



# City of Bend, Oregon



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**Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2010**





# **CITY OF BEND, OREGON**

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2010

Prepared by the City of Bend Finance Department

Sonia Andrews, Finance Director



**CITY OF BEND, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
Fiscal Year Ended June 30, 2010

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## INTRODUCTORY SECTION





December 17, 2010

Honorable Mayor Kathie Eckman  
Members of the City Council and  
Citizens of the City of Bend, Oregon

The Comprehensive Annual Financial Report (CAFR) of the City of Bend, Oregon (City) for the fiscal year ended June 30, 2010 is hereby submitted.

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This report presents the City's financial position as of June 30, 2010 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, have issued an unqualified or "clean" opinion on the City's financial statements for the fiscal year ended June 30, 2010. The independent auditor's opinion is located at page 1 in the Financial Section of this report.

GAAP requires management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A is located on page 3 immediately following the independent auditor's opinion.

### 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 current population estimate of 82,280. Bend serves as the seat for Deschutes County and as the hub of economic activity in a three-county region including Deschutes, Jefferson and Crook counties.

The City was founded in 1904 and incorporated in 1905. It is organized under a council/manager form of government and is served by a seven member Council. Councilors are elected to four-year terms and select a mayor and mayor pro-tem from among themselves, each for a term of two years. The Council sets policies and enacts ordinances. The City Council hires and directs a City Manager who is the City's chief executive officer. The City Manager is responsible for the administration of the City and manages a staff of eight department heads with approximately 441 full-time equivalent employees.

KATHIE ECKMAN  
*Mayor*

MARK CAPELL  
*Mayor Pro Tem*

JIM CLINTON  
*City Councilor*

JODIE BARRAM  
*City Councilor*

JEFF EAGER  
*City Councilor*

TOM GREENE  
*City Councilor*

ORAN TEATER  
*City Councilor*

ERIC KING  
*City Manager*

The City provides a full range of municipal services which include police, fire protection and suppression, emergency medical services, a municipal court, community development and planning, building permit and inspection activities, water, water reclamation and stormwater operations, construction and maintenance of streets, sidewalks and other public facilities. The City also operates an airport, a cemetery and downtown parking. The City operated a transit system until September 1, 2010 when the City entered into an agreement transferring the management for transit operations to Central Oregon Intergovernmental Council.

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

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

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

### **Local Economy and Outlook**

The City's economy was historically heavily dependent on lumber mills and wood products. The employment base and economic base have expanded and now include a variety of businesses including tourism, government, healthcare, utilities, high technology and research companies. Bend has experienced slowed economic growth in recent years due to the housing downturn and national recession. The housing market has slowed considerably since 2006, resulting in significant job losses and a high rate of home foreclosure activity. As of August 2010, county unemployment levels were among the highest in Oregon at 13.3%, compared to 10.6% for the state and 9.6% for the country.

Over the last five years, Bend was one of the fastest growing cities in the nation and the City expanded and enhanced many services, from public safety to transit, to address the needs of the growing population. These new expenditures were supported by the growth in property taxes and other revenues generated from the excessive real estate developments, rather than new funding sources, thus masking the structural deficits the City faces today. Reductions in General Fund supported operations which include public safety, municipal court, street operations, and transit have been made while trying to minimize impacts to citizens. A new General Fund Stabilization Fund was established in fiscal year 2009-10 to set aside reserves for future economic downturns and unforeseen emergencies and also to maintain the financial integrity and credit rating of the City. Funding basic services, while maintaining adequate General Fund reserves, remains a top priority for the City. Some possible revenue generating solutions that have been considered include a Transportation Utility Fee, a local option levy or establishing a separate fire district.

### **Long-Term Financial Planning**

Long-term financial planning is performed on an on-going basis. The City prepares its 5-year Long Term Financial Plan (LTFP) to develop financial strategies for the future. The LTFP projects costs and revenues for

the City's current operations for the next five years under a set of assumptions for three economic condition scenarios (current, declining and improving). The plan shows the magnitude of decisions that must be made in order to keep each of the City's funds in balance. Financial strategy work sessions have been conducted with City Council to identify long term funding needs and challenges. These financial strategy work sessions will be on-going as Council and management work together to resolve funding issues and ensure the long term financial stability of the City.

## **Major Initiatives**

***Water and Water Reclamation Infrastructure Improvements*** - The City recently updated its water and water reclamation master plans to determine the water and sewer system infrastructure needs over the next 20 years. Significant capital improvements need to be made to provide additional capacity, address aging infrastructure and meet federal and state mandates. During fiscal year 2010-11, City Council formed an Infrastructure Advisory Committee consisting of citizen members with experience in infrastructure planning to provide guidance to the City. Over the next 5 years, the City anticipates spending over \$165 million on various water and water reclamation infrastructure projects. Major projects include:

- **Surface Water Project** – The City of Bend uses both surface water and ground water to provide domestic water to its customers. The City has begun the planning process for replacing the aging surface water supply lines that will continue to transport water from its surface water source to a new water treatment plant at the City's Outback site. The City is also required to treat its surface water system for Cryptosporidium by October 2012, 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. The Surface Water Project is estimated to cost \$58 million.
- **American Recovery and Reinvestment Act Projects** – The City began four water projects funded with \$5.6 million in forgivable and low interest loans through the American Recovery and Reinvestment Act and the Oregon Business Development Department. These four projects include 1) Shiloh Well Rehabilitation, 2) Pilot Butte Well # 4 Control Building, 3) Fixed Base Meter Reading System, and 4) Timber Ridge Water Line Replacement. All of these projects are projected to be completed in fiscal year 2010-11.
- **Sewer System Improvements** – with Bend's significant growth over the last seven years, the City has to make significant improvements to its existing wastewater collection and treatment infrastructure to meet the increased demand for wastewater services. These improvements include expansion of the complex network of underground infrastructure and above ground facilities that move wastewater throughout the City for safe and efficient treatment. One of the City's top priorities is in southeast Bend, where the load on existing wastewater infrastructure is at its current capacity. To that end, the City has looked at several options and has selected an approach to increase its ability to convey wastewater generated in Bend's southeast quadrant. The Southeast (SE) Interceptor Project will "intercept" wastewater flow that is currently routed through the City's downtown core system, and route it around the south and east side of the City to a connection with the existing Plant Interceptor pipeline in Northeast Bend. This project is currently underway. Phase I totaling over \$7 million is in construction and Phase II totaling \$10 million is expected to be bid out in Spring 2011. The SE Interceptor Project is expected to span five years totaling \$30.5 million. In addition to the SE Interceptor Project, the City will begin design and engineering work to expand its secondary treatment capacity in 2011.

***Public Safety Funding*** - The City projects it will need to hire an additional 14 police officers, 2 police support staff and 9 firefighters over the next five years to maintain current levels of service. However, the City also projects it cannot hire the needed personnel because these added costs along with other projected General Fund costs would result in a budget shortfall estimated at between \$17 million and \$27 million in the General Fund. The City's total cost for Police and Fire was \$30.5 million for fiscal year 2009-10 of which \$25.7 million was funded by the General Fund. These two departments comprise 80% of the General Fund expenditures. Without the new hires, current Police and Fire/EMS costs already exceed the City's total property tax collections

of \$21.9 million for fiscal year 2009-10. In the spring of 2010, the City Council appointed nine citizens to form the Bend Public Safety Funding Committee and charged them to “study and recommend options to maintain current public safety services over the next five years.” This Committee met twelve times for a total of 22 hours over a period of seven months to look at this issue. Recommendations being developed by the Committee include a variety of cost reduction efforts, reducing the number of additional staffing requested, prioritizing General Fund expenditures and raising new revenues.

**Juniper Ridge** – The City owns 1,500 acres of undeveloped land in Northeast Bend called Juniper Ridge. In 2005, the City and the Bend Urban Renewal Agency (the Agency) started planning for development of about 500 acres of this land to provide the needed large tract land inventory for commercial and light industrial use. Currently parcels of land larger than six acres are not available for businesses wanting to expand or locate to Bend. With the development of Juniper Ridge, the City will be able to offer the needed large tract land for business relocation or expansion, thus providing job creation for the local economy.

To date the City has sold 33 acres to three different businesses and incurred \$18 million for infrastructure, land development and operating costs. During fiscal year 2010-11, the City completed the zone change process to entitle the employment subdistrict of about 320 acres in Juniper Ridge. The City also completed the Covenants, Conditions & Restrictions and continued to develop the ten year pro forma financial plan for this project.

In developing the Juniper Ridge employment subdistrict, the City performed a traffic study in June 2008 that concluded that the proposed zone change will have a significant effect upon planned and existing transportation facilities which include the State Highway 97 and Cooley road intersection. In order to obtain zone change approval from the Oregon Department of Transportation (ODOT), the City and ODOT have developed a comprehensive mitigation strategy that includes land use measures and transportation improvements to local and state highway facilities that will mitigate the significant effect of the proposed zone change. Through an Intergovernmental Agreement developed during fiscal year 2009-10 and fiscal year 2010-11, the City and ODOT have agreed to a strategy to develop and fund identified transportation improvements to allow for development of Juniper Ridge and the surrounding areas.

**Economic Development** – In an effort to provide some assistance to local businesses during this recession, the City worked with Economic Development of Central Oregon to create a business loan program and relocation assistance program to provide some economic incentives for local businesses to expand and develop. For fiscal year 2010-11, \$150,000 was set aside for these programs.

**Airport Development** – The City received grant funding from the Federal Aviation Administration (FAA) in the amount of \$3.1 million for construction of Taxiway B that is in the final phases of completion. The Airport Master Plan is in progress and is being funded by an Airport Improvement Project (AIP) grant from the FAA. It is anticipated that the Master Plan process will be complete within 12 to 18 months.

**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 under title II of the Americans with Disabilities Act of 1990 (ADA) against the City. The complaint alleged that the City has not taken steps to provide access to its programs and services. Specifically, City facilities, bus stops and curb ramps have various accessibility issues. As a result of the inspections, the DOJ and DRO identified areas needing improvement. To date, the City has completed accessibility improvements to City Hall and its other public buildings and bus stops. The City will continue to improve curb ramps and related sidewalk elements to bring them into compliance with the ADA and the two legal settlement agreements.

