper Ridge development costs, are recorded at cost.

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 in excess of one year. 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, 2015 there was \$88,787 of interest incurred and capitalized in the Water Fund, and \$961,008 of interest incurred and capitalized in the Water Reclamation Fund. Total capitalized interest for the year ended June 30, 2015 was \$1,049,795.

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, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave 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/EMS, 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. Refer to Note 16 for more information.

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.

Adoption of New GASB Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

Deferred Inflows and Outflows of Resources

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 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. With the implementation of GASB Statement No. 68, the City now presents deferred inflows from pensions as a deferred inflow on the statement of financial position. The deferred inflows from pension are for investment differences between the pension liability and pension assets, as determined during the implementation of GASB Statement No. 68. The City also presents unavailable revenue as a deferred inflow of resources on the governmental funds balance sheet. The governmental funds report unavailable revenues from multiple sources: property taxes, ambulance billings, and assessments and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In addition to assets, the statement of financial position may report a separate section for deferred outflows of

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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. With the implementation of GASB Statement No. 68, the City now presents deferred outflows from pensions as a deferred outflow on the statement of financial position. The deferred outflows from pension are for pension plan contributions made subsequent to the measurement date of the pension liability, as presented.

GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68. The City implemented GASB Statement No. 68 and 71 in the year ending June 30, 2015. Additional information can be found in Note 15.

Fund Balances

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

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

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

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

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

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

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

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

City 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 other funds. 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, 2015 was \$2,092,473.

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

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, 2015, the City's cash and investments are comprised of the following:

Cash on hand	\$	6,250
Deposits with financial institutions		11,443,517
Deposits with trust custodians		638,659
Investments:		
State of Oregon Local Government Investment Pool		44,348,376
U.S. agency obligations		51,321,867
Obligations of the States of Oregon, California and Washington		10,104,340
Corporate notes		14,493,942
Commercial paper		2,499,874
Total pooled cash and investments		\$ 134,856,825

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

	Governmental Activities	Business-Type Activities	Agency Fund	Total
Pooled cash and investments	\$ 51,101,709	\$ 46,205,745	\$ 775,485	\$ 98,082,939
Restricted cash and investments	34,835,237	1,938,649	-	36,773,886
	\$ 85,936,946	\$ 48,144,394	\$ 775,485	\$ 134,856,825

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 as of June 30, 2015 was \$11,401,226, of these deposits \$11,151,226 was not insured by the FDIC. 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 the City's investments mature within seven years. Actual investment maturities for the City are as follows:

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 2 - Cash and Investments (Continued)

<u>Maturity</u>	<u>Actual at June 30, 2015</u>
Less than 30 days	43%
Less than 12 months	48%
Less than 18 months	65%
Less than 7 years	100%

Credit Risk

The City's investment policy limits investments in commercial paper and corporate bonds to specific bond ratings as determined by nationally recognized rating agencies. Commercial paper must be rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch at the time of purchase by each service which rates the commercial paper. Corporate bonds must be rated at least AA by Standard & Poor's, Aa by Moody's, or AA by Fitch. In addition, ownership of commercial paper and corporate bonds is limited to a combined total of 35% of the portfolio with no more than 5% of the portfolio held in any one issuer. At June 30, 2015, the City was in compliance with the above policy requirements with commercial paper and corporate bonds totaling 22% 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 Investment Pool and money market account are unrated. Investments held at June 30, 2015 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>	<u>Commercial Paper</u>
Prime (AAA, Aaa, AAA)*	\$ -	\$ -	\$ 1,498,782	\$ -
High Grade (AA, Aa, AA)*	51,321,867	9,532,670	5,504,208	-
Upper Medium Grade (A, A, A)*	-	571,670	7,490,952	-
High Grade Short-term (A-1, P-1, F1)*	-	-	-	2,499,874
	<u>\$ 51,321,867</u>	<u>\$ 10,104,340</u>	<u>\$ 14,493,942</u>	<u>\$ 2,499,874</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, 2015, 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, 2015

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 1.5% to 7.00%. Promissory notes consist of System Development Charge (SDC) deferrals and loans over a period of 9 months to 10 years and bear interest ranging from 0% 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, 2015:

	Governmental Activities	Business-type Activities
<u>Assessments Receivable</u>		
Assessments receivable for downtown economic improvements	\$ 10,468	\$ -
Assessments receivable for local improvements, 10 year terms with 5% to 7.0% interest	-	150,994
Allowance for uncollectible assessments	-	(49,427)
Total Assessments Receivable	10,468	101,567
 <u>Loans and Notes Receivable</u>		
Promissory notes receivable for downtown economic improvements	10,721	-
Promissory notes receivable for system development charges and improvement fees, 1 to 10 year terms with 1.5% to 7.0% interest	107,728	18,412
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	969,083	-
Promissory notes receivable for system development charges and improvement fees, up to 3 year terms with 0% interest	54,394	-
Promissory notes receivable for building permits and energy efficiency upgrade deferrals due upon property sale/transfer, 0% interest	182,193	-
Community development block grant loans to qualified individuals or organizations, various terms with 0% to 2% interest	4,772,696	-
Affordable Housing Loans to qualified organizations	2,454,781	-
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	-	(7,069)
Total Loans and Notes Receivable	9,191,250	11,343
Total Assessments, Loans and Notes Receivables	\$ 9,201,718	\$ 112,910

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

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 July 1, 2014	Increases	Decreases	Adjustments	Balance June 30, 2015
Assets held for resale	\$ 4,554,943	\$ -	\$ -	\$ -	\$ 4,554,943

Note 5 - Capital Assets

Governmental capital asset activity for the year ended June 30, 2015 was as follows:

<u>Governmental activities</u>	Balance July 1, 2014	Increases	Decreases	Transfers/ Adjustments	Balance June 30, 2015
Capital assets not depreciated:					
Land including right-of-way	\$ 152,856,220	\$ -	\$ -	\$ 18,609	\$ 152,874,829
Land use rights	9,994	-	-	-	9,994
Works of art	719,215	-	-	-	719,215
Construction in progress	7,192,564	12,973,754	-	(2,363,193)	17,803,125
Total capital assets not being depreciated	160,777,993	12,973,754	-	(2,344,584)	171,407,163
Capital assets being depreciated:					
Buildings and improvements	24,794,883	12,583	-	-	24,807,466
Infrastructure	516,551,566	3,464,892	-	2,344,584	522,361,042
Equipment	7,871,962	600,534	(371,934)	(13,239)	8,087,323
Vehicles	12,177,726	922,328	(216,904)	6,882	12,890,032
Software	1,952,529	-	(169,536)	-	1,782,993
Total capital assets being depreciated	563,348,666	5,000,337	(758,374)	2,338,227	569,928,856
Less accumulated depreciation for:					
Buildings and improvements	8,264,618	874,545	-	-	9,139,163
Infrastructure	186,433,669	11,329,991	-	-	197,763,660
Equipment	5,307,616	465,051	(362,823)	(13,239)	5,396,605
Vehicles	8,804,046	715,999	(216,904)	6,882	9,310,023
Software	1,576,160	143,776	(162,927)	-	1,557,009
Total accumulated depreciation	210,386,109	13,529,362	(742,654)	(6,357)	223,166,460
Total capital assets being depreciated, net	352,962,557	(8,529,025)	(15,720)	2,344,584	346,762,396
Governmental activities capital assets, net	\$ 513,740,550	\$ 4,444,729	\$ (15,720)	\$ -	\$ 518,169,559

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 5 - Capital Assets (Continued)

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

Governmental activities

General government	\$ 1,087,058
Public safety	737,762
Public ways and facilities	11,684,832
Community and economic development	17,899
Urban Renewal	<u>1,811</u>
Governmental activities depreciation expense	<u><u>\$ 13,529,362</u></u>

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 5 - Capital Assets (Continued)

Business-type capital asset activity for the year ended June 30, 2015 was as follows:

<u>Business-type activities</u>	Balance July 1, 2014	Increases	Decreases	Transfers/ Adjustments	Balance June 30, 2015
Capital assets not depreciated:					
Land including right-of-way	\$ 6,952,082	\$ -	\$ -	\$ -	\$ 6,952,082
Land use rights	1,052,330	-	-	313,093	1,365,423
Construction in progress	72,409,152	57,698,130	-	(1,937,147)	128,170,135
Total capital assets not being depreciated	<u>80,413,564</u>	<u>57,698,130</u>	<u>-</u>	<u>(1,624,054)</u>	<u>136,487,640</u>
Capital assets being depreciated:					
Buildings and improvements	24,272,353	-	-	-	24,272,353
Equipment	7,320,813	201,850	(25,851)	13,239	7,510,051
Vehicles	3,785,983	317,133	-	(6,882)	4,096,234
Software	690,915	7,196	-	-	698,111
Water infrastructure	112,843,841	2,816,497	-	420,300	116,080,638
Water reclamation infrastructure	151,834,074	2,504,319	-	815,823	155,154,216
Stormwater infrastructure	39,331,211	862,595	-	386,251	40,580,057
Other infrastructure	20,456,250	-	-	1,680	20,457,930
Total capital assets being depreciated	<u>360,535,440</u>	<u>6,709,590</u>	<u>(25,851)</u>	<u>1,630,411</u>	<u>368,849,590</u>
Less accumulated depreciation for:					
Buildings and improvements	6,520,640	507,646	-	-	7,028,286
Equipment	4,827,810	398,648	(22,883)	13,239	5,216,814
Vehicles	3,098,676	207,811	-	(6,882)	3,299,605
Software	619,855	21,691	-	1,751	643,297
Water infrastructure	28,726,448	2,752,221	-	(1,751)	31,476,918
Water reclamation infrastructure	46,411,695	2,634,107	-	-	49,045,802
Stormwater infrastructure	13,445,515	776,723	-	-	14,222,238
Other infrastructure	1,782,664	427,180	-	-	2,209,844
Total accumulated depreciation	<u>105,433,303</u>	<u>7,726,027</u>	<u>(22,883)</u>	<u>6,357</u>	<u>113,142,804</u>
Total capital assets being depreciated, net	<u>255,102,137</u>	<u>(1,016,437)</u>	<u>(2,968)</u>	<u>1,624,054</u>	<u>255,706,786</u>
Business-type activities capital assets, net	<u>\$ 335,515,701</u>	<u>\$ 56,681,693</u>	<u>\$ (2,968)</u>	<u>\$ -</u>	<u>\$ 392,194,426</u>

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 5 - Capital Assets (Continued)

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

<u>Business-type activities</u>	
Water	\$ 2,911,418
Water reclamation	3,030,855
Nonmajor:	
Airport	571,903
Downtown Parking	356,346
Stormwater	848,928
Cemetery	6,577
	<hr/>
Business-type activities depreciation expense	<u>\$ 7,726,027</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, 2015 totaled \$231,645. Minimum future lease payments not including annual consumer price index adjustments are \$236,875 each fiscal year from 2016 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, 2015 is \$788,430. Cost of leased assets totaled \$1,947,061 at June 30, 2015 with a carrying amount of \$1,131,725 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.

During fiscal year 2013-14 the City detected higher than acceptable Department of Environmental Quality levels of lead in the soil near the College Reservoir water site. This was a result of blasting grit material left from the removal of old paint. A contractor was hired to perform the necessary cleanup and the pollution remediation. The clean-up work consisted 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. The total cost of the work was \$116,602, which was completed in June 2015. There are no other GASB 49 issues within the City.

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 9 - Due To / From Other Funds

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

\$	40,000	Due to the General Fund from Nonmajor Enterprise Funds
	25,000	Due to the General Fund from the Community Development Block Grant Fund
	19,117	Due to the Fire/Emergency Medical Services Fund from the Nonmajor Governmental Funds
	3,875	Due to the General Fund from the Nonmajor Governmental Funds

These amounts are non-interest bearing and are 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 matured on June 30, 2015 and has been paid in full.

Note 11 - Interfund Transfers

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. During fiscal year 2014-15, the City made the following interfund transfers between its governmental activities and business-type activities:

Amount	Description
\$ 50,000	From the General Fund to the Nonmajor Enterprise Funds for general operations
2,915,234	From the Nonmajor Governmental Funds to the Water Fund to transfer system development charges for eligible expenses
3,142,295	From the Nonmajor Governmental Funds to the Water Reclamation Fund to transfer system development charges for eligible expenses
27,517	From the Nonmajor Governmental Funds to the Nonmajor Enterprise Funds for general operations

Note 12 - Compensated Absences

Changes in compensated absences during the fiscal year ended June 30, 2015 were as follows and are included in accrued liabilities on the Statement of Net Position:

	Balance at July 1, 2014	Earned	Used	Balance at June 30, 2015	Due within one year
Governmental activities	\$ 3,193,270	\$ 3,016,969	\$ (2,872,697)	\$ 3,337,542	\$ 3,056,267
Business-type activities	481,613	548,442	(489,965)	540,090	536,424
	<u>\$ 3,674,883</u>	<u>\$ 3,565,411</u>	<u>\$ (3,362,662)</u>	<u>\$ 3,877,632</u>	<u>\$ 3,592,691</u>

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

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>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>
Full faith & credit obligations:			
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%	12/31/15
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%	12/01/21
Juniper ridge, series 2013, refinance line of credit	3,700,000	1.50%	12/01/23
Murphy crossing urban renewal, series 2015	3,000,000	2.65%	12/01/29
Fire equipment, series 2015B	3,000,000	2.65%	06/01/25
Line of credit:			
Enterprise resource project, series 2015	5,000,000	2.65%	04/30/18

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 13 - Long-Term Debt (Continued)

<u>Governmental activities:</u>	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>Balance at June 30, 2015</u>	<u>Due within one year</u>
Full faith & credit obligations:					
Pension obligation bonds, series 2004	\$ 12,770,000	\$ -	\$ (345,000)	\$ 12,425,000	\$ 410,000
Police expansion and ambulance, series 2006	3,460,000	-	(280,000)	3,180,000	295,000
Cooley road, police expansion, and fire equipment, series 2008	3,490,000	-	(225,000)	3,265,000	200,000
Fire stations, series 2010, refinance series 1999	2,325,000	-	(190,000)	2,135,000	200,000
Transportation system, series 2010, refinance series 2000	2,713,000	-	(355,000)	2,358,000	365,000
Accessibility, series 2010	2,415,000	-	(200,000)	2,215,000	210,000
City hall land, series 2010, refinance series 2005	1,400,000	-	-	1,400,000	1,400,000
Street equipment, series 2012	1,105,000	-	(170,000)	935,000	175,000
Police facility, series 2012, refinance series 2002	4,125,000	-	(255,000)	3,870,000	260,000
General obligation bonds, series 2012	24,920,000	-	(1,060,000)	23,860,000	1,080,000
Transportation, series 2013, refinance series 2003	6,062,714	-	(769,229)	5,293,485	781,319
Juniper ridge, series 2013, refinance line of credit	3,528,744	-	(348,062)	3,180,682	353,471
Murphy crossing urban renewal, series 2015	-	3,000,000	(94,977)	2,905,023	167,803
Fire equipment, series 2015B	-	55,000	-	55,000	55,000
Line of credit:					
Enterprise resource project, series 2015	-	403,200	-	403,200	-
Long-term debt obligations	68,314,458	3,458,200	(4,292,268)	67,480,390	5,952,593
Premiums and discounts	1,948,496	(2,500)	(130,738)	1,815,258	130,741
	<u>\$ 70,262,954</u>	<u>\$ 3,455,700</u>	<u>\$ (4,423,006)</u>	<u>\$ 69,295,648</u>	<u>\$ 6,083,334</u>

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 13 - Long-Term Debt (Continued)

<u>Business-type activities:</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>
Full faith & credit obligations:			
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
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%	11/01/33
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
Clean Water State Revolving Fund Loan R14513	3,939,246	1.06%	TBD
Line of credit:			
Water interim financing, series 2015	30,000,000	1.14%	06/30/17

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 13 - Long-Term Debt (Continued)

<u>Business-type activities:</u>	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>Balance at June 30, 2015</u>	<u>Due within one year</u>
Full faith & credit obligations:					
Airport, series 2010, refinance series 1999	\$ 632,000	\$ -	\$ (120,000)	\$ 512,000	\$ 125,000
Water RZEDB, series 2010	2,194,091	-	(106,792)	2,087,299	108,557
Sewer RZEDB, series 2010	10,235,909	-	(498,208)	9,737,701	506,443
Sewer, series 2012, refinance series 2002	2,845,000	-	(280,000)	2,565,000	285,000
Revenue bonds:					
Sewer, series 2005	4,430,000	-	(690,000)	3,740,000	715,000
Sewer, series 2008	8,195,000	-	(405,000)	7,790,000	425,000
Notes payable:					
Pacific Aviation Composites	242,251	-	(54,800)	187,451	60,289
Airport Eastside Improvement	705,420	-	(29,631)	675,789	29,816
Safe Drinking Water Revolving Loan Fund Loan	2,595,806	-	(110,767)	2,485,039	114,090
Clean Water State Revolving Fund Loan R14510	5,482,336	-	(203,816)	5,278,520	210,639
Clean Water State Revolving Fund Loan R14511	68,386	10,938,422	-	11,006,808	214,215
Clean Water State Revolving Fund Loan R14512	18,833,534	-	-	18,833,534	-
Clean Water State Revolving Fund Loan R14513	-	3,362,690	-	3,362,690	-
Line of credit:					
Water interim financing, series 2015	-	30,000,000	-	30,000,000	-
Long-term debt obligations	56,459,733	44,301,112	(2,499,014)	98,261,831	2,794,049
Premiums and discounts	198,712	-	(18,629)	180,083	18,629
Total business-type activities	<u>\$ 56,658,445</u>	<u>\$ 44,301,112</u>	<u>\$ (2,517,643)</u>	<u>\$ 98,441,913</u>	<u>\$ 2,812,678</u>

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

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	\$ 67,077,190	\$ 14,902,000	\$ 81,979,190	\$ 6,977,593
Revenue bonds	-	11,530,000	11,530,000	1,140,000
Notes payable	-	41,829,831	41,829,831	629,049
Line of credit	403,200	30,000,000	30,403,200	-
Long-term debt obligations	67,480,390	98,261,831	165,742,221	8,746,642
Premiums and discounts	1,815,258	180,083	1,995,341	149,370
Total long-term debt obligations	<u>\$ 69,295,648</u>	<u>\$ 98,441,913</u>	<u>\$ 167,737,561</u>	<u>\$ 8,896,012</u>

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
2016	\$ 5,952,593	\$ 2,439,462	\$ 2,794,049	\$ 3,189,763	\$ 8,746,642	\$ 5,629,225
2017	4,674,278	2,261,032	34,585,561	2,882,145	39,259,839	5,143,177
2018	5,114,419	2,119,645	4,709,582	2,052,107	9,824,001	4,171,752
2019	4,921,543	1,958,360	4,449,866	1,913,144	9,371,409	3,871,504
2020	5,136,195	1,797,587	4,433,714	1,774,831	9,569,909	3,572,418
2021-2025	22,176,666	6,303,919	17,504,314	6,910,228	39,680,980	13,214,147
2026-2030	15,584,695	2,075,603	17,312,137	3,723,294	32,896,832	5,798,897
2031-2035	3,920,001	175,851	11,523,814	979,231	15,443,815	1,155,082
2036	-	-	948,793	14,655	948,793	14,655
	<u>\$ 67,480,390</u>	<u>\$ 19,131,459</u>	<u>\$ 98,261,830</u>	<u>\$ 23,439,398</u>	<u>\$165,742,220</u>	<u>\$ 42,570,857</u>

The balance of unamortized premiums and discounts on long-term debt issuances is \$1,995,341, 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

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 1.50% to 6.095% and maturities through fiscal year 2032.

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 13 - Long-Term Debt (Continued)

Revenue Bonds

The City issued revenue bonds to provide funds for major expansions of the City's water and water reclamation systems. The revenue bonds are not backed by the full faith and credit of the City, but are secured and serviced by the pledged net revenues of the respective operations. The revenue bonds include a rate covenant requiring the City to maintain net revenues from its water and water reclamation operations at a minimum of 1.25 times the debt service of each operation. The City was in compliance with the rate covenant for the year ended June 30, 2015. 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 1.06% 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 \$863,240.

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, 2015, there is an outstanding balance of \$11,006,808. Principal repayment is scheduled to begin in fiscal year 2016.

In November 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, 2015 the City had an outstanding balance of \$3,180,682 on the note payable. This debt is serviced by the Juniper Ridge Debt Service Fund.

New Debt Issuance

On January 29, 2015 the City's Urban Renewal Agency, secured a \$3,000,000 commercial bank tax-increment revenue promissory note with the Bank of the Cascades to be used for transportation improvements in the Murphy Crossing urban renewal area. The loan is secured by the City's full faith and credit. The loan term is 15 years with an interest rate of 2.65%. On December 1st, 2024, the interest rate will reset to 1.00% above the Federal Home Loan Bank of Seattle 5 year long term funding bullet rate; the interest rate reset is subject to a minimum rate of 2.05% and a maximum rate of 3.65%. As of June 30, 2015 the City had an outstanding balance of \$2,905,023. The debt is serviced by the Murphy Crossing Debt Service Fund.

On February 9th, 2015, the City secured a loan of \$3,939,246 from ODEQ for the Collection System Master Plan update project. The loan has a repayment period of 5 years with an interest rate of 1.06% and principal forgiveness equal to the lesser of 30% or \$861,921. This loan is drawn on a reimbursement basis and as of June 30, 2015, there is an outstanding balance of \$3,362,690. Principal repayment is scheduled to begin in fiscal year 2017.

On May 22, 2015 the City secured a \$5,000,000 commercial bank draw down facility with the Bank of the Cascades to purchase a new Enterprise Resource Planning (ERP) software. The loan is secured by the City's full faith and credit. This draw down facility has a 2.65% interest rate and a final maturity date of April 30, 2018. Interest only payments are due on June 1 and December 1. Upon completion of the ERP project, and final costs are known, the interim financing will be refinanced into long term debt. As of June 30, 2015, the City had drawn \$403,200 of its \$5,000,000 draw down facility.

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 13 - Long-Term Debt (Continued)

On June 3, 2015 the City secured a \$30,000,000 tax exempt non-revolving line of credit for the interim financing of additions, replacements, expansions, or improvements to the City's water system, and the related issuance costs. The line of credit is available until June 30, 2017 with an interest rate of 1.14%. Interest only payments are due semiannually on June 1 and December 1. The City intends to refinance the line of credit into long-term water revenue bonds before the line of credit maturity date of June 30, 2017. As of June 30, 2015 the City has an outstanding balance of \$30,000,000 on the line of credit.

On June 29, 2015 the City secured a \$3,000,000 commercial bank draw down facility with the Bank of the Cascades for the purchase and financing of 6 new fire engines. The loan is secured by the City's full faith & credit. The loan term is 10 years with an interest rate of 2.65%. An interest only payment is due on December 1st, 2015, with 19 equal semiannual payments beginning on June 1st, 2016. As of June 30, 2015, the City had drawn \$55,000 of its \$3,000,000 draw down facility.

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>	<u>Balance at July 1</u>	<u>Claims Incurred and Changes in Estimate</u>	<u>Claims Paid</u>	<u>Balance at June 30</u>
2012-13	\$ 544,681	\$ 408,063	\$ (657,074)	\$ 295,670
2013-14	295,670	792,391	(403,547)	684,514
2014-15	684,514	150,098	(222,346)	612,266

The City has a high-deductible health insurance plan. 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 \$54,000 for the probable and reasonable co-insurance claims.

Note 15 - Pension Plan

Plan Description

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Benefits provided

1. Tier One/Tier Two Retirement Benefit ORS Chapter 238

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Note 15 - Pension Plan (Continued)

Benefit Changes

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the Cost of Living Adjustment (COLA) in fiscal year 2014-15 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2014-15 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

Note 15 - Pension Plan (Continued)

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions.

The rates based on a percentage of payroll, first became effective July 1, 2013. Employer contributions for the year ended June 30, 2015 were \$3,758,247. The rates in effect for the fiscal year ended June 30, 2015 were 13.04 percent for Tier One/Tier Two General Service Member, 7.11 percent for OPSRP Pension Program General Service Members, 9.84 percent for OPSRP Pension Program Police and Fire Members, and 6 percent for OPSRP Individual Account Program.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported an asset of \$8,543,325 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the City's proportion was 0.3769 percent, which was unchanged from its proportion measured as of June 30, 2013.

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 15 - Pension Plan (Continued)

For the year ended June 30, 2015, the City's recognized a pension expense (income) of (\$7,837,006). At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	16,485,157
Changes in proportion and differences between City of Bend contributions and proportionate share of contributions	25,472	-
City contributions subsequent to the measurement date	3,758,247	-
Total	<u>\$ 3,783,719</u>	<u>\$ 16,485,157</u>

\$3,758,247 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30	Differences Between Employer Contributions and Proportionate Share of Contributions	Difference of projected and actual investment earnings	Total
2016	\$ 5,537	\$ (4,121,289)	\$ (4,115,752)
2017	5,537	(4,121,289)	(4,115,752)
2018	5,537	(4,121,289)	(4,115,752)
2019	5,537	(4,121,289)	(4,115,752)
2020	3,324	-	3,324
Total	<u>\$ 25,472</u>	<u>\$ (16,485,157)</u>	<u>\$ (16,459,685)</u>

Actuarial Assumptions

The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial assumptions:

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 15 - Pension Plan (Continued)

Valuation Date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, published September 18, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment Rate of Return	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Mortality	<p>Health retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage of the RP-2000 statistic combined disabled mortality sex-distinct table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 15 - Pension Plan (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate -Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equities	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	1.25%	6.07%
	<u>100.00%</u>	
 Assumed Inflation - Mean		 2.75%

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
The City's proportionate share of the net pension liability (asset)	\$ 18,091,677	\$ (8,543,325)	\$ (31,070,290)

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 15 - Pension Plan (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Changes in Plan Provisions Subsequent to Measurement Date

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2 percent increase annually. OPERS will make restoration payments to those benefit recipients.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension liability (asset) proportionate shares provided by OPERS.

	Prior to Moro	After Moro (estimated)	City's Change in Net Position (Asset)/Liability
Total Pension Liability	\$ 237,900,000	\$ 256,500,000	
Fiduciary Net Position	246,500,000	246,500,000	
Net Pension (Asset)/Liability	<u>\$ (8,600,000)</u>	<u>\$ 10,000,000</u>	<u>\$ 18,600,000</u>

Funding Policy

Members of OPERS and OPSRP are required to contribute 6 percent 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 percent 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 2014-15, the City's annual pension cost for OPERS was equal to the City's required and actual contributions and consisted of \$3,758,247 for the City's required share. The City also paid the employees' contribution of \$2,193,915. The following table presents the three-year trend information:

Three Year Trend Information

Fiscal Year	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation
2012-13	\$ 3,562,522	\$ 3,562,522	100%	\$ -
2013-14	3,765,119	3,765,119	100%	-
2014-15	3,758,247	3,758,247	100%	-

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 15 - Pension Plan (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.

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, City of Bend Employees Association (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, 2014 the total number of plan participants is 613: 512 active, 101 inactive.

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

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

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

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.

	For the Year Ended June 30, 2015
<u>Determination of Annual Required Contribution</u>	
Normal cost at year end	\$ 1,167,815
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	1,505,444
Annual required contribution (ARC)	\$ 2,673,259
 <u>Determination of Net OPEB Obligation</u>	
Annual required contribution	\$ 2,673,259
Interest on prior year net OPEB obligation	615,765
Adjustment to annual required contribution	(958,914)
Annual OPEB expense	2,330,110
Benefit payments	(556,004)
Increase in net OPEB obligation	1,774,106
Net OPEB obligation - beginning of year	13,683,697
Net OPEB obligation - end of year	\$ 15,457,803

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2013-15 were as follows.

Year ended June 30	Annual OPEB Cost	OPEB Contribution	Percentage of Cost Contributed	Net OPEB Obligation
2013	\$ 2,442,951	\$ 489,105	20%	\$ 11,701,672
2014	2,494,731	512,706	21%	13,683,697
2015	2,330,110	556,004	24%	15,457,803

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014 was as follows:

Actuarial accrued liability (AAL)	\$ 20,557,572
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 20,557,572
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll	\$ 31,848,035
UAAL / covered payroll	64.5%

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

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, 2014 actuarial valuation, the projected unit credit cost method (PUC) was used. Plan assets are valued at market-value, excluding reserves. The actuarial assumptions included an assumed inflation rate of 2.5%, a discount rate of 4.5% for unfunded liabilities based on the expected long-term annual investment returns for Oregon's LGIP and comparable investments. An annual healthcare cost trend rate of 7.0%, 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.

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.

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

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

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, 2015, June 30, 2014, and June 30, 2013 were \$183,704, \$164,227, and \$173,353, 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, 2015 the City was committed on outstanding construction, engineering, consulting, service and equipment purchase contracts as follows:

Governmental activities:	
General Fund	\$ 1,775,892
Transportation Operations Fund	1,003,191
Fire/Emergency Medical Services Fund	2,948,345
Community Development Block Grant Fund	86,164
Internal Service Fund	3,031,798
Nonmajor Governmental Funds	4,105,287
	\$ 12,950,677
Business-type activities	\$ 30,597,854

The City has agreements to reimburse various developers for the construction of certain transportation, 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, 2015 amounts collected and potentially due to developers totaled \$704,609 and are recorded as a liability in the System Development Charges Fund.

The City has received tort claim notices and claims relating to a water main break that resulted in water damage to several private properties. The City's insurer and internal legal analysis concludes that the City is not liable, but the City has committed to paying certain costs and is negotiating with all the property owners. If the negotiations are unsuccessful, one or more of the property owners may sue the City. The City's insurance carrier would defend the lawsuit and would likely be responsible for paying any damages that are awarded.

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 18 - Commitment and Contingencies (Continued)

The City has been involved in litigation with two of the tenants at the Bend Municipal Airport alleging Breach of Contract, Cancellation of Lease; Intentional Interference with Economic Relationship; Declaratory Relief; and Maintenance of Dangerous Nuisance/Injunctive Relief. Most of the claims are tort claims which are covered by insurance, but a few of the claims are contract claims which are not covered. They are seeking damages of \$11,850,000 and declaratory relief. The City believes that the request for damages are unrealistic. The case is scheduled to go to trial in 2016.

Two environmental groups have challenged the U. S. Forest Service's permit issued to the City for the surface water pipeline that takes water from the diversion point to the City's water treatment and storage facility. The federal district court ruled in favor of the Forest Service and the City, and the opponents appealed to the Ninth Circuit. The lawsuit does not seek damages, but an unfavorable decision could add costs to the project and could make water system operations more costly. The process at the Ninth Circuit could take a year. The City believes it has a good chance of prevailing on appeal.

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.

Note 19 - Prior Period Adjustments

Based on implementation of GASB Statement No. 68 and 71, and a OPEB prior period adjustment the City restated the beginning net position for the Governmental Activities and Business-Type Activities. Net position has been restated as follows:

	Governmental Activities	Business-Type Activities	Total
Net Position - beginning (as originally reported)	\$ 524,195,711	\$ 318,376,262	\$ 842,571,973
OPEB Prior Period Adjustment	2,616,948	530,908	3,147,856
GASB 68 - Remove Existing Prepaid Pension Asset	(7,597,093)	-	(7,597,093)
GASB 68 - Record Net Pension Liability	(16,473,867)	(2,760,067)	(19,233,934)
GASB 68 - PERS Contributions	3,224,825	540,294	3,765,119
Net Position - beginning (as restated)	<u>\$ 505,966,524</u>	<u>\$ 316,687,397</u>	<u>\$ 822,653,921</u>

OPEB Prior Period Adjustment

In prior periods, City funds contributed cash to begin funding the actuarially determined other post-employment benefit liability. The amounts transferred from the participating funds were actuarially determined, and represented the current year's impact on the other post-employment benefit liability. These contributions were transferred and held within the General Fund as an accrued liability. It has subsequently been determined that the contributions transferred into the General Fund are not to be held as a liability, but instead, as fund balance. Furthermore, by maintaining these cash deposits, the General Fund has effectively assumed the liability on behalf of the participating funds. Therefore, a prior period adjustment has been made to: 1) Remove the \$3,147,856 of accrued liability from the General Fund and reflect the increase in fund balance, 2) Recognize \$530,908 of past contributions made by business-type activity participating funds as a transfer of other post-employment benefit liability to the General Fund, thereby increasing the net position of each participating fund, and reducing the fund's other post-employment benefit liability.

CITY OF BEND, OREGON
Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

Note 19 - Prior Period Adjustments (Continued)

GASB Statement No. 68

The City applied new pension reporting standards to the financial statements for FY 2014-15 as required by GASB 68. The GASB 68 statement dramatically affected the government-wide statements resulting in a large prior period adjustment and affected the categories of pension expense, deferred inflows and outflows of resources and assets. A prior period adjustment has been made to: 1) Write off the pre-GASB 68 existing \$7,597,093 prepaid pension obligation (asset), 2) Record the City's net pension liability of \$19,233,934 (liability), 3) Record \$3,765,119 of PERS contributions made subsequent to GASB 68 measurement date (deferred outflow).

Note 20 - Subsequent Events

On September 22, 2015, the City closed on the purchase of a property located at 62995 Boyd Acres Road. The purchase price and settlement charges totaled \$1,494,063. There are no plans to build on the site at this time but it will likely be used for future expansion of the Utilities campus.

In October 2005, the City purchased a 3.2 acre piece of property in downtown Bend intended for City Hall expansion. The land was later determined to be unsuitable for City use and was marketed for sale. The City received an offer on the property in May 2015. The offer was a full price offer of \$2,278,406 for development of a hotel on the property. If the transaction is finalized, sale proceeds will be used to pay-off the outstanding loan balance that is scheduled to mature December 31, 2015. Details of the sale are still being negotiated. Closure of the sale is expected by January 2016. If the offer does not materialize into a sale, other financing to pay off the outstanding balance will be secured.

In November 2015, the City Council authorized and approved a DEQ Clean Water State Revolving Fund Loan Agreement for the amount of \$28,144,891. DEQ has also provided a Commitment Letter to allow for an additional increase in loan proceeds for a total loan amount not to exceed \$63,000,000. The proceeds of the loan will finance the construction of the Southeast Interceptor Project.

In November 2015, the City Council also authorized and approved a DEQ Clean Water State Revolving Fund Loan Agreement for the amount of \$12,200,000. DEQ has also provided a Commitment Letter to allow for an additional increase in loan proceeds for a total loan amount not to exceed \$21,000,000. The proceeds of the loan will finance wastewater treatment upgrades.

On December 1, 2015, the City paid \$3,025,000 to early redeem the Sewer Revenue Refunding Bonds, Series 2005.

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, 2015

	<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>				
Revenues						
Property taxes:						
Current year's property tax levy	\$ 45,378,400	\$ 46,474,300	\$ 23,185,215	\$ 24,653,971	\$ 47,839,186	\$ 1,364,886
Delinquent property taxes	1,931,100	1,931,100	735,159	720,295	1,455,454	(475,646)
Transient room taxes	5,199,100	6,137,300	3,263,811	4,110,873	7,374,684	1,237,384
Franchise fees	11,902,400	11,902,400	5,971,438	6,035,657	12,007,095	104,695
Intergovernmental	4,716,100	4,972,100	2,362,991	2,452,496	4,815,486	(156,614)
Licenses and permits	196,700	185,100	117,393	132,099	249,492	64,392
Charges for services:						
Charges to others	176,200	356,200	101,248	241,362	342,609	(13,591)
Charges to other City funds	32,800	32,800	16,400	8,800	25,200	(7,600)
Contributions	60,000	60,000	-	-	-	(60,000)
Fines and forfeitures	1,820,700	1,820,700	926,907	900,148	1,827,055	6,355
Investment income	166,600	166,600	104,978	101,387	206,365	39,765
Miscellaneous	4,400	4,400	48,785	16,335	65,119	60,719
Total Revenues	71,584,500	74,043,000	36,834,324	39,373,421	76,207,745	2,164,745
Expenditures						
Accessibility	498,311	516,036	202,969	243,056	446,026	70,010
Municipal court	1,226,136	1,222,554	559,803	579,159	1,138,962	83,592
Code enforcement	439,808	620,723	225,177	338,840	564,016	56,707
Business advocacy	22,000	22,000	-	-	-	22,000
Community projects	2,250,275	2,439,543	1,181,172	1,153,221	2,334,394	105,149
Police	39,483,446	41,027,694	19,044,058	19,801,071	38,845,129	2,182,565
Transportation growth	-	2,285,730	97,073	1,983,568	2,080,641	205,089
Nondepartmental	-	63,900	63,808	-	63,808	92
Contingency	7,400,000	5,527,076	-	-	-	5,527,076
Reserves	507,684	303,504	-	-	-	303,504
Total Expenditures	51,827,660	54,028,760	21,374,061	24,098,915	45,472,976	8,555,784
Excess (deficiency) of revenues over (under) expenditures	19,756,840	20,014,240	15,460,263	15,274,506	30,734,769	10,720,529
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	-	30,434	-	30,434	30,434
Advances to other governments	(180,000)	(180,000)	(60,000)	(35,000)	(95,000)	85,000
Repayments from other governments	180,000	180,000	50,000	60,000	110,000	(70,000)
Advances to other funds	(750,000)	(750,000)	(53,891)	(65,000)	(118,891)	631,109
Interfund loan repayments	1,270,260	1,270,260	437,212	61,279	498,491	(771,769)
Transfers in	10,000	5,000	3,500	3,875	7,375	2,375
Transfers out	(29,788,900)	(30,403,601)	(14,863,686)	(15,552,916)	(30,416,602)	(13,001)
Total Other Financing Sources (Uses)	(29,258,640)	(29,878,341)	(14,456,431)	(15,527,762)	(29,984,193)	(105,852)

City of Bend, Oregon
General Fund (Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual (Continued)
 For the fiscal year ended June 30, 2015

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>				Positive <u>(Negative)</u>
Net change in fund balance	(9,501,800)	(9,864,101)	1,003,832	(253,256)	750,576	10,614,677
Beginning Fund Balance	9,501,800	9,864,101	9,913,214	10,917,047	9,913,214	49,113
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 10,917,047	\$ 10,663,791	\$ 10,663,791	\$ 10,663,791

Disclosure Cross Reference: Prior year data can be found in the Comprehensive Annual Financial Report for each corresponding year.

Reconciliation of Budgetary basis to GAAP basis

Total Revenues - Budgetary Basis (1)	\$ 39,390,464
Future OPEB funding payments transferred to, and accrued as liability by, the General Fund on the budgetary basis are reported as transfer revenues on the GAAP basis	1,084,018
Total Revenues - GAAP Basis	\$ 40,474,482
Total Other Financing Sources (Uses) - Budgetary Basis (1)	\$ (15,295,447)
Advances to other governments reported as other financing uses on the budgetary basis are reported as receivables on the GAAP basis	35,000
Repayments from other governments reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis	(60,000)
Advances to other funds reported as other financing uses on the budgetary basis are reported as assets on the GAAP basis	65,000
Repayments from other funds reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis	(61,279)
Total Other Financing Sources (Uses) - GAAP Basis	\$ (15,316,726)
Ending Fund Balance - Budgetary Basis (1)	\$ 12,756,263
Cumulative GAAP adjustments from prior years:	7,835,109
Advances and repayments to/from other governments reported as receivables on GAAP basis	
Advances to/from other funds reported as receivables on GAAP basis	
Capitalized amounts reported as assets on GAAP basis	
Future OPEB funding payments transferred to, and accrued as liability by, the General Fund on the budgetary basis are reported as transfer revenues on the GAAP basis	1,084,018
Advances to other governments reported as other financing uses on the budgetary basis are reported as receivables on the GAAP basis	35,000
Repayments from other governments reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis	(60,000)
Advances to other funds reported as other financing uses on the budgetary basis are reported as assets on the GAAP basis	65,000
Repayments from other funds reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis	(61,279)
Combined Ending Fund Balance - GAAP Balance	\$ 21,654,111

(1) Includes: General Fund and General Fund Stabilization Fund (page 183).

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, 2015

	<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>				
Revenues						
Franchise fees	\$ 1,016,500	\$ 1,016,500	\$ 512,342	\$ 544,458	\$ 1,056,800	\$ 40,300
Intergovernmental:						
State highway fund apportionment	8,903,700	8,903,700	4,452,504	4,577,904	9,030,408	126,708
Grants and agreements	1,710,800	1,983,400	1,165,784	735,000	1,900,784	(82,616)
Licenses and permits	215,400	215,400	142,612	163,206	305,818	90,418
Charges for services:						
Charges to other City funds	1,114,600	1,115,700	385,032	550,284	935,316	(180,384)
Investment income	30,800	30,800	19,746	16,041	35,788	4,988
Miscellaneous	47,100	47,100	14,077	30,876	44,954	(2,146)
Total Revenues	13,038,900	13,312,600	6,692,097	6,617,770	13,309,867	(2,733)
Expenditures						
Current:						
Personal services	5,927,536	6,248,967	2,880,585	3,199,262	6,079,847	169,120
Materials and services	3,750,322	3,801,349	1,645,754	1,644,143	3,289,897	511,452
Interfund charges	3,821,100	4,010,201	1,807,203	1,974,880	3,782,083	228,118
Debt service	401,300	401,300	200,625	200,600	401,225	75
Capital outlay	4,690,000	5,178,100	2,742,796	2,320,219	5,063,015	115,085
Contingency	1,980,142	1,808,183	-	-	-	1,808,183
Total Expenditures	20,570,400	21,448,100	9,276,963	9,339,103	18,616,066	2,832,034
Excess (deficiency) of revenues over (under) expenditures	(7,531,500)	(8,135,500)	(2,584,866)	(2,721,333)	(5,306,199)	2,829,301
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	-	304,233	-	304,233	304,233
Insurance proceeds	-	-	1,779	25,000	26,779	26,779
Transfers in	4,900,000	5,450,000	2,450,000	3,000,000	5,450,000	-
Total Other Financing Sources (Uses)	4,900,000	5,450,000	2,756,012	3,025,000	5,781,012	331,012
Net change in fund balance	(2,631,500)	(2,685,500)	171,145	303,667	474,813	3,160,313
Beginning Fund Balance (Deficit)	2,631,500	2,685,500	2,685,268	2,856,413	2,685,268	(232)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 2,856,413	\$ 3,160,081	\$ 3,160,081	\$ 3,160,081

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, 2015

	<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</u>
	<u>Original</u>	<u>Final</u>				<u>Positive (Negative)</u>
Revenues						
Property taxes:						
Current year's property tax levy	\$ -	\$ 1,800,000	\$ -	\$ 1,788,125	\$ 1,788,125	\$ (11,875)
Delinquent property taxes	-	-	-	1,910	1,910	1,910
Transient room taxes	-	72,000	8,990	100,047	109,038	37,038
Intergovernmental	5,191,800	5,591,500	2,604,533	3,271,722	5,876,255	284,755
Charges for services:						
Charges to others	4,294,000	4,495,500	2,461,153	2,900,522	5,361,675	866,175
Charges to other City funds	6,000	6,000	2,779	3,132	5,912	(88)
Contributions	3,800	3,800	-	665	665	(3,135)
Loan repayments	-	-	6,000	-	6,000	6,000
Investment income	9,700	9,700	14,109	17,877	31,986	22,286
Miscellaneous	10,000	10,000	3,291	4,797	8,088	(1,912)
Total Revenues	9,515,300	11,988,500	5,100,855	8,088,799	13,189,654	1,201,154
Expenditures						
Current:						
Personal services	25,526,311	26,546,473	12,513,451	13,698,869	26,212,321	334,152
Materials and services	2,606,220	3,016,020	1,258,665	1,665,970	2,924,635	91,385
Interfund charges	3,372,600	3,733,065	1,815,181	1,871,717	3,686,899	46,166
Debt service	877,800	877,800	293,139	284,295	577,434	300,366
Capital outlay	2,935,000	3,625,000	260,129	198,474	458,603	3,166,397
Contingency	635,069	1,319,342	-	-	-	1,319,342
Reserved for maintenance	100,000	100,000	-	-	-	100,000
Total Expenditures	36,053,000	39,217,700	16,140,566	17,719,326	33,859,892	5,357,808
Excess (deficiency) of revenues over (under) expenditures	(26,537,700)	(27,229,200)	(11,039,711)	(9,630,527)	(20,670,238)	6,558,962
Other Financing Sources (Uses)						
Insurance proceeds	40,500	21,000	13,098	3,934	17,033	(3,967)
Issuance of long-term debt	2,846,000	3,000,000	-	55,000	55,000	(2,945,000)
Transfers in	21,077,900	21,485,200	10,544,418	11,085,750	21,630,168	144,968
Transfers out	(17,100)	(59,400)	(46,141)	(15,379)	(61,519)	(2,119)
Total Other Financing Sources (Uses)	23,947,300	24,446,800	10,511,376	11,129,305	21,640,681	(2,806,119)
Net change in fund balance	(2,590,400)	(2,782,400)	(528,335)	1,498,778	970,443	3,752,843
Beginning Fund Balance (Deficit)	2,590,400	2,782,400	2,921,006	2,392,671	2,921,006	138,606
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 2,392,671	\$ 3,891,449	\$ 3,891,449	\$ 3,891,449

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, 2015

	<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>
Revenues						
System development charges	\$ 13,666,700	\$ 16,926,800	\$ 9,090,708	\$ 10,239,272	\$ 19,329,980	\$ 2,403,180
Loan repayments	98,300	98,300	220,846	198,841	419,687	321,387
Investment income	62,400	62,400	59,103	80,491	139,594	77,194
Total Revenues	13,827,400	17,087,500	9,370,657	10,518,604	19,889,261	2,801,761
Expenditures						
Current:						
Interfund charges	404,600	507,900	422,909	227,549	650,458	(142,558)
Total Expenditures	404,600	507,900	422,909	227,549	650,458	(142,558)
Excess (deficiency) of revenues over (under) expenditures	13,422,800	16,579,600	8,947,748	10,291,055	19,238,803	2,659,203
Other Financing Sources (Uses)						
Transfers out	(13,422,800)	(16,579,600)	(6,267,013)	(8,579,112)	(14,846,125)	1,733,475
Total Other Financing Sources (Uses)	(13,422,800)	(16,579,600)	(6,267,013)	(8,579,112)	(14,846,125)	1,733,475
Net change in fund balance	-	-	2,680,735	1,711,942	4,392,678	4,392,678
Beginning Fund Balance (Deficit)	-	-	1,132,524	3,813,260	1,132,524	1,132,524
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 3,813,260	\$ 5,525,202	\$ 5,525,202	\$ 5,525,202

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, 2015

	<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>
Revenues						
Intergovernmental	\$ 1,214,966	\$ 1,498,896	\$ 794,960	\$ 257,222	\$ 1,052,183	\$ (446,713)
Loan repayments	54,500	154,500	146,990	397,451	544,441	389,941
Investment income	(1,300)	(1,300)	(92)	1,698	1,605	2,905
Total Revenues	1,268,166	1,652,096	941,858	656,371	1,598,229	(53,867)
Expenditures						
Current:						
Personal services	251,524	253,748	118,650	119,682	238,332	15,416
Materials and services	1,061,460	1,459,590	711,503	242,133	953,636	505,954
Interfund charges	55,900	79,787	35,362	43,913	79,276	511
Contingency	158,182	167,871	-	-	-	167,871
Total Expenditures	1,527,066	1,960,996	865,515	405,729	1,271,244	689,752
Excess (deficiency) of revenues over (under) expenditures	(258,900)	(308,900)	76,343	250,642	326,985	635,885
Other Financing Sources (Uses)						
Interfund loan proceeds	250,000	250,000	-	25,000	25,000	(225,000)
Interfund loan repayment	(750,000)	(700,000)	(75,000)	-	(75,000)	625,000
Transfers in	127,200	127,200	5,000	122,000	127,000	(200)
Total Other Financing Sources (Uses)	(372,800)	(322,800)	(70,000)	147,000	77,000	399,800
Net change in fund balance	(631,700)	(631,700)	6,343	397,642	403,985	1,035,685
Beginning Fund Balance (Deficit)	631,700	631,700	88,100	94,443	88,100	(543,600)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 94,443	\$ 492,085	\$ 492,085	\$ 492,085

Reconciliation of Budgetary basis to GAAP basis

Total Other Financing Sources - Budgetary Basis	\$ 147,000
Interfund loan proceeds reported as other financing source on the budgetary basis is reported as a liability on the GAAP basis	<u>(25,000)</u>
Total Other Financing Sources - GAAP Basis	<u>\$ 122,000</u>

City of Bend, Oregon

Other Postemployment Benefit Plans

Schedule of Funding Progress and Employer Contributions

For the fiscal year ended June 30, 2015

(in thousands)

<u>Funding Progress</u>						<u>Employer Contributions</u>			
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial	Unfunded	Funded Ratio	Covered Payroll	UAAL as a	Fiscal Year Ended Date	Annual OPEB Cost	Percentage Contributed
		Accrued Liability (AAL)	AAL (UAAL)			Percentage of Covered Payroll			
7/1/2010	-	20,603	20,603	0%	31,669	65%	6/30/2011	2,832	21%
7/1/2012	-	19,221	19,221	0%	31,067	62%	6/30/2013	2,443	20%
7/1/2014	-	20,558	20,558	0%	31,848	65%	6/30/2015	2,330	24%

Notes:

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; 2014-15 annual claims costs for an age 64 retiree or spouse are assumed to be \$10,498. Demographic assumptions were revised to match (as closely as possible) those developed in the 2012 experience study for Oregon PERS.

City of Bend, Oregon
Oregon Public Employee Retirement Pension Plan (OPERS)
 Schedule of the City's Proportionate Share of the Net Pension (Asset)/Liability
 For the last three years

Fiscal year ended	City's proportion of the net pension (asset)/liability (2)	City's proportionate share of the net pension (asset)/liability (2)	City's covered employee payroll	City's proportionate share of the net pension (asset)/liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension (asset)/liability
2013 (1)	\$ -	\$ -	\$ 31,067,000	- %	- %
2014	0.37690343	19,233,934	31,848,035	60.39	n/a
2015	0.37690343	(8,543,325)	36,565,264	(23.36)	103.59

(1) Actuarial information for this fiscal year is not available.

(2) Actuarial information was provided by the actuary for OPERS

City of Bend, Oregon

Oregon Public Employee Retirement Pension Plan (OPERS)

Schedule of City Pension Plan Contributions

For the last three years

Fiscal year ended	Contractually required contributions (1)	Contributions in relation to the contractually required contributions	Contribution deficiency/ (excess)	City's covered employee payroll	Contributions as a percentage of covered employee payroll
2013	\$ 3,562,522	\$ (3,562,522)	\$ -	\$ 31,067,000	11.47 %
2014	3,765,119	(3,765,119)	-	31,848,035	11.82
2015	3,758,247	(3,758,247)	-	36,565,264	10.28

(1) Actuarial information was provided by the actuary for OPERS

CITY OF BEND, OREGON

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2015

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

Note 1 – Budgetary Information

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

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

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

Appropriations lapse at the end of the biennium for goods or services not yet received. The City Council may modify the budget by transferring appropriations between levels of control and by adopting supplemental budgets. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publications in newspapers and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. Supplemental appropriations were approved by the City Council for the 2013-15 biennium. All appropriations terminate on June 30, 2015.

Note 2 – Oregon Public Retirement System Information

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf.

Changes of assumptions

A summary of key changes implemented since the December 31, 2011 valuation are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf. Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at: <http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf>.

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>
<u>General Fund</u>			
Accessibility program	\$ 396,215	\$ 326,100	\$ 70,115
Municipal court program	885,303	809,906	75,397
Code enforcement program	531,525	456,698	74,827
Community projects program	2,439,543	2,334,394	105,149
Police program	35,330,258	33,240,517	2,089,741
Transportation growth program	2,066,324	1,865,484	200,840
Nondepartmental	63,900	63,808	92
Transfers	37,818,713	37,006,561	812,152
Contingency	5,527,076	-	5,527,076
Reserves	303,504	-	303,504
Total General Fund	\$ 85,362,361	\$ 76,103,468	\$ 9,258,893
<u>Transportation Operations Fund</u>			
Personal services	\$ 6,248,967	\$ 6,079,847	\$ 169,120
Materials and services	3,801,349	3,289,897	511,452
Transfers	4,010,201	3,782,083	228,118
Debt service	401,300	401,225	75
Capital outlay	5,178,100	5,063,015	115,085
Contingency	1,808,183	-	1,808,183
Total Transportation Operations Fund	\$ 21,448,100	\$ 18,616,066	\$ 2,832,034
<u>Fire / Emergency Medical Services Fund</u>			
Personal services	\$ 26,546,473	\$ 26,212,321	\$ 334,152
Materials and services	3,016,020	2,924,635	91,385
Transfers	3,792,465	3,748,418	44,047
Debt service	877,800	577,434	300,366
Capital outlay	3,625,000	458,603	3,166,397
Contingency	1,319,342	-	1,319,342
Reserves	100,000	-	100,000
Total Fire / Emergency Medical Services Fund	\$ 39,277,100	\$ 33,921,411	\$ 5,355,689
<u>System Development Charges (SDC) Fund</u>			
Transfers	\$ 17,087,500	\$ 15,496,583	\$ 1,590,917
Total System Development Charges (SDC) Fund	\$ 17,087,500	\$ 15,496,583	\$ 1,590,917
<u>Community Development Block Grant Fund</u>			
Personal services	\$ 253,748	\$ 238,332	\$ 15,416
Materials and services	1,459,590	953,636	505,954
Transfers	679,787	79,276	600,511
Debt service	100,000	75,000	25,000
Contingency	167,871	-	167,871
Total Community Development Block Grant Fund	\$ 2,660,996	\$ 1,346,244	\$ 1,314,752

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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, 2015

	<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</u>
	<u>Original</u>	<u>Final</u>				<u>Positive (Negative)</u>
Revenues						
Intergovernmental	\$ 96,700	\$ 96,700	\$ 70,024	\$ 44,190	\$ 114,214	\$ 17,514
Charges for services:						
Charges to others	31,758,400	33,459,950	16,898,417	17,451,244	34,349,660	889,710
Charges to other City funds	377,800	377,800	173,940	196,486	370,427	(7,373)
Investment income	83,600	126,950	96,793	5,584	102,377	(24,573)
Miscellaneous	263,300	263,300	209,170	120,009	329,179	65,879
Total Revenues	32,579,800	34,324,700	17,448,344	17,817,513	35,265,857	941,157
Expenses						
Current:						
Personal services	7,106,499	7,093,021	3,044,932	3,248,096	6,293,029	799,992
Materials and services	7,365,702	7,687,490	3,288,367	3,270,712	6,559,079	1,128,411
Interfund charges	8,799,750	6,734,482	3,078,933	3,370,998	6,449,932	284,550
Debt service	5,044,500	2,084,500	1,129,004	426,472	1,555,476	529,024
Capital outlay	30,696,000	6,312,500	2,254,490	808,740	3,063,230	3,249,270
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	-	-	-	-	-
Reserved for construction	5,062,749	2,762,617	-	-	-	2,762,617
Total Expenses	71,095,200	37,674,610	12,795,727	11,125,019	23,920,746	13,753,864
Excess (deficiency) of revenues over (under) expenses	(38,515,400)	(3,349,910)	4,652,617	6,692,494	11,345,112	14,695,022
Other Financing Sources (Uses)						
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	3,958,200	2,446,153	2,915,234	5,361,387	1,403,187
Transfers out	-	(9,396,490)	-	(6,068,490)	(6,068,490)	3,328,000
Total Other Financing Sources (Uses)	31,628,200	(5,438,290)	2,468,047	(3,153,256)	(685,209)	4,753,081
Net change in fund balance	(6,887,200)	(8,788,200)	7,120,664	3,539,239	10,659,903	19,448,103
Beginning Fund Balance (Deficit)	6,887,200	8,788,200	8,798,313	15,918,977	8,798,313	10,113
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 15,918,977	\$ 19,458,215	\$ 19,458,215	\$ 19,458,215

City of Bend, Oregon
Water Fund (Continued)

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual (Continued)
 For the fiscal year ended June 30, 2015

Reconciliation of Budgetary basis to GAAP basis

Total Revenues - Budgetary Basis (1)	\$ 17,817,513
Revenues reported on the budgetary basis related to capitalized interest subsidy are reported as assets on the GAAP basis	(44,190)
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>2,816,497</u>
Total Revenues - GAAP Basis	<u><u>\$ 20,589,820</u></u>
Total Expenses - Budgetary Basis (1)	\$ 47,465,521
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	27,182
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(579,109)
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(36,786,647)
Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(217,559)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	2,898,027
Amortization of premiums and discounts are not reported on the budgetary basis but are reported as an expense on the GAAP basis	<u>13,391</u>
Total Expenses - GAAP Basis	<u><u>\$ 12,820,806</u></u>
Other Financing Sources (Uses) - Budgetary Basis (1)	\$ 32,915,234
Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis	<u>(30,000,000)</u>
Total Transfers - GAAP Basis	<u><u>\$ 2,915,234</u></u>

(1) Includes: Water Fund and Bridge Creek Pipe Project Fund (page 186).

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, 2015

	<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>				
<u>Revenues</u>						
Intergovernmental	\$ 358,200	\$ 358,200	\$ 207,561	\$ 203,695	\$ 411,257	\$ 53,057
Charges for services:						
Charges to others	37,850,300	37,922,200	18,423,264	20,283,252	38,706,516	784,316
Charges to other City funds	38,200	38,200	17,814	19,688	37,502	(698)
Loan repayments	7,150	7,150	18,516	9,151	27,666	20,516
Contributions	-	-	100,000	208,085	308,085	308,085
Investment income	219,300	219,300	209,474	176,083	385,557	166,257
Miscellaneous	26,600	26,600	27,407	10,120	37,527	10,927
Total Revenues	38,499,750	38,571,650	19,004,035	20,910,075	39,914,110	1,342,460
<u>Expenses</u>						
Current:						
Personal services	8,924,842	9,208,712	4,105,645	4,560,771	8,666,416	542,296
Materials and services	5,742,148	5,769,720	2,462,980	2,354,116	4,817,096	952,624
Interfund charges	7,953,250	6,194,465	2,979,366	3,110,797	6,090,162	104,303
Debt service	10,931,400	10,629,200	3,193,401	3,801,978	6,995,379	3,633,821
Capital outlay	69,814,800	22,625,200	4,051,102	2,748,013	6,799,115	15,826,085
Contingency	3,900,000	3,877,400	-	-	-	3,877,400
Reserved for debt service	1,500,000	1,500,000	-	-	-	1,500,000
Reserved for construction	7,240,510	22,151,653	-	-	-	22,151,653
Total Expenses	116,006,950	81,956,350	16,792,493	16,575,675	33,368,168	48,588,182
Excess (deficiency) of revenues over (under) expenses	(77,507,200)	(43,384,700)	2,211,542	4,334,400	6,545,942	49,930,642
<u>Other Financing Sources (Uses)</u>						
Proceeds from sale of assets	-	-	-	5,500	5,500	5,500
Issuance of long-term debt	50,037,500	22,210,000	-	3,362,690	3,362,690	(18,847,310)
Transfers in	3,786,000	4,274,500	2,758,959	3,142,295	5,901,254	1,626,754
Transfers out	-	(7,401,500)	(1,667,582)	(6,328,700)	(7,996,282)	(594,782)
Total Other Financing Sources (Uses)	53,823,500	19,083,000	1,091,377	181,786	1,273,162	(17,809,838)
Net change in fund balance	(23,683,700)	(24,301,700)	3,302,919	4,516,185	7,819,105	32,120,805
Beginning Fund Balance (Deficit)	23,683,700	24,301,700	24,721,794	28,024,713	24,721,794	420,094
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 28,024,713	\$ 32,540,898	\$ 32,540,898	\$ 32,540,898

City of Bend, Oregon

Water Reclamation Fund (Continued)

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

For the fiscal year ended June 30, 2015

Reconciliation of Budgetary basis to GAAP basis

Total Revenues - Budgetary Basis (1)	\$ 20,914,477
Revenues reported on the budgetary basis related to capitalized interest subsidy are reported as assets on the GAAP basis	(203,695)
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>2,504,319</u>
Total Revenues - GAAP Basis	<u>\$ 23,215,101</u>
Total Expenses - Budgetary Basis (1)	\$ 34,310,742
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	32,993
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(814,373)
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(21,269,754)
Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(2,077,024)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	3,030,855
Amortization of premiums and discounts are not reported on the budgetary basis but are reported as an expense on the GAAP basis	(14,662)
Loss on disposal of asset reported as an expense on the GAAP basis	<u>(2,968)</u>
Total Expenses - GAAP Basis	<u>\$ 13,195,809</u>
Total Other Financing Sources (Uses) - Budgetary Basis (1)	\$ 17,448,908
Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis	<u>(14,301,113)</u>
Total Transfers - GAAP Basis	<u>\$ 3,147,795</u>

(1) Includes: Water Reclamation Fund, Secondary Expansion Project Fund (page 189), and Southeast Interceptor Project Fund (page 190).

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>
<u>Water Fund</u>			
Personal services	\$ 7,093,021	\$ 6,293,029	\$ 799,992
Materials and services	7,687,490	6,559,079	1,128,411
Transfers	16,130,972	12,518,422	3,612,550
Debt service	2,084,500	1,555,476	529,024
Capital outlay	6,312,500	3,063,230	3,249,270
Contingency	4,000,000	-	4,000,000
Reserves	3,762,617	-	3,762,617
Total Water Fund	\$ 47,071,100	\$ 29,989,236	\$ 17,081,864
<u>Water Reclamation Fund</u>			
Personal services	\$ 9,208,712	\$ 8,666,416	\$ 542,296
Materials and services	5,769,720	4,817,096	952,624
Transfers	13,595,965	14,086,445	(490,480)
Debt service	10,629,200	6,995,379	3,633,821
Capital outlay	22,625,200	6,799,115	15,826,085
Contingency	3,877,400	-	3,877,400
Reserves	23,651,653	-	23,651,653
Total Water Reclamation Fund	\$ 89,357,850	\$ 41,364,450	\$ 47,993,400

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NONMAJOR GOVERNMENTAL FUNDS

City of Bend, Oregon
Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total
Assets					
Pooled cash and investments	\$ 5,795,422	\$ -	\$ -	\$ -	\$ 5,795,422
Restricted cash and investments	8,114,953	5,516,413	13,456,875	616,397	27,704,638
Receivables:					
Property taxes	-	105,412	-	-	105,412
Accounts, net	314,007	-	77,953	-	391,960
Assessments, net	10,468	-	-	-	10,468
Loans and notes, net	2,647,694	-	-	-	2,647,694
Total Assets	\$ 16,882,544	\$ 5,621,825	\$ 13,534,828	\$ 616,397	\$ 36,655,593
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable	\$ 293,667	\$ -	\$ 1,331,115	\$ -	\$ 1,624,782
Salaries and benefits payable	63,168	-	-	-	63,168
Retainage payable	-	-	344,700	-	344,700
Deposits	153,522	-	-	-	153,522
Unearned revenue	1,200	-	-	-	1,200
Due to other funds	22,992	-	-	-	22,992
Total Liabilities	534,549	-	1,675,815	-	2,210,364
Deferred Inflows of Resources:					
Unavailable revenue-property taxes	-	77,672	-	-	77,672
Unavailable revenue-assessments & loans receivable	2,649,910	-	-	-	2,649,910
Total Deferred Inflows of Resources	2,649,910	77,672	-	-	2,727,582
Fund Balances (Deficits):					
Nonspendable:					
Permanent maintenance funds	-	-	-	604,753	604,753
Restricted:					
Outside grantor covenant	79,385	-	-	-	79,385
Outside debt covenant	-	2,830,723	-	-	2,830,723
Outside construction covenant	-	-	10,355,097	-	10,355,097
State law revenue restriction	8,118,971	-	-	11,644	8,130,615
Committed:					
Affordable housing	1,935,191	-	-	-	1,935,191
Construction activities	-	-	360,000	-	360,000
Reserves for police operations	629,888	-	-	-	629,888
Assigned:					
Planning support services	2,846,615	-	-	-	2,846,615
Community development contracts	88,036	-	-	-	88,036
Debt service	-	2,713,429	-	-	2,713,429
Construction activities	-	-	1,503,498	-	1,503,498
Unassigned	-	-	(359,583)	-	(359,583)
Total Fund Balances (Deficits)	13,698,086	5,544,153	11,859,012	616,397	31,717,648
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,882,544	\$ 5,621,825	\$ 13,534,828	\$ 616,397	\$ 36,655,593

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, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total
Revenues					
Property taxes	\$ -	\$ 3,124,877	\$ -	\$ -	\$ 3,124,877
Transient room taxes	2,185,737	-	-	-	2,185,737
Franchise fees	-	-	699,331	-	699,331
Intergovernmental	28,451	231,645	43,735	-	303,831
Assessments	164,939	-	-	-	164,939
Licenses and permits	6,650,461	-	-	-	6,650,461
Charges for services	3,023,196	1,279,616	-	-	4,302,812
Contributions	22,992	-	-	-	22,992
Permanent maintenance fees	-	-	-	5,368	5,368
Loan repayments	904,129	-	-	-	904,129
Investment income	92,483	45,249	114,575	7,978	260,286
Miscellaneous	13,996	-	24,145	-	38,141
Total Revenues	13,086,383	4,681,387	881,786	13,346	18,662,903
Expenditures					
Current:					
General government	-	23,754	-	-	23,754
Public safety	28,530	6,377	-	-	34,906
Public ways and facilities	-	-	413,747	-	413,747
Community and economic development	9,474,449	-	-	-	9,474,449
Permanent maintenance	-	-	-	4,842	4,842
Urban renewal	14,068	-	45,508	-	59,576
Debt service:					
Principal	-	2,183,039	200,000	-	2,383,039
Interest	-	1,810,690	104,483	-	1,915,172
Capital outlay	73,619	-	9,392,938	-	9,466,557
Total Expenditures	9,590,665	4,023,859	10,156,675	4,842	23,776,042
Excess (deficiency) of revenues over (under) expenditures	3,495,718	657,528	(9,274,889)	8,504	(5,113,139)
Other Financing Sources (Uses)					
Insurance proceeds	\$ 1,939	\$ -	\$ -	\$ -	\$ 1,939
Issuance of long-term debt	-	-	3,000,000	-	3,000,000
Discount on issuance of long-term debt	-	-	(2,500)	-	(2,500)
Transfers in	549,900	6,700	470,000	-	1,026,600
Transfers out	(176,215)	-	-	(27,517)	(203,733)
Total Other Financing Sources (Uses)	375,623	6,700	3,467,500	(27,517)	3,822,306
Net change in fund balances	3,871,341	664,228	(5,807,389)	(19,014)	(1,290,833)
Fund Balances (Deficits), July 1, 2014	9,826,745	4,879,925	17,666,401	635,411	33,008,481
Fund Balances (Deficits), June 30, 2015	\$ 13,698,086	\$ 5,544,153	\$ 11,859,012	\$ 616,397	\$ 31,717,648

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, 2015

	BURA General Fund	Police Grant Fund	Energy ARRA Grant Fund	Helen Lorenz Estate Fund
<u>Assets</u>				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	398,503	-	78,119	46,217
Receivables:				
Accounts, net	-	-	-	22,992
Assessments, net	-	-	-	-
Loans and notes receivable, net	-	-	182,193	-
Total Assets	\$ 398,503	\$ -	\$ 260,312	\$ 69,209
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 6,142
Salaries and benefits payable	-	-	-	-
Deposits	-	-	-	38,810
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	22,992
Total Liabilities	-	-	-	67,943
Deferred Inflows of Resources:				
Unavailable revenue-assessments & loans receivable	-	-	182,193	-
Total Deferred Inflows of Resources	-	-	182,193	-
Fund Balances (Deficits):				
Restricted:				
Outside grantor covenant	-	-	78,119	1,266
State law revenue restriction	398,503	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances (Deficits)	398,503	-	78,119	1,266
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 398,503	\$ -	\$ 260,312	\$ 69,209