## **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, 2010. 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



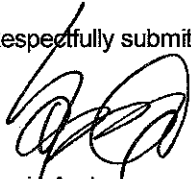
information is included in the Financial Section of this report. The auditor's reports related specifically to the single audit are included in the Compliance Section.

**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, 2009. 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 17 consecutive years since June 30, 1993. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that conforms to program standards and satisfies both GAAP and applicable legal requirements. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Distinguished Budget Presentation Award** – The City also received the Distinguished Budget Presentation Award for its 2009-2011 biennial budget from the GFOA. The award represents the city's commitment to meeting the highest principles of governmental budgeting. The budget is rated in four major categories: as a policy document, an operations guide, a financial plan and a communications device. Budget documents must be rated "proficient" in all four categories to receive the award.

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

Respectfully submitted,



Sonia Andrews  
Finance Director



Eric King  
City Manager

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# 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, 2009

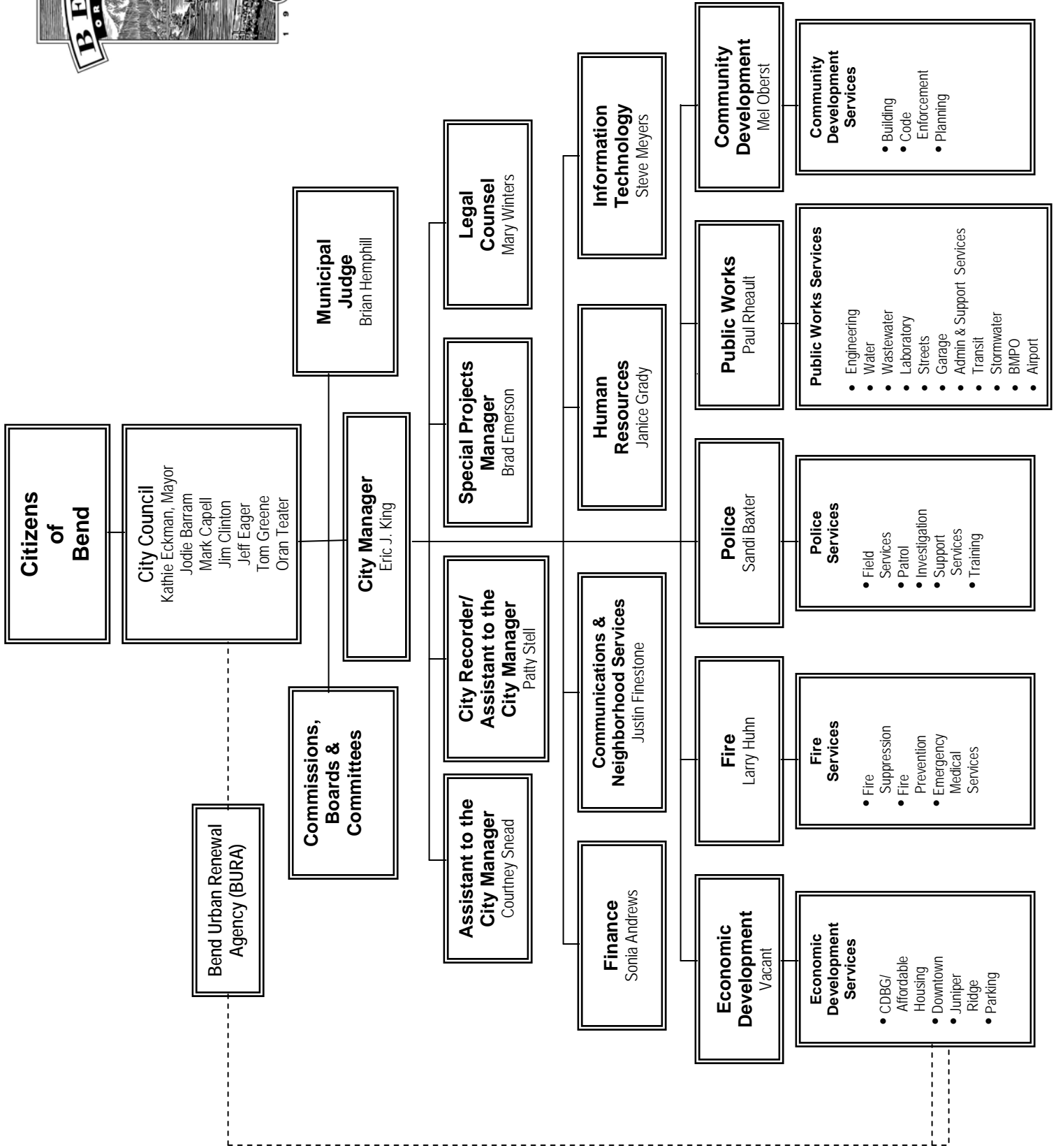
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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**THE CITY OF BEND, OREGON**

**City Officials as of June 30, 2010**

***Mayor***

Kathie Eckman

***Mayor Pro-Tem***

Mark Capell

***Council Members***

Jodie Barram  
Jeff Eager  
Oran Teater

Jim Clinton  
Tom Greene

**City Manager**

Eric King

**Finance Director**

Sonia Andrews

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

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## FINANCIAL SECTION





## INDEPENDENT AUDITOR'S REPORT

December 14, 2010

Honorable Mayor and City Council  
City of Bend  
Bend, Oregon

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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, 2010, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2010, on our consideration of the City's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Honorable Mayor and City Council  
City of Bend  
December 14, 2010  
Page 2

Management's Discussion and Analysis as listed in the Table of Contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparisons for the General Fund and major special revenue funds presented as Required Supplementary Information as listed in the Table of Contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The combining and individual non-major fund financial statements and other schedules, listed in the Table of Contents as Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying Introductory and Statistical sections, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

By:   
Robert G. Moody Jr., Partner

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year Ended June 30, 2010

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 (the City) for the fiscal year ended June 30, 2010. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

### FINANCIAL HIGHLIGHTS

- The City's assets totaled \$906.9 million at fiscal year-end consisting of \$805.1 million in capital assets, \$63.4 million in unrestricted cash and investments, and \$38.4 million in prepaid expenses and other assets. Total assets increased by \$3.8 million due mainly to an increase in cash and investments of \$3.7 million and an increase in prepaid expenses and other assets of \$7.4 million, offset by a decrease in investments in capital assets of \$7.3 million.
- The City's liabilities totaled \$115.9 million at fiscal year-end consisting of \$90.8 million in long-term debt and \$25.1 million in accounts payable and other liabilities. Total liabilities decreased by \$0.8 million from the prior year due mainly to a decrease in long term debt of \$3.2 million, offset by an increase of other post-employment benefits payable of \$2.6 million.
- The assets of the City exceeded its liabilities by \$791.0 million at fiscal year-end. Net assets consisted of capital assets net of related debt of \$727.3 million, unrestricted net assets of \$47.3 million, and \$16.4 million of restricted net assets for debt service, capital projects and the building program.
- Expenses for governmental activities totaled \$71.2 million in direct program and \$1.2 million in transfers. These activities were funded by \$15.9 million in charges for services, \$15.8 million in grants and contributions and \$38.5 million of general revenues from property taxes, franchise fees, investments and gains on sales of capital assets. This resulted in a reduction of net assets of \$2.2 million.
- Expenses for business-type activities totaled \$28.4 million. These activities were funded by \$29.8 million of charges for services, \$3.9 million in grants and contributions and \$1.5 million of general revenues from investment income and transfers. This resulted in an increase in net assets of \$6.8 million.
- The City's general revenues of \$38.9 million for the year consisted of \$25.4 million in property taxes, \$7.4 million in franchise fees, \$2.9 million of transient room taxes, \$2.3 million of gains on sales of capital assets, and \$0.7 million of investment income.
- Unreserved fund balance in the General Fund was \$8.0 million at June 30, 2010, an increase of \$1.3 million from June 30, 2009. The net increase resulted from a combination of increased property tax and franchise fee revenues, and decreased transfers to other funds as the City continued its effort to build reserves. The City also sold land in the Juniper Ridge Urban Renewal Area and transferred the proceeds to the Juniper Ridge Construction Fund resulting in no change to the fund balance.

### 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 Fund.

## Management's Discussion and Analysis (Continued)

- c. *Other Supplementary Information* – budget and actual schedules for other major funds and nonmajor funds and includes internal service fund financials.
- d. *Other Financial Schedules* – schedules of property tax and long-term debt transactions.

### III. Statistical Section

### IV. Compliance Section

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

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

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

### **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 Assets includes all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net assets 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).

Governmental activities of the City are categorized as follows:

- General government – includes centralized services such as garage, information technology, facility management, engineering, public works administration, public works laboratory, risk management, administration and financial services, city attorney's office, economic development administration, community development administration, and other general functions not separately identified as a program.
- Public safety – includes police, fire and emergency medical services.
- Public ways and facilities – includes the City's street maintenance operations, street and local improvement construction and the City's engineering activities.
- Community and economic development – includes the City's community development, building inspection, planning, community development block grant program, affordable housing, tourist promotion, and economic improvement district.

## Management's Discussion and Analysis (Continued)

- Urban renewal – consists of the activities of the Bend Urban Renewal Agency.
- Transit – consists of the City's public transit fixed-route and dial-a-ride operations.

Business-type activities include the following:

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

## **2. Fund Financial Statements**

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

**Governmental Funds.** The governmental fund statements emphasize available financial resources rather than net assets. 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 assets reported on the government-wide Statement of Net Assets, 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 assets reported in the government-wide Statement of Activities.

The City has 28 governmental funds. The governmental fund statements present two major funds separately: General Fund and Fire/Emergency Medical Services Fund. The other 26 nonmajor funds are combined and presented in a single column as nonmajor governmental funds.

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

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

Internal service funds are generally used to accumulate and allocate internally the costs of the City's central services. The City has established an internal service fund with the following divisions – garage, information technology, facility management, engineering, public works administration, public works laboratory, risk management, administration and financial services, city attorney's office, and community development administration. 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.

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

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

**Analysis of Net Assets**

The City's assets exceeded liabilities by \$791.0 million at June 30, 2010. The vast majority of the net assets (92%) 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 assets and an analysis of the change in the City's financial position from the previous year.

**Net Assets as of June 30th**

(in millions)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total City Net Assets</b>	
	<b>Restated</b>		<b>Restated</b>		<b>Restated</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Capital assets, net	\$ 533.4	\$ 541.6	\$ 271.6	\$ 265.9	\$ 805.0	\$ 807.5
Current and other assets	65.6	63.8	36.2	31.8	101.8	95.6
Total assets	599.0	605.4	307.8	297.7	906.8	903.1
Long-term debt	61.7	66.4	29.1	27.6	90.8	94.0
Other liabilities	12.3	11.8	12.8	10.9	25.1	22.7
Total liabilities	74.0	78.2	41.9	38.5	115.9	116.7
Net assets						
Invested in capital, net of related debt	485.3	493.2	242.0	237.7	727.3	730.9
Restricted	15.4	13.2	0.9	0.9	16.3	14.1
Unrestricted	24.3	20.8	23.1	20.6	47.4	41.4
Total net assets	\$ 525.0	\$ 527.2	\$ 266.0	\$ 259.2	\$ 791.0	\$ 786.4

As mentioned earlier, net assets may be an indicator of the City's financial position. At the end of the current year, the City's net asset balance increased by \$4.6 million from the prior year.

Restricted and unrestricted cash and investments increased \$2.6 million, balances due from other governments increased \$4.3 million, capital assets decreased \$2.4 million, and other assets decreased by \$0.6 million.

Long-term debt decreased by \$3.2 million as discussed in further detail in the debt administration section. Other post-employment benefits payable increased by \$2.6 million, offset by a decrease of other liabilities of \$0.2 million.



Management's Discussion and Analysis (Continued)

Analysis of Changes in Net Assets

Changes in Net Assets  
(in millions)

	Governmental		Business-Type		Total	
	Activities		Activities			
	FY09-10	Restated FY08-09	FY09-10	Restated FY08-09	FY09-10	Restated FY08-09
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 15.9	\$ 18.9	\$ 29.8	\$ 28.2	45.7	47.1
Operating grants & contributions	11.6	9.2	-	-	11.6	9.2
Capital grants & contributions	4.2	11.2	3.9	9.3	8.1	20.5
General revenues:						
Taxes	28.4	27.1	-	-	28.4	27.1
Franchise fees	7.4	6.4	-	-	7.4	6.4
Gain on sale of capital assets	2.3	-	-	-	2.3	-
Investment earnings	0.4	1.0	0.3	0.6	0.7	1.6
<b>Total revenues</b>	<b>70.2</b>	<b>73.8</b>	<b>34.0</b>	<b>38.1</b>	<b>104.2</b>	<b>111.9</b>
<b>Expenses</b>						
Government Activities						
General government	16.7	17.2	-	-	16.7	17.2
Public safety	28.0	27.8	-	-	28.0	27.8
Public ways and facilities	15.7	15.7	-	-	15.7	15.7
Community & economic development	6.2	8.1	-	-	6.2	8.1
Urban renewal	0.4	1.8	-	-	0.4	1.8
Transit	1.9	1.9	-	-	1.9	1.9
Interest on long-term debt	2.3	2.4	-	-	2.3	2.4
Business-type Activities						
Water	-	-	12.7	10.7	12.7	10.7
Water Reclamation	-	-	11.8	10.9	11.8	10.9
Airport	-	-	0.7	0.7	0.7	0.7
Cemetery	-	-	0.1	0.1	0.1	0.1
Downtown parking	-	-	0.9	0.9	0.9	0.9
Stormwater	-	-	2.2	1.7	2.2	1.7
<b>Total expenses</b>	<b>71.2</b>	<b>74.9</b>	<b>28.4</b>	<b>25.0</b>	<b>99.6</b>	<b>99.9</b>
<b>Revenues over expenses</b>	<b>(1.0)</b>	<b>(1.1)</b>	<b>5.6</b>	<b>13.1</b>	<b>4.6</b>	<b>12.0</b>
Transfers	(1.2)	0.1	1.2	(0.1)	-	-
<b>Change in net assets</b>	<b>(2.2)</b>	<b>(1.0)</b>	<b>6.8</b>	<b>13.0</b>	<b>4.6</b>	<b>12.0</b>
Net assets, beginning	527.2	528.2	259.2	246.2	786.4	774.4
<b>Net assets, ending</b>	<b>\$ 525.0</b>	<b>\$ 527.2</b>	<b>\$ 266.0</b>	<b>\$ 259.2</b>	<b>\$ 791.0</b>	<b>\$ 786.4</b>

## Management's Discussion and Analysis (Continued)

### Government-wide Activities

Total revenues from governmental activities decreased by \$3.6 million from the prior year. Program revenues decreased by \$7.7 million. This decrease is due mainly to lower charges for services including \$2.2 million lower community and economic development revenues and \$1.5 million in reduced lease revenues from urban renewal. Capital grants and contributions were \$7.0 million less due mainly to the completion of the grant funded transit operations facility and a reduction in the street infrastructure contributed by developers and a lower volume of system development charges. These decreases were offset by an increase in operating grants and contributions of \$2.4 million. The decrease in program revenues was offset by an increase in property taxes and franchise fees of \$2.3 million and an increase of \$2.3 million in gains on sales of capital assets in the Juniper Ridge urban renewal area.

Governmental expenses decreased by \$3.7 million mainly due to the personnel reductions in the community development department and reduced expenses in urban renewal.

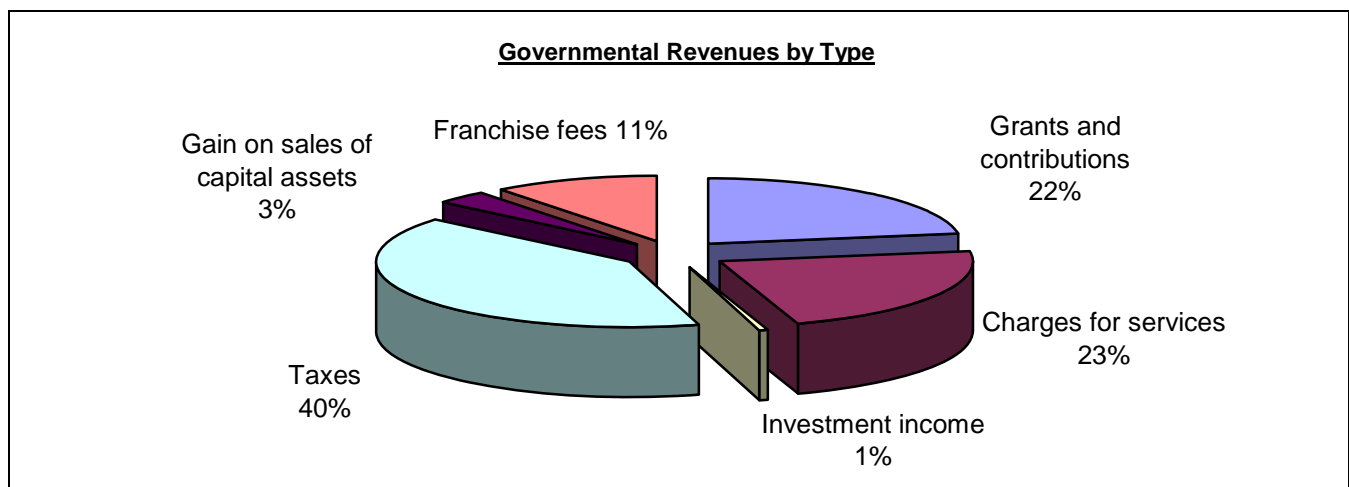
Total revenues from business-type activities decreased by \$4.1 million from the prior year. Increases in charges for services of \$1.6 million due to higher sewer rates (14.5%) and water rates (8.25%) were more than offset by decreases in capital grants and contributions of \$5.4 million. Capital grant funded construction for the airport and capital contributions decreased. Water and water reclamation infrastructure contributed by developers were considerably lower in the current year due to the slow economic recovery and reduced development activity.

Business-type expenses increased by \$3.4 million due to increases in water and sewer program expenses.

Overall, total net assets for the City increased by \$4.6 million due mainly to repayment of long-term debt.

### Governmental Activities

As previously mentioned, governmental activities decreased the City's net assets by \$2.2 million, with revenues totaling \$70.2 million, expenses totaling \$71.2 million, and transfers to business-type activities totaling \$1.2 million. Revenues consisted of taxes of \$28.4 million, operating and capital grants and contributions of \$15.8 million, charges for services of \$15.9 million, franchise fees of \$7.4 million, \$2.3 million of gain on sale of capital assets and \$0.4 million of investment income.



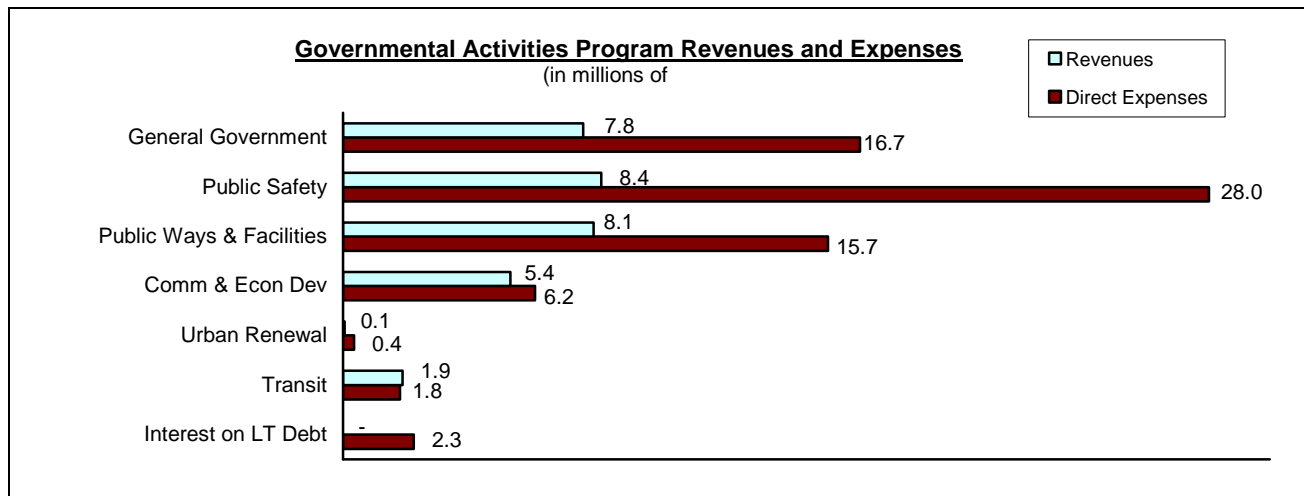
Property taxes increased by \$1.3 million (5.2%) from the prior year due to growth in property tax assessed values and increased collections of delinquent property taxes. Charges for services decreased by \$3.1 million (16.3%) from the prior year due to lower community development revenues and reduced lease revenues from urban renewal as stated previously. Grants and contributions decreased by \$4.6 million (22.7%) from the prior year due to reduced grant revenues from the completion of the transit facility and reduced transportation infrastructure contributions from developers and lower revenue from system development charges. Other revenues were increased due to gains from the sale of land in the Juniper Ridge Urban Renewal Area and increased collection of franchise fees.