City of Bend, Oregon
Combining Balance Sheet (Continued)
 Nonmajor Special Revenue Funds
 June 30, 2015

	<u>Building</u> <u>Fund</u>	<u>Planning</u> <u>Fund</u>	<u>Private</u> <u>Development</u> <u>Engineering</u> <u>Fund</u>	<u>Affordable</u> <u>Housing</u> <u>Fund</u>
<u>Assets</u>				
Pooled cash and investments	\$ -	\$ 2,868,118	\$ -	\$ 1,967,799
Restricted cash and investments	7,485,585	106,529	-	-
Receivables:				
Accounts, net	-	3,729	-	-
Assessments, net	-	-	-	-
Loans and notes receivable, net	-	-	-	2,454,781
Total Assets	\$ 7,485,585	\$ 2,978,376	\$ -	\$ 4,422,580
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 15,341	\$ 7,072	\$ -	\$ 31,560
Salaries and benefits payable	43,243	18,160	-	1,048
Deposits	8,182	106,529	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	66,767	131,762	-	32,608
Deferred Inflows of Resources:				
Unavailable revenue-assessments & loans receivable	-	-	-	2,454,781
Total Deferred Inflows of Resources	-	-	-	2,454,781
Fund Balances (Deficits):				
Restricted:				
Outside grantor covenant	-	-	-	-
State law revenue restriction	7,418,818	-	-	-
Committed	-	-	-	1,935,191
Assigned	-	2,846,615	-	-
Total Fund Balances (Deficits)	7,418,818	2,846,615	-	1,935,191
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,485,585	\$ 2,978,376	\$ -	\$ 4,422,580

City of Bend, Oregon
Combining Balance Sheet (Continued)
 Nonmajor Special Revenue Funds
 June 30, 2015

	Business Advocacy Fund	Tourism Fund	Economic Improvement District Fund	Police Reserve Fund	Total
<u>Assets</u>					
Pooled cash and investments	\$ 90,356	\$ 94,071	\$ 145,190	\$ 629,888	\$ 5,795,422
Restricted cash and investments		-	-	-	8,114,953
Receivables:					
Accounts, net	-	287,286	-	-	314,007
Assessments, net	-	-	10,468	-	10,468
Loans and notes receivable, net	-	-	10,721	-	2,647,694
Total Assets	\$ 90,356	\$ 381,357	166,378	\$ 629,888	\$ 16,882,544
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 402	\$ 79,707	\$ 153,443	\$ -	\$ 293,667
Salaries and benefits payable	717	-	-	-	63,168
Deposits	-	-	-	-	153,522
Unearned revenue	1,200	-	-	-	1,200
Due to other funds	-	-	-	-	22,992
Total Liabilities	2,319	79,707	153,443	-	534,549
Deferred Inflows of Resources:					
Unavailable revenue-assessments & loans receivable	-	-	12,936	-	2,649,910
Total Deferred Inflows of Resources	-	-	12,936	-	2,649,910
Fund Balances (Deficits):					
Restricted:					
Outside grantor covenant	-	-	-	-	79,385
State law revenue restriction	-	301,650	-	-	8,118,971
Committed	-	-	-	629,888	2,565,079
Assigned	88,036	-	-	-	2,934,651
Total Fund Balances (Deficits)	88,036	301,650	-	629,888	13,698,086
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 90,356	\$ 381,357	\$ 166,378	\$ 629,888	\$ 16,882,544

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, 2015

	BURA General Fund	Police Grant Fund	Energy ARRA Grant Fund	Helen Lorenz Estate Fund	Building Fund
Revenues					
Transient room taxes	\$ -	\$ -	\$ -	\$ -	-
Intergovernmental	-	28,451	-	-	-
Assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	6,359,036
Charges for services	-	-	-	-	65,595
Contributions	-	-	-	22,992	-
Loan repayments	14,555	-	41,010	-	-
Investment income	2,904	79	531	403	48,145
Miscellaneous	-	-	-	-	11,169
Total Revenues	17,459	28,530	41,541	23,394	6,483,946
Expenditures					
Current:					
Public safety	-	28,530	-	-	-
Community and economic development	-	-	18,734	-	3,951,952
Urban renewal	14,068	-	-	-	-
Capital outlay	-	-	-	-	73,619
Total Expenditures	14,068	28,530	18,734	-	4,025,570
Excess (deficiency) of revenues over (under) expenditures	3,391	-	22,807	23,394	2,458,376
Other Financing Sources (Uses)					
Insurance proceeds	-	-	-	-	1,939
Transfers in	-	-	-	-	-
Transfers out	(20,000)	-	-	(22,992)	-
Total Other Financing Sources (Uses)	(20,000)	-	-	(22,992)	1,939
Net change in fund balance	(16,609)	-	22,807	403	2,460,315
Fund Balances (Deficits), July 1, 2014	415,111	-	55,311	863	4,958,504
Fund Balances (Deficits), June 30, 2015	\$ 398,503	\$ -	\$ 78,119	\$ 1,266	\$ 7,418,818

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, 2015

	Planning Fund	Private Development Engineering Fund	Affordable Housing Fund	Business Advocacy Fund	Tourism Fund
Revenues					
Transient room taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,185,737
Intergovernmental	-	-	-	-	-
Assessments	-	-	-	-	-
Licenses and permits	-	-	-	291,425	-
Charges for services	2,154,762	-	792,161	10,677	-
Contributions	-	-	-	-	-
Loan repayments	-	-	848,564	-	-
Investment income	20,028	-	14,656	520	291
Miscellaneous	-	-	-	2,827	-
Total Revenues	2,174,790	-	1,655,381	305,448	2,186,028
Expenditures					
Current:					
Public safety	-	-	-	-	-
Community and economic development	1,962,110	-	942,288	379,356	2,054,876
Urban renewal	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	1,962,110	-	942,288	379,356	2,054,876
Excess (deficiency) of revenues over (under) expenditures	212,680	-	713,093	(73,907)	131,152
Other Financing Sources (Uses)					
Insurance proceeds	-	-	-	-	-
Transfers in	479,900	-	-	70,000	-
Transfers out	(11,224)	-	(122,000)	-	-
Total Other Financing Sources (Uses)	468,676	-	(122,000)	70,000	-
Net change in fund balance	681,356	-	591,093	(3,907)	131,152
Fund Balances (Deficits), July 1, 2014	2,165,259	-	1,344,097	91,944	170,499
Fund Balances (Deficits), June 30, 2015	\$ 2,846,615	\$ -	\$ 1,935,191	\$ 88,036	\$ 301,650

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, 2015

	Economic Improvement District <u>Fund</u>	Police Reserve <u>Fund</u>	<u>Total</u>
<u>Revenues</u>			
Transient room taxes	\$ -	\$ -	\$ 2,185,737
Intergovernmental	-	-	28,451
Assessments	164,939	-	164,939
Licenses and permits	-	-	6,650,461
Charges for services	-	-	3,023,196
Contributions	-	-	22,992
Loan repayments	-	-	904,129
Investment income	194	4,731	92,483
Miscellaneous	-	-	13,996
Total Revenues	165,134	4,731	13,086,383
<u>Expenditures</u>			
Current:			
Public safety	-	-	28,530
Community and economic development	165,134	-	9,474,449
Urban renewal	-	-	14,068
Capital outlay	-	-	73,619
Total Expenditures	165,134	-	9,590,665
Excess (deficiency) of revenues over (under) expenditures	-	4,731	3,495,718
<u>Other Financing Sources (Uses)</u>			
Insurance proceeds	-	-	1,939
Transfers in	-	-	549,900
Transfers out	-	-	(176,215)
Total Other Financing Sources (Uses)	-	-	375,623
Net change in fund balance	-	4,731	3,871,341
Fund Balances (Deficits), July 1, 2014	-	625,157	9,826,745
Fund Balances (Deficits), June 30, 2015	\$ -	\$ 629,888	\$ 13,698,086

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, 2015

	<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>
Revenues						
Loan repayments	\$ -	\$ -	\$ 711	\$ 14,555	\$ 15,266	\$ 15,266
Investment income	5,300	5,300	3,817	2,904	6,722	1,422
Total Revenues	5,300	5,300	4,529	17,459	21,988	16,688
Expenditures						
Current:						
Materials and services	17,000	18,000	8,400	9,192	17,592	408
Interfund charges	9,200	9,476	4,600	4,876	9,476	-
Reserve	428,000	301,724	-	-	-	301,724
Total Expenditures	454,200	329,200	13,000	14,068	27,068	302,132
Excess (deficiency) of revenues over (under) expenditures	(448,900)	(323,900)	(8,471)	3,391	(5,080)	318,820
Other Financing Sources (Uses)						
Transfers out	-	(125,000)	(40,000)	(20,000)	(60,000)	65,000
Total Other Financing Sources (Uses)	-	(125,000)	(40,000)	(20,000)	(60,000)	65,000
Net change in fund balance	(448,900)	(448,900)	(48,471)	(16,609)	(65,080)	383,820
Beginning Fund Balance (Deficit)	448,900	448,900	463,582	415,111	463,582	14,682
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 415,111	\$ 398,503	\$ 398,503	\$ 398,503

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, 2015

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Intergovernmental	\$ 49,600	\$ 55,251	\$ 26,730	\$ 28,451	\$ 55,181	\$ (70)
Investment income	-	200	59	79	138	(62)
Total Revenues	49,600	55,451	26,789	28,530	55,319	(132)
Expenditures						
Current:						
Materials and services	-	55,451	26,789	28,530	55,319	132
Capital outlay	49,600	-	-	-	-	-
Total Expenditures	49,600	55,451	26,789	28,530	55,319	132
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2015

	<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>
Revenues						
Intergovernmental	\$ -	\$ -	\$ 9,663	\$ -	\$ 9,663	\$ 9,663
Loan repayments	30,000	30,000	23,961	41,010	64,972	34,972
Investment income	600	600	467	531	998	398
Total Revenues	30,600	30,600	34,091	41,541	75,633	45,033
Expenditures						
Current:						
Interfund charges	80,000	80,000	36,979	18,734	55,713	24,287
Contingency	3,700	3,700	-	-	-	3,700
Total Expenditures	83,700	83,700	36,979	18,734	55,713	27,987
Excess (deficiency) of revenues over (under) expenditures	(53,100)	(53,100)	(2,887)	22,807	19,920	73,020
Beginning Fund Balance (Deficit)	53,100	53,100	58,199	55,311	58,199	5,099
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 55,311	\$ 78,119	\$ 78,119	\$ 78,119

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, 2015

	<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>
Revenues						
Contributions	\$ -	\$ 163,000	\$ 3,500	\$ 22,992	\$ 26,492	\$ (136,508)
Investment income	-	-	863	403	1,266	1,266
Total Revenues	-	163,000	4,363	23,394	27,757	(135,243)
Expenditures						
Current:						
Materials and services	-	45,300	1,240	-	1,240	44,060
Contingency	-	37,700	-	-	-	37,700
Total Expenditures	-	83,000	1,240	-	1,240	81,760
Excess (deficiency) of revenues over (under) expenditures	-	80,000	3,123	23,394	26,517	(53,483)
Other Financing Sources (Uses)						
Transfers in	-	41,700	35,558	-	35,558	(6,142)
Transfers out	-	(121,700)	(37,818)	(22,992)	(60,810)	60,890
Total Other Financing Sources (Uses)	-	(80,000)	(2,260)	(22,992)	(25,252)	54,748
Net change in fund balance	-	-	863	403	1,266	1,266
Beginning Fund Balance (Deficit)	-	-	-	863	-	-
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 863	\$ 1,266	\$ 1,266	\$ 1,266

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, 2015

	<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>
Revenues						
Licenses and permits	\$ 7,057,200	\$ 9,067,660	\$ 5,315,875	\$ 6,359,036	\$ 11,674,911	\$ 2,607,251
Charges for services:						
Charges to others	4,000	4,000	2,493	3,381	5,874	1,874
Charges to other City funds	-	-	224,158	62,214	286,372	286,372
Investment income	16,200	16,200	34,135	48,145	82,281	66,081
Miscellaneous	3,000	3,000	3,294	11,169	14,464	11,464
Total Revenues	7,080,400	9,090,860	5,579,956	6,483,946	12,063,902	2,973,042
Expenditures						
Current:						
Personal services	4,714,747	5,577,276	2,344,348	3,011,238	5,355,585	221,691
Materials and services	253,632	599,651	220,989	324,687	545,676	53,975
Interfund charges	786,900	1,068,400	415,493	616,026	1,031,519	36,881
Capital outlay	80,000	249,000	48,841	73,619	122,460	126,541
Contingency	2,742,681	3,104,423	-	-	-	3,104,423
Reserves	80,000	80,000	-	-	-	80,000
Total Expenditures	8,657,960	10,678,750	3,029,670	4,025,570	7,055,241	3,623,509
Excess (deficiency) of revenues over (under) expenditures	(1,577,560)	(1,587,890)	2,550,286	2,458,376	5,008,661	6,596,551
Other Financing Sources (Uses)						
Insurance proceeds	-	-	636	1,939	2,575	2,575
Transfers in	20,560	30,890	-	-	-	(30,890)
Total Other Financing Sources (Uses)	20,560	30,890	636	1,939	2,575	(28,315)
Net change in fund balance	(1,557,000)	(1,557,000)	2,550,922	2,460,315	5,011,236	6,568,236
Beginning Fund Balance (Deficit)	1,557,000	1,557,000	2,407,582	4,958,504	2,407,582	850,582
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 4,958,504	\$ 7,418,818	\$ 7,418,818	\$ 7,418,818

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, 2015

	<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>
Revenues						
Charges for services:						
Charges to others	\$ 2,798,600	\$ 3,625,640	\$ 2,339,977	\$ 2,130,762	\$ 4,470,739	\$ 845,099
Charges to other City funds	544,422	288,257	264,044	24,000	288,044	(213)
Investment income	5,300	5,300	16,558	20,028	36,586	31,286
Miscellaneous	600	600	842	-	842	242
Total Revenues	3,348,922	3,919,797	2,621,422	2,174,790	4,796,211	876,414
Expenditures						
Current:						
Personal services	3,058,968	3,237,875	1,569,025	1,483,367	3,052,392	185,483
Materials and services	289,530	415,631	172,768	127,095	299,863	115,768
Interfund charges	716,400	743,070	374,745	351,648	726,393	16,677
Contingency	1,156,724	1,019,221	-	-	-	1,019,221
Total Expenditures	5,221,622	5,415,797	2,116,537	1,962,110	4,078,648	1,337,149
Excess (deficiency) of revenues over (under) expenditures	(1,872,700)	(1,496,000)	504,884	212,680	717,564	2,213,564
Other Financing Sources (Uses)						
Transfers in	1,467,600	1,099,500	652,500	479,900	1,132,400	32,900
Transfers out	(2,700)	(11,300)	(5,809)	(11,224)	(17,032)	(5,732)
Total Other Financing Sources (Uses)	1,464,900	1,088,200	646,691	468,676	1,115,368	27,168
Net change in fund balance	(407,800)	(407,800)	1,151,576	681,356	1,832,932	2,240,732
Beginning Fund Balance (Deficit)	407,800	407,800	1,013,683	2,165,259	1,013,683	605,883
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 2,165,259	\$ 2,846,615	\$ 2,846,615	\$ 2,846,615

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, 2015

	<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>
<u>Other Financing Sources (Uses)</u>						
Transfers out	(340,500)	(376,500)	(376,288)	-	(376,288)	212
Total Other Financing Sources (Uses)	(340,500)	(376,500)	(376,288)	-	(376,288)	212
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)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2015

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>				
Revenues						
Charges for services	\$ 755,400	\$ 909,700	\$ 601,953	\$ 792,161	\$ 1,394,114	\$ 484,414
Loan repayments	2,032,700	2,032,700	810,664	848,564	1,659,228	(373,472)
Investment income	18,400	18,400	12,258	14,656	26,915	8,515
Total Revenues	2,806,500	2,960,800	1,424,876	1,655,381	3,080,257	119,457
Expenditures						
Current:						
Personal services	148,206	155,062	72,267	75,883	148,150	6,912
Materials and services	3,027,658	3,472,658	1,461,690	853,265	2,314,955	1,157,703
Interfund charges	18,000	23,280	10,140	13,140	23,280	-
Contingency	496,736	193,900	-	-	-	193,900
Total Expenditures	3,690,600	3,844,900	1,544,097	942,288	2,486,385	1,358,515
Excess (deficiency) of revenues over (under) expenditures	(884,100)	(884,100)	(119,221)	713,093	593,872	1,477,972
Other Financing Sources (Uses)						
Transfers out	(127,200)	(127,200)	(5,000)	(122,000)	(127,000)	200
Total Other Financing Sources (Uses)	(127,200)	(127,200)	(5,000)	(122,000)	(127,000)	200
Net change in fund balance	(1,011,300)	(1,011,300)	(124,221)	591,093	466,872	1,478,172
Beginning Fund Balance (Deficit)	1,011,300	1,011,300	1,468,319	1,344,097	1,468,319	457,019
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,344,097	\$ 1,935,191	\$ 1,935,191	\$ 1,935,191

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, 2015

	<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>
Revenues						
Licenses and permits	\$ 612,000	\$ 612,000	\$ 284,040	\$ 291,425	\$ 575,465	\$ (36,535)
Charges for services:						
Charges to others	-	-	225	-	225	225
Charges to other City funds	-	-	388	10,677	11,065	11,065
Loan repayments	9,000	9,000	9,000	-	9,000	-
Investment income	-	-	463	520	983	983
Miscellaneous	-	1,000	1,796	2,827	4,623	3,623
Total Revenues	621,000	622,000	295,912	305,448	601,361	(20,639)
Expenditures						
Current:						
Personal services	395,367	397,327	185,502	186,485	371,987	25,340
Materials and services	257,180	336,931	132,059	114,698	246,757	90,174
Interfund charges	124,600	145,168	63,309	78,172	141,481	3,687
Contingency	5,853	11,475	-	-	-	11,475
Total Expenditures	783,000	890,901	380,870	379,356	760,225	130,676
Excess (deficiency) of revenues over (under) expenditures	(162,000)	(268,901)	(84,957)	(73,907)	(158,865)	110,036
Other Financing Sources (Uses)						
Transfers in	162,000	268,901	176,901	70,000	246,901	(22,000)
Total Other Financing Sources (Uses)	162,000	268,901	176,901	70,000	246,901	(22,000)
Net change in fund balance	-	-	91,944	(3,907)	88,036	88,036
Beginning Fund Balance (Deficit)	-	-	-	91,944	-	-
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 91,944	\$ 88,036	\$ 88,036	\$ 88,036

*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, 2015

	<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>
Revenues						
Transient room taxes	\$ 2,228,200	\$ 3,473,700	\$ 1,436,876	\$ 2,185,737	\$ 3,622,614	\$ 148,914
Investment income	-	-	92	291	383	383
Total Revenues	2,228,200	3,473,700	1,436,969	2,186,028	3,622,997	149,297
Expenditures						
Current:						
Materials and services	2,162,700	3,440,524	1,372,096	2,017,900	3,389,996	50,529
Interfund charges	65,000	69,476	32,500	36,976	69,476	-
Contingency	100,000	100,000	-	-	-	100,000
Total Expenditures	2,327,700	3,610,000	1,404,596	2,054,876	3,459,472	150,529
Excess (deficiency) of revenues over (under) expenditures	(99,500)	(136,300)	32,373	131,152	163,525	299,825
Beginning Fund Balance (Deficit)	99,500	136,300	138,125	170,499	138,125	1,825
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 170,499	\$ 301,650	\$ 301,650	\$ 301,650

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, 2015

	<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>
Revenues						
Assessments	\$ 320,000	\$ 342,400	\$ 175,291	\$ 164,939	\$ 340,231	\$ (2,169)
Investment income	200	200	114	194	308	108
Total Revenues	320,200	342,600	175,405	165,134	340,539	(2,061)
Expenditures						
Current:						
Materials and services	304,200	325,400	166,640	156,887	323,527	1,873
Interfund charges	16,000	17,200	8,765	8,247	17,012	188
Total Expenditures	320,200	342,600	175,405	165,134	340,539	2,061
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2015

	<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>
Revenues						
Investment income	\$ 5,900	\$ 5,900	\$ 5,139	\$ 4,731	\$ 9,871	\$ 3,971
Total Revenues	5,900	5,900	5,139	4,731	9,871	3,971
Expenditures						
Reserves	625,000	625,000	-	-	-	625,000
Total Expenditures	625,000	625,000	-	-	-	625,000
Excess (deficiency) of revenues over (under) expenditures	(619,100)	(619,100)	5,139	4,731	9,871	628,971
Beginning Fund Balance (Deficit)	619,100	619,100	620,017	625,157	620,017	917
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 625,157	\$ 629,888	\$ 629,888	\$ 629,888

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>
<u>BURA General Fund</u>			
Materials and services	\$ 18,000	\$ 17,592	\$ 408
Transfers	134,476	69,476	65,000
Reserves	301,724	-	301,724
Total BURA General Fund	\$ 454,200	\$ 87,068	\$ 367,132
<u>Police Grant Fund</u>			
Materials and services	\$ 55,451	\$ 55,319	\$ 132
Total Police Grant Fund	\$ 55,451	\$ 55,319	\$ 132
<u>Energy ARRA Grant Fund</u>			
Transfers	\$ 80,000	\$ 55,713	\$ 24,287
Contingency	3,700	-	3,700
Total Energy ARRA Grant Fund	\$ 83,700	\$ 55,713	\$ 27,987
<u>Helen Lorenz Estate Fund</u>			
Materials and services	\$ 45,300	\$ 1,240	\$ 44,060
Transfers	121,700	60,810	60,890
Contingency	37,700	-	37,700
Total Helen Lorenz Estate Fund	\$ 204,700	\$ 62,050	\$ 142,650
<u>Building Fund</u>			
Personal services	\$ 5,577,276	\$ 5,355,585	\$ 221,691
Materials and services	599,651	545,676	53,975
Transfers	1,068,400	1,031,519	36,881
Capital outlay	249,000	122,460	126,541
Contingency	3,104,423	-	3,104,423
Reserves	80,000	-	80,000
Total Building Fund	\$ 10,678,750	\$ 7,055,241	\$ 3,623,509
<u>Planning Fund</u>			
Personal services	\$ 3,237,875	\$ 3,052,392	\$ 185,483
Materials and services	415,631	299,863	115,768
Transfers	754,370	743,425	10,945
Contingency	1,019,221	-	1,019,221
Total Planning Fund	\$ 5,427,097	\$ 4,095,680	\$ 1,331,417

City of Bend, Oregon

Nonmajor Special Revenue Funds (Continued)

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>
<u>Private Development Engineering Fund</u>			
Transfers	\$ 376,500	\$ 376,288	\$ 212
Total Private Development Engineering Fund	\$ 376,500	\$ 376,288	\$ 212
<u>Affordable Housing Fund</u>			
Personal services	\$ 155,062	\$ 148,150	\$ 6,912
Materials and services	3,472,658	2,314,955	1,157,703
Transfers	150,480	150,280	200
Contingency	193,900	-	193,900
Total Affordable Housing Fund	\$ 3,972,100	\$ 2,613,385	\$ 1,358,715
<u>Business Advocacy Fund</u>			
Personal services	\$ 397,327	\$ 371,987	\$ 25,340
Materials and services	336,931	246,757	90,174
Transfers	145,168	141,481	3,687
Contingency	11,475	-	11,475
Total Business Advocacy Fund	\$ 890,901	\$ 760,225	\$ 130,676
<u>Tourism Fund</u>			
Materials and services	\$ 3,440,524	\$ 3,389,996	\$ 50,529
Transfers	69,476	69,476	-
Contingency	100,000	-	100,000
Total Tourism Fund	\$ 3,610,000	\$ 3,459,472	\$ 150,529
<u>Economic Improvement District Fund</u>			
Materials and services	\$ 325,400	\$ 323,527	\$ 1,873
Transfers	17,200	17,012	188
Total Economic Improvement District Fund	\$ 342,600	\$ 340,539	\$ 2,061
<u>Police Reserve Fund</u>			
Reserves	\$ 625,000	\$ -	\$ 625,000
Total Police Reserve Fund	\$ 625,000	\$ -	\$ 625,000

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, 2015

	Murphy Crossing Urban Renewal Debt Service Fund	Fire Station Debt Service Fund	PERS Debt Service Fund
<u>Assets</u>			
Restricted cash and investments	\$ 509,184	\$ 7,200	\$ 2,713,429
Receivables:			
Property taxes	6,740	-	-
Total Assets	\$ 515,924	\$ 7,200	\$ 2,713,429
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>			
Deferred Inflows of Resources:			
Unavailable revenue-property taxes	\$ 4,961	\$ -	\$ -
Total Deferred Inflows of Resources	4,961	-	-
Fund Balances (Deficits):			
Restricted:			
Outside debt covenant	510,963	7,200	-
Assigned	-	-	2,713,429
Total Fund Balances (Deficits)	510,963	7,200	2,713,429
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 515,924	\$ 7,200	\$ 2,713,429

City of Bend, Oregon
Combining Balance Sheet (Continued)
 Nonmajor Debt Service Funds
 June 30, 2015

	Juniper Ridge Urban Renewal Debt Service <u>Fund</u>	General Obligation Bond Debt Service <u>Fund</u>	<u>Total</u>
<u>Assets</u>			
Restricted cash and investments	\$ 1,307,289	\$ 979,311	\$ 5,516,413
Receivables:			
Property taxes	31,814	66,858	105,412
Total Assets	\$ 1,339,103	\$ 1,046,169	\$ 5,621,825
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances</u>			
Deferred Inflows of Resources:			
Unavailable revenue-property taxes	\$ 23,499	\$ 49,213	\$ 77,672
Total Deferred Inflows of Resources	23,499	49,213	77,672
Fund Balances (Deficits):			
Restricted:			
Outside debt covenant	1,315,605	996,956	2,830,723
Assigned	-	-	2,713,429
Total Fund Balances (Deficits)	1,315,605	996,956	5,544,153
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,339,103	\$ 1,046,169	\$ 5,621,825

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, 2015

	Murphy Crossing Urban Renewal Debt Service Fund	Fire Station Debt Service Fund	PERS Debt Service Fund
Revenues			
Property taxes	\$ 258,672	\$ -	\$ -
Intergovernmental	-	231,645	-
Charges for services	-	-	1,279,616
Investment income	3,680	126	20,401
Total Revenues	262,352	231,771	1,300,017
Expenditures			
Current:			
General government	-	-	23,754
Public safety	-	6,377	-
Debt service:			
Principal	94,977	160,000	345,000
Interest	26,864	71,645	770,140
Total Expenditures	121,841	238,022	1,138,894
Excess (deficiency) of revenues over (under) expenditures	140,512	(6,251)	161,124
Other Financing Sources (Uses)			
Transfers in	-	6,700	-
Total Other Financing Sources (Uses)	-	6,700	-
Net change in fund balances	140,512	449	161,124
Fund Balances (Deficits), July 1, 2014	370,451	6,750	2,552,305
Fund Balances (Deficits), June 30, 2015	\$ 510,963	\$ 7,200	\$ 2,713,429

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, 2015

	Juniper Ridge Urban Renewal Debt Service Fund	General Obligation Bond Debt Service Fund	Total
Revenues			
Property taxes	\$ 923,454	\$ 1,942,751	\$ 3,124,877
Intergovernmental	-	-	231,645
Charges for services	-	-	1,279,616
Investment income	9,444	11,598	45,249
Total Revenues	932,898	1,954,349	4,681,387
Expenditures			
Current:			
General government	-	-	23,754
Public safety	-	-	6,377
Debt service:			
Principal	523,062	1,060,000	2,183,039
Interest	163,191	778,850	1,810,690
Total Expenditures	686,253	1,838,850	4,023,859
Excess (deficiency) of revenues over (under) expenditures	246,644	115,499	657,528
Other Financing Sources (Uses)			
Transfers in	-	-	6,700
Total Other Financing Sources (Uses)	-	-	6,700
Net change in fund balances	246,644	115,499	664,228
Fund Balances (Deficits), July 1, 2014	1,068,960	881,457	4,879,925
Fund Balances (Deficits), June 30, 2015	\$ 1,315,605	\$ 996,956	\$ 5,544,153

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, 2015

	<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>
Revenues						
Property taxes	\$ 286,600	\$ 386,600	\$ 130,512	\$ 258,672	\$ 389,185	\$ 2,585
Investment income	2,300	2,300	2,826	3,680	6,506	4,206
Total Revenues	288,900	388,900	133,338	262,352	395,691	6,791
Expenditures						
Current:						
Debt service	-	270,000	-	121,841	121,841	148,159
Reserved for debt service	525,600	355,600	-	-	-	355,600
Total Expenditures	525,600	625,600	-	121,841	121,841	503,759
Excess (deficiency) of revenues over (under) expenditures	(236,700)	(236,700)	133,338	140,512	273,850	510,550
Beginning Fund Balance (Deficit)	236,700	236,700	237,113	370,451	237,113	413
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 370,451	\$ 510,963	\$ 510,963	\$ 510,963

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, 2015

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
Revenues						
Intergovernmental	\$ 462,000	\$ 462,000	\$ 230,549	\$ 231,645	\$ 462,194	\$ 194
Investment income	600	600	246	126	372	(228)
Total Revenues	462,600	462,600	230,796	231,771	462,566	(34)
Expenditures						
Current:						
Materials and services	-	600	195	277	472	128
Interfund charges	12,200	12,200	6,100	6,100	12,200	-
Debt service	461,700	461,700	229,601	231,645	461,246	454
Reserved for debt service	7,600	7,600	-	-	-	7,600
Total Expenditures	481,500	482,100	235,896	238,022	473,918	8,182
Excess (deficiency) of revenues over (under) expenditures	(18,900)	(19,500)	(5,101)	(6,251)	(11,351)	8,149
Other Financing Sources (Uses)						
Transfers in	12,200	12,800	6,100	6,700	12,800	-
Total Other Financing Sources (Uses)	12,200	12,800	6,100	6,700	12,800	-
Net change in fund balance	(6,700)	(6,700)	999	449	1,449	8,149
Beginning Fund Balance (Deficit)	6,700	6,700	5,751	6,750	5,751	(949)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 6,750	\$ 7,200	\$ 7,200	\$ 7,200

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, 2015

	<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>
Revenues						
Charges to other City funds	\$ 2,104,400	\$ 2,203,100	\$ 2,161,726	\$ 1,279,616	\$ 3,441,342	\$ 1,238,242
Investment income	18,800	18,800	16,426	20,401	36,828	18,028
Total Revenues	2,123,200	2,221,900	2,178,153	1,300,017	3,478,170	1,256,270
Expenditures						
Current:						
Interfund charges	40,600	44,054	20,300	23,754	44,054	-
Debt service	2,186,300	2,186,300	1,071,017	1,115,140	2,186,157	144
Reserved for debt service	1,358,200	1,453,446	-	-	-	1,453,446
Total Expenditures	3,585,100	3,683,800	1,091,317	1,138,894	2,230,211	1,453,590
Excess (deficiency) of revenues over (under) expenditures	(1,461,900)	(1,461,900)	1,086,836	161,124	1,247,960	2,709,860
Beginning Fund Balance (Deficit)	1,461,900	1,461,900	1,465,470	2,552,305	1,465,470	3,570
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 2,552,305	\$ 2,713,429	\$ 2,713,429	\$ 2,713,429

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, 2015

	<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>
Revenues						
Property taxes	\$ 1,956,400	\$ 1,883,600	\$ 917,646	\$ 923,454	\$ 1,841,099	\$ (42,501)
Investment income	21,300	21,300	8,681	9,444	18,125	(3,175)
Total Revenues	1,977,700	1,904,900	926,327	932,898	1,859,224	(45,676)
Expenditures						
Debt service	1,249,800	1,311,800	505,587	686,253	1,191,840	119,960
Reserved for debt service	1,357,600	1,222,800	-	-	-	1,222,800
Total Expenditures	2,607,400	2,534,600	505,587	686,253	1,191,840	1,342,760
Excess (deficiency) of revenues over (under) expenditures	(629,700)	(629,700)	420,740	246,644	667,384	1,297,084
Beginning Fund Balance (Deficit)	629,700	629,700	648,221	1,068,960	648,221	18,521
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,068,960	\$ 1,315,605	\$ 1,315,605	\$ 1,315,605

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, 2015

	<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>
Revenues						
Property taxes	\$ 3,780,200	\$ 3,780,200	\$ 1,934,199	\$ 1,942,751	\$ 3,876,951	\$ 96,751
Investment income	20,000	20,000	11,172	11,598	22,769	2,769
Total Revenues	3,800,200	3,800,200	1,945,371	1,954,349	3,899,720	99,520
Expenditures						
Debt service	3,678,900	3,678,900	1,839,750	1,838,850	3,678,600	300
Reserved for debt service	839,600	839,600	-	-	-	839,600
Total Expenditures	4,518,500	4,518,500	1,839,750	1,838,850	3,678,600	839,900
Excess (deficiency) of revenues over (under) expenditures	(718,300)	(718,300)	105,621	115,499	221,120	939,420
Beginning Fund Balance (Deficit)	718,300	718,300	775,837	881,457	775,837	57,537
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 881,457	\$ 996,956	\$ 996,956	\$ 996,956

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>
<u>Murphy Crossing Urban Renewal Debt Service Fund</u>			
Debt service	\$ 270,000	\$ 121,841	\$ 148,159
Reserves	355,600	-	355,600
Total Murphy Crossing Urban Renewal Debt Service Fund	\$ 625,600	\$ 121,841	\$ 503,759
<u>Fire Station Debt Service Fund</u>			
Materials and services	\$ 600	\$ 472	\$ 128
Transfers	12,200	12,200	-
Debt service	461,700	461,246	454
Reserves	7,600	-	7,600
Total Fire Station Debt Service Fund	\$ 482,100	\$ 473,918	\$ 8,182
<u>PERS Debt Service Fund</u>			
Transfers	\$ 44,054	\$ 44,054	-
Debt service	2,186,300	2,186,157	144
Reserves	1,453,446	-	1,453,446
Total PERS Debt Service Fund	\$ 3,683,800	\$ 2,230,211	\$ 1,453,590
<u>Juniper Ridge Urban Renewal Debt Service Fund</u>			
Debt service	\$ 1,311,800	\$ 1,191,840	\$ 119,960
Reserves	1,222,800	-	1,222,800
Total Juniper Ridge Urban Renewal Debt Service Fund	\$ 2,534,600	\$ 1,191,840	\$ 1,342,760
<u>General Obligation Bond Debt Service Fund</u>			
Debt service	\$ 3,678,900	\$ 3,678,600	\$ 300
Reserves	839,600	-	839,600
Total General Obligation Bond Debt Service Fund	\$ 4,518,500	\$ 3,678,600	\$ 839,900

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, 2015

	<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>				
Revenues						
Franchise fees	\$ 1,147,500	\$ 1,147,500	\$ 620,793	\$ 693,096	\$ 1,313,890	\$ 166,390
Intergovernmental	767,500	767,500	850,949	116,644	967,593	200,093
Rental income	24,800	24,800	17,236	8,675	25,911	1,111
Charges for services:						
Charges to others	-	80,000	-	103,499	103,499	23,499
Charges to other City funds	12,400	125,900	6,567	120,860	127,427	1,527
Contributions	-	-	129,876	391,575	521,451	521,451
Loan repayments	6,800	6,800	4,835	2,033	6,869	69
Investment income	66,300	66,300	65,854	50,588	116,442	50,142
Miscellaneous	-	-	95	-	95	95
Total Revenues	2,025,300	2,218,800	1,696,207	1,486,970	3,183,177	964,377
Expenditures						
Current:						
Personal services	-	285,220	-	241,848	241,848	43,372
Materials and services	1,333,200	1,243,276	138,253	331,394	469,647	773,629
Interfund charges	2,016,800	1,934,019	881,291	943,379	1,824,670	109,349
Debt service	2,559,700	8,989,000	7,652,659	1,307,737	8,960,396	28,604
Capital outlay	3,188,300	2,970,800	1,470,458	319,867	1,790,324	1,180,476
Contingency	500,000	1,108,585	-	-	-	1,108,585
Reserved	7,579,600	7,467,500	-	-	-	7,467,500
Total Expenditures	17,177,600	23,998,400	10,142,661	3,144,226	13,286,886	10,711,514
Excess (deficiency) of revenues over (under) expenditures	(15,152,300)	(21,779,600)	(8,446,454)	(1,657,256)	(10,103,710)	11,675,890
Other Financing Sources (Uses)						
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	6,346,900	1,061,901	2,521,583	3,583,484	(2,763,416)
Transfers out	-	(111,000)	(110,946)	-	(110,946)	54
Total Other Financing Sources (Uses)	6,128,600	12,755,900	7,464,415	2,521,583	9,985,998	(2,769,902)
Net change in fund balance	(9,023,700)	(9,023,700)	(982,039)	864,327	(117,712)	8,905,988
Beginning Fund Balance (Deficit)	9,023,700	9,023,700	7,926,361	6,944,322	7,926,361	(1,097,339)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 6,944,322	\$ 7,808,649	\$ 7,808,649	\$ 7,808,649

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>
<u>Transportation Construction Fund</u>			
Personal services	\$ 285,220	\$ 241,848	\$ 43,372
Materials and services	1,243,276	469,647	773,629
Transfers	2,045,019	1,935,617	109,402
Debt service	8,989,000	8,960,396	28,604
Capital outlay	2,970,800	1,790,324	1,180,476
Contingency	1,108,585	-	1,108,585
Reserves	7,467,500	-	7,467,500
Total Transportation Construction Fund	\$ 24,109,400	\$ 13,397,832	\$ 10,711,568

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.