As discussed earlier, the City's governmental activities are categorized into the following programs: public safety; public ways and facilities; community and economic development; urban renewal and transit. General government activities

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

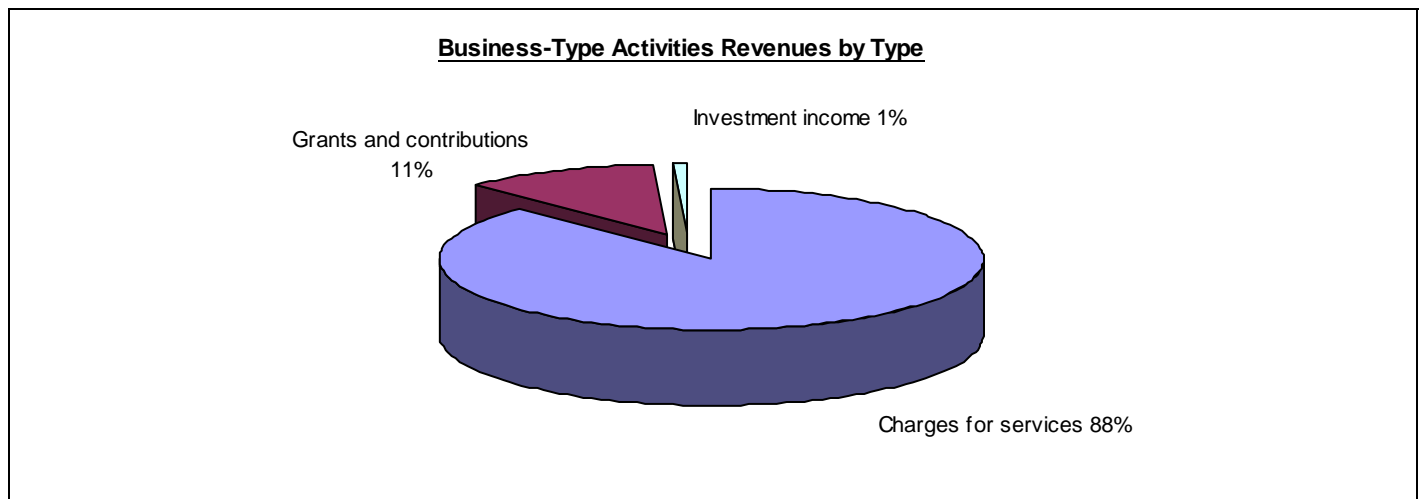
are activities not categorized in any of the programs and include central services such as garage, information technology, facility management, public works administration, public works laboratory, risk management, administration and financial services, city attorney’s office, economic development administration and community development administration.

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



**Business-Type Activities**

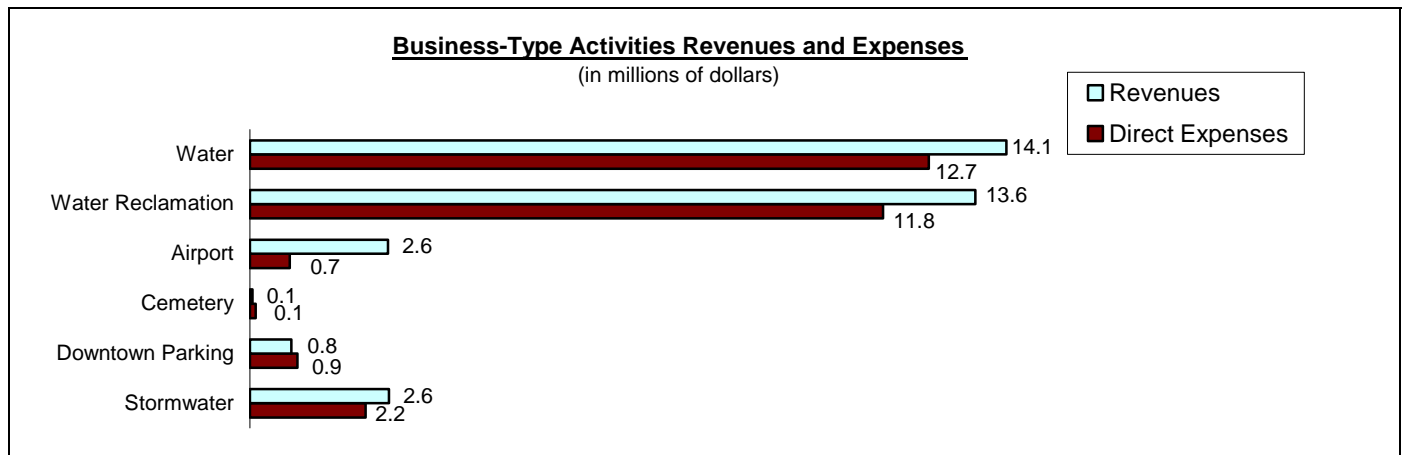
Business-type revenues consisted of charges for services of \$29.8 million, capital grants and contributions of \$3.9 million and \$0.3 million of investment income.



Charges for services accounted for 88% of total business-type revenue in fiscal year 2009-10 compared to 74% in fiscal year 2008-09. This shift resulted from a combination of increased rates for water and sewer services and a decrease in the capital grants and contributions of \$5.4 million primarily due to decreased developer 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)**



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. Airport revenues were significantly higher than direct expenses in the current year due to continued grant revenue related to the construction of the eastside taxiway. 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 Assets. Cemetery and downtown parking revenues are essentially equivalent to the related direct expenses as there are minimal capital improvements and no debt service for these two operations. A stormwater fee was enacted in fiscal year 2007-08 to support the City’s stormwater operations and allow the City to make needed improvements to the infrastructure.

**FUND ANALYSIS**

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

**Governmental Funds**

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

At the end of the current year, the City’s governmental funds had combined ending fund balances of \$35.6 million which is an increase of \$9.6 million. This increase is due to increased property tax revenue, proceeds from land sales, new long-term debt issued for construction, and the restatement of the prior year’s fund balance as detailed in Note 18 of the Notes to the Financial Statements.

Of the combined ending fund balance of \$35.6 million, \$5.7 million was reserved to fund debt service. An additional \$14.6 million was reserved for capital projects, long-term loans and advances, assets held for resale, and the building program. \$15.2 million was unreserved 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 unreserved fund balance of the General Fund was \$8.0 million, up \$1.2 million (18.7%) from the previous year. The unreserved fund balance represents 21.5% of total General Fund requirements.

The other major governmental fund is the Fire/Emergency Medical Services (EMS) Fund. This fund balance increased by \$0.4 million due to increased intergovernmental revenues, charges for services and repayment of long-term debt.

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

**Proprietary Funds**

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

Unrestricted net assets of the Water Fund and Water Reclamation Fund at the end of the year amounted to \$7.8 million and \$10.0 million, respectively. The growth in net assets of the Water Fund and the Water Reclamation Fund was \$2.1 million and \$2.7 million respectively, reflecting the implementation of rate increases to fund needed improvements in infrastructure. In the Water Fund, system development charges generated \$0.6 million of revenue and developer contributed infrastructure totaled \$1.4 million. In the Water Reclamation Fund, system development charges generated \$0.9 million of revenue and developer contributed infrastructure totaled \$0.3 million. Contributed infrastructure decreased significantly in both funds from the prior year due to reduced development activity.

System development charges are received in the System Development Charges Fund (a 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 50% and 29% respectively in fiscal year 2009-10 over fiscal year 2008-09, but are still much lower than prior fiscal years.

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 revenues and expenditures were increased by \$1.1 million for the receipt and use of franchise fees collected as a result of an audit. Nearly half of the increased franchise fees were used to build reserves in the General Fund Stabilization Fund to provide for severe economic downturns or major unforeseen events. Advances and transfers to other funds were increased by \$1.9 million to provide funding for year end loans and transfers that were not anticipated when the budget was adopted. The increase in advances and transfers to other funds was offset by a decrease in budgeted contingency of \$4.7 million to \$2.8 million.

**CAPITAL ASSETS**

As of June 30, 2010 the City had invested \$805.0 million in capital assets, net of depreciation, as reflected in the following table. This represents a net decrease (additions, disposals and depreciation) of \$2.6 million. Governmental capital assets totaled \$533.4 million while business-type capital assets totaled \$271.6 million.

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

	Governmental Activities		Business-Type Activities		Total	
	Restated		Restated		Restated	
	2010	2009	2010	2009	2010	2009
Land including right-of-way	\$ 151.7	\$ 151.8	\$ 6.7	\$ 6.7	\$ 158.4	\$ 158.5
Land use rights	-	-	1.0	-	1.0	-
Artwork	0.7	0.7	-	-	0.7	0.7
Buildings and improvements	35.7	30.3	16.8	17.4	52.5	47.7
Infrastructure	326.5	333.2	219.9	209.7	546.4	542.9
Vehicles and equipment	7.4	8.7	1.7	2.8	9.1	11.5
Software	0.5	-	0.4	-	0.9	-
Construction in progress	10.9	17.0	25.1	29.3	36.0	46.3
	<u>\$ 533.4</u>	<u>\$ 541.7</u>	<u>\$ 271.6</u>	<u>\$ 265.9</u>	<u>\$ 805.0</u>	<u>\$ 807.6</u>

## Management's Discussion and Analysis (Continued)

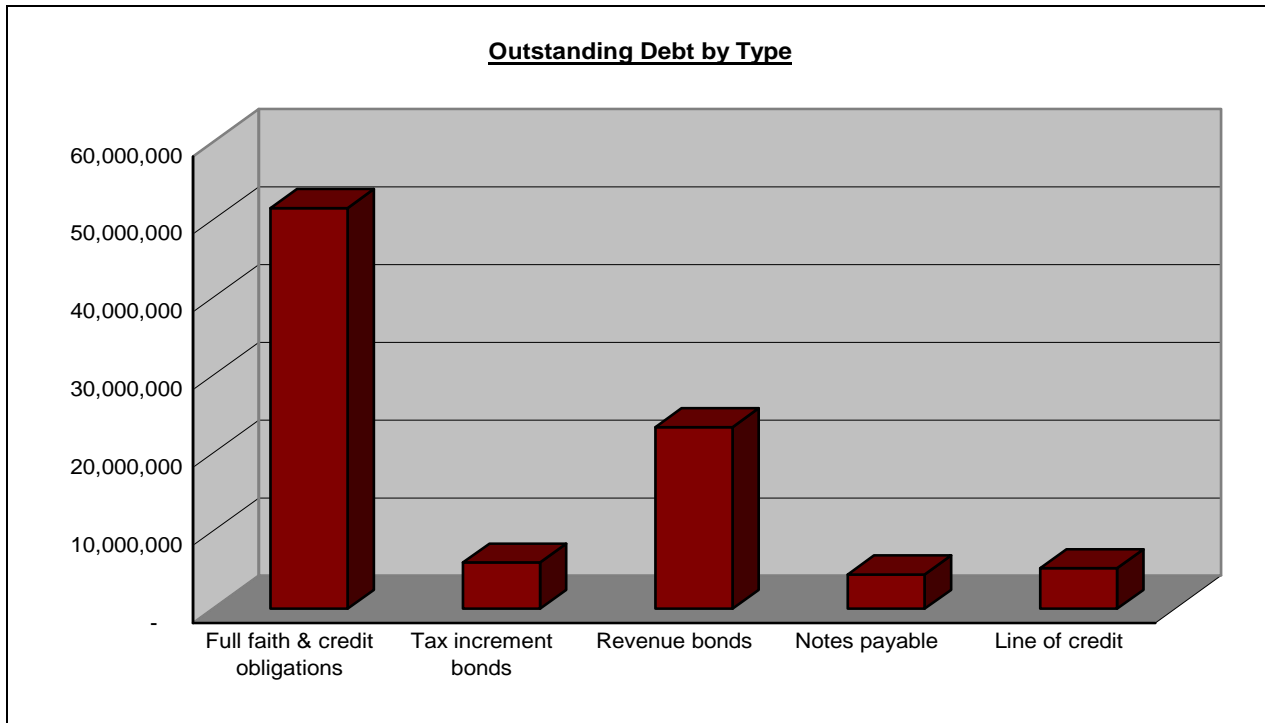
Major construction projects affecting capital assets for fiscal year 2009-10 are as follows:

- Street Construction - Construction of various street improvements added \$2.9 million to capital assets. Major projects included street overlays (\$0.7 million), accessibility improvements (\$0.7 million), and other street construction and safety projects (\$1.4 million). Developer constructed infrastructure totaled \$0.3 million.
- Airport Improvements – The City spent \$1.7 million on the eastside taxiway project that was funded primarily by federal grants.
- Water Improvements - Improvements to the City's water system added \$4.5 million to capital assets. Major projects included Shiloh Well (\$1.6 million), Pilot Butte Wells (\$0.6 million), Timber Ridge waterline replacements (\$0.5 million), watershed improvements (\$0.6 million), and Shiloh Well improvements (\$0.4 million). Developer constructed infrastructure contributed to the City totaled \$1.4 million in the current year.
- Water Reclamation Improvements - Improvements to the water reclamation system added \$3.9 million to capital assets. Major projects included the southeast interceptor (\$2.7 million) and continuation of the primary and digester modifications (\$0.6). Developer constructed infrastructure totaled \$0.3 million.

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

## DEBT ADMINISTRATION

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



The City has \$51.5 million of full faith & credit obligations outstanding for airport improvements (\$1.1 million), land acquired (\$3.6 million), street improvements (\$19.3 million), fire and police stations (\$11.9 million), equipment (\$2.0 million) and pension obligation (\$13.6 million). The airport improvement bonds are serviced by airport lease revenues and street improvement bonds are serviced by transportation system development charges. The fire and police station bonds are serviced by property taxes and other discretionary revenues and the equipment bonds are repaid from other tax revenues. The pension obligation bonds are serviced by property taxes and other revenues of the City. During fiscal year 2009-10 the City refunded \$8.3 million of full faith & credit obligations for Transportation Improvement, Airport, and Fire Administration Building to benefit from lower interest rates.

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

The City has \$6.0 million in urban renewal tax increment bonds outstanding that are repaid from tax increment revenues generated from the City’s urban renewal district.

Revenue bonds outstanding total \$23.4 million and are for water infrastructure (\$2.7 million) and water reclamation infrastructure (\$20.7 million). These bonds are repaid from water and water reclamation service charges and system development charges.

The City’s has \$4.4 million of notes payable issued for various capital improvement projects.

The City also owes \$5.2 million on a long-term line of credit related to Juniper Ridge that will be paid from land sales proceeds and tax increment revenues.

Change in debt outstanding is as follows:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Full faith & credit obligations	\$ 50.3	\$ 49.8	\$ 1.3	\$ 1.4	\$ 51.5	\$ 51.2
Revenue bonds	-	-	23.4	24.7	23.4	24.7
Tax increment bonds	6.0	11.2	-	-	6.0	11.2
Notes payable	-	-	4.4	1.5	4.4	1.5
Limited tax improvement bonds	-	0.2	-	-	-	0.2
Line of credit	5.2	5.2	-	-	5.2	5.2
	<u>61.4</u>	<u>66.4</u>	<u>29.0</u>	<u>27.6</u>	<u>90.4</u>	<u>94.0</u>
Unamortized premiums & discounts	0.3	0.1	0.1	0.0	0.4	0.1
Total Outstanding Debt	<u>\$ 61.7</u>	<u>\$ 66.4</u>	<u>\$ 29.1</u>	<u>\$ 27.6</u>	<u>\$ 90.8</u>	<u>\$ 94.1</u>

As of June 30, 2010, the City had \$90.8 million in long-term debt and unamortized premiums and discounts, a decrease of \$3.3 million from the prior year. The City has an unamortized balance of premiums and discounts on long-term debt issuances of \$0.4 million that are amortized over the life of the associated debt.

The significant changes in long-term debt include the issuance of \$3.3 million of full faith and credit bonds to fund accessibility improvements. During fiscal year 2009-10 the city also received a State of Oregon Business Development Department (OBDD) Safe Drinking Water Revolving Loan Fund (SDWRLF) Loan and an American Recovery and Reinvestment Act (ARRA) Forgivable Loan for a total of \$2.9 million. These increases were offset by \$5.7 million in scheduled principal payments and early repayment of \$4.2 million for the 1998 tax increment bonds for urban renewal.

**Debt Limitation and Ratings**

Oregon Revised Statutes provides a limit on non-self-supporting general obligation debt of 3% of the real market value of all taxable property within the City. Based on the fiscal year 2009-10 value, the City’s debt limitation is \$450.1 million. The City is well within its debt limitation with an amount of outstanding debt subject to this limitation of \$49.6 million.

## Management's Discussion and Analysis (Continued)

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

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

Please refer to Note 12 of the basic financial statements for further detailed information on long-term debt.

### ECONOMIC FACTORS

The population of the City of Bend as of July 1, 2009, was 82,280, which is 48% of Deschutes County's population of 170,705. Between July 1, 2002 and July 1, 2009, the non-annexation population increased by 56%. With the growth in population, the City experienced significant building activity in both residential and commercial developments that has dramatically fallen off with the national housing market crisis. The City of Bend has been hit very hard by the impacts of the nation wide recession and both residential and commercial construction activity decreased dramatically from prior fiscal years. The recession has lowered many of the City's revenues sources including system development charges, developer contributed infrastructure, and community development fees. The recession has also significantly slowed the growth rate in property taxes and has increased delinquent property taxes.

In response to the slow economic recovery during fiscal year 2009-10, the City has continued cost constraints at all levels of the organization in order to decrease nonessential expenditures thereby increasing revenues available for core priority programs such as public safety, transportation, and providing water and water reclamation services to its citizens.

During fiscal year 2009-10 the City of Bend laid off 6 employees in the community development related services. In addition to layoffs, the City delayed hiring or eliminated many vacant positions. Since December 2007, the City has made five rounds of budget cuts eliminating more than 100 filled and unfilled positions.

The City is dependent on property taxes, charges for services, and grants and contributions to support its operations. Property taxes make up approximately 24% of the City's total revenue sources. In May 1997, Oregon voters approved Measure 50 which rolled back property assessed values to 90 percent of 1995-96 levels, established permanent tax rates, and limited assessed value growth for individual properties to 3% per year plus new construction. The current permanent tax rate for the City of Bend is \$2.8035 per \$1,000 of assessed value which is one of the lowest in Oregon. In the past, significant increases in the number of properties subject to property tax helped mitigate the effects of Measure 50 on property tax revenues. These significant increases ended and property tax revenues only increased 5.2% for fiscal year 2009-10. The gap between current real market values and taxable assessed values has narrowed considerably. Although the taxable assessed values of many properties continue to grow at 3% as allowed by Measure 50, the taxable assessed values of many properties have decreased, resulting in relatively flat property tax levels for the near term. The low permanent tax rate and minimal growth in the tax base will continue to present challenges in providing services at the current rate without additional sources of revenue.

Both the water and sewer rates were increased for fiscal year 2010-11 by 8.25% and 14.5%, respectively. These increases were necessary to finance construction of new and replacement infrastructure.