Murphy Crossing Urban Renewal Construction Fund

This fund accounts for the expenditures of the Murphy Crossing urban renewal district. The principal source of revenue is proceeds from borrowings.

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, 2015

	Local Improvement District Construction Fund	Murphy Crossing Urban Renewal Construction Fund	Juniper Ridge Urban Renewal Construction Fund
<u>Assets</u>			
Restricted cash and investments	\$ 592,432	\$ 1,781,011	\$ 417
Receivables:			
Accounts, net	-	-	-
Total Assets	\$ 592,432	\$ 1,781,011	\$ 417
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</u>			
Liabilities:			
Accounts payable	\$ -	\$ 26,488	\$ -
Retainage payable	-	-	-
Total Liabilities	-	26,488	-
Fund Balances (Deficits):			
Restricted:			
Outside construction covenant	-	1,754,522	-
Committed	-	-	360,000
Assigned	592,432	-	-
Unassigned	-	-	(359,583)
Total Fund Balances (Deficits)	592,432	1,754,522	417
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 592,432	\$ 1,781,011	\$ 417

City of Bend, Oregon
Combining Balance Sheet (Continued)
 Nonmajor Capital Projects Funds
 June 30, 2015

	Accessibility Construction <u>Fund</u>	General Obligation Bond Transportation Construction <u>Fund</u>	<u>Total</u>
<u>Assets</u>			
Restricted cash and investments	\$ 1,089,093	\$ 9,993,922	\$ 13,456,875
Receivables:			
Accounts, net	77,953	-	77,953
Total Assets	\$ 1,167,046	\$ 9,993,922	\$ 13,534,828
<u>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</u>			
Liabilities:			
Accounts payable	\$ 241,906	\$ 1,062,721	\$ 1,331,115
Retainage payable	14,073	330,627	344,700
Total Liabilities	255,979	1,393,348	1,675,815
Fund Balances (Deficits):			
Restricted:			
Outside construction covenant	-	8,600,574	10,355,097
Committed	-	-	360,000
Assigned	911,066	-	1,503,498
Unassigned	-	-	(359,583)
Total Fund Balances (Deficits)	911,066	8,600,574	11,859,012
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,167,046	\$ 9,993,922	\$ 13,534,828

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, 2015

	Local Improvement District Construction Fund	Murphy Crossing Urban Renewal Construction Fund	Juniper Ridge Urban Renewal Construction Fund
Revenues			
Franchise fees	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Investment income	4,450	6,615	(33)
Miscellaneous	-	-	-
Total Revenues	4,450	6,615	(33)
Expenditures			
Current:			
Public ways and facilities	-	-	-
Urban renewal	-	23,105	22,403
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	1,226,488	-
Total Expenditures	-	1,249,593	22,403
Excess (deficiency) of revenues over (under) expenditures	4,450	(1,242,978)	(22,436)
Other Financing Sources (Uses)			
Issuance of long-term debt	-	3,000,000	-
Discount on issuance of long-term debt	-	(2,500)	-
Transfers in	-	-	20,000
Total Other Financing Sources (Uses)	-	2,997,500	20,000
Net change in fund balance	4,450	1,754,522	(2,436)
Fund Balances (Deficits), July 1, 2014	587,982	-	2,853
Fund Balances (Deficits), June 30, 2015	\$ 592,432	\$ 1,754,522	\$ 417

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

Nonmajor Capital Projects Funds
For the fiscal year ended June 30, 2015

	Accessibility Construction <u>Fund</u>	General Obligation Bond Transportation Construction <u>Fund</u>	<u>Total</u>
Revenues			
Franchise fees	\$ 699,331	\$ -	\$ 699,331
Intergovernmental	43,735	-	43,735
Investment income	9,340	94,203	114,575
Miscellaneous	1,586	22,559	24,145
Total Revenues	753,992	116,762	881,786
Expenditures			
Current:			
Public ways and facilities	413,247	500	413,747
Urban renewal	-	-	45,508
Debt service:			
Principal	200,000	-	200,000
Interest	104,483	-	104,483
Capital outlay	604,803	7,561,648	9,392,938
Total Expenditures	1,322,532	7,562,148	10,156,675
Excess (deficiency) of revenues over (under) expenditures	(568,540)	(7,445,385)	(9,274,889)
Other Financing Sources (Uses)			
Issuance of long-term debt	-	-	3,000,000
Discount on issuance of long-term debt	-	-	(2,500)
Transfers in	450,000	-	470,000
Total Other Financing Sources (Uses)	450,000	-	3,467,500
Net change in fund balance	(118,540)	(7,445,385)	(5,807,389)
Fund Balances (Deficits), July 1, 2014	1,029,606	16,045,960	17,666,401
Fund Balances (Deficits), June 30, 2015	\$ 911,066	\$ 8,600,574	\$ 11,859,012

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, 2015

	<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>				
Revenues						
Investment income	\$ -	\$ -	\$ 4,999	\$ 4,450	\$ 9,449	\$ 9,449
Total Revenues	-	-	4,999	4,450	9,449	9,449
Expenditures						
Reserve	582,200	582,200	-	-	-	582,200
Total Expenditures	582,200	582,200	-	-	-	582,200
Excess (deficiency) of revenues over (under) expenditures	(582,200)	(582,200)	4,999	4,450	9,449	591,649
Beginning Fund Balance (Deficit)	582,200	582,200	582,983	587,982	582,983	783
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 587,982	\$ 592,432	\$ 592,432	\$ 592,432

City of Bend, Oregon

Murphy Crossing Urban Renewal Construction Fund

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

For the fiscal year ended June 30, 2015

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Investment income	\$ -	\$ -	\$ -	\$ 6,615	\$ 6,615	\$ 6,615
Total Revenues	-	-	-	6,615	6,615	6,615
Expenditures						
Current:						
Materials and services	-	61,500	-	23,105	23,105	38,395
Debt service	-	32,000	-	-	-	32,000
Capital outlay	-	2,900,000	-	1,226,488	1,226,488	1,673,512
Total Expenditures	-	2,993,500	-	1,249,593	1,249,593	1,743,907
Excess (deficiency) of revenues over (under) expenditures	-	(2,993,500)	-	(1,242,978)	(1,242,978)	1,750,522
Other Financing Sources (Uses)						
Issuance of long-term debt	-	2,993,500	-	3,000,000	3,000,000	6,500
Discount on issuance of long-term debt	-	-	-	(2,500)	(2,500)	(2,500)
Total Other Financing Sources (Uses)	-	2,993,500	-	2,997,500	2,997,500	4,000
Net change in fund balance	-	-	-	1,754,522	1,754,522	1,754,522
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ -	\$ 1,754,522	\$ 1,754,522	\$ 1,754,522

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, 2015

	<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>
Revenues						
Investment income	\$ 300	\$ 300	\$ (33)	\$ (33)	\$ (66)	\$ (366)
Total Revenues	300	300	(33)	(33)	(66)	(366)
Expenditures						
Current:						
Materials and services	83,650	117,650	53,450	6,633	60,083	57,567
Interfund charges	-	16,000	-	15,770	15,770	230
Debt service	3,708,850	3,708,850	3,708,850	-	3,708,850	-
Total Expenditures	3,792,500	3,842,500	3,762,300	22,403	3,784,703	57,797
Excess (deficiency) of revenues over (under) expenditures	(3,792,200)	(3,842,200)	(3,762,334)	(22,436)	(3,784,770)	57,430
Other Financing Sources (Uses)						
Issuance of long-term debt	3,760,000	3,760,000	3,700,000	-	3,700,000	(60,000)
Transfers in	-	50,000	40,000	20,000	60,000	10,000
Total Other Financing Sources (Uses)	3,760,000	3,810,000	3,740,000	20,000	3,760,000	(50,000)
Net change in fund balance	(32,200)	(32,200)	(22,334)	(2,436)	(24,770)	7,430
Beginning Fund Balance (Deficit)	32,200	32,200	25,187	2,853	25,187	(7,013)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 2,853	\$ 417	\$ 417	\$ 417

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, 2015

	<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>
Revenues						
Franchise fees	\$ 1,147,500	\$ 1,147,500	\$ 536,696	\$ 699,331	\$ 1,236,027	\$ 88,527
Intergovernmental	77,400	77,400	45,749	43,735	89,484	12,084
Investment income	6,300	6,300	7,918	9,340	17,258	10,958
Miscellaneous	-	-	-	1,586	1,586	1,586
Total Revenues	1,231,200	1,231,200	590,363	753,992	1,344,355	113,155
Expenditures						
Current:						
Materials and services	61,900	77,900	15,164	3,220	18,384	59,516
Interfund charges	632,200	642,948	229,592	410,027	639,619	3,329
Debt service	609,500	609,500	304,553	304,483	609,035	465
Capital outlay	-	1,065,000	13,585	604,803	618,388	446,612
Contingency	1,000,800	208,552	-	-	-	208,552
Reserved for construction	300,000	-	-	-	-	-
Total Expenditures	2,604,400	2,603,900	562,893	1,322,532	1,885,425	718,475
Excess (deficiency) of revenues over (under) expenditures	(1,373,200)	(1,372,700)	27,470	(568,540)	(541,070)	831,630
Other Financing Sources (Uses)						
Transfers in	900,000	900,000	450,000	450,000	900,000	-
Transfers out	-	(500)	-	-	-	500
Total Other Financing Sources (Uses)	900,000	899,500	450,000	450,000	900,000	500
Net change in fund balance	(473,200)	(473,200)	477,470	(118,540)	358,930	832,130
Beginning Fund Balance (Deficit)	473,200	473,200	552,137	1,029,606	552,137	78,937
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,029,606	\$ 911,066	\$ 911,066	\$ 911,066

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, 2015

	<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>
<u>Revenues</u>						
Intergovernmental	\$ -	\$ -	\$ 321,253	\$ -	\$ 321,253	\$ 321,253
Contributions	-	-	19,985	-	19,985	19,985
Investment income	89,600	89,600	149,530	94,203	243,733	154,133
Miscellaneous	-	-	-	22,559	22,559	22,559
Total Revenues	89,600	89,600	490,767	116,762	607,529	517,929
<u>Expenditures</u>						
Current:						
Materials and services	1,600	1,600	500	500	1,000	600
Capital outlay	18,498,400	17,931,400	4,930,845	7,561,648	12,492,492	5,438,908
Reserved	1,825,100	2,532,100	-	-	-	2,532,100
Total Expenditures	20,325,100	20,465,100	4,931,345	7,562,148	12,493,492	7,971,608
Excess (deficiency) of revenues over (under) expenditures	(20,235,500)	(20,375,500)	(4,440,578)	(7,445,385)	(11,885,963)	8,489,537
<u>Other Financing Sources (Uses)</u>						
Transfers in	-	-	110,946	-	110,946	110,946
Total Other Financing Sources (Uses)	-	-	110,946	-	110,946	110,946
Net change in fund balance	(20,235,500)	(20,375,500)	(4,329,631)	(7,445,385)	(11,775,017)	8,600,483
Beginning Fund Balance (Deficit)	20,235,500	20,375,500	20,375,591	16,045,960	20,375,591	91
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 16,045,960	\$ 8,600,574	\$ 8,600,574	\$ 8,600,574

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>
<u>Local Improvement District Construction Fund</u>			
Reserves	\$ 582,200	\$ -	\$ 582,200
Total Local Improvement District Construction Fund	\$ 582,200	\$ -	\$ 582,200
<u>Murphy Crossing Urban Renewal Construction Fund</u>			
Materials and services	\$ 61,500	\$ 23,105	\$ 38,395
Debt service	32,000	-	32,000
Capital outlay	2,900,000	1,226,488	1,673,512
Total Murphy Crossing Urban Renewal Construction Fund	\$ 2,993,500	\$ 1,249,593	\$ 1,743,907
<u>Juniper Ridge Urban Renewal Construction Fund</u>			
Materials and services	\$ 117,650	\$ 60,083	\$ 57,567
Transfers	16,000	15,770	230
Debt service	3,708,850	3,708,850	-
Total Juniper Ridge Urban Renewal Construction Fund	\$ 3,842,500	\$ 3,784,703	\$ 57,797
<u>Accessibility Construction Fund</u>			
Materials and services	\$ 77,900	\$ 18,384	\$ 59,516
Transfers	643,448	639,619	3,829
Debt service	609,500	609,035	465
Capital outlay	1,065,000	618,388	446,612
Contingency	208,552	-	208,552
Total Accessibility Construction Fund	\$ 2,604,400	\$ 1,885,425	\$ 718,975
<u>General Obligation Bond Construction Fund</u>			
Materials and services	\$ 1,600	\$ 1,000	\$ 600
Capital outlay	17,931,400	12,492,492	5,438,908
Reserves	2,532,100	-	2,532,100
Total General Obligation Bond Construction Fund	\$ 20,465,100	\$ 12,493,492	\$ 7,971,608

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, 2015

	<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>
Revenues						
Permanent maintenance fees	\$ 8,000	\$ 9,500	\$ 3,434	\$ 5,368	\$ 8,801	\$ (699)
Investment income	46,600	56,600	59,922	7,978	67,901	11,301
Total Revenues	54,600	66,100	63,356	13,346	76,702	10,602
Expenditures						
Current:						
Materials and services	9,000	11,000	4,644	4,842	9,486	1,514
Reserved for permanent maintenance	590,100	590,100	-	-	-	590,100
Total Expenditures	599,100	601,100	4,644	4,842	9,486	591,614
Excess (deficiency) of revenues over (under) expenditures	(544,500)	(535,000)	58,712	8,504	67,216	602,216
Other Financing Sources (Uses)						
Transfers out	(46,600)	(56,100)	(19,254)	(27,517)	(46,771)	9,329
Total Other Financing Sources (Uses)	(46,600)	(56,100)	(19,254)	(27,517)	(46,771)	9,329
Net change in fund balance	(591,100)	(591,100)	39,459	(19,014)	20,445	611,545
Beginning Fund Balance (Deficit)	591,100	591,100	595,952	635,411	595,952	4,852
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 635,411	\$ 616,397	\$ 616,397	\$ 616,397

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>
<u>Cemetery Permanent Maintenance Fund</u>			
Expenditures & other uses	\$ 67,100	\$ 56,257	\$ 10,843
Reserves	590,100	-	590,100
Total Cemetery Permanent Maintenance Fund	\$ 657,200	\$ 56,257	\$ 600,943

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, 2015

	<u>Airport</u> <u>Fund</u>	<u>Cemetery</u> <u>Fund</u>	<u>Downtown</u> <u>Parking</u> <u>Fund</u>	<u>Stormwater</u> <u>Fund</u>	<u>Total</u>
<u>Assets</u>					
Current assets:					
Pooled cash and investments	\$ 405,962	\$ 22,526	\$ 1,528,282	\$ 3,457,376	\$ 5,414,146
Accounts receivable, net	11,535	-	116,527	368,189	496,251
Due from other governments	54,849	-	-	-	54,849
Total Current Assets	472,346	22,526	1,644,808	3,825,566	5,965,246
Noncurrent assets:					
Restricted cash and investments	10,887	-	20,498	-	31,385
Capital assets, net	22,892,801	113,638	13,167,867	27,150,318	63,324,623
Net pension asset	31,610	11,106	9,397	121,316	173,429
Total Noncurrent Assets	22,935,298	124,744	13,197,762	27,271,634	63,529,437
Total Assets	23,407,644	147,270	14,842,571	31,097,199	69,494,684
<u>Deferred Outflows of Resources</u>					
Deferred outflows from pensions	14,001	4,919	4,163	53,728	76,811
Total Deferred Outflows of Resources	14,001	4,919	4,163	53,728	76,811
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	35,313	1,539	57,988	47,243	142,084
Salaries and benefits payable	2,721	854	437	10,209	14,221
Retainage payable	-	-	-	847	847
Compensated absences	8,978	17,091	1,444	28,574	56,087
Interest payable	23,874	-	-	-	23,874
Insurance claims	259	-	64	443	766
Other accrued liabilities	24,758	-	-	-	24,758
Deposits - restricted	10,887	-	20,498	-	31,385
Due to other funds	40,000	-	-	-	40,000
Current portion of long-term debt, net	219,073	-	-	-	219,073
Total Current Liabilities	365,863	19,484	80,431	87,316	553,094
Noncurrent liabilities:					
Other post-retirement benefits payable	45,798	11,478	15,591	164,286	237,152
Long-term debt, net	1,169,211	-	-	-	1,169,211
Total Noncurrent Liabilities	1,215,009	11,478	15,591	164,286	1,406,363
Total Liabilities	1,580,872	30,962	96,022	251,602	1,959,458
<u>Deferred Inflows of Resources</u>					
Deferred inflows from pensions	60,995	21,430	18,133	234,090	334,648
Total Deferred Inflows of Resources	60,995	21,430	18,133	234,090	334,648
<u>Net Position</u>					
Invested in capital assets	21,504,517	113,638	13,167,867	27,150,318	61,936,339
Unrestricted	275,261	(13,841)	1,564,711	3,514,918	5,341,050
Total Net Position	\$ 21,779,778	\$ 99,797	\$ 14,732,579	\$ 30,665,236	\$ 67,277,389

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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, 2015

	Airport Fund	Cemetery Fund	Downtown Parking Fund	Stormwater Fund	Total
<u>Operating Revenues</u>					
Charges for services	\$ 907,398	\$ 71,009	\$ 824,715	\$ 2,596,025	\$ 4,399,146
Miscellaneous	3,869	-	686	2,707	7,262
Total Operating Revenues	911,267	71,009	825,401	2,598,732	4,406,409
<u>Operating Expenses</u>					
Salaries and benefits	164,861	48,532	64,349	710,559	988,301
Materials and supplies	186,248	41,108	375,121	341,216	943,693
Internal services	299,165	29,152	127,937	746,840	1,203,093
Depreciation	571,902	6,577	356,346	848,928	1,783,754
Total Operating Expenses	1,222,177	125,369	923,753	2,647,542	4,918,841
Operating income (loss)	(310,910)	(54,360)	(98,351)	(48,811)	(512,432)
<u>Nonoperating Revenues (Expenses)</u>					
Investment income	3,367	(33)	10,725	25,050	39,109
Interest expense	(61,273)	-	-	-	(61,273)
Insurance proceeds	-	7,533	-	-	7,533
Amortization	3,968	-	-	-	3,968
Total Nonoperating Revenues (Expenses)	(53,939)	7,500	10,725	25,050	(10,664)
Income (loss) before contributions and transfers	(364,848)	(46,861)	(87,626)	(23,761)	(523,096)
<u>Contributions and Transfers</u>					
Capital contributions	156,872	-	-	862,595	1,019,467
Transfers in	-	77,517	-	-	77,517
Total Contributions and Transfers	156,872	77,517	-	862,595	1,096,985
Change in net position	(207,976)	30,657	(87,626)	838,834	573,889
Net Position, July 1, 2014	22,033,257	86,402	14,832,944	29,987,400	66,940,003
Prior period adjustment	(45,503)	(17,262)	(12,739)	(160,998)	(236,502)
Net Position, July 1, 2014, as restated	21,987,754	69,140	14,820,205	29,826,402	66,703,501
Net Position, June 30, 2015	\$ 21,779,778	\$ 99,797	\$ 14,732,579	\$ 30,665,236	\$ 67,277,389

City of Bend, Oregon
Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the fiscal year ended June 30, 2015

	Airport Fund	Cemetery Fund	Downtown Parking Fund	Stormwater Fund	Total
<u>Cash Flows from Operating Activities</u>					
Cash received from customers	\$ 913,158	\$ 71,009	\$ 817,397	\$ 2,575,746	\$ 4,377,308
Cash received from interfund services provided	-	-	-	15,064	15,064
Cash paid to employees for services	(201,243)	(62,613)	(76,179)	(862,621)	(1,202,656)
Cash paid to suppliers for goods and services	(167,646)	(41,929)	(344,338)	(347,177)	(901,090)
Cash paid for interfund services used	(299,165)	(29,152)	(127,937)	(746,840)	(1,203,093)
Net Cash From Operating Activities	245,103	(62,686)	268,943	634,173	1,085,533
<u>Cash Flows from Noncapital Financing Activities</u>					
Interfund loan repayments	-	-	(7,388)	-	(7,388)
Transfers from other funds	-	77,517	-	-	77,517
Net Cash From Noncapital Financing Activities	-	77,517	(7,388)	-	70,129
<u>Cash Flows from Capital and Related Financing Activities</u>					
Advances from other funds for capital activities	40,000	-	-	-	40,000
Short-term loan repayment	(53,891)	-	-	-	(53,891)
Insurance proceeds	-	7,533	-	-	7,533
Principal payments on capital debt	(204,431)	-	-	-	(204,431)
Interest payments on capital debt	(63,863)	-	-	-	(63,863)
Capital grants and contributions	159,048	-	-	-	159,048
Acquisition and construction of capital assets	(188,417)	-	-	(363,311)	(551,728)
Net Cash From Capital and Related Financing Activities	(311,554)	7,533	-	(363,311)	(667,332)
<u>Cash Flows from Investing Activities</u>					
Investment income	3,367	(33)	10,725	25,050	39,109
Net Cash From Investing Activities	3,367	(33)	10,725	25,050	39,109
Net change in pooled cash and investments	(63,084)	22,331	272,280	295,912	527,439
Pooled Cash and Investments, July 1, 2014	479,933	195	1,276,500	3,161,465	4,918,093
Pooled Cash and Investments, June 30, 2015	\$ 416,849	\$ 22,526	\$ 1,548,780	\$ 3,457,376	\$ 5,445,531

City of Bend, Oregon

Combining Statement of Cash Flows (Continued)

Nonmajor Enterprise Funds

For the fiscal year ended June 30, 2015

	<u>Airport</u> <u>Fund</u>	<u>Cemetery</u> <u>Fund</u>	<u>Downtown</u> <u>Parking</u> <u>Fund</u>	<u>Stormwater</u> <u>Fund</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash					
Provided (Used) by Operating Activities					
Operating income (loss)	\$ (310,910)	\$ (54,360)	\$ (98,351)	\$ (48,811)	\$ (512,432)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	571,902	6,577	356,346	848,928	1,783,754
Change in:					
Accounts receivable	746	-	(8,626)	(7,922)	(15,802)
Accounts payable	4,601	(821)	30,904	(5,961)	28,722
Salaries and benefits payable	687	223	(320)	1,853	2,443
Pension benefits	(30,119)	(11,857)	(8,166)	(101,952)	(152,094)
Other post-employment benefits	(8,865)	(2,505)	(3,427.37)	(51,348)	(66,145)
Compensated absences payable	1,657	57	129	(169)	1,673
Insurance claim payable	259	-	(46)	(446)	(232)
Other accrued liabilities	14,001	-	(121)	-	13,880
Prepays and deposits payable	1,145	-	621	-	1,766
Net Cash Provided (Used) By Operating Activities	\$ 245,103	\$ (62,686)	\$ 268,943	\$ 634,173	\$ 1,085,533

Noncash Capital and Related Financing Activities

The City received donated stormwater infrastructure totaling \$862,595 in the current year.

Acquisition of capital assets financed through accounts payable or retainage payable for the current year totaled \$23,576 in the Airport Fund, and \$847 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, 2015

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
Revenues						
Intergovernmental	\$ 2,621,700	\$ 2,771,700	\$ 63,127	\$ 156,872	\$ 220,000	\$ (2,551,700)
Charges for services	1,673,300	1,673,300	823,045	857,260	1,680,305	7,005
Rental income						
Rental income from others	134,600	134,600	54,887	50,138	105,024	(29,576)
Investment income	(600)	(600)	2,791	3,367	6,158	6,758
Miscellaneous	3,800	3,800	1,484	3,869	5,353	1,553
Total Revenues	4,432,800	4,582,800	945,334	1,071,506	2,016,840	(2,565,960)
Expenses						
Current:						
Personal services	409,571	413,545	198,806	207,890	406,696	6,849
Materials and services	196,700	354,650	148,642	186,248	334,890	19,760
Interfund charges	527,100	576,280	257,244	295,121	552,365	23,915
Capital outlay	2,711,700	2,816,700	72,430	174,523	246,952	2,569,748
Debt service	537,500	537,500	266,301	265,704	532,005	5,495
Contingency	626,029	484,925	-	-	-	484,925
Total Expenses	5,008,600	5,183,600	943,422	1,129,485	2,072,908	3,110,692
Excess (deficiency) of revenues over (under) expenses	(575,800)	(600,800)	1,912	(57,979)	(56,067)	544,733
Other Financing Sources (Uses)						
Interfund loan proceeds	500,000	500,000	53,891	40,000	93,891	(406,109)
Interfund loan repayment	(505,000)	(605,000)	(355,000)	(53,891)	(408,891)	196,109
Total Other Financing Sources (Uses)	(5,000)	(105,000)	(301,109)	(13,891)	(315,000)	(210,000)
Net change in fund balance	(580,800)	(705,800)	(299,197)	(71,870)	(371,067)	334,733
Beginning Fund Balance (Deficit)	580,800	705,800	773,005	473,807	773,005	67,205
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 473,807	\$ 401,937	\$ 401,937	\$ 401,937

City of Bend, Oregon

Airport Fund (Continued)

Schedule of Revenues, Expenses, and Changes in Fund Balance - Budget and Actual (Continued)
For the fiscal year ended June 30, 2015

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 1,129,485
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	2,866
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(41,851)
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(174,523)
Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(204,431)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	571,902
Amortization of premiums, and discounts are not reported on the budgetary basis but are reported as an expense on the GAAP basis	(3,968)
Total Expenses - GAAP Basis	<u><u>\$ 1,279,482</u></u>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ (13,891)
Interfund loan proceeds reported as other financing source on the budgetary basis is reported as a liability on the GAAP basis	(40,000)
Repayment of interfund loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis	53,891
Total Other Financing Sources (Uses) - Budgetary Basis	<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, 2015

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Burial and lot fees	\$ 102,300	\$ 102,300	\$ 43,428	\$ 71,009	\$ 114,436	\$ 12,136
Investment income	-	-	84	(33)	50	50
Miscellaneous	-	-	259	-	259	259
Total Revenues	102,300	102,300	43,770	70,975	114,746	12,446
Expenses						
Current:						
Personal services	120,002	138,236	70,376	64,271	134,647	3,589
Materials and services	51,790	69,790	21,860	41,108	62,968	6,822
Interfund charges	54,200	58,667	27,501	27,774	55,275	3,392
Contingency	41,308	7,607	-	-	-	7,607
Total Expenses	267,300	274,300	119,737	133,153	252,890	21,410
Excess (deficiency) of revenues over (under) expenses	(165,000)	(172,000)	(75,967)	(62,178)	(138,145)	33,855
Other Financing Sources (Uses)						
Insurance proceeds	-	7,000	-	7,533	7,533	533
Transfers in	126,600	126,600	41,254	77,517	118,771	(7,829)
Total Other Financing Sources (Uses)	126,600	133,600	41,254	85,050	126,304	(7,296)
Net change in fund balance	(38,400)	(38,400)	(34,713)	22,872	(11,841)	26,559
Beginning Fund Balance (Deficit)	38,400	38,400	14,879	(19,834)	14,879	(23,521)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ (19,834)	\$ 3,038	\$ 3,038	\$ 3,038

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 133,153
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	342
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(14,704)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	6,577
Total Expenses - GAAP Basis	\$ 125,369

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, 2015

	<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>
Revenues						
Fines and lot rental fees	\$ 1,379,100	\$ 1,379,100	\$ 747,865	\$ 821,629	\$ 1,569,494	\$ 190,394
License & permits	9,400	9,400	4,367	3,086	7,453	(1,947)
Investment income	12,200	12,200	10,214	10,725	20,939	8,739
Miscellaneous	300	300	394	686	1,080	780
Total Revenues	1,401,000	1,401,000	762,840	836,127	1,598,967	197,967
Expenses						
Current:						
Personal services	143,237	152,568	69,398	76,689	146,087	6,481
Materials and services	698,374	790,274	331,161	375,121	706,282	83,992
Interfund charges	235,900	253,546	118,939	127,190	246,129	7,417
Capital outlay	27,500	52,500	-	-	-	52,500
Contingency	207,937	159,060	-	-	-	159,060
Reserved for construction	1,115,292	1,045,292	-	-	-	1,045,292
Reserved for maintenance	30,000	30,000	-	-	-	30,000
Total Expenses	2,458,240	2,483,240	519,498	579,000	1,098,497	1,384,743
Excess (deficiency) of revenues over (under) expenses	(1,057,240)	(1,082,240)	243,342	257,127	500,469	1,582,709
Other Financing Sources (Uses)						
Interfund loan repayment	(15,260)	(15,260)	(7,212)	(7,388)	(14,600)	660
Transfers in	-	25,000	-	-	-	(25,000)
Total Other Financing Sources (Uses)	(15,260)	9,740	(7,212)	(7,388)	(14,600)	(24,340)
Net change in fund balance	(1,072,500)	(1,072,500)	236,130	249,739	485,869	1,558,369
Beginning Fund Balance (Deficit)	1,072,500	1,072,500	1,100,471	1,336,601	1,100,471	27,971
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,336,601	\$ 1,586,340	\$ 1,586,340	\$ 1,586,340

City of Bend, Oregon

Downtown Parking Fund (Continued)

Schedule of Revenues, Expenses, and Changes in Fund Balance - Budget and Actual (Continued)
For the fiscal year ended June 30, 2015

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 579,000
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	849
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(12,442)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	<u>356,346</u>
Total Expenses - GAAP Basis	<u>\$ 923,753</u>
Total Other Financing Sources - Budgetary Basis	\$ (7,388)
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>7,388</u>
Total Other Financing Sources - GAAP Basis	<u>\$ -</u>

City of Bend, Oregon
Stormwater Fund

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
 For the fiscal year ended June 30, 2015

	<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>
Revenues						
Charges for services:						
Charges to others	\$ 5,145,100	\$ 5,145,100	\$ 2,524,414	\$ 2,580,961	\$ 5,105,375	\$ (39,725)
Charges to other City funds	30,800	30,800	14,660	15,064	29,724	(1,076)
Investment income	55,100	55,100	28,871	25,050	53,921	(1,179)
Miscellaneous	200	200	846	2,707	3,553	3,353
Total Revenues	5,231,200	5,231,200	2,568,792	2,623,781	5,192,573	(38,627)
Expenses						
Current:						
Personal services	1,888,380	1,816,864	888,670	882,714	1,771,384	45,480
Materials and services	840,396	942,285	305,049	341,216	646,264	296,021
Interfund charges	1,804,000	1,924,466	831,555	882,685	1,714,240	210,226
Capital outlay	2,547,000	3,362,000	2,277,171	86,570	2,363,741	998,259
Contingency	620,000	591,000	-	-	-	591,000
Reserved for construction	1,572,824	1,530,985	-	-	-	1,530,985
Total Expenses	9,272,600	10,167,600	4,302,445	2,193,184	6,495,629	3,671,971
Excess (deficiency) of revenues over (under) expenses	(4,041,400)	(4,936,400)	(1,733,653)	430,597	(1,303,055)	3,633,345
Beginning Fund Balance (Deficit)	4,041,400	4,936,400	5,041,815	3,308,163	5,041,815	105,415
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 3,308,163	\$ 3,738,760	\$ 3,738,760	\$ 3,738,760

City of Bend, Oregon

Stormwater Fund (Continued)

Schedule of Revenues, Expenses, and Changes in Fund Balance - Budget and Actual (Continued)
For the fiscal year ended June 30, 2015

Reconciliation of Budgetary basis to GAAP basis

Total Revenues - Budgetary Basis	\$ 2,623,781
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>862,595</u>
Total Revenues - GAAP Basis	<u>\$ 3,486,376</u>
Total Expenses - Budgetary Basis	\$ 2,193,184
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	7,312
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(160,611)
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(241,270)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	<u>848,928</u>
Total Expenses - GAAP Basis	<u>\$ 2,647,542</u>

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>
<u>Airport Fund</u>			
Personal services	\$ 413,545	\$ 406,696	\$ 6,849
Materials and services	354,650	334,890	19,760
Transfers	931,280	907,365	23,915
Debt service	787,500	585,896	201,604
Capital outlay	2,816,700	246,952	2,569,748
Contingency	484,925	-	484,925
Total Airport Fund	\$ 5,788,600	\$ 2,481,798	\$ 3,306,802
<u>Cemetery Fund</u>			
Personal services	\$ 138,236	\$ 134,647	\$ 3,589
Materials and services	69,790	62,968	6,822
Transfers	58,667	55,275	3,392
Contingency	7,607	-	7,607
Total Cemetery Fund	\$ 274,300	\$ 252,890	\$ 21,410
<u>Downtown Parking Fund</u>			
Personal services	\$ 152,568	\$ 146,087	\$ 6,481
Materials and services	790,274	706,282	83,992
Transfers	253,546	246,129	7,417
Debt service	15,260	14,600	660
Capital outlay	52,500	-	52,500
Contingency	159,060	-	159,060
Reserves	1,075,292	-	1,075,292
Total Downtown Parking Fund	\$ 2,498,500	\$ 1,113,097	\$ 1,385,403
<u>Stormwater Fund</u>			
Personal services	\$ 1,816,864	\$ 1,771,384	\$ 45,480
Materials and services	942,285	646,264	296,021
Transfers	1,924,466	1,714,240	210,226
Capital outlay	3,362,000	2,363,741	998,259
Contingency	591,000	-	591,000
Reserves	1,530,985	-	1,530,985
Total Stormwater Fund	\$ 10,167,600	\$ 6,495,629	\$ 3,671,971

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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, 2015

	<u>Garage Division</u>	<u>Information Technology Division</u>	<u>Facility Management Division</u>	<u>Engineering Division</u>	<u>Public Works Administration Division</u>
Assets					
Current assets:					
Pooled cash and investments	\$ 179,676	\$ 2,162,163	\$ 1,569,848	\$ 2,069,608	\$ 441,982
Accounts receivable, net	-	-	-	-	-
Other assets	24,146	-	-	-	-
Prepays and deposits	-	97,139	-	-	-
Total Current Assets	203,822	2,259,302	1,569,848	2,069,608	441,982
Noncurrent assets:					
Restricted cash and investments	-	-	6,014	670,126	-
Capital assets, net	11,013	1,495,984	20,564,836	84,794	27,688
Net pension asset	99,956	195,643	54,678	347,714	134,130
Total Noncurrent Assets	110,969	1,691,627	20,625,528	1,102,633	161,818
Total Assets	314,790	3,950,929	22,195,376	3,172,241	603,800
Deferred Outflows of Resources:					
Deferred outflows from pensions	44,269	86,647	24,216	153,997	59,404
Total Deferred Outflows of Resources	44,269	86,647	24,216	153,997	59,404
Liabilities					
Current liabilities:					
Accounts payable	61,413	315,953	56,314	19,329	10,196
Salaries and benefits payable	8,246	23,838	5,150	34,562	-
Other accrued liabilities:					
Compensated absences	61,655	119,671	49,733	134,922	31,662
Interest	-	890	51,341	-	-
Insurance claims	751	745	65	3,100	907
Deposits	-	-	6,014	670,126	-
Current portion of long-term debt, net	-	-	1,811,318	-	-
Total Current Liabilities	132,065	461,097	1,979,935	862,039	42,765
Noncurrent liabilities:					
Other post-retirement benefits payable	107,752	250,672	72,198	566,854	178,629
Long-term debt, net	-	403,200	6,653,718	-	-
Total Noncurrent Liabilities	107,752	653,872	6,725,916	566,854	178,629
Total Liabilities	239,817	1,114,969	8,705,851	1,428,893	221,394
Deferred Inflows of Resources:					
Deferred inflows from pensions	192,876	377,510	105,505	670,946	258,817
Total Deferred Inflows of Resources	192,876	377,510	105,505	670,946	258,817
Net Position					
Invested in capital assets	11,013	1,092,784	12,099,800	84,794	27,688
Unrestricted (deficit)	(84,646)	1,452,312	1,308,436	1,141,606	155,304
Total Net Position	\$ (73,633)	\$ 2,545,096	\$ 13,408,235	\$ 1,226,399	\$ 182,993

City of Bend, Oregon
Combining Statement of Net Position (Continued)

Internal Service Fund

June 30, 2015

	Public Works Laboratory Division	Insurance Division	Administration and Financial Services Division	Legal and Risk Management Division	Total
Assets					
Current assets:					
Pooled cash and investments	\$ 374,625	\$ 4,403,881	\$ 1,037,227	\$ 171,724	\$ 12,410,734
Accounts receivable, net	-	-	19,600	-	19,600
Other assets	-	-	-	-	24,146
Prepays and deposits	-	-	9,609	-	106,748
Total Current Assets	374,625	4,403,881	1,066,436	171,724	12,561,227
Noncurrent assets:					
Restricted cash and investments	-	-	-	-	676,140
Capital assets, net	25,892	-	64,153	-	22,274,360
Net pension asset	95,685	-	536,519	59,802	1,524,127
Total Noncurrent Assets	121,577	-	600,672	59,802	24,474,627
Total Assets	496,202	4,403,881	1,667,108	231,526	37,035,854
Deferred Outflows of Resources:					
Deferred outflows from pensions	42,377	-	237,617	26,487	675,014
Total Deferred Outflows of Resources	42,377	-	237,617	26,487	675,014
Liabilities					
Current liabilities:					
Accounts payable	11,408	56,126	70,325	17,895	618,960
Salaries and benefits payable	8,305	-	61,090	5,857	147,048
Other accrued liabilities:					
Compensated absences	50,662	-	219,767	42,749	710,821
Interest	-	-	-	-	52,231
Insurance claims	130	612,266	7,528	146	625,638
Deposits	-	-	-	-	676,140
Current portion of long-term debt, net	-	-	-	-	1,811,318
Total Current Liabilities	70,505	668,392	358,710	66,647	4,642,156
Noncurrent liabilities:					
Other post-retirement benefits payable	135,287	-	802,106	141,600	2,255,099
Long-term debt, net	-	-	-	-	7,056,918
Total Noncurrent Liabilities	135,287	-	802,106	141,600	9,312,017
Total Liabilities	205,793	668,392	1,160,816	208,248	13,954,173
Deferred Inflows of Resources:					
Deferred inflows from pensions	184,634	-	1,035,267	115,396	2,940,951
Total Deferred Inflows of Resources	184,634	-	1,035,267	115,396	2,940,951
Net Position					
Invested in capital assets	25,892	-	64,153	-	13,406,124
Unrestricted (deficit)	122,260	3,735,489	(355,510)	(65,631)	7,409,620
Total Net Position	\$ 148,152	\$ 3,735,489	\$ (291,357)	\$ (65,631)	\$ 20,815,744

City of Bend, Oregon

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

Internal Service Fund

For the fiscal year ended June 30, 2015

	<u>Garage Division</u>	<u>Information Technology Division</u>	<u>Facility Management Division</u>	<u>Engineering Division</u>	<u>Public Works Administration Division</u>
<u>Operating Revenues</u>					
Charges for services	\$ 2,022,518	\$ 3,746,498	\$ -	\$ 2,655,804	\$ 1,417,114
Rental income					
Rental income from others	-	-	76,362	-	-
Rental income from other City funds	-	-	2,609,688	-	-
Insurance settlement and refunds	-	-	-	-	-
Miscellaneous	957	330	7,011	1	30
Total Operating Revenues	2,023,476	3,746,828	2,693,061	2,655,804	1,417,144
<u>Operating Expenses</u>					
Salaries and benefits	548,991	1,255,013	412,611	770,263	780,480
Materials and supplies	1,042,670	1,898,373	1,236,795	103,714	126,146
Internal services	365,987	161,081	100,730	606,169	314,030
Insurance premiums and claims	-	-	-	-	-
Depreciation	5,050	96,055	847,230	11,899	2,517
Total Operating Expenses	1,962,698	3,410,521	2,597,366	1,492,046	1,223,173
Operating income (loss)	60,777	336,306	95,694	1,163,758	193,971
<u>Nonoperating Revenues (Expenses)</u>					
Investment income	1,655	16,154	11,449	17,438	3,291
Interest expense	-	(1,827)	(314,590)	-	-
Amortization	-	(106,133)	26,316	-	-
Gain (loss) on disposal of assets	(2,514)	-	-	-	-
Total Nonoperating Revenues (Expenses)	(859)	(91,807)	(276,825)	17,438	3,291
Income (loss) before contributions and transfers	59,919	244,500	(181,131)	1,181,196	197,263
<u>Contributions and Transfers</u>					
Transfers in	-	-	80,000	58,100	-
Transfers out	(992)	(9,109)	(8,076)	(9,568)	(2,047)
Total Contributions and Transfers	(992)	(9,109)	71,924	48,532	(2,047)
Change in net position	\$ 58,927	\$ 235,391	\$ (109,208)	\$ 1,229,728	\$ 195,215
Net Position, July 1, 2014	4,135	2,588,174	13,592,926	498,866	172,823
Prior period adjustment	(136,695)	(278,469)	(75,483)	(502,195)	(185,046)
Net Position, July 1, 2014, as restated	(132,560)	2,309,705	13,517,443	(3,329)	(12,222)
Net Position, June 30, 2015	\$ (73,633)	\$ 2,545,096	\$ 13,408,235	\$ 1,226,399	\$ 182,993

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, 2015

	Public Works Laboratory Division	Insurance Division	Administration and Financial Services Division	Legal and Risk Management Division	Total
<u>Operating Revenues</u>					
Charges for services	\$ 1,068,590	\$ 1,633,334	\$ 5,979,899	\$ 678,483	\$ 19,202,240
Rental income					
Rental income from others	-	-	-	-	76,362
Rental income from other City funds	-	-	-	-	2,609,688
Insurance settlement and refunds	-	224,839	-	-	224,839
Miscellaneous	-	22	557	344	9,252
Total Operating Revenues	1,068,590	1,858,195	5,980,457	678,827	22,122,381
<u>Operating Expenses</u>					
Salaries and benefits	521,053	-	3,604,015	462,273	8,354,700
Materials and supplies	143,462	-	1,178,646	51,248	5,781,054
Internal services	151,264	-	1,066,521	58,007	2,823,790
Insurance premiums and claims	-	945,398	-	-	945,398
Depreciation	18,837	-	5,273	-	986,861
Total Operating Expenses	834,617	945,398	5,854,455	571,528	18,891,803
Operating income (loss)	233,973	912,798	126,001	107,299	3,230,579
<u>Nonoperating Revenues (Expenses)</u>					
Investment income	2,489	30,179	8,977	1,239	92,871
Interest expense	-	-	-	-	(316,418)
Amortization	-	-	(5,963)	-	(85,780)
Gain (loss) on disposal of assets	-	-	-	-	(2,514)
Total Nonoperating Revenues (Expenses)	2,489	30,179	3,014	1,239	(311,841)
Income (loss) before contributions and transfers	236,462	942,976	129,016	108,538	2,918,738
<u>Contributions and Transfers</u>					
Transfers in	-	-	140,000	-	278,100
Transfers out	(1,382)	(16,910)	(5,345)	(700)	(54,130)
Total Contributions and Transfers	(1,382)	(16,910)	134,655	(700)	223,970
Change in net position	\$ 235,081	\$ 926,066	\$ 263,671	\$ 107,838	\$ 3,142,708
Net Position, July 1, 2014	51,787	2,809,423	216,566	(91,568)	19,843,133
Prior period adjustment	(138,715)	-	(771,594)	(81,901)	(2,170,097)
Net Position, July 1, 2014, as restated	(86,928)	2,809,423	(555,028)	(173,469)	17,673,035
Net Position, June 30, 2015	\$ 148,152	\$ 3,735,489	\$ (291,357)	\$ (65,631)	\$ 20,815,744

City of Bend, Oregon
Combining Statement of Cash Flows
Internal Service Fund
For the fiscal year ended June 30, 2015

	Garage Division	Information Technology Division	Facility Management Division
<u>Cash Flows from Operating Activities</u>			
Cash received from customers	\$ 24,386	\$ 330	\$ 88,608
Cash received from interfund services provided	2,017,660	3,746,498	2,609,688
Cash paid to employees for services	(660,429)	(1,484,023)	(468,725)
Cash paid to suppliers for goods and services	(1,083,161)	(1,892,157)	(1,346,348)
Cash paid for interfund services used	(365,987)	(161,081)	(100,730)
Net Cash From Operating Activities	(67,531)	209,567	782,492
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers from other funds	-	-	80,000
Transfers to other funds	(992)	(9,109)	(8,076)
Net Cash From Noncapital Financing Activities	(992)	(9,109)	71,924
<u>Cash Flows from Capital and Related Financing Activities</u>			
Issuance of debt	-	403,200	-
Principal payments on notes, bonds, and certificates	-	-	(375,000)
Interest payments on notes, bonds, and certificates	-	(937)	(290,061)
Acquisition and construction of capital assets	-	(790,278)	-
Net Cash From Capital and Related Financing Activities	-	(388,015)	(665,061)
<u>Cash Flows from Investing Activities</u>			
Investment income	1,655	16,154	11,449
Net Cash From Investing Activities	1,655	16,154	11,449
 Net change in pooled cash and investments	 (66,868)	 (171,403)	 200,804
 Pooled Cash and Investments, July 1, 2014	 246,544	 2,333,565	 1,375,058
Pooled Cash and Investments, June 30, 2015	\$ 179,676	\$ 2,162,163	\$ 1,575,862

City of Bend, Oregon
Combining Statement of Cash Flows (Continued)
Internal Service Fund
For the fiscal year ended June 30, 2015

	<u>Garage Division</u>	<u>Information Technology Division</u>	<u>Facility Management Division</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities			
Operating income (loss)	\$ 60,777	\$ 336,306	\$ 95,694
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	5,050	96,055	847,230
Change in:			
Accounts receivable	18,570	-	5,236
Inventories	17,318	-	-
Prepays and deposits	-	24,182	9,863
Accounts payable	(57,965)	(18,066)	(119,358)
Salaries and benefits payable	1,985	9,097	1,138
Pension benefits	(88,044)	(183,249)	(48,872)
Other post-employment benefits	(40,055)	(62,851)	(18,952)
Compensated absences payable	14,676	7,993	10,572
Insurance claims payable	156	99	(59)
Prepays and deposits payable	-	-	-
Net Cash Provided (Used) By Operating Activities	\$ (67,531)	\$ 209,567	\$ 782,492

City of Bend, Oregon
Combining Statement of Cash Flows (Continued)
Internal Service Fund
For the fiscal year ended June 30, 2015

	Engineering Division	Public Works Administration Division	Public Works Laboratory Division
<u>Cash Flows from Operating Activities</u>			
Cash received from customers	\$ 1,454,663	\$ 30	\$ -
Cash received from interfund services provided	1,483,397	1,417,114	1,068,590
Cash paid to employees for services	(1,205,525)	(958,299)	(633,264)
Cash paid to suppliers for goods and services	(135,179)	(114,254)	(143,171)
Cash paid for interfund services used	(606,169)	(314,030)	(151,264)
Net Cash From Operating Activities	991,186	30,561	140,892
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers from other funds	58,100	-	-
Transfers to other funds	(9,568)	(2,047)	(1,382)
Net Cash From Noncapital Financing Activities	48,532	(2,047)	(1,382)
<u>Cash Flows from Capital and Related Financing Activities</u>			
Issuance of debt	-	-	-
Principal payments on notes, bonds, and certificates	-	-	-
Interest payments on notes, bonds, and certificates	-	-	-
Acquisition and construction of capital assets	(52,177)	(30,206)	-
Net Cash From Capital and Related Financing Activities	(52,177)	(30,206)	-
<u>Cash Flows from Investing Activities</u>			
Investment income	17,438	3,291	2,489
Net Cash From Investing Activities	17,438	3,291	2,489
Net change in pooled cash and investments	1,004,979	1,599	141,999
Pooled Cash and Investments, July 1, 2014	1,734,755	440,382	232,626
Pooled Cash and Investments, June 30, 2015	\$ 2,739,734	\$ 441,982	\$ 374,625

City of Bend, Oregon
Combining Statement of Cash Flows (Continued)
Internal Service Fund
For the fiscal year ended June 30, 2015

	Engineering Division	Public Works Administration Division	Public Works Laboratory Division
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities			
Operating income (loss)	\$ 1,163,758	\$ 193,971	\$ 233,973
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	11,899	2,517	18,837
Change in:			
Accounts receivable	1,391	-	-
Inventories	-	-	-
Prepays and deposits	-	7,442	-
Accounts payable	(32,587)	4,641	643
Salaries and benefits payable	3,764	(7,880)	1,984
Pension benefits	(332,960)	(119,763)	(92,143)
Other post-employment benefits	(141,710)	(41,302)	(26,086)
Compensated absences payable	35,644	(8,875)	4,035
Insurance claims payable	1,121	(192)	(351)
Prepays and deposits payable	280,865	-	-
Net Cash Provided (Used) By Operating Activities	\$ 991,186	\$ 30,561	\$ 140,892

City of Bend, Oregon
Combining Statement of Cash Flows (Continued)
Internal Service Fund
For the fiscal year ended June 30, 2015

	Insurance Division	Administration and Financial Services Division	Legal and Risk Management Division	Total
<u>Cash Flows from Operating Activities</u>				
Cash received from customers	\$ 224,861	\$ 216,738	\$ 344	\$ 2,009,961
Cash received from interfund services provided	1,633,334	5,760,743	678,483	20,415,507
Cash paid to employees for services	-	(4,199,358)	(549,626)	(10,159,250)
Cash paid to suppliers for goods and services	(1,029,333)	(1,154,215)	(38,936)	(6,936,755)
Cash paid for interfund services used	-	(1,066,521)	(58,007)	(2,823,790)
Net Cash From Operating Activities	828,863	(442,613)	32,257	2,505,674
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from other funds	-	140,000	-	278,100
Transfers to other funds	(16,910)	(5,345)	(700)	(54,130)
Net Cash From Noncapital Financing Activities	(16,910)	134,655	(700)	223,970
<u>Cash Flows from Capital and Related Financing Activities</u>				
Issuance of debt	-	-	-	403,200
Principal payments on notes, bonds, and certificates	-	-	-	(375,000)
Interest payments on notes, bonds, and certificates	-	-	-	(290,998)
Acquisition and construction of capital assets	-	(54,860)	-	(927,520)
Net Cash From Capital and Related Financing Activities	-	(54,860)	-	(1,190,318)
<u>Cash Flows from Investing Activities</u>				
Investment income	30,179	8,977	1,239	92,871
Net Cash From Investing Activities	30,179	8,977	1,239	92,871
Net change in pooled cash and investments	842,131	(353,841)	32,796	1,632,196
Pooled Cash and Investments, July 1, 2014	3,561,750	1,391,068	138,928	11,454,677
Pooled Cash and Investments, June 30, 2015	\$ 4,403,881	\$ 1,037,227	\$ 171,724	\$ 13,086,873

City of Bend, Oregon
Combining Statement of Cash Flows (Continued)
Internal Service Fund
For the fiscal year ended June 30, 2015

	<u>Insurance Division</u>	<u>Administration and Financial Services Division</u>	<u>Legal and Risk Management Division</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities				
Operating income (loss)	\$ 912,798	\$ 126,001	\$ 107,299	\$ 3,230,579
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	5,273	-	986,861
Change in:				
Accounts receivable	-	(2,975)	-	22,222
Inventories	-	-	-	17,318
Prepays and deposits	-	6,249	-	47,736
Accounts payable	(11,687)	13,282	12,821	(208,275)
Salaries and benefits payable	-	21,227	(545)	30,771
Pension benefits	-	(510,463)	(52,794)	(1,428,287)
Other post-employment benefits	-	(128,873)	(14,808)	(474,638)
Compensated absences payable	-	22,767	(19,208)	67,605
Insurance claims payable	(72,248)	4,899	(509)	(67,083)
Prepays and deposits payable	-	-	-	280,865
Net Cash Provided (Used) By Operating Activities	\$ 828,863	\$ (442,613)	\$ 32,257	\$ 2,505,674

Noncash Capital and Related Financing Activities

Acquisition of capital assets financed through accounts payable or retainage payable for the current year totaled \$267,296 in the Information Technology Division, and \$8,983 in the Facility Management 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, 2015

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
Revenues						
Charges for services:						
Charges to others	\$ 510,700	\$ 473,200	\$ 213,280	\$ 4,859	\$ 218,139	\$ (255,061)
Charges to other City funds	4,170,400	4,277,470	1,922,904	2,017,660	3,940,564	(336,906)
Investment income	5,100	5,100	2,682	1,655	4,337	(763)
Miscellaneous	15,200	15,200	3,470	957	4,427	(10,773)
Total Revenues	4,701,400	4,770,970	2,142,336	2,025,131	4,167,466	(603,504)
Expenses						
Current:						
Personal services	1,463,957	1,431,467	678,689	690,627	1,369,316	62,151
Materials and services	2,892,860	2,892,960	1,374,934	1,042,670	2,417,605	475,355
Interfund charges	597,300	652,064	287,046	352,450	639,496	12,568
Contingency	143,983	191,179	-	-	-	191,179
Total Expenses	5,098,100	5,167,670	2,340,668	2,085,748	4,426,416	741,254
Excess (deficiency) of revenues over (under) expenses	(396,700)	(396,700)	(198,333)	(60,617)	(258,950)	137,750
Other Financing Sources (Uses)						
Transfers out	(2,600)	(2,600)	(1,080)	(992)	(2,072)	528
Total Other Financing Sources (Uses)	(2,600)	(2,600)	(1,080)	(992)	(2,072)	528
Net change in fund balance	(399,300)	(399,300)	(199,412)	(61,609)	(261,021)	138,279
Beginning Fund Balance (Deficit)	399,300	399,300	356,307	156,895	356,307	(42,993)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 156,895	\$ 95,286	\$ 95,286	\$ 95,286

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 2,085,748
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	4,235
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(132,334)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	5,050
Total Expenses - GAAP Basis	\$ 1,962,698
Total Other Financing Sources (Uses) - Budgetary Basis	\$ (992)
Loss on disposal of asset reported as an expense on the GAAP basis	(2,514)
Total Other Financing Sources (Uses) - GAAP Basis	\$ (3,505)

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, 2015

	<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>
Revenues						
Charges to other City funds	\$ 7,053,943	\$ 7,710,140	\$ 3,151,982	\$ 3,888,603	\$ 7,040,585	\$ (669,555)
Investment income	18,800	18,800	19,731	16,154	35,885	17,085
Miscellaneous	900	900	1,818	330	2,148	1,248
Total Revenues	7,073,643	7,729,840	3,173,531	3,905,087	7,078,618	(651,222)
Expenses						
Current:						
Personal services	3,259,111	3,238,726	1,466,963	1,631,053	3,098,016	140,710
Materials and services	2,978,866	3,096,658	1,465,951	1,898,373	3,364,323	(267,665)
Interfund charges	155,000	234,842	103,182	131,767	234,949	(107)
Debt service	-	-	-	1,827	1,827	(1,827)
Capital outlay	1,150,400	2,028,400	183,901	1,094,702	1,278,603	749,797
Contingency	150,000	908,848	-	-	-	908,848
Reserved for replacements	1,552,366	455,166	-	-	-	455,166
Total Expenses	9,245,743	9,962,640	3,219,996	4,757,723	7,977,719	1,984,921
Excess (deficiency) of revenues over (under) expenses	(2,172,100)	(2,232,800)	(46,465)	(852,636)	(899,101)	1,333,699
Other Financing Sources (Uses)						
Issuance of long-term debt	-	-	-	403,200	403,200	403,200
Transfers out	(9,500)	(9,500)	(7,394)	(9,109)	(16,503)	(7,003)
Total Other Financing Sources (Uses)	(9,500)	(9,500)	(7,394)	394,091	386,697	396,197
Net change in fund balance	(2,181,600)	(2,242,300)	(53,859)	(458,544)	(512,404)	1,729,896
Beginning Fund Balance (Deficit)	2,181,600	2,242,300	2,335,991	2,282,132	2,335,991	93,691
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 2,282,132	\$ 1,823,587	\$ 1,823,587	\$ 1,823,587

City of Bend, Oregon

Information Technology Division (Continued)

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

For the fiscal year ended June 30, 2015

Reconciliation of Budgetary basis to GAAP basis

Total Revenues - Budgetary Basis	\$ 3,905,087
Contributions of capital assets reported as revenues on the budgetary basis are reported as assets on the GAAP basis	<u>(142,105)</u>
Total Revenues - GAAP Basis	<u>\$ 3,762,981</u>
Total Expenses - Budgetary Basis	\$ 4,757,723
Capitalized payroll amounts reported as expense on the budgetary basis are reported as assets on the GAAP basis	(100,627)
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	12,916
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(259,016)
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(1,094,702)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	96,055
Amortization not reported on the budgetary basis is reported as an expense on the GAAP basis	<u>106,133</u>
Total Expenses - GAAP Basis	<u>\$ 3,518,482</u>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ 394,091
Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis	<u>(403,200)</u>
Total Other Financing Sources (Uses) - GAAP Basis	<u>\$ (9,109)</u>

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, 2015

	<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>				
Revenues						
Charges to other City funds	\$ 615,000	\$ 580,000	\$ 148,926	\$ -	\$ 148,926	\$ (431,074)
Rental income						
Rental income from others	158,631	158,631	81,473	76,362	157,835	(796)
Rental income from other City funds	3,428,100	4,246,888	1,637,200	2,609,688	4,246,888	-
Investment income	26,700	26,700	13,152	11,449	24,602	(2,098)
Miscellaneous	-	-	3,363	7,011	10,374	10,374
Total Revenues	4,228,431	5,012,219	1,884,115	2,704,510	4,588,625	(423,594)
Expenses						
Current:						
Personal services	789,779	782,857	386,738	488,984	875,722	(92,865)
Materials and services	1,483,778	1,873,778	927,013	1,236,795	2,163,808	(290,030)
Interfund charges	185,000	271,371	95,320	92,182	187,502	83,869
Debt service	3,509,250	3,509,250	1,412,409	689,590	2,101,999	1,407,251
Capital outlay	843,500	1,346,500	172,927	-	172,927	1,173,573
Contingency	347,432	248,771	-	-	-	248,771
Reserved for debt service	66,500	66,500	-	-	-	66,500
Reserved for major maintenance	660,792	660,792	-	-	-	660,792
Total Expenses	7,886,031	8,759,819	2,994,407	2,507,551	5,501,958	3,257,861
Excess (deficiency) of revenues over (under) expenses	(3,657,600)	(3,747,600)	(1,110,292)	196,959	(913,333)	2,834,267
Other Financing Sources (Uses)						
Issuance of long-term debt	1,100,000	1,100,000	-	-	-	(1,100,000)
Transfers in	800,000	830,000	400,000	80,000	480,000	(350,000)
Transfers out	(15,700)	(15,700)	(6,284)	(8,076)	(14,361)	1,339
Total Other Financing Sources (Uses)	1,884,300	1,914,300	393,716	71,924	465,639	(1,448,661)
Net change in fund balance	(1,773,300)	(1,833,300)	(716,576)	268,883	(447,694)	1,385,606
Beginning Fund Balance (Deficit)	1,773,300	1,833,300	1,879,585	1,163,009	1,879,585	46,285
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,163,009	\$ 1,431,892	\$ 1,431,892	\$ 1,431,892

City of Bend, Oregon

Facility Management Division (Continued)

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual (Continued)
For the fiscal year ended June 30, 2015

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 2,507,551
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	4,565
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(72,389)
Principal payments on bonds reported as expenses on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(375,000)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	847,230
Amortization of premiums, and discounts are not reported on the budgetary basis but are reported as an expense on the GAAP basis	(26,316)
Total Expenses - GAAP Basis	<u><u>\$ 2,885,641</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, 2015

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
Revenues						
Charges for services:						
Charges to others	\$ 803,200	\$ 1,567,800	\$ 950,223	\$ 1,172,406	\$ 2,122,629	\$ 554,829
Charges to other City funds	7,159,600	6,877,449	3,390,588	3,216,297	6,606,885	(270,564)
Investment income	9,700	9,700	9,142	17,438	26,579	16,879
Miscellaneous	-	-	373	1	373	373
Total Revenues	7,972,500	8,454,949	4,350,325	4,406,142	8,756,467	301,518
Expenses						
Current:						
Personal services	6,216,209	6,517,451	2,776,942	2,930,335	5,707,277	810,174
Materials and services	790,552	767,439	246,364	201,714	448,078	319,361
Interfund charges	1,211,300	1,208,337	608,599	555,668	1,164,267	44,070
Capital outlay	55,000	155,000	46,452	52,177	98,629	56,371
Contingency	220,539	247,822	-	-	-	247,822
Total Expenses	8,493,600	8,896,049	3,678,358	3,739,894	7,418,252	1,477,797
Excess (deficiency) of revenues over (under) expenses	(521,100)	(441,100)	671,967	666,248	1,338,215	1,779,315
Other Financing Sources (Uses)						
Transfers in	480,500	400,500	436,288	58,100	494,388	93,888
Transfers out	(4,900)	(4,900)	(2,734)	(9,568)	(12,302)	(7,402)
Total Other Financing Sources (Uses)	475,600	395,600	433,554	48,532	482,086	86,486
Net change in fund balance	(45,500)	(45,500)	1,105,522	714,780	1,820,301	1,865,801
Beginning Fund Balance (Deficit)	45,500	45,500	79,740	1,185,262	79,740	34,240
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,185,262	\$ 1,900,042	\$ 1,900,042	\$ 1,900,042

City of Bend, Oregon

Engineering Division (Continued)

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual (Continued)
For the fiscal year ended June 30, 2015

Reconciliation of Budgetary basis to GAAP basis

Total Revenues - Budgetary Basis	\$ 4,406,142
Contributions of capital assets reported as revenues on the budgetary basis are reported as assets on the GAAP basis	<u>(1,732,900)</u>
Total Revenues - GAAP Basis	<u>\$ 2,673,242</u>
Total Expenses - Budgetary Basis	\$ 3,739,894
Capitalized internal engineering reported as expense on the budgetary basis is reported as asset on the GAAP basis	(1,732,900)
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(14,324)
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(460,346)
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(52,177)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	<u>11,899</u>
Total Expenses - GAAP Basis	<u>\$ 1,492,046</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, 2015

	<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>
Revenues						
Charges to other City funds	\$ 2,682,800	\$ 2,763,314	\$ 1,337,108	\$ 1,417,114	\$ 2,754,222	\$ (9,092)
Investment income	4,900	4,900	3,365	3,291	6,657	1,757
Miscellaneous	-	-	78	30	108	108
Total Revenues	2,687,700	2,768,214	1,340,551	1,420,435	2,760,986	(7,228)
Expenses						
Current:						
Personal services	2,056,696	2,026,287	807,433	958,241	1,765,674	260,613
Materials and services	237,136	259,736	95,345	126,146	221,491	38,245
Interfund charges	528,000	584,417	266,730	297,333	564,063	20,354
Capital outlay	30,000	30,000	-	30,206	30,206	(206)
Contingency	10,368	42,274	-	-	-	42,274
Total Expenses	2,862,200	2,942,714	1,169,508	1,411,926	2,581,434	361,280
Excess (deficiency) of revenues over (under) expenses	(174,500)	(174,500)	171,043	8,510	179,553	354,053
Other Financing Sources (Uses)						
Transfers out	(2,500)	(2,500)	(1,216)	(2,047)	(3,264)	(764)
Total Other Financing Sources (Uses)	(2,500)	(2,500)	(1,216)	(2,047)	(3,264)	(764)
Net change in fund balance	(177,000)	(177,000)	169,827	6,462	176,289	353,289
Beginning Fund Balance (Deficit)	177,000	177,000	279,943	449,770	279,943	102,943
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 449,770	\$ 456,232	\$ 456,232	\$ 456,232