### REQUEST FOR INFORMATION

The City's financial statements are designed to present users with a general overview of the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Sonia Andrews, City of Bend Finance Director, at 709 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 Assets**  
June 30, 2010

	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b><u>Assets</u></b>			
Pooled cash and investments	\$ 36,490,069	\$ 26,920,313	\$ 63,410,382
Receivables, net	5,638,319	2,904,507	8,542,827
Internal balances	361,000	(361,000)	-
Due from other governments	1,942,524	4,221,975	6,164,499
Restricted cash and investments	3,136,088	980,330	4,116,418
Other assets	51,084	241,673	292,757
Prepaid pension obligation	9,777,505	-	9,777,505
Assessments receivable	33,798	355,527	389,325
Loans and notes receivable	2,740,481	36,387	2,776,867
Assets held for resale	4,434,244	-	4,434,244
Bond issue costs, net	986,433	899,222	1,885,655
Non-depreciable capital assets	163,315,975	32,817,545	196,133,520
Depreciable capital assets, net	370,141,274	238,825,827	608,967,102
<b>Total Assets</b>	<b>599,048,794</b>	<b>307,842,307</b>	<b>906,891,101</b>
<b><u>Liabilities</u></b>			
Accounts payable	1,548,756	3,601,673	5,150,428
Accrued liabilities	4,477,187	7,982,847	12,460,034
Due to developers	366,753	-	366,753
Deposits	1,470,913	340,673	1,811,585
Unearned revenue	79,947	-	79,947
Other post-employment benefits payable	4,392,111	838,144	5,230,255
Long-term debt, net			
Portion due or payable within one year	3,431,479	1,630,803	5,062,282
Portion due or payable after one year	58,290,602	27,459,996	85,750,597
<b>Total Liabilities</b>	<b>74,057,748</b>	<b>41,854,136</b>	<b>115,911,884</b>
<b><u>Net Assets</u></b>			
Invested in capital assets, net of related debt	485,325,168	242,002,573	727,327,742
Restricted for:			
Debt service	5,686,250	936,099	6,622,349
Capital projects	9,186,970	-	9,186,970
Building program	497,181	-	497,181
Unrestricted	24,295,477	23,049,499	47,344,976
<b>Total Net Assets</b>	<b>\$ 524,991,046</b>	<b>\$ 265,988,171</b>	<b>\$ 790,979,217</b>

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

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City of Bend, Oregon  
**Statement of Activities**  
For the fiscal year ended June 30, 2010

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Direct Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/ Programs</b>							
<b>Governmental Activities:</b>							
General government	\$ 16,732,002	\$ 7,597,953	\$ 180,536	\$ -	\$ (8,953,513)	\$ -	\$ (8,953,513)
Public safety	28,025,266	3,614,736	4,689,878	58,524	(19,662,127)	-	(19,662,127)
Public ways and facilities	15,698,647	1,252,862	3,179,861	3,679,220	(7,586,704)	-	(7,586,704)
Community and economic development	6,215,707	3,083,441	2,331,352	-	(800,914)	-	(800,914)
Urban renewal	358,446	56,704	-	-	(301,742)	-	(301,742)
Transit	1,850,922	268,666	1,228,428	438,542	84,714	-	84,714
Interest on long-term debt	2,286,878	-	-	-	(2,286,878)	-	(2,286,878)
<b>Total Governmental Activities</b>	<b>71,167,868</b>	<b>15,874,362</b>	<b>11,610,055</b>	<b>4,176,287</b>	<b>(39,507,164)</b>	<b>-</b>	<b>(39,507,164)</b>
<b>Business-Type Activities:</b>							
Water	12,686,457	12,689,171	-	1,449,515	-	1,452,229	1,452,229
Water reclamation	11,831,583	13,256,667	-	302,270	-	1,727,354	1,727,354
Airport	745,961	773,361	-	1,808,906	-	1,836,305	1,836,305
Cemetery	109,787	49,512	-	-	-	(60,275)	(60,275)
Downtown parking	889,165	550,840	-	222,724	-	(115,601)	(115,601)
Stormwater	2,159,228	2,465,068	-	130,468	-	436,309	436,309
<b>Total Business-Type Activities</b>	<b>28,422,180</b>	<b>29,784,619</b>	<b>-</b>	<b>3,913,883</b>	<b>-</b>	<b>5,276,322</b>	<b>5,276,322</b>
<b>Total Activities</b>	<b>\$ 99,590,048</b>	<b>\$ 45,658,981</b>	<b>\$ 11,610,055</b>	<b>\$ 8,090,169</b>	<b>(39,507,164)</b>	<b>5,276,322</b>	<b>(34,230,843)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property taxes, levied for general purposes					21,923,120	-	21,923,120
Property taxes, levied for debt service					3,504,768	-	3,504,768
Transient room taxes					2,966,307	-	2,966,307
Franchise Fees					7,447,433	-	7,447,433
Unrestricted investment income					411,675	303,667	715,341
Gain on sale of capital assets					2,293,491	-	2,293,491
Transfers					(1,220,251)	1,220,251	-
<b>Total General Revenues and Transfers</b>					<b>37,326,543</b>	<b>1,523,918</b>	<b>38,850,460</b>
Change in Net Assets					(2,180,622)	6,800,239	4,619,618
Net Assets, July 1, 2009					527,171,668	259,187,932	786,359,599
<b>Net Assets, June 30, 2010</b>					<b>\$ 524,991,046</b>	<b>\$ 265,988,171</b>	<b>\$ 790,979,217</b>

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

City of Bend, Oregon  
**Balance Sheet**  
 Governmental Funds  
 June 30, 2010

	<u>General</u>	<u>Fire / Emergency Medical Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Pooled cash and investments	\$ 6,526,946	\$ 2,057,590	\$ 19,079,734	\$ 27,664,271
Restricted cash and investments	92,475	-	3,043,613	3,136,088
Receivables:				
Property taxes	1,957,287	-	303,429	2,260,716
Accounts, net	2,285,718	550,999	340,288	3,177,005
Assessments, net	-	-	33,798	33,798
Loans and notes, net	-	-	2,740,481	2,740,481
Interest	165,409	-	-	165,409
Due from other funds	605,000	-	3,107	608,107
Due from other governments	397,139	34,825	1,510,561	1,942,524
Advances to other funds	35,000	-	-	35,000
Assets held for resale	4,434,244	-	-	4,434,244
<b>Total Assets</b>	<b>\$ 16,499,217</b>	<b>\$ 2,643,414</b>	<b>\$ 27,055,012</b>	<b>\$ 46,197,642</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 238,230	\$ 114,459	\$ 843,900	\$ 1,196,588
Salaries and benefits payable	201,054	158,587	96,611	456,252
Retainage payable	-	-	21,167	21,167
Due to developers	-	-	366,753	366,753
Other accrued liabilities	716,804	-	208,253	925,057
Deposits	92,475	-	750,426	842,901
Deferred revenues	2,748,236	556,960	3,237,301	6,542,498
Due to other funds	-	-	282,107	282,107
<b>Total Liabilities</b>	<b>3,996,798</b>	<b>830,006</b>	<b>5,806,518</b>	<b>10,633,323</b>
Fund Balances (Deficit):				
Reserved for:				
Debt service	-	-	5,686,250	5,686,250
Long-term loans and advances	35,000	-	34,461	69,461
Assets held for resale	4,434,244	-	-	4,434,244
Construction	-	-	9,857,837	9,857,837
Building Program	-	-	497,181	497,181
Unreserved	8,033,174	-	-	8,033,174
Designations reported in:				
Special revenue funds	-	1,813,408	5,395,838	7,209,246
Undesignated reported in:				
Capital projects funds	-	-	(223,074)	(223,074)
<b>Total Fund Balances</b>	<b>12,502,418</b>	<b>1,813,408</b>	<b>21,248,493</b>	<b>35,564,320</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,499,217</b>	<b>\$ 2,643,414</b>	<b>\$ 27,055,012</b>	<b>\$ 46,197,642</b>

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

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets**

June 30, 2010

**Total Fund Balances** \$ 35,564,320

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in funds. 504,994,040

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

Interest receivable	34,914
Prepaid pension obligation	9,777,505
Bond issuance costs	823,834

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

Deferred property taxes	1,818,818
Deferred assessments and loan	2,070,587
Other deferred revenues	2,573,145
Interest payable	(162,757)
Accrued compensated absences	(2,046,655)
Other post-employment benefits	(3,502,932)
Long-term debt	(49,234,512)

Internal service funds are used by management to charge costs of certain activities such as garage services, information technology support, engineering services and administration and financial services to individual funds. The net assets of the internal service fund are reported with governmental activities. 22,280,739