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 1,411,926
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	16,513
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(177,578)
Capital outlay reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(30,206)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	2,517
Total Expenses - GAAP Basis	\$ 1,223,173

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, 2015

	<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>
Revenues						
Charges for services:						
Charges to others	\$ -	\$ -	\$ -	\$ 428	\$ 428	\$ 428
Charges to other City funds	2,016,000	2,076,162	1,008,000	1,068,162	2,076,162	-
Investment income	2,900	2,900	1,759	2,489	4,248	1,348
Miscellaneous	-	-	16	-	16	16
Total Revenues	2,018,900	2,079,062	1,009,775	1,071,079	2,080,854	1,792
Expenses						
Current:						
Personal services	1,301,227	1,285,717	598,968	651,414	1,250,383	35,334
Materials and services	418,300	418,300	137,547	143,462	281,010	137,290
Interfund charges	248,100	273,424	130,027	139,132	269,159	4,265
Capital outlay	20,800	20,800	8,845	-	8,845	11,955
Contingency	43,173	93,521	-	-	-	93,521
Total Expenses	2,031,600	2,091,762	875,388	934,008	1,809,396	282,366
Excess (deficiency) of revenues over (under) expenses	(12,700)	(12,700)	134,387	137,071	271,458	284,158
Other Financing Sources (Uses)						
Transfers out	(1,500)	(1,500)	(633)	(1,382)	(2,015)	(515)
Total Other Financing Sources (Uses)	(1,500)	(1,500)	(633)	(1,382)	(2,015)	(515)
Net change in fund balance	(14,200)	(14,200)	133,754	135,689	269,443	283,643
Beginning Fund Balance (Deficit)	14,200	14,200	34,971	168,725	34,971	20,771
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 168,725	\$ 304,413	\$ 304,413	\$ 304,413

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 934,008
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	8,450
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(126,679)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	18,837
Total Expenses - GAAP Basis	\$ 834,617

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, 2015

	<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>
Revenues						
Charges to other City funds	\$ 3,308,600	\$ 3,350,100	\$ 1,537,718	\$ 1,633,334	\$ 3,171,052	\$ (179,048)
Insurance settlements and refunds	-	-	179,910	224,839	404,749	404,749
Investment income	32,700	32,700	28,019	30,179	58,197	25,497
Miscellaneous	-	-	8,402	22	8,424	8,424
Total Revenues	3,341,300	3,382,800	1,754,048	1,888,374	3,642,422	259,622
Expenses						
Current:						
Materials and services	2,587,215	2,635,287	1,038,759	1,017,646	2,056,405	578,882
Reserve for insurance	3,985,385	3,978,813	-	-	-	3,978,813
Total Expenses	6,572,600	6,614,100	1,038,759	1,017,646	2,056,405	4,557,695
Excess (deficiency) of revenues over (under) expenses	(3,231,300)	(3,231,300)	715,289	870,728	1,586,017	4,817,317
Other Financing Sources (Uses)						
Capital contributions	-	-	8,950	-	8,950	8,950
Transfers out	(16,400)	(16,400)	(10,237)	(16,910)	(27,147)	(10,747)
Total Other Financing Sources (Uses)	(16,400)	(16,400)	(1,287)	(16,910)	(18,197)	(1,797)
Net change in fund balance	(3,247,700)	(3,247,700)	714,002	853,818	1,567,820	4,815,520
Beginning Fund Balance (Deficit)	3,247,700	3,247,700	3,368,456	4,082,458	3,368,456	120,756
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 4,082,458	\$ 4,936,276	\$ 4,936,276	\$ 4,936,276

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 1,017,646
Estimated self insurance expenses not reported on the budgetary basis are reported as an expense on the GAAP basis	<u>(72,248)</u>
Total Expenses - GAAP Basis	<u><u>\$ 945,398</u></u>

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, 2015

	<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 (Negative)
Revenues						
Charges for services:						
Charges to others	\$ 100,000	\$ 366,700	\$ 183,239	\$ 219,156	\$ 402,395	\$ 35,695
Charges to other City funds	10,305,240	11,336,580	5,124,463	5,760,743	10,885,206	(451,374)
Investment income	10,300	10,300	10,905	8,977	19,882	9,582
Miscellaneous	2,700	2,700	855	557	1,412	(1,288)
Total Revenues	10,418,240	11,716,280	5,319,461	5,989,434	11,308,895	(407,385)
Expenses						
Current:						
Personal services	7,651,478	8,631,945	3,425,653	4,314,984	7,740,637	891,308
Materials and services	1,755,932	2,037,341	913,955	1,178,646	2,092,601	(55,260)
Interfund charges	1,540,100	1,953,815	653,758	1,049,748	1,703,506	250,309
Capital outlay	7,500	100	-	-	-	100
Contingency	214,030	97,879	-	-	-	97,879
Total Expenses	11,169,040	12,721,080	4,993,366	6,543,379	11,536,745	1,184,335
Excess (deficiency) of revenues over (under) expenses	(750,800)	(1,004,800)	326,095	(553,945)	(227,849)	776,951
Other Financing Sources (Uses)						
Transfers in	-	140,000	-	140,000	140,000	-
Transfers out	(5,200)	(5,200)	(3,979)	(5,345)	(9,325)	(4,125)
Total Other Financing Sources (Uses)	(5,200)	134,800	(3,979)	134,655	130,675	(4,125)
Net change in fund balance	(756,000)	(870,000)	322,116	(419,290)	(97,174)	772,826
Beginning Fund Balance (Deficit)	756,000	870,000	870,346	1,192,462	870,346	346
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,192,462	\$ 773,172	\$ 773,172	\$ 773,172

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 6,543,379
Other post-employment benefits expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	16,116
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(710,312)
Depreciation and amortization not reported on the budgetary basis is reported as an expense on the GAAP basis	5,273
Amortization not reported on the budgetary basis is reported as an expense on the GAAP basis	5,963
Total Expenses - GAAP Basis	\$ 5,860,418

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, 2015

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Charges for services:						
Charges to other City funds	\$ 1,291,000	\$ 1,323,983	\$ 645,500	\$ 678,483	\$ 1,323,983	\$ -
Investment income	1,500	1,500	1,048	1,239	2,287	787
Miscellaneous	-	-	100	344	444	444
Total Revenues	1,292,500	1,325,483	646,648	680,066	1,326,714	1,231
Expenses						
Current:						
Personal services	1,114,462	1,122,286	562,370	537,120	1,099,490	22,796
Materials and services	147,714	148,074	40,799	51,248	92,047	56,027
Interfund charges	40,200	79,975	28,790	50,762	79,552	423
Contingency	36,024	21,048	-	-	-	21,048
Total Expenses	1,338,400	1,371,383	631,959	639,130	1,271,089	100,294
Excess (deficiency) of revenues over (under) expenses	(45,900)	(45,900)	14,689	40,936	55,626	101,526
Other Financing Sources (Uses)						
Transfers out	(800)	(800)	(377)	(700)	(1,077)	(277)
Total Other Financing Sources (Uses)	(800)	(800)	(377)	(700)	(1,077)	(277)
Net change in fund balance	(46,700)	(46,700)	14,312	40,236	54,549	101,249
Beginning Fund Balance (Deficit)	46,700	46,700	50,841	65,154	50,841	4,141
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 65,154	\$ 105,390	\$ 105,390	\$ 105,390

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 639,130
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	11,574
Pension expense is not reported on the budgetary basis but is reported as an increase (decrease) to expense on the GAAP basis	(79,175)
Total Expenses - GAAP Basis	\$ 571,528

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	\$ 4,324,427	\$ 3,786,920	\$ 537,507
Information technology division	8,363,784	7,740,943	622,841
Facility management division	4,003,135	3,212,457	790,678
Engineering division	7,439,890	6,253,984	1,185,906
Public works administration division	2,316,023	2,017,370	298,653
Public works laboratory division	1,724,817	1,540,237	184,580
Insurance division	2,635,287	2,056,405	578,882
Administration and financial services division	10,669,386	9,833,239	836,147
Legal and risk management division	1,270,360	1,191,537	78,823
Transfers	5,317,344	4,930,559	386,785
Debt service	3,509,250	2,103,826	1,405,424
Contingency	1,851,342	-	1,851,342
Reserves	5,161,271	-	5,161,271
Total Internal Service Fund	\$ 58,586,316	\$ 44,667,476	\$ 13,918,840

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AGENCY FUND

Agency Fund

The agency fund accounts for the assets and liabilities of various monies received primarily on behalf of the Bend Parks 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, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>Assets</u>				
Cash and investments	\$ 391,509	\$ 5,523,905	\$ (5,139,929)	\$ 775,485
Accounts receivable, net	5	-	(5)	-
Total Assets	\$ 391,513	\$ 5,523,905	\$ (5,139,934)	\$ 775,485
<u>Liabilities</u>				
Amounts held for others	\$ 391,513	\$ 5,450,383	\$ (5,066,412)	\$ 775,485
Total Liabilities	\$ 391,513	\$ 5,450,383	\$ (5,066,412)	\$ 775,485

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OTHER FUNDS

City of Bend, Oregon
Combining Balance Sheet
 General Fund
 June 30, 2015

	General Fund	General Fund Stabilization Fund	Total General Fund
Assets			
Pooled cash and investments	\$ 15,372,061	\$ 2,092,473	\$ 17,464,534
Restricted cash and investments	155,449	-	155,449
Receivables:			
Property taxes	860,307	-	860,307
Accounts, net	2,888,953	-	2,888,953
Loans and notes, net	639,656	-	639,656
Interest	245,468	-	245,468
Due from other funds	68,875	-	68,875
Due from other governments	510,107	-	510,107
Assets held for resale	4,554,943	-	4,554,943
Total Assets	\$ 25,295,819	\$ 2,092,473	\$ 27,388,292
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,811,603	\$ -	\$ 1,811,603
Salaries and benefits payable	211,645	-	211,645
Other accrued liabilities	708,797	-	708,797
Deposits	155,449	-	155,449
Total Liabilities	2,887,494	-	2,887,494
Deferred Inflows of Resources:			
Unavailable revenue-property taxes	639,019	-	639,019
Unavailable revenue-assessments & loans receivable	2,207,668	-	2,207,668
Total Deferred Inflows of Resources	2,846,687	-	2,846,687
Fund Balances (Deficits):			
Nonspendable:			
Asset held for resale	4,554,943	-	4,554,943
Committed	-	2,092,473	2,092,473
Assigned	4,231,874	-	4,231,874
Unassigned	10,774,822	-	10,774,822
Total Fund Balances (Deficits)	19,561,639	2,092,473	21,654,111
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,295,819	\$ 2,092,473	\$ 27,388,292

Disclosure Cross Reference: Prior year data can be found in the Comprehensive Annual Financial Report for each corresponding year.

City of Bend, Oregon

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

General Fund

For the fiscal year ended June 30, 2015

	General Fund	General Fund Stabilization Fund	Total General Fund
<u>Revenues</u>			
Taxes	\$ 29,485,139	\$ -	\$ 29,485,139
Franchise fees	6,035,657	-	6,035,657
Intergovernmental	2,452,496	-	2,452,496
Licenses and permits	132,099	-	132,099
Charges for services	1,334,180	-	1,334,180
Fines and forfeitures	900,148	-	900,148
Investment income	101,387	17,043	118,430
Miscellaneous	16,335	-	16,335
Total Revenues	40,457,439	17,043	40,474,482
<u>Expenditures</u>			
Current:			
General government	2,314,276	-	2,314,276
Public safety	19,184,199	-	19,184,199
Transportation growth	1,983,568	-	1,983,568
Capital outlay	616,872	-	616,872
Total Expenditures	24,098,915	-	24,098,915
Excess (deficiency) of revenues over (under) expenditures	16,358,524	17,043	16,375,567
<u>Other Financing Sources (Uses)</u>			
Transfers in	3,875	232,315	236,190
Transfers out	(15,552,916)	-	(15,552,916)
Total Other Financing Sources (Uses)	(15,549,041)	232,315	(15,316,726)
Net change in fund balances	809,483	249,359	1,058,842
Fund Balances (Deficits), July 1, 2014	15,604,300	1,843,114	17,447,414
Prior period adjustment	3,147,856	-	3,147,856
Fund Balances (Deficits), July 1, 2014, as restated	18,752,156	1,843,114	20,595,270
Fund Balances (Deficits), June 30, 2015	\$ 19,561,639	\$ 2,092,473	\$ 21,654,111

Disclosure Cross Reference: Prior year data can be found in the Comprehensive Annual Financial Report for each corresponding year.

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, 2015

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Investment income	\$ 17,500	\$ 17,500	\$ 15,300	\$ 17,043	\$ 32,343	\$ 14,843
Total Revenues	17,500	17,500	15,300	17,043	32,343	14,843
Expenditures						
Reserves	1,989,700	1,989,700	-	-	-	1,989,700
Total Expenditures	1,989,700	1,989,700	-	-	-	1,989,700
Excess (deficiency) of revenues over (under) expenditures	(1,972,200)	(1,972,200)	15,300	17,043	32,343	2,004,543
Other Financing Sources (Uses)						
Transfers in	350,000	350,000	186,410	232,315	418,725	68,725
Total Other Financing Sources	350,000	350,000	186,410	232,315	418,725	68,725
Net change in fund balance	(1,622,200)	(1,622,200)	201,710	249,359	451,068	2,073,268
Beginning Fund Balance (Deficit)	1,622,200	1,622,200	1,641,404	1,843,114	1,641,404	19,204
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,843,114	\$ 2,092,473	\$ 2,092,473	\$ 2,092,473

City of Bend, Oregon
Combining Statement of Fund Net Position

Water Fund
 June 30, 2015

Business-Type Activities
Enterprise Funds

	Enterprise Funds		
	<u>Water</u>	<u>Bridge Creek Pipe Project</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Pooled cash and investments	\$ 17,833,571	\$ (1,790,145)	\$ 16,043,426
Receivables:			
Accounts, net	2,531,606	-	2,531,606
Other assets	32,133	-	32,133
Prepays and deposits	20,816	15,219	36,035
Total Current Assets	20,418,126	(1,774,926)	18,643,200
Noncurrent assets:			
Restricted cash and investments	229,657	-	229,657
Capital assets, net	106,156,607	41,897,135	148,053,742
Net pension asset	437,420	-	437,420
Total Noncurrent Assets	106,823,684	41,897,135	148,720,819
Total Assets	127,241,810	40,122,209	167,364,019
<u>Deferred Outflows of Resources</u>			
Deferred outflows from pensions	193,726	-	193,726
Total Deferred Outflows of Resources	193,726	-	193,726
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	372,658	4,307,259	4,679,917
Salaries and benefits payable	45,257	-	45,257
Retainage payable	15,975	1,786,149	1,802,124
Other accrued liabilities:			
Compensated absences	234,933	-	234,933
Interest	89,276	-	89,276
Insurance claims	5,054	-	5,054
Other	242,635	-	242,635
Deposits - restricted	229,657	-	229,657
Current portion of long-term debt	222,647	-	222,647
Total Current Liabilities	1,458,091	6,093,409	7,551,500
Noncurrent liabilities:			
Other post-retirement benefits payable	511,891	-	511,891
Long-term debt, net	4,349,690	30,000,000	34,349,690
Total Noncurrent Liabilities	4,861,581	30,000,000	34,861,581
Total Liabilities	6,319,672	36,093,409	42,413,081
<u>Deferred Inflows of Resources</u>			
Deferred inflows from pensions	844,040	-	844,040
Total Deferred Inflows of Resources	844,040	-	844,040
<u>Net Position</u>			
Invested in capital assets	101,584,270	11,897,135	113,481,405
Unrestricted	18,687,553	(7,868,335)	10,819,218
Total Net Position	\$ 120,271,823	\$ 4,028,801	\$ 124,300,624

City of Bend, Oregon

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

Water Fund

For the fiscal year ended June 30, 2015

	Business-Type Activities		
	Enterprise Funds		
	Bridge Creek		Total
Water	Pipe Project		
<u>Operating Revenues</u>			
Charges for services	\$ 17,647,730	\$ -	\$ 17,647,730
Miscellaneous	120,009	-	120,009
Total Operating Revenues	17,767,739	-	17,767,739
<u>Operating Expenses</u>			
Salaries and benefits	2,635,124	-	2,635,124
Materials and supplies	3,270,712	48,283	3,318,994
Internal services	3,225,444	653,890	3,879,334
Depreciation	2,895,543	2,484	2,898,027
Total Operating Expenses	12,026,823	704,656	12,731,479
Operating income (loss)	5,740,916	(704,656)	5,036,260
<u>Nonoperating Revenues (Expenses)</u>			
Investment income	5,584	-	5,584
Interest expense	(75,936)	-	(75,936)
Amortization	(13,391)	-	(13,391)
Total Nonoperating Revenues (Expenses)	(83,742)	-	(83,742)
Income (loss) before contributions and transfers	5,657,174	(704,656)	4,952,518
<u>Contributions and Transfers</u>			
Capital grants and contributions	2,816,497	-	2,816,497
Transfers in	2,915,234	6,068,490	8,983,724
Transfers out	(6,068,490)	-	(6,068,490)
Total Contributions and Transfers	(336,759)	6,068,490	5,731,731
Change in net position	5,320,415	5,363,834	10,684,249
Net Position, July 1, 2014	115,540,608	(1,335,033)	114,205,575
Prior period adjustment	(589,200)	-	(589,200)
Net Position, July 1, 2014, as restated	114,951,408	(1,335,033)	113,616,375
Net Position, June 30, 2015	\$ 120,271,823	\$ 4,028,801	\$ 124,300,624

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, 2015

	<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>
Revenues						
Investment income	\$ -	\$ -	\$ (22,380)	\$ -	\$ (22,380)	\$ (22,380)
Miscellaneous	-	-	9,923	-	9,923	9,923
Total Revenues	-	-	(12,457)	-	(12,457)	(12,457)
Expenses						
Current:						
Materials and services	-	825,000	-	48,283	48,283	776,718
Interfund charges	-	2,396,490	1,322,576	1,072,690	2,395,266	1,224
Capital outlay	-	46,930,000	6,261,289	35,219,530	41,480,819	5,449,181
Reserves	-	7,866,812	-	-	-	7,866,812
Total Expenses	-	58,018,302	7,583,865	36,340,503	43,924,368	14,093,934
Excess (deficiency) of revenues over (under) expenses	-	(58,018,302)	(7,596,322)	(36,340,503)	(43,936,825)	14,081,477
Other Financing Sources (Uses)						
Issuance of long-term debt	-	55,621,812	-	30,000,000	30,000,000	(25,621,812)
Transfers in	-	2,396,490	-	6,068,490	6,068,490	3,672,000
Total Other Financing Sources	-	58,018,302	-	36,068,490	36,068,490	(21,949,812)
Net change in fund balance	-	-	(7,596,322)	(272,013)	(7,868,335)	(7,868,335)
Beginning Fund Balance (Deficit)	-	-	-	(7,596,322)	-	-
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ (7,596,322)	\$ (7,868,335)	\$ (7,868,335)	\$ (7,868,335)

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 36,340,503
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(35,638,330)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	2,484
Total Expenses - GAAP Basis	\$ 704,656
Total Other Financing Sources (Uses) - Budgetary Basis	\$ 36,068,490
Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis	(30,000,000)
Total Other Financing Sources (Uses) - GAAP Basis	\$ 6,068,490

City of Bend, Oregon
Combining Statement of Fund Net Position
Water Reclamation Fund
June 30, 2015

	Business-Type Activities			
	Enterprise Funds			
	Water Reclamation	Secondary Expansion Project	Southeast Interceptor Project	Total
Assets				
Current assets:				
Pooled cash and investments	\$ 26,480,750	\$ (2,012,295)	\$ 279,717	\$ 24,748,172
Receivables:				
Accounts, net	2,735,244	-	-	2,735,244
Interest	88,947	-	-	88,947
Due from other governments	3,362,690	4,236,728	-	7,599,419
Total Current Assets	32,667,633	2,224,433	279,717	35,171,783
Noncurrent assets:				
Restricted cash and investments	1,677,607	-	-	1,677,607
Assessments receivable, net	101,567	-	-	101,567
Loans and notes receivable, net	11,343	-	-	11,343
Capital assets, net	144,435,697	30,082,127	6,298,237	180,816,060
Net pension asset	615,119	-	-	615,119
Total Noncurrent Assets	146,841,333	30,082,127	6,298,237	183,221,697
Total Assets	179,508,966	32,306,560	6,577,954	218,393,479
Deferred Outflows of Resources				
Deferred outflows from pensions	272,428	-	-	272,428
Total Deferred Outflows of Resources	272,428	-	-	272,428
Liabilities				
Current liabilities:				
Accounts payable	602,983	970,008	519,767	2,092,758
Salaries and benefits payable	52,910	-	-	52,910
Retainage payable	13,587	1,253,904	240,047	1,507,539
Other accrued liabilities:				
Compensated absences	249,070	-	-	249,070
Interest	765,103	-	-	765,103
Insurance claims	5,556	-	-	5,556
Other	84,924	-	-	84,924
Current portion of long-term debt, net	1,946,105	424,854	-	2,370,959
Total Current Liabilities	3,720,238	2,648,767	759,814	7,128,818
Noncurrent liabilities:				
Other post-retirement benefits payable	711,156	-	-	711,156
Long-term debt, net	31,113,025	28,997,308	-	60,110,334
Total Noncurrent Liabilities	31,824,182	28,997,308	-	60,821,490
Total Liabilities	35,544,419	31,646,075	759,814	67,950,308
Deferred Inflows of Resources				
Deferred inflows from pensions	1,186,928	-	-	1,186,928
Total Deferred Inflows of Resources	1,186,928	-	-	1,186,928
Net Position				
Invested in capital assets	111,376,566	659,964	6,298,237	118,334,768
Restricted for:				
Debt service	1,677,607	-	-	1,677,607
Unrestricted	29,995,873	521	(480,097)	29,516,296
Total Net Position	\$ 143,050,046	\$ 660,485	\$ 5,818,140	\$ 149,528,671

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, 2015

	Business-Type Activities			
	Enterprise Funds			
	Water Reclamation	Secondary Expansion Project	Southeast Interceptor Project	Total
<u>Operating Revenues</u>				
Charges for services	\$ 20,302,940	\$ -	\$ -	\$ 20,302,940
Loan repayments	9,151	-	-	9,151
Miscellaneous	10,120	4,403	-	14,523
Total Operating Revenues	20,322,211	4,403	-	20,326,614
<u>Operating Expenses</u>				
Salaries and benefits	3,690,319	-	-	3,690,319
Materials and supplies	2,354,116	-	-	2,354,116
Internal services	3,065,169	334,730	178,000	3,577,899
Depreciation	2,994,892	33,050	2,913	3,030,855
Total Operating Expenses	12,104,495	367,780	180,913	12,653,188
Operating income (loss)	8,217,716	(363,377)	(180,913)	7,673,426
<u>Nonoperating Revenues (Expenses)</u>				
Investment income	176,083	-	-	176,083
Interest expense	(560,251)	-	-	(560,251)
Amortization	14,662	-	-	14,662
Gain (loss) on disposal of assets	2,532	-	-	2,532
Total Nonoperating Revenues (Expenses)	(366,975)	-	-	(366,975)
Income (loss) before contributions and transfers	7,850,741	(363,377)	(180,913)	7,306,451
<u>Contributions and Transfers</u>				
Capital grants and contributions	2,712,404	-	-	2,712,404
Transfers in	3,142,295	1,008,000	5,320,700	9,470,995
Transfers out	(6,328,700)	-	-	(6,328,700)
Total Contributions and Transfers	(474,001)	1,008,000	5,320,700	5,854,699
Change in net position	7,376,740	644,623	5,139,787	13,161,150
Net Position, July 1, 2014	136,536,469	15,862	678,353	137,230,684
Prior period adjustment	(863,163)	-	-	(863,163)
Net Position, July 1, 2014, as restated	135,673,306	15,862	678,353	136,367,521
Net Position, June 30, 2015	\$ 143,050,046	\$ 660,485	\$ 5,818,140	\$ 149,528,671

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, 2015

	<u>Biennium Budget</u>		FY2013-14 <u>Actual</u>	FY2014-15 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Investment income	\$ -	\$ -	\$ (34,868)	\$ -	\$ (34,868)	\$ (34,868)
Miscellaneous	-	-	8	4,403	4,411	4,411
Total Revenues	-	-	(34,860)	4,403	(30,457)	(30,457)
Expenses						
Current:						
Materials and services	-	5,000	-	-	-	5,000
Interfund charges	-	1,498,730	768,849	666,530	1,435,379	63,351
Capital outlay	-	40,535,000	18,472,175	11,267,316	29,739,492	10,795,508
Total Expenses	-	42,038,730	19,241,024	11,933,846	31,174,870	10,863,860
Excess (deficiency) of revenues over (under) expenses	-	(42,038,730)	(19,275,884)	(11,929,444)	(31,205,327)	10,833,403
Other Financing Sources (Uses)						
Issuance of long-term debt	-	35,737,830	18,483,740	10,938,423	29,422,162	(6,315,668)
Transfers in	-	6,300,900	775,686	1,008,000	1,783,686	(4,517,214)
Total Other Financing Sources	-	42,038,730	19,259,425	11,946,423	31,205,848	(10,832,882)
Net change in fund balance	-	-	(16,458)	16,979	521	521
Beginning Fund Balance (Deficit)	-	-	-	(16,458)	-	-
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ (16,458)	\$ 521	\$ 521	\$ 521

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 11,933,846
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(11,599,116)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	33,050
Total Expenses - GAAP Basis	\$ 367,780
Total Other Financing Sources (Uses) - Budgetary Basis	\$ 11,946,423
Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis	(10,938,423)
Total Other Financing Sources (Uses) - GAAP Basis	\$ 1,008,000

Southeast Interceptor Project Fund

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
 For the fiscal year ended June 30, 2015

	<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>
Revenues						
Intergovernmental	\$ -	\$ -	\$ 113,255	\$ -	\$ 113,255	\$ 113,255
Investment income	-	-	(998)	-	(998)	(998)
Total Revenues	-	-	112,257	-	112,257	112,257
Expenses						
Current:						
Materials and services	-	270,000	-	-	-	270,000
Interfund charges	-	680,600	325,800	354,800	680,600	-
Capital outlay	-	18,150,000	677,929	5,446,421	6,124,351	12,025,649
Total Expenses	-	19,100,600	1,003,729	5,801,221	6,804,951	12,295,649
Excess (deficiency) of revenues over (under) expenses	-	(19,100,600)	(891,473)	(5,801,221)	(6,692,694)	12,407,906
Other Financing Sources (Uses)						
Issuance of long-term debt	-	18,000,000	-	-	-	(18,000,000)
Transfers in	-	1,100,600	891,896	5,320,700	6,212,596	5,111,996
Total Other Financing Sources	-	19,100,600	891,896	5,320,700	6,212,596	(12,888,004)
Net change in fund balance	-	-	424	(480,521)	(480,097)	(480,097)
Beginning Fund Balance (Deficit)	-	-	-	424	-	-
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 424	\$ (480,097)	\$ (480,097)	\$ (480,097)

Reconciliation of Budgetary basis to GAAP basis

Total Expenses - Budgetary Basis	\$ 5,801,221
Capitalized amounts reported as expenses on the budgetary basis are reported as assets on the GAAP basis	(5,623,221)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	<u>2,913</u>
Total Expenses - GAAP Basis	<u><u>\$ 180,913</u></u>

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>
<u>General Fund Stabilization Fund</u>			
Reserves	\$ 1,989,700	\$ -	\$ 1,989,700
Total General Fund Stabilization Fund	\$ 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>
<u>Bridge Creek Pipe Project Fund</u>			
Materials and services	\$ 825,000	\$ 48,283	\$ 776,718
Transfers	2,396,490	2,395,266	1,224
Capital outlay	46,930,000	41,480,819	5,449,181
Reserves	7,866,812	-	7,866,812
Total Bridge Creek Pipe Project Fund	\$ 58,018,302	\$ 43,924,368	\$ 14,093,934
<u>Secondary Expansion Project Fund</u>			
Materials and services	\$ 5,000	\$ -	\$ 5,000
Transfers	1,498,730	1,435,379	63,351
Capital outlay	40,535,000	29,739,492	10,795,508
Total Secondary Expansion Project Fund	\$ 42,038,730	\$ 31,174,870	\$ 10,863,860
<u>Southeast Interceptor Project Fund</u>			
Materials and services	\$ 270,000	\$ -	\$ 270,000
Transfers	680,600	680,600	-
Capital outlay	18,150,000	6,124,351	12,025,649
Total Southeast Interceptor Project Fund	\$ 19,100,600	\$ 6,804,951	\$ 12,295,649

OTHER FINANCIAL SCHEDULES

City of Bend, Oregon
Schedule of Property Tax Transactions
For the fiscal year ended June 30, 2015

<u>Fiscal Year</u>	<u>Uncollected Balances June 30, 2014</u>	<u>Current Year's Levy</u>	<u>Adjustments, Interest and Discounts</u>	<u>Net Collections</u>	<u>Uncollected Balances June 30, 2015</u>
Prior	\$ 4,037	\$ -	\$ 136	\$ (1,089)	3,084
2005-06	718	-	32	(64)	686
2006-07	905	-	4	(37)	872
2007-08	2,114	-	9	(700)	1,423
2008-09	7,320	-	637	(2,990)	4,967
2009-10	13,496	-	1,637	(8,186)	6,947
2010-11	56,262	-	8,703	(54,860)	10,105
2011-12	143,941	-	21,619	(114,501)	51,059
2012-13	247,964	-	19,664	(162,407)	105,221
2013-14	641,741	-	11,493	(445,577)	207,657
2014-15	-	30,965,491	(850,755)	(29,503,761)	610,975
Totals	\$ 1,118,498	\$ 30,965,491	\$ (786,821)	\$ (30,294,172)	\$ 1,002,996

Reconciliation to revenues:

Collections	\$ 30,294,172
Change in unavailable revenue	(115,497)
Total Property Tax Revenues	\$ 30,178,675

Summary by fund:

	<u>Revenues</u>	<u>Property Tax Receivable</u>
General Fund	\$ 25,253,716	\$ 860,307
Fire / Emergency Medical Services Fund	1,816,835	37,277
Juniper Ridge Urban Renewal Debt Service Fund	917,656	31,814
Murphy Crossing Urban Renewal Debt Service Fund	260,432	6,740
General Obligation Bond Debt Service Fund	1,930,036	66,858
Totals	\$ 30,178,675	\$ 1,002,996

City of Bend, Oregon
Schedule of Long-Term Debt Transactions - Principal

For the fiscal year ended June 30, 2015

<u>Series</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Unmatured and Outstanding June 30, 2014</u>	<u>Bonds Issued</u>	<u>Bonds Called and Matured</u>	<u>Unmatured and Outstanding June 30, 2015</u>
Full Faith & Credit Obligation Bonds:							
Pension obligation bonds, series 2004	05/27/04	06/01/28	\$ 13,725,000	\$ 12,770,000	\$ -	\$ (345,000)	\$ 12,425,000
Police expansion and ambulance, series 2006	12/21/06	12/01/31	4,950,000	3,460,000	-	(280,000)	3,180,000
Police expansion, Cooley Road, and fire equipment, series 2008	02/14/08	12/01/27	4,425,000	3,490,000	-	(225,000)	3,265,000
Fire stations, series 2010, refinance 1999	02/18/10	06/01/24	3,225,000	2,325,000	-	(190,000)	2,135,000
Accessibility, series 2010	02/18/10	06/30/24	3,265,000	2,415,000	-	(200,000)	2,215,000
Transportation system, series 2000, refinance series 2010	02/18/10	06/01/21	4,103,000	2,713,000	-	(355,000)	2,358,000
Airport, series 2010, refinance 1999	02/18/10	06/01/19	1,057,000	632,000	-	(120,000)	512,000
City Hall land, series 2010, refinance 2005	05/28/10	12/31/15	3,600,000	1,400,000	-	-	1,400,000
Water recovery zone, series 2010C	11/30/10	11/01/30	2,300,000	2,194,091	-	(106,792)	2,087,299
Water reclamation recovery zone, series 2010C	11/30/10	11/01/30	10,730,000	10,235,909	-	(498,208)	9,737,701
Street equipment, police facility, sewer, series 2012, refinance series 2002	04/01/12	12/01/26	9,280,000	8,075,000	-	(705,000)	7,370,000
GO Bond construction, series 2012	09/20/12	06/01/32	26,805,000	24,920,000	-	(1,060,000)	23,860,000
Transportation, series 2013, refinance series 2003	11/20/13	12/01/21	6,283,391	6,062,714	-	(769,229)	5,293,485
Juniper ridge, series 2013	11/22/13	12/01/23	3,700,000	3,528,744	-	(348,062)	3,180,682
Murphy crossing urban renewal, series 2015	01/29/15	12/01/29	3,000,000	-	3,000,000	(94,977)	2,905,023
Fire engine replacement, series 2015	06/19/15	06/01/25	3,000,000	-	55,000	-	55,000
Total Full Faith & Credit Obligation Bonds				84,221,458	3,055,000	(5,297,268)	81,979,190
Revenue Bonds:							
Water reclamation, series 2005	09/29/05	11/01/20	7,585,000	4,430,000	-	(690,000)	3,740,000
Water reclamation, series 2008	08/14/08	10/31/28	10,000,000	8,195,000	-	(405,000)	7,790,000
Total Revenue Bonds				12,625,000	-	(1,095,000)	11,530,000
Notes Payable:							
Oregon Business Development Department:							
Pacific Aviation composites	10/15/97	12/01/17	655,000	242,251	-	(54,800)	187,451
Airport eastside improvements	05/01/07	12/01/31	867,335	705,420	-	(29,631)	675,789
Safe drinking water revolving loan fund loan	09/03/09	12/01/31	2,806,500	2,595,806	-	(110,767)	2,485,039
Oregon Department of Environmental Quality:							
Clean water revolving fund loan R14510	06/10/11	10/01/33	5,482,336	5,482,336	-	(203,816)	5,278,520
Clean water revolving fund loan R14511	11/01/11	TBD	14,484,130	68,385	10,938,422	-	11,006,807
Clean water revolving fund loan R14512	10/02/12	12/01/33	18,833,534	18,833,534	-	-	18,833,534
Clean water revolving fund loan R14513	02/09/15	TBD	3,939,246	-	3,362,690	-	3,362,690
Total Notes Payable				27,927,732	14,301,112	(399,014)	41,829,830
Lines of Credit							
Bank of the Cascades							
ERP software replacement	04/30/15	04/30/18	5,000,000	-	403,200	-	403,200
JP Morgan							
Water system interim financing	06/03/15	06/30/17	30,000,000	-	30,000,000	-	30,000,000
Total Lines of Credit				-	30,403,200	-	30,403,200
Total Long-Term Debt				\$ 124,774,190	\$ 47,759,312	\$ (6,791,282)	\$ 165,742,220

City of Bend, Oregon
Schedule of Long-Term Debt Transactions - Interest

For the fiscal year ended June 30, 2015

Series	Interest Rates on Outstanding Balances	Unmatured and Outstanding June 30, 2014	Bonds Issued	Coupons Called and Matured	Unmatured and Outstanding June 30, 2015
Full Faith & Credit Obligation Bonds:					
Pension obligation bonds, series 2004	2.13% - 6.095%	\$ 7,017,632	\$ -	\$ (770,140)	\$ 6,247,492
Police expansion and ambulance, series 2006	3.75% - 6.00%	1,184,198	-	(138,940)	1,045,258
Police expansion, Cooley Road, and fire equipment, series 2008	3.00% - 4.25%	1,037,899	-	(125,689)	912,210
Fire stations, series 2010, refinance 1999	3.23%	494,269	-	(82,463)	411,806
Accessibility, series 2010	2.62%	654,512	-	(104,483)	550,029
Transportation system, series 2000, refinance series 2010	2.84%	407,037	-	(94,933)	312,104
Airport, series 2010, refinance 1999	2.60%	69,550	-	(21,580)	47,970
City Hall land, series 2010, refinance 2005	3.65%	51,100	-	-	51,100
Water recovery zone, series 2010C	3.05%	309,055	-	(104,851)	204,204
Water reclamation recovery zone, series 2010C	3.05%	5,892,169	-	(489,154)	5,403,015
Street equipment, police facility, sewer, series 2012, refinance series 2002	1.66% - 2.60%	1,692,425	-	(266,775)	1,425,650
GO Bond construction, series 2012	2.62%	8,166,300	-	(778,850)	7,387,450
Transportation, series 2013, refinance series 2003	1.50%	370,145	-	(88,075)	282,070
Juniper ridge, series 2013	1.50%	270,843	-	(51,638)	219,205
Murphy crossing urban renewal, series 2015	2.65%	-	669,612	(26,864)	642,748
Fire engine replacement, series 2015	2.65%	-	1,458	-	1,458
Total Full Faith & Credit Obligation Bonds		27,617,134	671,070	(3,144,435)	25,143,769
Revenue Bonds:					
Water reclamation, series 2005	3.00% - 4.00%	548,929	-	(152,091)	396,838
Water reclamation, series 2008	3.50% - 4.50%	2,761,756	-	(323,525)	2,438,231
Total Revenue Bonds		3,310,685	-	(475,616)	2,835,069
Notes Payable:					
Oregon Business Development Department:					
Pacific Aviation composites	5.01%	31,614	-	(12,241)	19,373
Airport eastside improvements	4.00% - 4.375%	322,628	-	(30,042)	292,586
Safe drinking water revolving loan fund loan	3.83%	801,996	-	(77,874)	724,122
Oregon Department of Environmental Quality:					
Clean water revolving fund loan R14510	3.32%	2,304,465	-	(194,042)	2,110,423
Clean water revolving fund loan R14511	2.48%	-	3,203,416	-	3,203,416
Clean water revolving fund loan R14512	2.44%	6,483,799	182,257	-	6,666,056
Clean water revolving fund loan R14513	1.06%	-	118,988	-	118,988
Total Notes Payable		9,944,502	3,504,661	(314,199)	13,134,964
Lines of Credit					
Bank of the Cascades					
ERP software replacement	2.65%	-	32,992	(937)	32,055
JP Morgan					
Water system interim financing	1.14%	-	1,425,000	-	1,425,000
Total Lines of Credit		-	1,457,992	(937)	1,457,055
Total Long-Term Debt		\$ 40,872,321	\$ 5,633,723	\$ (3,935,187)	\$ 42,570,857

City of Bend, Oregon

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

For the fiscal year ended June 30, 2015

<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>
2015-16	\$ 6,977,593	\$ 3,109,490	\$ 10,087,083	\$ 410,000	\$ 750,579	
2016-17	5,719,279	2,900,927	8,620,206	485,000	726,918	
2017-18	5,781,220	2,725,991	8,507,211	565,000	698,443	
2018-19	6,013,543	2,537,361	8,550,904	650,000	664,877	
2019-20	6,121,194	2,335,432	8,456,626	750,000	625,779	
2020-21	6,164,371	2,124,573	8,288,944	850,000	580,667	
2021-22	5,593,810	1,891,256	7,485,066	965,000	529,539	
2022-23	5,379,343	1,667,314	7,046,657	1,085,000	471,495	
2023-24	5,085,625	1,439,790	6,525,415	1,215,000	406,232	
2024-25	4,568,517	1,212,981	5,781,498	1,360,000	332,178	
2025-26	4,826,435	1,010,595	5,837,030	1,515,000	249,286	
2026-27	5,114,223	786,776	5,900,999	1,680,000	156,946	
2027-28	4,022,297	554,669	4,576,966	895,000	54,553	
2028-29	2,905,670	380,148	3,285,818	-	-	
2029-30	2,871,070	262,249	3,133,319	-	-	
2030-31	2,845,000	146,441	2,991,441	-	-	
2031-32	1,990,000	57,776	2,047,776	-	-	
Total	\$ 81,979,190	\$ 25,143,769	\$ 107,122,959	\$ 12,425,000	\$ 6,247,492	

City of Bend, Oregon

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

For the fiscal year ended June 30, 2015

<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>
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	6,691	-	-
2028-29	180,000	27,844	-	-	-	-
2029-30	185,000	20,316	-	-	-	-
2030-31	195,000	12,478	-	-	-	-
2031-32	205,000	4,226	-	-	-	-
Total	\$ 3,180,000	\$ 1,045,258	\$ 3,265,000	\$ 912,210	\$ 2,135,000	\$ 411,806

City of Bend, Oregon

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

For the fiscal year ended June 30, 2015

<u>Fiscal Year</u>	<u>Accessibility</u> <u>Series 2010</u>		<u>Transportation System</u> <u>Series 2010</u>		<u>Airport</u> <u>Series 2010</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	-	-	-	-	-	-
Total	\$ 2,215,000	\$ 550,029	\$ 2,358,000	\$ 312,104	\$ 512,000	\$ 47,970

City of Bend, Oregon

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

For the fiscal year ended June 30, 2015

<u>Fiscal Year</u>	<u>City Hall Land Series 2010</u>		<u>Water & Sewer RZEDB Series 2010C</u>		<u>Street, Sewer, Police, Facilities Series 2012</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015-16	\$ 1,400,000	\$ 51,100	\$ 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	28,363	-	-
2031-32	-	-	-	-	-	-
Total	\$ 1,400,000	\$ 51,100	\$ 11,825,000	\$ 5,607,219	\$ 7,370,000	\$ 1,425,650

City of Bend, Oregon

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

For the fiscal year ended June 30, 2015

<u>Fiscal Year</u>	<u>GO Bond Construction</u> <u>Series 2012</u>		<u>Transportation System</u> <u>Series 2013</u>		<u>Juniper Ridge</u> <u>Series 2013 Note</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015-16	\$ 1,080,000	\$ 757,650	\$ 781,319	\$ 76,486	\$ 353,471	\$ 46,517
2016-17	1,100,000	736,050	793,083	64,722	358,917	41,072
2017-18	1,135,000	703,050	805,024	52,781	364,321	35,668
2018-19	1,170,000	669,000	817,144	40,661	369,806	30,182
2019-20	1,205,000	633,900	829,447	28,358	375,310	24,678
2020-21	1,240,000	597,750	841,936	15,869	381,025	18,964
2021-22	1,290,000	548,150	425,532	3,193	386,762	13,227
2022-23	1,340,000	496,550	-	-	392,585	7,404
2023-24	1,395,000	442,950	-	-	198,485	1,493
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	-	-	-	-
Total	\$ 23,860,000	\$ 7,387,450	\$ 5,293,485	\$ 282,070	\$ 3,180,682	\$ 219,205

City of Bend, Oregon

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

For the fiscal year ended June 30, 2015

<u>Fiscal Year</u>	<u>Murphy Crossing Urban Renewal Series 2015 Note</u>		<u>Fire Equipment Series 2015B</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015-16	\$ 167,803	\$ 75,879	\$ 55,000	\$ 1,458
2016-17	172,279	71,403	-	-
2017-18	176,875	66,807	-	-
2018-19	181,593	62,089	-	-
2019-20	186,437	57,245	-	-
2020-21	191,410	52,271	-	-
2021-22	196,516	47,165	-	-
2022-23	201,758	41,923	-	-
2023-24	207,140	36,541	-	-
2024-25	208,517	36,603	-	-
2025-26	211,435	35,124	-	-
2026-27	219,223	27,337	-	-
2027-28	227,297	19,262	-	-
2028-29	235,670	10,889	-	-
2029-30	121,070	2,210	-	-
2030-31	-	-	-	-
2031-32	-	-	-	-
Total	\$ 2,905,023	\$ 642,748	\$ 55,000	\$ 1,458

City of Bend, Oregon

Schedule of Future Debt Service Requirements of Revenue Bonds

For the fiscal year ended June 30, 2015

<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>
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
Total	\$ 11,530,000	\$ 2,835,069	\$ 14,365,069	\$ 3,740,000	\$ 396,838	\$ 7,790,000	\$ 2,438,231

City of Bend, Oregon

Schedule of Future Debt Service Requirements of Notes Payable

For the fiscal year ended June 30, 2015

<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>
2015-16	\$ 629,049	\$ 1,389,091	\$ 2,018,140	\$ 60,289	\$ 9,501	\$ 29,816	\$ 28,857
2016-17	2,360,560	1,097,738	3,458,298	60,805	6,487	30,009	27,664
2017-18	2,414,582	1,087,340	3,501,922	66,357	3,385	30,209	26,464
2018-19	2,397,866	1,028,271	3,426,137	-	-	30,417	25,255
2019-20	2,448,714	971,249	3,419,963	-	-	30,634	24,039
2020-21	2,122,203	912,814	3,035,017	-	-	35,867	22,775
2021-22	1,785,849	858,849	2,644,698	-	-	36,113	21,269
2022-23	1,832,296	805,528	2,637,824	-	-	36,373	19,734
2023-24	1,879,991	750,809	2,630,800	-	-	36,644	18,188
2024-25	1,933,974	694,634	2,628,608	-	-	41,929	16,612
2025-26	1,984,281	636,739	2,621,020	-	-	42,232	14,778
2026-27	2,035,942	577,327	2,613,269	-	-	42,549	12,930
2027-28	2,093,997	516,356	2,610,353	-	-	47,879	11,069
2028-29	2,148,482	453,566	2,602,048	-	-	48,224	8,974
2029-30	2,204,435	389,132	2,593,567	-	-	48,584	6,864
2030-31	2,266,899	323,008	2,589,907	-	-	53,959	4,739
2031-32	2,328,181	254,926	2,583,107	-	-	54,351	2,375
2032-33	2,143,195	184,994	2,328,189	-	-	-	-
2033-34	2,007,287	121,350	2,128,637	-	-	-	-
2034-35	1,863,253	66,587	1,929,840	-	-	-	-
2035-36	948,794	14,656	963,450	-	-	-	-
Total	\$ 41,829,830	\$ 13,134,964	\$ 54,964,794	\$ 187,451	\$ 19,373	\$ 675,789	\$ 292,586

City of Bend, Oregon

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

For the fiscal year ended June 30, 2015

<u>Fiscal Year</u>	<u>Safe Drinking Water Revolving Loan Fund Loan</u>		<u>Clean Water State Revolving Loan Fund Loan R14510</u>		<u>Clean Water State Revolving Loan Fund Loan R14511</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015-16	\$ 114,090	\$ 74,551	\$ 210,639	\$ 199,906	\$ 214,215	\$ 318,770
2016-17	117,512	71,128	217,690	191,801	436,432	264,966
2017-18	121,038	67,603	224,978	183,425	447,322	254,076
2018-19	124,669	63,972	232,508	174,770	458,485	242,913
2019-20	128,409	60,232	240,292	165,824	469,926	231,472
2020-21	132,261	56,380	248,336	156,578	481,652	219,746
2021-22	136,229	52,412	256,649	147,023	493,672	207,726
2022-23	140,316	48,325	265,241	137,148	505,990	195,408
2023-24	144,525	44,115	274,120	126,943	518,616	182,782
2024-25	148,861	39,780	283,296	116,396	531,558	169,840
2025-26	153,327	35,314	292,780	105,496	544,823	156,575
2026-27	157,927	30,714	302,581	94,231	558,417	142,981
2027-28	162,665	25,976	312,710	82,589	572,353	129,045
2028-29	167,545	21,096	323,178	70,558	586,635	114,763
2029-30	172,571	16,070	333,997	58,123	601,273	100,125
2030-31	177,748	10,893	345,177	45,273	616,277	85,121
2031-32	185,346	5,561	356,732	31,992	631,656	69,742
2032-33	-	-	368,674	18,266	647,418	53,980
2033-34	-	-	188,942	4,081	663,573	37,825
2034-35	-	-	-	-	680,133	21,265
2035-36	-	-	-	-	346,381	4,295
Total	\$ 2,485,039	\$ 724,122	\$ 5,278,520	\$ 2,110,423	\$ 11,006,807	\$ 3,203,416

City of Bend, Oregon

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

For the fiscal year ended June 30, 2015

<u>Fiscal Year</u>	<u>Clean Water State</u>		<u>Clean Water State</u>	
	<u>Revolving Loan Fund Loan</u>		<u>Revolving Loan Fund Loan</u>	
	<u>R14512</u>		<u>R14513</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015-16	\$ -	\$ 728,257	\$ -	\$ 29,249
2016-17	764,612	501,986	733,500	33,706
2017-18	783,382	526,477	741,296	25,910
2018-19	802,613	503,329	749,174	18,032
2019-20	822,316	479,613	757,137	10,069
2020-21	842,504	455,313	381,583	2,022
2021-22	863,186	430,419	-	-
2022-23	884,376	404,913	-	-
2023-24	906,086	378,781	-	-
2024-25	928,330	352,006	-	-
2025-26	951,119	324,576	-	-
2026-27	974,468	296,471	-	-
2027-28	998,390	267,677	-	-
2028-29	1,022,900	238,175	-	-
2029-30	1,048,010	207,950	-	-
2030-31	1,073,738	176,982	-	-
2031-32	1,100,096	145,256	-	-
2032-33	1,127,103	112,748	-	-
2033-34	1,154,772	79,444	-	-
2034-35	1,183,120	45,322	-	-
2035-36	602,413	10,361	-	-
Total	\$ 18,833,534	\$ 6,666,056	\$ 3,362,690	\$ 118,988

City of Bend, Oregon

Schedule of Future Debt Service Requirements of Lines of Credit

For the fiscal year ended June 30, 2015

<u>Fiscal Year</u>	<u>Total Requirements</u>			<u>Bank of the Cascades ERP Software Replacement Line of Credit</u>		<u>JP Morgan Water System Line of Credit</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015-16	\$ -	\$ 694,685	\$ 694,685	\$ -	\$ 10,685	\$ -	\$ 684,000
2016-17	30,000,000	751,685	30,751,685	-	10,685	30,000,000	741,000
2017-18	403,200	10,685	413,885	403,200	10,685	-	-
Total	\$ 30,403,200	\$ 1,457,055	\$ 31,860,255	\$ 403,200	\$ 32,055	\$ 30,000,000	\$ 1,425,000

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 207 to 218)

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 219 to 222)

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

Debt Capacity (pages 223 to 228)

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 229 to 231)

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 232 to 234)

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Governmental activities</u>					
Net investment in capital assets	\$ 228,481	\$ 501,420	\$ 491,487	\$ 493,230	\$ 485,325
Restricted	4,405	5,522	6,782	13,119	15,370
Unrestricted	28,248	35,884	29,912	20,823	24,295
Total Governmental Activities Net Position	261,134	542,826	528,181	527,172	524,991
<u>Business-type activities</u>					
Net investment in capital assets	155,014	186,218	237,030	237,706	242,003
Restricted	844	844	844	844	936
Unrestricted	11,905	10,028	8,329	20,638	23,050
Total Business-type Activities Net Position	167,763	197,090	246,203	259,188	265,988
<u>Primary government</u>					
Net investment in capital assets	383,495	687,638	728,517	730,935	727,328
Restricted	5,249	6,366	7,626	13,963	16,307
Unrestricted	40,153	45,912	38,241	41,461	47,345
Total Primary Government Net Position	\$ 428,897	\$ 739,916	\$ 774,384	\$ 786,360	\$ 790,979

City of Bend, Oregon

Net Position by Component (Continued)

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>Restated 2014</u>	<u>2015</u>
<u>Governmental activities</u>					
Net investment in capital assets	\$ 484,814	\$ 474,505	\$ 474,356	\$ 472,258	\$ 477,809
Restricted	13,915	13,637	16,565	29,652	29,319
Unrestricted	27,398	30,167	29,610	4,056	18,412
Total Governmental Activities Net Position	526,127	518,309	520,530	505,966	525,539
<u>Business-type activities</u>					
Net investment in capital assets	241,176	256,230	263,975	278,857	293,753
Restricted	-	676	1,289	1,265	1,678
Unrestricted	32,522	33,405	38,215	36,565	45,677
Total Business-type Activities Net Position	273,698	290,311	303,479	318,376	341,107
<u>Primary government</u>					
Net investment in capital assets	725,990	730,736	738,331	751,115	771,561
Restricted	13,915	14,313	17,853	30,917	30,996
Unrestricted	59,920	63,572	67,825	40,621	64,088
Total Primary Government Net Position	\$ 799,825	\$ 808,620	\$ 824,010	\$ 822,653	\$ 866,646

City of Bend, Oregon
Changes in Net Position

Last ten fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses					
Governmental activities:					
General government	\$ 12,177	\$ 14,010	\$ 15,155	\$ 17,159	\$ 16,732
Public safety	22,447	24,178	26,176	27,812	28,025
Public ways and facilities	9,030	11,679	16,928	15,691	15,699
Community and economic development	7,854	8,673	8,728	8,087	6,216
Permanent maintenance	-	-	-	-	-
Urban renewal	640	302	585	1,841	358
Transit	1,513	1,854	1,902	1,941	1,851
Interest on long-term debt	2,864	2,936	2,909	2,373	2,287
Total Governmental Activities Expenses	56,525	63,632	72,383	74,904	71,168
Business-type activities:					
Water	8,960	11,519	9,776	10,690	12,686
Water reclamation	8,380	10,250	10,184	10,844	11,832
Airport	675	690	733	731	746
Cemetery	167	151	182	141	110
Downtown parking	502	744	816	881	889
Stormwater	178	222	1,378	1,744	2,159
Total Business-type Activities Expenses	18,862	23,576	23,069	25,032	28,422
Total Primary Government Expenses	\$ 75,387	\$ 87,208	\$ 95,452	\$ 99,936	\$ 99,590

Program Revenues

Governmental activities:

Charges for services:

General government	\$ 5,678	\$ 5,875	\$ 7,599	\$ 7,064	\$ 7,598
Public safety	3,265	4,303	4,057	3,396	3,615
Public ways and facilities	3,204	3,165	2,761	1,368	1,253
Community and economic development	8,110	8,177	7,869	5,282	3,083
Permanent maintenance	-	-	-	-	-
Urban renewal	71	64	98	1,611	57
Transit	110	208	172	234	269
Operating grants and contributions	8,966	10,219	9,372	9,209	11,610
Capital grants and contributions	22,513	17,014	16,641	11,208	4,176
Total Governmental Activities Program Revenues	51,917	49,025	48,569	39,373	31,660

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

Last ten fiscal years
 (accrual basis of accounting; amounts expressed in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses					
Governmental activities:					
General government	\$ 18,530	\$ 21,164	\$ 15,300	\$ 17,436	\$ 17,185
Public safety	27,958	28,952	30,695	30,873	26,332
Public ways and facilities	16,042	17,318	18,208	19,733	19,550
Community and economic development	8,012	7,031	7,771	8,720	7,249
Permanent maintenance	-	-	4	5	5
Urban renewal	192	1,567	30	64	41
Transit	1,800	-	-	-	-
Interest on long-term debt	1,973	1,772	2,335	2,321	2,171
Total Governmental Activities Expenses	74,506	77,804	74,343	79,151	72,533
Business-type activities:					
Water	12,757	11,701	12,576	14,032	12,821
Water reclamation	12,045	12,528	13,968	14,427	13,196
Airport	951	1,010	1,053	1,243	1,279
Cemetery	75	85	83	134	125
Downtown parking	878	875	869	875	924
Stormwater	2,425	2,216	2,400	2,843	2,648
Total Business-type Activities Expenses	29,131	28,414	30,949	33,554	30,993
Total Primary Government Expenses	\$ 103,637	\$ 106,218	\$ 105,292	\$ 112,705	\$ 103,526

Program Revenues

Governmental activities:					
Charges for services:					
General government	\$ 9,661	\$ 5,404	\$ 6,475	\$ 7,827	\$ 8,279
Public safety	3,389	3,615	3,285	3,255	5,052
Public ways and facilities	1,052	1,736	2,507	3,652	2,722
Community and economic development	4,015	3,853	5,957	8,843	9,525
Permanent maintenance	11	4	6	3	5
Urban renewal	35	18	-	-	-
Transit	74	-	-	-	-
Operating grants and contributions	15,714	12,175	13,359	12,963	11,952
Capital grants and contributions	6,659	7,075	11,720	12,725	15,661
Total Governmental Activities Program Revenues	40,609	33,879	43,310	49,268	53,195

City of Bend, Oregon
Changes in Net Position (Continued)
 Last ten fiscal years
 (accrual basis of accounting; amounts expressed in thousands)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Business-type activities:					
Charges for services:					
Water	\$ 10,405	\$ 10,676	\$ 11,012	\$ 12,020	\$ 12,689
Water reclamation	8,718	9,099	10,206	12,393	13,257
Airport	557	702	684	700	773
Cemetery	92	111	102	69	50
Downtown parking	328	387	610	606	551
Stormwater	-	-	2,458	2,405	2,465
Other business activities	-	-	-	-	-
Capital grants and contributions	17,867	20,148	16,373	9,282	3,914
Total Business-type Activities Program Revenues	37,967	41,123	41,446	37,475	33,699
Total Primary Government Program Revenues	\$ 89,884	\$ 90,148	\$ 90,015	\$ 76,848	\$ 65,359

Net Revenues (Expenses)

Governmental activities	\$ (4,608)	\$ (14,607)	\$ (23,814)	\$ (35,532)	\$ (39,507)
Business-type activities	19,105	21,203	18,378	12,443	5,276
Total Primary Government Net Revenues (Expenses)	\$ 14,497	\$ 6,596	\$ (5,436)	\$ (23,088)	\$ (34,231)

General Revenues and Other Changes in Net Position

Governmental activities:					
Taxes:					
Property taxes	\$ 18,563	\$ 20,752	\$ 22,656	\$ 24,140	\$ 25,428
Transient room taxes	3,107	3,303	3,427	2,938	2,966
Franchise fees	5,018	5,644	6,158	6,386	7,447
Unrestricted investment income	1,799	2,245	2,204	968	412
Other revenues	688	1,029	3,976	-	2,293
Transfers	966	(9,980)	(29,253)	91	(1,220)
Total Governmental Activities	30,141	22,993	9,168	34,523	37,327
Business-type activities:					
Franchise fees	175	556	604	-	-
Unrestricted investment income	811	1,243	853	626	304
Other revenues	-	-	27	5	-
Transfers	(966)	9,980	29,253	(91)	1,220
Total Business-type Activities	20	11,779	30,737	541	1,524
Total Primary Government	\$ 30,161	\$ 34,772	\$ 39,905	\$ 35,063	\$ 38,850

Change in Net Position

Governmental activities	\$ 25,533	\$ 8,386	\$ (14,646)	\$ (1,009)	\$ (2,181)
Business-type activities	19,125	29,327	49,114	12,984	6,800
Total Primary Government	\$ 44,658	\$ 41,368	\$ 34,469	\$ 11,975	\$ 4,619

City of Bend, Oregon
Changes in Net Position (Continued)
 Last ten fiscal years
 (accrual basis of accounting; amounts expressed in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Business-type activities:					
Charges for services:					
Water	\$ 14,068	\$ 14,809	\$ 15,815	\$ 17,296	\$ 17,768
Water reclamation	13,920	15,973	17,092	18,487	20,327
Airport	777	833	794	879	911
Cemetery	45	58	66	44	79
Downtown parking	643	569	639	753	825
Stormwater	2,515	2,519	2,534	2,540	2,599
Other business activities	139	10	-	-	-
Capital grants and contributions	2,670	7,815	2,767	3,809	6,548
Total Business-type Activities Program Revenues	34,777	42,587	39,707	43,808	49,057
Total Primary Government Program Revenues	\$ 75,386	\$ 76,465	\$ 83,016	\$ 93,076	\$ 102,252

Net Revenues (Expenses)

Governmental activities	\$ (33,897)	\$ (43,925)	\$ (31,033)	\$ (29,883)	\$ (19,337)
Business-type activities	5,646	14,172	8,757	10,254	18,063
Total Primary Government Net Revenues (Expenses)	\$ (28,251)	\$ (29,753)	\$ (22,277)	\$ (19,629)	\$ (1,274)

General Revenues and Other Changes in Net Position

Governmental activities:					
Taxes:					
Property taxes	\$ 25,979	\$ 25,751	\$ 25,649	\$ 26,753	\$ 30,179
Transient room taxes	3,407	3,575	3,945	4,710	6,397
Franchise fees	7,241	7,204	7,170	7,645	7,834
Unrestricted investment income	425	338	546	703	636
Other revenues	15	1,456	43	-	-
Transfers	(2,035)	(2,216)	(4,169)	(5,246)	(6,135)
Total Governmental Activities	35,032	36,108	33,184	34,565	38,910
Business-type activities:					
Franchise fees	-	-	-	-	-
Unrestricted investment income	322	225	243	290	221
Other revenues	-	-	-	-	-
Transfers	2,035	2,216	4,169	5,246	6,135
Total Business-type Activities	2,357	2,441	4,412	5,536	6,356
Total Primary Government	\$ 37,389	\$ 38,549	\$ 37,595	\$ 40,101	\$ 45,266

Change in Net Position

Governmental activities	\$ 1,136	\$ (7,818)	\$ 2,151	\$ 4,681	\$ 19,573
Business-type activities	8,003	16,613	13,168	15,790	24,419
Total Primary Government	\$ 9,138	\$ 8,796	\$ 15,318	\$ 20,471	\$ 43,992

City of Bend, Oregon

Fund Balances (Deficits), Governmental Funds

Last ten fiscal years

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	-	-	-	36	4,469
Unreserved	9,012	8,722	6,449	6,766	8,033
Total General Fund	\$ 9,012	\$ 8,722	\$ 6,449	\$ 6,802	\$ 12,502

All Other Governmental Funds

Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved for:					
Debt service	4,405	5,522	6,782	7,893	5,686
Long-term loans and advances	49	-	-	967	34
Construction	-	-	-	4,271	9,858
Building program	-	-	-	955	497
Designations reported in:					
Special revenue funds	14,213	15,833	7,659	5,123	7,209
Capital projects funds	304	(1,312)	5,139	-	(223)
Total All Other Governmental Funds	\$ 18,971	\$ 20,043	\$ 19,580	\$ 19,210	\$ 23,061

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Nonspendable	\$ 4,639	\$ 4,594	\$ 4,581	\$ 4,562	\$ 4,555
Committed	1,263	1,483	1,709	1,855	2,092
Assigned	-	-	-	-	4,232
Unassigned	9,251	10,669	10,325	11,030	10,775
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total General Fund	\$ 15,154	\$ 16,747	\$ 16,615	\$ 17,447	\$ 21,654

All Other Governmental Funds

Nonspendable	\$ 621	\$ 591	\$ 596	\$ 599	\$ 605
Restricted	7,644	6,903	26,669	29,413	28,714
Committed	10,869	11,032	12,997	11,792	6,817
Assigned	2,553	5,642	6,587	8,254	16,794
Unassigned	(316)	(340)	(360)	(360)	(360)
Reserved for:					
Debt service	-	-	-	-	-
Long-term loans and advances	-	-	-	-	-
Construction	-	-	-	-	-
Building program	-	-	-	-	-
Designations reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total All Other Governmental Funds	\$ 21,371	\$ 23,828	\$ 46,488	\$ 49,698	\$ 52,570

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Revenues</u>					
Taxes	\$ 21,731	\$ 23,856	\$ 25,619	\$ 26,500	\$ 28,340
Franchise fees	5,018	5,645	6,157	6,386	7,447
Intergovernmental	13,181	11,645	9,746	10,171	11,347
Assessments	576	332	263	204	201
Licenses and permits	5,501	4,105	4,589	2,397	2,181
Charges for services	6,259	8,408	7,420	6,259	5,772
System development charges	7,311	5,616	8,126	2,726	2,262
Contributions	-	451	-	325	92
Fines and forfeitures	917	1,119	1,235	1,041	1,059
Loan repayments	-	23	72	180	1,039
Permanent maintenance fees	-	-	-	-	-
Investment income	1,610	1,723	1,547	730	313
Issuance of short-term debt	1,043	-	-	-	-
Miscellaneous	197	167	323	146	99
Total Revenues	63,344	63,090	65,097	57,065	60,152
<u>Expenditures</u>					
General government	889	481	661	651	988
Public safety	24,133	26,430	29,160	28,790	29,375
Public ways and facilities	6,813	5,390	6,436	6,214	6,462
Community and economic development	8,990	11,210	11,639	9,044	7,063
Permanent maintenance	-	-	-	-	-
Urban renewal	705	511	886	1,590	581
Transit	1,893	2,700	2,600	2,483	2,442
Debt service:					
Principal	3,784	2,852	2,984	2,693	10,068
Interest	2,369	2,310	2,320	2,429	2,167
Capital outlay	22,056	12,228	17,869	7,094	4,589
Total Expenditures	71,632	64,112	74,555	60,989	63,735

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues					
Taxes	\$ 29,446	\$ 29,684	\$ 29,990	\$ 31,612	\$ 36,686
Franchise fees	7,211	7,188	7,154	7,641	7,973
Intergovernmental	14,439	12,444	12,745	12,471	11,715
Assessments	154	145	158	175	165
Licenses and permits	2,850	2,991	4,274	5,860	6,946
Charges for services	6,159	6,136	6,779	8,568	9,315
System development charges	3,341	4,133	7,113	9,091	10,239
Contributions	55	261	104	153	415
Fines and forfeitures	1,231	1,108	955	927	900
Loan repayments	476	1,131	1,189	1,223	1,502
Permanent maintenance fees	11	4	6	3	5
Investment income	341	269	473	615	545
Issuance of short-term debt	-	-	-	-	-
Miscellaneous	126	83	47	89	99
Total Revenues	65,839	65,576	70,986	78,430	86,506
Expenditures					
General government	1,993	2,208	2,266	2,253	2,338
Public safety	29,925	31,307	31,848	33,924	36,456
Public ways and facilities	6,458	7,714	7,771	8,118	10,960
Community and economic development	8,948	8,039	8,309	9,505	9,880
Permanent maintenance	-	-	4	5	5
Urban renewal	405	871	32	66	60
Transit	1,744	-	-	-	-
Debt service:					
Principal	5,993	5,372	5,606	13,466	3,917
Interest	1,981	1,755	2,275	2,340	2,174
Capital outlay	4,231	6,078	13,376	9,814	12,922
Total Expenditures	61,678	63,344	71,487	79,491	78,711

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Other Financing Sources (Uses)</u>					
Proceeds from sale of assets	\$ 1,231	\$ 1,029	\$ 4,145	\$ 20	\$ 2,293
Proceeds from leases	-	-	-	1,550	-
Insurance proceeds	-	-	-	-	55
Issuance of short-term debt	-	-	-	-	-
Issuance of long-term debt	-	1,775	6,425	2,700	10,602
Premium on issuance of long-term debt	-	36	15	-	244
Discount on issuance of long-term debt	-	-	-	-	(1)
Payment to bond escrow agent	-	-	-	-	(4,215)
Interfund loan repayments	-	-	-	-	-
Transfers in	12,040	13,827	29,951	19,558	23,754
Transfers out	(10,973)	(14,864)	(33,814)	(19,923)	(25,520)
Total Other Financing Sources (Uses)	2,298	1,803	6,722	3,905	7,211
Net Change in Fund Balances (Deficits)	\$ (5,990)	\$ 781	\$ (2,736)	\$ (18)	\$ 3,628
Debt service as a percentage of noncapital expenditures	12.4%	9.9%	9.4%	9.5%	20.7%

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Other Financing Sources (Uses)</u>					
Proceeds from sale of assets	\$ 15	\$ 816	\$ 43	\$ 565	\$ -
Proceeds from leases	-	-	-	-	-
Insurance proceeds	40	25	17	16	31
Issuance of short-term debt	-	3,000	-	-	-
Issuance of long-term debt	-	1,425	26,805	9,983	3,055
Premium on issuance of long-term debt	-	103	1,550	-	-
Discount on issuance of long-term debt	-	-	-	-	(3)
Payment to bond escrow agent	-	-	-	-	-
Interfund loan repayments	1	1	1	-	-
Transfers in	15,527	15,040	16,744	15,723	17,992
Transfers out	(18,783)	(18,591)	(22,131)	(21,772)	(24,351)
Total Other Financing Sources (Uses)	(3,201)	1,818	23,029	4,515	(3,276)
Net Change in Fund Balances (Deficits)	\$ 960	\$ 4,050	\$ 22,529	\$ 3,454	\$ 4,519
Debt service as a percentage of noncapital expenditures	14%	12%	14%	23%	9%

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		
	2006	\$ 8,946,076	\$ 5,712,230	\$ 213,276	\$ 210,382	\$ 92,809	\$ 92,621	\$ 9,252,161		
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%
2015	12,045,245	8,928,435	246,371	246,369	172,566	170,424	12,464,183	9,345,229	3.32	75.0%

Source:
 Deschutes County Assessor's Office

City of Bend, Oregon

Property Tax Rates - Direct and Overlapping Governments

Last ten fiscal years

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

<u>Fiscal Year</u>	<u>City Direct Rates</u>			<u>Overlapping Rates</u>							<u>Total</u>
	<u>City of Bend</u>	<u>Bend Urban Renewal District</u>	<u>Total Direct</u>	<u>Bend Metro Parks and Recreation District</u>	<u>Deschutes County</u>	<u>County Library</u>	<u>Education Service District</u>	<u>Central Oregon Community College</u>	<u>Bend La-Pine Administrative School District #1</u>		
2006	\$ 2.78	\$ 0.37	\$ 3.15	\$ 1.45	\$ 2.77	\$ 0.54	\$ 0.09	\$ 0.72	\$ 6.34	\$ 15.05	
2007	2.77	0.38	3.15	1.46	2.71	0.54	0.09	0.71	6.31	14.98	
2008	2.78	0.40	3.18	1.45	2.74	0.54	0.09	0.71	6.26	14.97	
2009	2.78	0.41	3.19	1.45	2.97	0.54	0.09	0.70	6.30	15.25	
2010	2.77	0.44	3.21	1.45	2.98	0.54	0.09	0.61	6.44	15.32	
2011	2.76	0.48	3.24	1.45	2.94	0.54	0.09	0.72	6.49	15.48	
2012	3.00	0.23	3.23	1.45	2.92	0.54	0.10	0.74	6.26	15.23	
2013	3.04	0.12	3.16	1.46	2.96	0.54	0.10	0.75	6.18	15.16	
2014	3.00	0.12	3.12	1.66	2.84	0.54	0.10	0.74	6.16	15.16	
2015	3.19	0.13	3.32	1.65	2.72	0.54	0.10	0.73	6.20	15.26	

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. Deschutes County includes the following: Deschutes County 1.2647, Deschutes County Fairgrounds Bond 0.1363, Countywide Law Enforcement 0.9399, County Extension/4H 0.0223, 9-1-1 0.1602, and 9-1-1 Local Option 2013 0.2000.