**Total Net Assets** \$ 524,991,046

*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**

Governmental Funds

For the fiscal year ended June 30, 2010

	<u>General</u>	<u>Fire / Emergency Medical Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Taxes	\$ 23,963,691	\$ -	\$ 4,375,860	\$ 28,339,552
Franchise fees	6,211,755	-	1,235,677	7,447,433
Intergovernmental	1,964,449	2,392,904	6,990,082	11,347,435
Assessments	-	-	200,974	200,974
Licenses and permits	305,474	-	1,875,638	2,181,112
Charges for services	150,689	2,172,776	3,448,356	5,771,820
System development charges	-	-	2,261,694	2,261,694
Contributions	-	-	91,935	91,935
Fines and forfeitures	1,059,441	-	-	1,059,441
Loan repayments	-	-	1,038,755	1,038,755
Investment income	103,505	3,289	206,333	313,127
Miscellaneous	11,745	14,426	72,952	99,124
<b>Total Revenues</b>	<b>33,770,750</b>	<b>4,583,395</b>	<b>21,798,256</b>	<b>60,152,400</b>
<b>Expenditures</b>				
Current operating:				
General government	971,784	-	16,700	988,484
Public safety	15,810,130	13,378,229	186,654	29,375,014
Public ways and facilities	-	-	6,461,600	6,461,600
Community and economic development	-	-	7,062,624	7,062,624
Urban renewal	-	-	581,321	581,321
Transit	-	-	2,441,530	2,441,530
Debt service:				
Principal	-	787,100	9,281,200	10,068,300
Interest	-	104,283	2,062,977	2,167,261
Capital outlay	346,066	71,420	4,171,166	4,588,652
<b>Total Expenditures</b>	<b>17,127,980</b>	<b>14,341,033</b>	<b>32,265,773</b>	<b>63,734,786</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>16,642,770</b>	<b>(9,757,638)</b>	<b>(10,467,517)</b>	<b>(3,582,385)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	2,047,006	-	246,485	2,293,491
Insurance proceeds	16,460	18,063	20,057	54,579
Issuance of long-term debt	-	495,000	10,106,850	10,601,850
Premium on issuance of long-term debt	-	12,781	230,795	243,576
Discount on issuance of long-term debt	-	-	(1,488)	(1,488)
Payment to bond escrow agent	-	-	(4,215,198)	(4,215,198)
Transfers in	2,295,079	9,592,300	11,866,343	23,753,722
Transfers out	(20,219,581)	(6,000)	(5,294,239)	(25,519,820)
<b>Total Other Financing Sources (Uses)</b>	<b>(15,861,036)</b>	<b>10,112,144</b>	<b>12,959,605</b>	<b>7,210,712</b>
Net change in fund balances	781,734	354,506	2,492,088	3,628,327
Fund Balances, July 1, 2009, as previously stated	6,801,680	1,458,902	17,750,640	26,011,223
Restatement, Note 18	4,919,004	-	1,005,766	5,924,770
Fund Balances, July 1, 2009, as restated	11,720,685	1,458,902	18,756,406	31,935,993
<b>Fund Balances, June 30, 2010</b>	<b>\$ 12,502,418</b>	<b>\$ 1,813,408</b>	<b>\$ 21,248,493</b>	<b>\$ 35,564,320</b>

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



City of Bend, Oregon

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

For the fiscal year ended June 30, 2010

**Net Change in Fund Balances** \$ 3,628,327

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. (7,316,591)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 369,751

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

Bonds issued	(3,272,362)
Refunding bonds issued	(7,571,576)
Long-term debt principal repayments	10,068,300
Payment to refunded bond escrow agent	4,010,000

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	85,581
Amortization of bond issuance costs	215,988
Amortization of bond premium and discounts	(4,129)
Amortization of prepaid pension obligations	(545,103)
Accrued compensated absences	(12,643)
Accrued other postemployment benefit obligations	(1,686,722)

Internal service funds are used by management to charge costs of certain activities such as garage services, information technology, engineering, administration and financial services to individual funds.

The net revenues and expenses of the internal service fund are reported with governmental activities. (149,443)

**Change in Net Assets** \$ (2,180,622)

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

City of Bend, Oregon  
**Statement of Net Assets**  
Proprietary Funds  
June 30, 2010

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds	Total	Internal Service Fund
<b>Assets</b>					
Current assets:					
Pooled cash and investments	\$ 10,199,909	\$ 11,984,094	\$ 4,736,311	\$ 26,920,313	\$ 8,825,798
Receivables:					
Accounts, net	1,468,030	1,122,562	259,801	2,850,393	275
Interest	58	54,057	-	54,115	-
Due from other funds	-	224,000	-	224,000	-
Due from other governments	2,975,550	-	1,246,425	4,221,975	-
Inventories	225,616	-	-	225,616	30,631
Prepays and deposits	16,057	-	-	16,057	20,453
Bond issue costs, net	3,439	78,793	29,394	111,626	21,957
<b>Total Current Assets</b>	<b>14,888,659</b>	<b>13,463,506</b>	<b>6,271,930</b>	<b>34,624,095</b>	<b>8,899,114</b>
Noncurrent assets:					
Restricted cash and investments	603,034	333,065	44,231	980,330	-
Assessments receivable, net	-	355,527	-	355,527	-
Loans and notes receivable, net	2,536	33,851	-	36,387	-
Bond issue costs, net	31,854	743,504	12,239	787,596	140,642
Capital assets, net	87,665,269	124,063,969	59,914,134	271,643,372	28,463,210
<b>Total Noncurrent Assets</b>	<b>88,302,692</b>	<b>125,529,916</b>	<b>59,970,604</b>	<b>273,803,212</b>	<b>28,603,852</b>
<b>Total Assets</b>	<b>103,191,351</b>	<b>138,993,422</b>	<b>66,242,534</b>	<b>308,427,307</b>	<b>37,502,966</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	2,014,538	875,240	711,895	3,601,673	352,168
Salaries and benefits payable	52,840	52,595	16,023	121,459	122,623
Retainage payable	105,845	96,791	69,995	272,631	-
Other accrued liabilities:					
Compensated absences	162,017	164,481	36,084	362,582	455,968
Interest	35,022	143,075	35,524	213,621	43,808
Insurance claims	-	-	-	-	242,899
Other	4,094,093	2,893,542	24,920	7,012,555	-
Deposits	280,309	-	60,364	340,673	628,012
Due to other funds	-	-	550,000	550,000	-
Advances from other funds	-	-	6,600	6,600	-
Current portion of long-term debt, net	182,382	1,216,273	232,149	1,630,803	417,515
<b>Total Current Liabilities</b>	<b>6,927,045</b>	<b>5,441,996</b>	<b>1,743,555</b>	<b>14,112,596</b>	<b>2,262,994</b>
Noncurrent liabilities:					
Advances from other funds	-	-	28,400	28,400	-
Other post-retirement benefits payable	364,562	362,839	110,743	838,144	889,179
Long-term debt, net	5,429,100	19,736,818	2,294,078	27,459,996	12,070,054
<b>Total Noncurrent Liabilities</b>	<b>5,793,662</b>	<b>20,099,656</b>	<b>2,433,221</b>	<b>28,326,540</b>	<b>12,959,233</b>
<b>Total Liabilities</b>	<b>12,720,707</b>	<b>25,541,653</b>	<b>4,176,776</b>	<b>42,439,136</b>	<b>15,222,227</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	82,053,788	103,110,879	56,837,907	242,002,573	15,975,640
Restricted for:					
Debt service	603,034	333,065	-	936,099	-
Unrestricted	7,813,823	10,007,825	5,227,851	23,049,499	6,305,099
<b>Total Net Assets</b>	<b>\$ 90,470,644</b>	<b>\$ 113,451,769</b>	<b>\$ 62,065,758</b>	<b>\$ 265,988,171</b>	<b>\$ 22,280,739</b>

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

City of Bend, Oregon

**Statement of Revenues, Expenses and Changes in Net Assets**

Proprietary Funds

For the fiscal year ended June 30, 2010

	Business-Type Activities				Governmental
	Enterprise Funds			Total	Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds		Internal Service Fund
<b><u>Operating Revenues</u></b>					
Charges for services	\$ 12,548,910	\$ 13,068,732	\$ 3,759,994	\$ 29,377,636	\$ 24,314,346
Miscellaneous	140,260	187,936	70,525	398,721	176,616
<b>Total Operating Revenues</b>	<b>12,689,171</b>	<b>13,256,667</b>	<b>3,830,519</b>	<b>29,776,357</b>	<b>24,490,962</b>
<b><u>Operating Expenses</u></b>					
Salaries and benefits	3,423,261	3,469,928	1,156,690	8,049,878	8,350,196
Materials and supplies	3,930,068	1,767,376	621,173	6,318,618	4,108,361
Internal services	2,627,610	2,730,806	745,748	6,104,165	1,944,756
Insurance premiums and claims	-	-	-	-	9,435,973
Depreciation	2,181,400	2,954,182	1,256,200	6,391,782	1,022,055
<b>Total Operating Expenses</b>	<b>12,162,340</b>	<b>10,922,292</b>	<b>3,779,811</b>	<b>26,864,443</b>	<b>24,861,340</b>
<b>Operating income (loss)</b>	<b>526,831</b>	<b>2,334,375</b>	<b>50,708</b>	<b>2,911,914</b>	<b>(370,378)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment income	130,057	131,375	42,234	303,667	98,924
Interest expense	(142,167)	(843,220)	(123,992)	(1,109,380)	(559,303)
Parking improvement fees	-	-	14,000	14,000	-
Permanent maintenance fees	-	-	8,262	8,262	-
Amortization of bond issue costs	(6,057)	(74,759)	(338)	(81,154)	(9,566)
Gain (loss) on disposal of assets	(375,893)	8,689	-	(367,204)	(1,236)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(394,060)</b>	<b>(777,915)</b>	<b>(59,834)</b>	<b>(1,231,809)</b>	<b>(471,182)</b>
<b>Income (loss) before contributions and transfers</b>	<b>132,771</b>	<b>1,556,460</b>	<b>(9,126)</b>	<b>1,680,106</b>	<b>(841,560)</b>
<b><u>Contributions and Transfers</u></b>					
Capital grants and contributions	1,449,515	302,270	2,148,098	3,899,883	121,477
Transfers in	558,301	881,600	205,000	1,644,901	1,414,504
Transfers out	-	(86,650)	(338,000)	(424,650)	(843,863)
<b>Total Contributions and Transfers</b>	<b>2,007,816</b>	<b>1,097,220</b>	<b>2,015,098</b>	<b>5,120,134</b>	<b>692,117</b>
<b>Change in net assets</b>	<b>2,140,587</b>	<b>2,653,680</b>	<b>2,005,973</b>	<b>6,800,239</b>	<b>(149,443)</b>
Net Assets, July 1, 2009	88,330,057	110,798,089	60,059,786	259,187,932	22,430,182
<b>Net Assets, June 30, 2010</b>	<b>\$ 90,470,644</b>	<b>\$ 113,451,769</b>	<b>\$ 62,065,758</b>	<b>\$ 265,988,171</b>	<b>\$ 22,280,739</b>