City of Bend, Oregon
Principal Taxpayers

For the fiscal years ended June 30, 2015 and June 30, 2006
(amounts expressed in thousands)

		2015			2006		
		Rank	Net Assessed Valuation	Percentage of Total Net Assessed Valuation (1)	Rank	Net Assessed Valuation	Percentage of Total Net Assessed Valuation (1)
Taxpayer	Type of Business						
Touchmark at Mount Bachelor Village LLC	Retirement community	1	\$ 44,393	0.5%	10	\$ 15,414	0.3%
Bend Cable Communications LLC	Cable utility	2	44,321	0.5%	-	-	0.0%
Pacificorp (PP& L)	Electric utility	3	41,797	0.4%	4	18,448	0.3%
CVSC LLC	Shopping center	4	37,108	0.4%	-	-	0.0%
Deschutes Brewery Inc	Microbrewery	5	36,254	0.4%	3	24,327	0.4%
Suterra LLC	Biorational Products	6	36,206	0.4%	-	-	0.0%
Deschutes Properties LLC	Real estate developer	7	26,490	0.3%	-	-	0.0%
Forum Holdings LLC	Shopping center	8	25,501	0.3%	8	16,523	0.3%
Cascade Natural Gas Corporation	Gas utility	9	24,953	0.3%	6	17,194	0.3%
Bend Research INC	Pharmaceutical drug	10	21,406	0.2%	-	-	0.0%
Qwest Corporation	Telephone utility	-	-	-	1	32,474	0.5%
Bend Millwork Systems, Inc.	Construction products	-	-	-	2	24,407	0.4%
River Bend Limited Partnership	Real estate developer	-	-	-	9	16,258	0.3%
RPP Bend I LLC	Real estate developer	-	-	-	7	16,801	0.3%
Sima Mountain View LLC	Shopping center	-	-	-	5	17,795	0.3%
Total			\$ 338,430	3.6%		\$ 199,641	3.3%

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 \$9,331,010,777 for 2015 and \$6,015,233,206 for 2006.

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

<u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>			<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
	<u>Total Tax Levy</u>	<u>Amount</u>	<u>Percent of Levy Collected</u>		<u>Amount</u>	<u>Percent of Levy Collected</u>
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%	1,222	22,665	97.7%
2009	24,715	22,491	91.0%	1,714	24,205	97.9%
2010	26,040	23,896	91.8%	1,615	25,511	98.0%
2011	26,642	24,690	92.7%	1,096	25,786	96.8%
2012	26,393	24,843	94.1%	933	25,776	97.7%
2013	26,356	24,849	94.3%	586	25,435	96.5%
2014	27,457	26,065	94.9%	446	26,511	96.6%
2015	30,965	29,504	95.3%	-	29,504	95.3%

Source:
 Deschutes County Assessor's Office

City of Bend, Oregon
Ratios of Outstanding Debt by Type

Last ten fiscal years
(amounts expressed in thousands)

Fiscal Year	Governmental Activities										Business-Type Activities																																							
	Full Faith & Credit Obligations					Certificates of Improvement					Limited Tax Bonds					Urban Renewal Tax Increment Bonds					Full Faith & Credit Obligations					Revenue Bonds					Notes Payable					Line of Credit					Primary Government					Total Debt				
	Bonds	Obligation	Bonds	Participation	Bonds	Bonds	Bonds	Bonds	Increment	Tax	Bonds	Bonds	Increment	Line of Credit	Obligation	Bonds	Bonds	Revenue	Bonds	Payable	Notes	Line of Credit	Government	Government	Debt Per Capita (1)	Percentage of Personal Income (1)	Total Debt	Debt Per Capita (1)	Personal Income	Population																				
2006	\$ 44,609	\$	625	\$	904	\$	14,865	\$	-	\$	1,461	\$	17,475	\$	809	\$	-	\$	80,748	\$	1,148	\$	2,333,268	70,330	3.46%	\$	1,148	\$	2,333,268	70,330																				
2007	48,242		325		552		13,800		-		1,383		16,580		1,641		-		82,523		1,096		2,685,519	75,290	3.07%		1,096		2,685,519	75,290																				
2008	51,317		-		261		12,595		2,500		1,573		15,650		1,587		-		85,483		1,099		2,865,415	77,780	2.98%		1,099		2,865,415	77,780																				
2009	49,781		-		164		11,240		5,200		1,434		24,690		1,515		-		94,024		1,161		3,176,300	80,995	2.96%		1,161		3,176,300	80,995																				
2010	50,255		-		-		5,960		5,209		1,260		23,355		4,324		-		90,363		1,098		2,896,585	82,280	3.12%		1,098		2,896,585	82,280																				
2011	48,097		-		-		1,710		5,209		16,303		19,490		6,778		-		97,587		1,273		2,749,347	76,639	3.55%		1,273		2,749,347	76,639																				
2012	46,809		-		-		-		5,209		18,621		14,960		5,568		-		91,167		1,185		2,759,607	76,925	3.30%		1,185		2,759,607	76,925																				
2013	69,153		-		-		-		3,709		17,622		13,686		9,630		-		113,800		1,469		2,977,990	77,455	3.82%		1,469		2,977,990	77,455																				
2014	68,314		-		-		-		-		15,907		12,625		27,928		-		124,774		1,594		2,955,383	78,280	4.22%		1,594		2,955,383	78,280																				
2015	67,077		-		-		-		403		14,902		11,530		41,830		30,000		165,742		2,072		3,155,888	79,985	5.25%		2,072		3,155,888	79,985																				

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)

Fiscal Year	General Bonded Debt Outstanding										General Bonded Debt Per Capita	
	Full Faith & Credit Obligation			Amounts Restricted for Debt Service			Assessed Value			Ratio of Bonded Debt to Assessed Value		
	Bonds	Limited Tax Improvement	Bonds	Total	Service	Net General Bonded Debt Outstanding	Value	Value	Value	Population (1)		Per Capita
2006	\$ 46,070	\$ 904	\$ 46,974	\$ 1,656	\$ 45,318	\$ 6,015,233	0.78%	70,330	\$ 668			
2007	49,625	552	50,177	1,846	48,331	6,703,090	0.75%	75,290	666			
2008	52,890	261	53,151	1,878	51,273	7,294,514	0.73%	77,780	683			
2009	51,215	164	51,379	1,878	49,501	7,764,371	0.66%	80,995	634			
2010	51,515	-	51,515	1,918	49,597	8,108,159	0.64%	82,280	626			
2011	64,400	-	64,400	1,911	62,489	8,218,386	0.78%	76,639	840			
2012	65,430	-	65,430	1,997	63,433	8,193,497	0.80%	76,925	851			
2013	89,079	-	89,079	1,471	87,608	8,338,066	1.07%	77,455	1,150			
2014	84,221	-	84,221	2,559	81,662	8,779,653	0.96%	78,280	1,076			
2015	81,979	-	81,979	2,831	79,148	9,345,229	0.88%	79,985	1,025			

Notes:

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

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

City of Bend, Oregon
Computation of Direct and Overlapping Debt
 For the fiscal year ended June 30, 2015

<u>Jurisdiction</u>	<u>Net Property- Tax Backed Debt Outstanding (1)</u>	<u>Percent Applicable to City of Bend (2)</u>	<u>Amount Applicable to City of Bend</u>
Direct Debt			
City of Bend	\$ 40,860,000 (3)	100.0%	\$ 40,860,000
Overlapping Debt			
Bend Juniper Ridge Urban Renewal Agency	3,180,698	100.0%	3,180,698
Bend Metro Park & Rec District	27,450,000	97.0%	26,638,084
Bend-LaPine Administrative School District No. 1	262,709,996	67.5%	177,224,689
Central Oregon Community College	58,460,000	41.1%	24,050,269
Deschutes County	23,010,000	49.0%	11,275,383
High Desert ESD	<u>2,280,000</u>	<u>44.8%</u>	<u>1,021,467</u>
Total Overlapping Debt	<u>377,090,694</u>	<u>64.5%</u>	<u>243,390,137</u>
Total Direct and Overlapping Debt	<u>\$ 417,950,694</u>	<u>68.0%</u>	<u>\$ 284,250,590</u>

Source:

State of Oregon, Treasury Department

Notes:

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

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

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

(3) Total direct debt reported does not include all governmental activity debt because not all of the governmental debt is supported by taxes. Debt excluded from the direct debt is paid for by sources other than taxes.

City of Bend, Oregon
Legal Debt Margin Information

June 30, 2015

Real market value	\$ 12,464,183,102
	x <u>3%</u>
General obligation debt limit at 3% of real market value	<u>373,925,493</u>
General obligation debt subject to limit per ORS 287A.050(1)	23,860,000
Less: Funds applicable to the payment of principal thereof per ORS 287A.050(2)	
General obligation debt service fund	<u>(996,956)</u>
Net debt subject to 3% limitation	<u>22,863,044</u>
Legal debt margin	<u>\$ 351,062,449</u>
Debt capacity percent	94%

<u>Fiscal Year</u>	<u>3% Debt</u>	<u>Net Debt</u>	<u>Legal Debt</u>	<u>Debt Capacity</u>
	<u>Limit (1)</u>	<u>Subject to</u> <u>3% Limit (1)</u>	<u>Margin (1)</u>	<u>Percent</u>
2006	\$ 277,565	\$ -	\$ 277,565	100%
2007	386,014	-	386,014	100%
2008	503,550	-	503,550	100%
2009	512,528	-	512,528	100%
2010	450,144	-	450,144	100%
2011	323,776	-	323,776	100%
2012	295,949	-	295,949	100%
2013	293,805	25,174	268,631	91%
2014	318,074	24,039	294,035	92%
2015	373,925	22,863	351,062	94%

Source:

Real Market Value obtained from Deschutes County Assessor's Office

Notes:

(1) Amounts expressed in thousands.

Oregon Revised Statutes (ORS) 287A.050(2) states: "Unless the city charter provides a lesser limitation, a city may not issue or have outstanding at the time of issuance general obligation bonds in a principal amount that exceeds three percent of the real market value of the taxable property within its boundaries, calculated as provided in ORS 308.207."

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		First Lien			Coverage Ratio	Monthly Metered Rate (5)	Monthly Flat Rate (6)
	Revenues (1)	Expenses (2)	Revenue Available for Debt Service	First Lien Annual Debt Service (3)	Principal	Interest	Total			
2006	\$ 10,865	\$ 7,029	\$ 3,836	\$ 145	\$ 172	\$ 317	12.1	\$ 14.48	\$ 15.67	
2007	11,578	7,483	4,095	155	167	322	12.7	15.20	16.45	
2008	11,776	7,790	3,986	160	158	318	12.5	16.04	17.35	
2009	11,958	8,246	3,712	170	150	320	11.6	15.87	18.78	
2010	12,819	9,670	3,149	175	142	317	9.9	17.18	20.33	
2011	14,189	10,373	3,816	185	124	309	12.4	18.40	21.77	
2012	14,883	9,139	5,744	-	-	-	na	19.69	23.29	
2013	16,045	9,520	6,526	-	-	-	na	20.67	24.45	
2014	17,610	10,892	6,718	-	-	-	na	21.29	na	
2015	17,773	9,833	7,940	-	-	-	na	22.36	na	

Subordinated Lien Safe Drinking Water Loan

Fiscal Year	Net		Net		Subordinated Lien			Coverage Ratio	Monthly Metered Rate (5)	Monthly Flat Rate (6)
	Revenue Available for Debt Service	First Lien Annual Debt Service	Revenue Available for Subordinated Debt Service	Subordinated Lien Annual Debt Service (4)	Principal	Interest	Total			
2013	\$ 6,526	\$ -	\$ 6,526	\$ 103	\$ 111	\$ 214	30.5	\$ 20.67	\$ 24.45	
2014	6,718	-	6,718	108	79	187	36.0	21.29	na	
2015	7,940	-	7,940	111	76	187	42.5	22.36	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. The costs of interest during construction are credited against any interest incurred pursuant to Master Resolution No. 2122.

(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)

First Lien Sewer System Revenue Bonds

Fiscal Year	Gross		Operating		Net Revenue Available for Debt			First Lien Annual Debt Service (3)			Coverage	Monthly			
	Revenues (1)		Expenses (2)		Service	Principal		Interest		Total	Ratio	Sewer			
												Rate (4)			
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		17,726		9,765		7,960		1,275		543		1,818	4.4		41.86
2014		19,275		10,689		8,585		1,060		507		1,567	5.5		44.37
2015		21,179		9,622		11,557		1,095		469		1,564	7.4		48.36

Subordinated Clean Water State Revolving Fund Loans

Fiscal Year	Net Revenue Available for Debt		First Lien Annual Debt Service	Net Revenue Available for Subordinated		Subordinated Lien Annual Debt Service (5)			Coverage	Monthly					
	Service	Debt Service		Debt Service	Principal	Interest		Total	Ratio	Sewer					
										Rate (4)					
2013	\$	7,960	\$	1,818	\$	6,142	\$	-	\$	-	\$	-	na	\$	41.86
2014		8,585		1,567		7,018		-		-		-	na		44.37
2015		11,557		1,564		9,992		204		-		204	49.0		48.36

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. 2121. The costs of interest during construction are credited against any interest incurred pursuant to Master Resolution No. 2122.

(4) The monthly sewer charge represents the general service charge for single and multi-family residential and the monthly sewer charge for the first 1,000 cubic feet of water used for non-residential customers. There is an additional charge of 3.80/100CF for usage in excess of 1,000CF. The septic sewage dumping is \$0.11/gallon.

(5) Annual debt service on Subordinated Clean Water State Revolving Fund Loans issued pursuant to Master Resolution No. 2122. The costs of interest during construction are credited against any interest incurred pursuant to Master Resolution No. 2122.

City of Bend, Oregon
Demographic and Economic Statistics
 Last ten fiscal years

Fiscal Year	Population (1)	Area (Square Miles)	Average Density (person / square miles)	Personal Income (2) (expressed in thousands)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
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%
2015	79,985	32.5	2,461	3,155,888	39,456	17,163	6.2%

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. Seasonally adjusted data for metropolitan areas and metropolitan divisions based on the 2010 Office of Management and Budget (OMB) delineations were introduced on July 1, 2015.

City of Bend, Oregon
Principal Employers

For the fiscal years ended June 30, 2015 and June 30, 2006

Employer	Product or Service	2015			2006		
		Rank	Employees	Percent of Total City Employment (1)	Rank	Employees	Percent of Total City Employment (1)
St. Charles Medical Center	Health care	1	2,334	3.0%	1	2,063	2.7%
Bend-LaPine School Dist. No. 1	Education	2	1,750	2.3%	3	816	1.1%
Deschutes County	Government	3	1,046	1.4%	2	875	1.1%
Sunriver Resort	Resort	4	900	1.2%	-	-	-
Mt. Bachelor Ski Resort	Recreation	5	775	1.0%	4	750	1.0%
Bend Memorial Clinic	Health care	6	652	0.9%	7	600	0.8%
COCC - Bend Campus	Education	7	635	0.8%	-	-	-
IBEX Global (formerly iSKY)	Call center	8	595	0.8%	6	600	0.8%
Dept of Forestry	Government	9	550	0.7%	-	-	-
City of Bend	Government	10	536	0.7%	-	-	-
Columbia Aircraft Manufacturing	Private Aircraft	-	-	-	5	715	0.9%
Jeld Wen Windows and Doors	Manufacture	-	-	-	8	520	0.7%
Hap and Taylor & Son	Construction	-	-	-	9	467	0.6%
Fuqua Homes	Construction	-	-	-	10	330	0.4%
	Total		9,773	12.8%		7,736	10.1%

Source:

Economic Development for Central Oregon, 2015 Bend Profile.

Note:

The above listing of principal employers represents major employers in Bend, Oregon

(1) Percent of total city employment represents percent of employer's employees to total employment for the Bend Metropolitan Statistical Area of 76,642 for June 2015 and 76,705 for June 2006 (obtained from Bureau of Labor Statistics)

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>	
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
2015	291	170,118	1,192	267,184	3,000,666

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

Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Administration, finance & legal	31.4	35.7	33.8	36.3	36.3	37.3	38.0	38.0	37.5	48.5
Information technology	8.5	11.0	11.0	12.5	12.5	13.0	13.0	14.0	14.0	17.0
Public works administration/laboratory	23.5	25.5	16.0	16.0	18.0	18.0	14.0	12.0	13.0	13.0
Facility management	3.0	4.0	5.0	5.0	5.0	5.0	4.5	3.0	3.0	4.0
Garage	7.0	7.0	9.0	8.0	8.0	8.0	8.0	7.0	6.7	6.7
Accessibility program	-	-	4.0	1.0	1.0	1.0	1.5	1.0	1.0	1.0
Economic development administration	3.0	3.5	3.5	2.5	2.0	1.8	2.0	2.0	2.0	2.0
Public Safety										
Police	105.5	111.5	110.0	110.0	110.0	110.0	108.0	108.0	112.0	120.0
Fire/EMS	79.0	84.0	87.8	85.8	85.8	89.8	87.8	87.5	85.5	112.7
Municipal court	3.0	4.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0
Public Ways and Facilities										
Street operations	29.0	32.0	31.0	32.0	31.0	31.0	31.0	31.0	34.5	38.5
Engineering	33.0	36.0	36.0	15.0	8.0	8.0	16.0	18.0	20.0	21.0
Community and Economic Development										
Community development administration	5.0	8.0	6.0	4.0	1.0	1.0	1.0	1.0	1.0	1.0
Planning	23.0	28.0	33.0	16.0	13.0	13.0	13.0	12.0	15.0	14.0
Building	45.5	57.5	42.0	24.0	17.0	17.0	18.0	21.0	28.0	34.0
Private development engineering	-	-	-	-	2.0	2.0	1.0	1.0	4.0	6.0
Code enforcement	-	-	-	-	1.0	1.0	1.0	1.0	2.0	4.0
Growth Management	-	-	-	-	-	-	-	-	-	8.0
Business Advocacy	-	-	-	-	-	-	-	-	1.0	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	2.0
Other										
Urban renewal	1.0	1.0	2.0	1.0	-	-	-	-	-	-
Transit	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-	-
Airport	1.0	1.0	1.0	1.0	1.5	1.6	1.5	1.8	1.8	1.8
Water	24.0	26.0	30.0	31.0	26.5	26.5	29.5	30.5	29.5	32.0
Water reclamation	23.0	27.0	37.5	32.0	21.5	21.5	34.0	33.0	34.0	36.0
Stormwater	-	-	5.0	4.0	3.0	6.0	6.0	6.0	6.0	6.0
Utility support division	-	-	-	12.5	30.5	32.5	14.5	14.5	7.5	9.5
Data support division	-	-	-	-	-	-	-	-	5.0	5.0
Other business-type	3.0	3.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	453.4	507.7	511.5	457.5	441.5	452.9	450.3	450.3	472.0	549.7

City of Bend, Oregon
Operating Indicators by Program
 Last ten fiscal years

Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Physical arrest	3,666	2,050	4,302	3,841	3,616	3,744	3,843	3,277	3,280	3,133
Traffic violations	8,515	8,472	12,324	9,355	9,563	13,143	10,119	9,975	8,456	8,779
Calls for service	57,079	57,184	58,010	56,168	51,336	55,229	53,973	49,286	48,676	46,943
Fire/EMS:										
Fire responses	454	1,954	1,880	1,787	1,380	2,110	1,535	1,492	1,671	1,633
Ambulance responses	5,570	5,764	5,842	5,785	6,096	6,649	6,484	6,755	7,292	7,585
Inspections conducted	2,940	3,229	3,382	3,473	2,919	2,298	2,073	1,476	1,385	1,271
Public Ways and Facilities										
Streets resurfaced (lane miles)	13.56	20.07	15.05	11.87	12.90	13.60	39.00	28.00	47.18	41.01
Streets cleaned (lane miles)	32,467	34,573	34,628	36,058	35,850	31,165	29,000	23,111	29,930	26,107
Street signs repaired/replaced	2,479	2,502	2,531	2,426	1,850	559	665	1,216	632	777
Community and Economic Development										
Permits issued	17,897	12,174	8,968	5,651	4,443	4,901	5,919	8,894	9,799	10,963
Building inspections performed	79,567	59,407	41,137	22,869	16,262	17,552	20,221	30,775	33,947	43,189
Transit (in thousands) (1)										
Total miles	353	413	365	318	414	416	-	-	-	-
Total service hours	33	40	40	35	35	36	-	-	-	-
Total rides	108	301	326	354	377	434	-	-	-	-
Water										
New connections	562	998	514	122	107	419	147	377	667	597
Maximum Day Demand (MDD) (million gallons)	26.90	26.00	28.50	29.20	27.00	25.60	21.90	22.00	24.80	25.91
Water Reclamation										
New connections	1,825	1,006	483	208	216	260	373	566	555	1,146
Daily average treatment (million gallons)	5.40	5.80	6.20	5.80	5.55	5.40	5.48	5.39	5.67	5.75
Sewerlines cleaned (miles)	34.30	70.00	75.00	108.50	122.00	105.40	126.70	78.06	94.70	97.71
Downtown Parking										
Tickets issued	10,658	7,243	13,611	13,713	14,506	14,813	11,194	10,378	11,574	13,671
Permits issued	4,689	4,808	5,142	4,823	4,596	5,669	5,004	4,779	5,337	6,923

(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

Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Main station	1	1	1	1	1	1	1	1	1	1
Patrol units	29	29	29	31	32	37	37	37	37	37
Fire/EMS stations	5	5	5	5	5	5	5	5	5	5
Public Ways and Facilities										
Street (lane miles) (1)	729	736	748	783	825	825	831	1,157	1,157	1,161
Streetlights	2,040	2,051	2,102	2,051	2,051	2,051	2,051	2,051	2,051	2,051
Traffic signals (2)	57	57	59	60	65	65	65	65	36	35
Transit										
Buses (3)	31	27	27	28	27	32	-	-	-	-
Airport										
Runway (feet)	5,005	5,005	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Hangars	14	14	14	14	15	15	15	15	15	15
Water										
Water mains (miles)	450	410	445	475	475	455	461	463	466	475
Reservoirs	13	13	15	15	18	16	16	16	16	16
Wells	16	16	16	16	16	23	22	23	23	23
Fire hydrants	5,200	4,900	4,945	4,984	5,074	5,061	5,073	5,108	5,168	5,245
Total Reservoir Capacity (million gallons)	34.00	34.00	34.00	34.00	31.00	31.00	31.00	30.35	30.35	30.35
Service connections	21,315	22,313	22,827	22,949	23,056	23,475	23,622	23,999	23,457	24,228
Water Reclamation										
Treatment plant	1	1	1	1	1	1	1	1	1	1
Sewerlines (miles)	450	450	450	432	424	430	430	412	446	453
Large pump stations	82	92	93	93	88	88	88	88	88	88
Small pump stations	271	271	271	271	324	325	325	326	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	25,367	26,373	26,856	27,064	27,280	27,540	27,913	28,479	27,420	28,672
Downtown Parking										
Parking Garages	-	1	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.



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**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, 2015, and have issued our report thereon dated December 15, 2015. 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 in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows:

The City exceeded appropriation authority as follows:

Water Reclamation fund	
Transfers	\$594,782

The Bridge Creek Pipe Project Fund has a deficit fund balance of \$7,868,335.

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

Page 2

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, Korvola & Warwick, LLP

Lake Oswego, Oregon
December 15, 2015

SINGLE AUDIT COMPLIANCE



**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

**Talbot, Korvola
& Warwick, LLP**

Certified Public Accountants
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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, 2015, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 15, 2015.

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, Korvola & Warwick, LLP

Lake Oswego, Oregon
December 15, 2015



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**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, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

OPINION ON EACH MAJOR FEDERAL PROGRAM

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal programs for the year ended June 30, 2015.

**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)

OTHER MATTERS

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001. Our opinion on this major federal program is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. 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.

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. 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the Schedule of Findings and Questioned Costs as item 2015-001 that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit as described in the accompanying Schedule of Findings and Questioned Costs. 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 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)

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, Kervola & Warwick, LLP

Lake Oswego, Oregon
December 15, 2015

City of Bend, Oregon
Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2015

<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	\$ 155,559
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	6,443
Oregon Association of Chiefs of Police Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	K8-11-12-38	1,163
Drug Recognition Expert	20.601	n/a	209
Total Highway Safety Cluster			<u>7,815</u>
Total Department of Transportation			163,374
<u>Department of Justice</u>			
Direct			
Bureau of Justice Assistance Bulletproof Vest Partnership Program	16.607	n/a	6,463
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2013-MO-BX-0022	100,584
JAG Program Cluster Edward Byrne Memorial Justice Assistance Grant Program	16.738	n/a	28,529
Total JAG Program Cluster			<u>28,529</u>
Pass-through			
Oregon Department of Justice/Deschutes County Office of National Drug Crime Prevention - High Intensity Drug Trafficking Area Program	95.001	LOA #2007-98	23,370
Total Department of Justice			158,946
<u>Department of Energy</u>			
Direct			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG) (Recovery Act Funded)	81.128	n/a	18,734
Total Department of Energy			18,734
<u>Department of Homeland Security</u>			
Direct			
USDA - Forest Service Fire Management Assistance Grant	97.046	n/a	85,557
Pass-through			
State of Oregon Department of Forestry	97.046	n/a	16,480
Total Department of Homeland Security			102,037

City of Bend, Oregon
Schedule of Expenditures of Federal Awards (Continued)
For the fiscal year ended June 30, 2015

<u>Federal Grantor/ Pass-through Agency/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Number</u>	<u>Total Expenditures</u>
<u>Environmental Protection Agency</u>			
Pass-through			
State of Oregon Department of Environmental Quality			
Capitalization Grants for Clean Water State Revolving Funds	66.458	R14511	4,195,720
Capitalization Grants for Clean Water State Revolving Funds	66.458	R14513	3,362,690
Total Environmental Protection Agency			7,558,410
<u>Department of Housing and Urban Development</u>			
Direct			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	n/a	331,249
Total CDBG - Entitlement Grants Cluster			331,249
Total Department of Housing and Urban Development			331,249
Total Federal Expenditures			\$ 8,332,750

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal grant activity of the City of Bend and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-profit Organizations". Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Relationship to Federal Financial Reports

The regulations and guidelines governing the preparation of Federal financial reports vary by Federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the Federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule which is prepared on the basis explained in Note 1.

Note 3 - Subrecipients

Of the federal expenditures presented in the Schedule, the City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
Community Development Block Grants/Entitlement Grants	14.218	234,273
		<u>\$ 234,273</u>

Note 4 - Loans Receivable

The City had the following gross loan balances from current and prior year federal expenditures outstanding at June 30, 2015

<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	\$ 182,193
Community Development Block Grants/Entitlement Grants	14.218	1,011,530
ARRA - Neighborhood Stabilization Program (Recovery Act Funded)	14.256	1,994,474
		<u>\$ 3,188,197</u>

City of Bend, Oregon
Schedule of Expenditures of Federal Awards (Continued)

For the fiscal year ended June 30, 2015

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	\$ 79
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG) (Recovery Act Funded)	81.128	18,734
Community Development Block Grants/Entitlement Grants	14.218	74,026
		<u>\$ 92,839</u>

In addition, in fiscal year 2014-2015, the City received \$331,238 from loan repayment of federally funded Neighborhood Stabilization loans that have not yet been lent back out as of June 30, 2015.

Note 6 - Outstanding Loans

The City has an outstanding loan balance payable of \$2,485,038 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 Clean Water State Revolving Funds (Federal CFDA Number 66.458). The federally funded portion of this loan is \$2,415,248.

The City has an outstanding loan balance payable of \$5,278,520 in State of Oregon Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds (Federal CFDA Number 66.458).

The City has an outstanding loan balance payable of \$3,362,690 in State of Oregon Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds (Federal CFDA Number 66.458). The federally funded portion of this loan is \$3,362,690.

The City has an outstanding loan balance payable of \$11,006,808 in State of Oregon Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds (Federal CFDA Number 66.458). The federally funded portion of this loan is \$4,195,720.

CITY OF BEND, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2015

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?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
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	Community Development Block Grants Entitlement Grants Cluster
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between type A and B programs:	\$300,000
--	-----------

Auditee qualified as low-risk auditee?	No
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SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

CITY OF BEND, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2015

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2015-001

Federal Program: CFDA 66.458 – Capitalization Grants for Clean Water State Revolving Funds

Agency: Environmental Protection Agency

Award Year: 2014-2015

Criteria: In accordance with OMB Circular A-133, the City is required to maintain a structure of internal control to ensure compliance with suspension and debarment requirements. The authoritative requirements for maintaining internal control are contained in OMB Circular A-133 §___.300 (b).

Condition: The City did not check the excluded parties list before entering into contracts exceeding \$25,000 as required. In addition, the City lacks effective review of required checks for suspension and debarment of parties with whom the City enters into contract agreements.

Questioned Costs: There are no questioned costs noted as contracts tested were not found to include suspended and debarred parties.

Context: Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principal(s) are suspended or debarred. One of the six contracts tested did not have supporting documentation that indicated the City checked for suspension and debarment of the contracting party.

Cause: Lack of evidence that contracts have been reviewed for suspension and debarment appears to result from lack of internal controls over compliance with suspension and debarment requirements. The lack of internal controls over checks for suspension and debarment appears to result from lack of awareness by program employees that internal controls over compliance are required in accordance with OMB Circular A-133.

Effect: Failure to verify suspension and debarment for covered transactions could result in entering into agreements with parties who are suspended or debarred and potentially cause the City to have to return federal funds.

Recommendation: We recommend management develop and implement policies and procedures to provide for documentation supporting the effective review of required checks for suspension and debarment for contracts under federal programs.

Views of responsible official: The City understands and concurs with this finding.

CITY OF BEND, OREGON
SUMMARY OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2014-001

Federal Program:	CFDA 14.218/14.2XX – Community Development Block Grants Entitlement Grants Cluster
Agency:	Department of Housing and Urban Development
Audit Finding:	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). 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.
Corrective Action Taken:	The City developed and implemented policies, procedures and controls to ensure timely reporting of subawards in accordance with the FFATA reporting requirements.



CITY OF BEND

December 15, 2015

Management's Views and Corrective Action Plan Regarding Audit Findings for the Year Ended June 30, 2015

The following is provided in response to the Audit Finding for the Year Ended June 30, 2015

Federal Award Findings and Questioned Costs

Finding 2015-001

Federal Program: CFDA 66.458 – Capitalization Grants for Drinking Water State Revolving Funds

Auditor Recommendation: The City should develop and implement policies and procedures to provide for documentation supporting the effective review of required checks for suspension and debarment for contracts under federal programs.

Corrective Action Plan: The City concurs with the recommendation. The City has implemented policies, procedures and a contracting checklist to ensure documentation is maintained as evidence that required review is completed for suspension and debarment for contracts under federal programs.

City of Bend

Sharon Wojda
Finance Director

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Sally Russell

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Doug Knight
Casey Roats

CITY MANAGER
Eric King