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

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

Proprietary Funds

For the fiscal year ended June 30, 2010

	Business-Type Activities				Governmental
	Enterprise Funds			Total	Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds		Internal Service Fund
<b><u>Cash Flows from Operating Activities</u></b>					
Cash received from customers	\$ 12,409,034	\$ 13,087,965	\$ 3,774,184	\$ 29,271,183	\$ 945,770
Cash received from interfund services provided	203,441	56,318	44,334	304,093	23,626,861
Cash paid to employees for services	(3,172,768)	(3,248,266)	(1,073,055)	(7,494,089)	(7,797,213)
Cash paid to suppliers for goods and services	(4,019,177)	(1,811,811)	(648,183)	(6,479,172)	(13,253,799)
Cash paid for interfund services used	(2,627,610)	(2,730,806)	(745,748)	(6,104,165)	(1,944,756)
<b>Net Cash Provided By Operating Activities</b>	<b>2,792,919</b>	<b>5,353,399</b>	<b>1,351,531</b>	<b>9,497,849</b>	<b>1,576,864</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>					
Advances from other funds for noncapital financing activities	-	-	35,000	35,000	-
Advances to other funds	-	(224,000)	-	(224,000)	-
Interfund loan repayments	-	303,127	-	303,127	-
Transfers from other funds	558,301	881,600	205,000	1,644,901	1,414,504
Transfers to other funds	-	(86,650)	(338,000)	(424,650)	(843,863)
<b>Net Cash Provided (Used) By Noncapital Financing Activities</b>	<b>558,301</b>	<b>874,077</b>	<b>(98,000)</b>	<b>1,334,379</b>	<b>570,641</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>					
Advances from other funds for capital activities	-	-	550,000	550,000	-
Short-term loan repayment	-	-	(500,000)	(500,000)	(560,000)
Issuance of debt	-	-	1,100,313	1,100,313	3,600,000
Payment of bond issue costs	-	-	(12,444)	(12,444)	(9,845)
Principal payments on capital debt	(175,000)	(1,172,150)	(1,296,522)	(2,643,672)	(5,085,000)
Interest payments on capital debt	(144,245)	(851,674)	(123,443)	(1,119,362)	(562,897)
Capital grants and contributions	19,786	-	905,822	925,608	828,590
Proceeds from sale of assets	-	34,358	-	34,358	-
Permanent maintenance fees	-	-	8,262	8,262	-
Parking improvement fees	-	-	14,000	14,000	-
Acquisition and construction of capital assets	(3,276,510)	(3,647,618)	(1,476,439)	(8,400,567)	(773,061)
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<b>(3,575,969)</b>	<b>(5,637,083)</b>	<b>(830,451)</b>	<b>(10,043,504)</b>	<b>(2,562,213)</b>
<b><u>Cash Flows from Investing Activities</u></b>					
Investment income	130,057	131,375	42,234	303,667	98,924
<b>Net Cash Provided By Investing Activities</b>	<b>130,057</b>	<b>131,375</b>	<b>42,234</b>	<b>303,667</b>	<b>98,924</b>
<b>Net change in pooled cash and investments</b>	<b>(94,692)</b>	<b>721,768</b>	<b>465,314</b>	<b>1,092,390</b>	<b>(315,786)</b>
Pooled Cash and Investments, July 1, 2009	10,897,634	11,595,391	4,315,228	26,808,253	9,141,584
<b>Pooled Cash and Investments, June 30, 2010</b>	<b>\$ 10,802,942</b>	<b>\$ 12,317,159</b>	<b>\$ 4,780,542</b>	<b>\$ 27,900,643</b>	<b>\$ 8,825,798</b>
<b><u>Reconciliation to Statement of Net Assets</u></b>					
Pooled cash and investments	\$ 10,199,909	\$ 11,984,094	\$ 4,736,311	\$ 26,920,313	\$ 8,825,798
Restricted cash and investments	603,034	333,065	44,231	980,330	-
<b>Pooled Cash and Investments, June 30, 2010</b>	<b>\$ 10,802,942</b>	<b>\$ 12,317,159</b>	<b>\$ 4,780,542</b>	<b>\$ 27,900,643</b>	<b>\$ 8,825,798</b>

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

City of Bend, Oregon  
**Statement of Cash Flows (Continued)**  
 Proprietary Funds  
 For the fiscal year ended June 30, 2010

	Business-Type Activities				Governmental
	Enterprise Funds			Total	Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds		Internal Service Fund
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>					
Operating income (loss)	\$ 526,831	\$ 2,334,375	\$ 50,708	\$ 2,911,914	\$ (370,378)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	2,181,400	2,954,182	1,256,200	6,391,782	1,022,055
Change in:					
Accounts receivable	(86,940)	(47,083)	(9,631)	(143,654)	4,905
Loans and notes receivable	2,696	(65,301)	-	(62,605)	-
Due from other funds	-	-	-	-	38,683
Inventories	30,781	-	-	30,781	(3,222)
Prepays and deposits	9,243	5,442	-	14,685	15,224
Accounts payable	(130,840)	(54,559)	(24,316)	(209,715)	185,634
Salaries and benefits payable	17,758	13,666	7,480	38,905	2,782
Other post-employment benefits	208,809	204,448	70,352	483,608	466,599
Compensated absences payable	23,926	3,547	5,803	33,276	83,602
Insurance claims payable	-	-	-	-	92,899
Other accrued liabilities	1,706	4,682	(2,694)	3,694	-
Prepays and deposits payable	7,548	-	(2,370)	5,177	38,080
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 2,792,919</b>	<b>\$ 5,353,399</b>	<b>\$ 1,351,531</b>	<b>\$ 9,497,849</b>	<b>\$ 1,576,864</b>

Noncash Capital and Related Financing Activities

The City received donated Water, Water Reclamation, and Nonmajor Enterprise Funds infrastructure totaling \$1,419,076, \$291,427, \$227,943, respectively, in the current year.

Acquisition of capital assets financed through accounts payable for the current year totaled \$1,776,520 in the Water Fund, \$724,449 in the Water Reclamation Fund, \$687,890 in the Nonmajor Enterprise Funds, and \$24,474 in the Internal Service Fund.

The net book value of capital assets contributed from other funds in the current year totaled \$28,240 in the Water Fund, \$10,843 in the Water Reclamation Fund, \$111,249 in the Nonmajor Enterprise Funds, and \$105,113 in the Internal Service Fund

The net book value of capital assets contributed to other funds in the current year totaled \$31,817 in the Water Fund, \$58,256 in the Sewer Fund, and \$161,981 in the Internal Service Fund.

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

City of Bend, Oregon  
**Statement of Fiduciary Assets and Liabilities**  
 Fiduciary Fund  
 June 30, 2010

**Agency Fund**

**Assets**

Cash and investments	\$	48,223
Accounts receivable, net		5
<b>Total Assets</b>		<b>48,227</b>

**Liabilities**

Amounts held for others		48,227
<b>Total Liabilities</b>		<b>48,227</b>

<b>Net Assets</b>	<b>\$</b>	<b>-</b>
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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, 2010

### **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 statements have incorporated all applicable GASB pronouncements as well as, for the proprietary funds, the Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. No FASB guidance issued after November 30, 1989 has been applied unless specifically adopted by Governmental Accounting Standards Board pronouncements.

#### The Financial Reporting Entity

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

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

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

The Agency receives funds through tax increment financing pursuant to Oregon Revised Statutes (ORS) 457.420 through 457.450. Separate financial statements for the Agency can be obtained from the finance department of the City of Bend, 709 NW Wall Street, Bend, OR 97701.

#### Organization

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

# CITY OF BEND, OREGON

## Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

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

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

##### Government-wide Financial Statements

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

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

The government-wide financial statements are accounted for using an economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. The City also receives revenue from nonexchange transactions, in which the City receives value without giving equal value in exchange; including property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized when all eligibility requirements have been satisfied. The effect of interfund activity such as transfers, advances and loans is, for the most part, eliminated.

##### 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), and the acquisition or construction of capital assets (capital projects 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 sixty days after year-end.



CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**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 and general services not accounted for within another fund. The principal sources of revenue include property taxes, franchise fees, intergovernmental revenue, transient room taxes and fines. Primary expenditures are for police, municipal court operations and transfers to other funds needing General Fund support.

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

Proprietary Funds

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

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

The following are the City's major enterprise funds:

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

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

## CITY OF BEND, OREGON

### Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

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

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, Risk Management, Administration and Financial Services, City Attorney's Office, Economic Development Administration, and Community Development Administration. The Engineering, Public Works Laboratory and Administration and Financial Services divisions charge external customers fees for services. The Economic Development Administration and Community Development Administration divisions have been closed out to governmental funds. The aggregate of all these divisions is reflected as the Internal Service Fund in the fund financial statements.

#### Fiduciary Fund

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

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

#### Use of Estimates

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

#### Pooled Cash and Investments

The City maintains a common cash and investment pool for all City funds. Investments in the State Treasurer'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. The LGIP is governed by the Oregon Short Term Fund Board and audited by the Secretary of State, Audits Division.

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

#### Restricted Cash and Investments

Restricted cash and investments are those whose use is restricted to specific purposes by state statute, bond indenture or otherwise. At June 30, 2010, the City had \$4,116,418 of cash and investments restricted for debt service, construction, the building program, and deposits.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

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

Receivables

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

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

Prepaid Pension Obligation

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

Inventory

Inventories of materials and supplies are valued at the lower of cost or market. Inventory is capitalized and charged to operations when consumed.

Assets Held for Resale

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

Capital Assets

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

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

Buildings and improvements	20 to 75 years
Infrastructure	60 to 75 years
Vehicles and equipment	3 to 12 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.

The City implemented GASB 51 for the fiscal year ended June 30, 2010. No retroactive reporting was required because the City's intangible assets have an indefinite life or were internally generated.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

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

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. There was no capitalized interest for the fiscal year ended June 30, 2010.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability reported for unpaid accumulated sick leave since the City by policy does not pay out sick leave banks when employees separate from service with the City. All vacation pay 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.

Other Post Employment Benefits Obligation

In accordance with Governmental Accounting Standards Board (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 based upon actuarial accounting principles.

Long-term Debt and Bond Issuance Costs

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

Fund Balances

In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted to outside parties for use for specific purposes. When both restricted and unrestricted resources are available for appropriation, the City's policy is to use restricted resources first.

Unreserved fund balance may be designated by management for specific purposes. At June 30, 2010, unreserved fund balances were designated as follows:

- \$ 500,959 – designated for public safety
- 1,813,408 – designated for fire protection and emergency medical service operations
- 1,677,297 – designated for public ways and facilities
- 500,900 – designated for community development
- 1,507,779 – designated for economic development
- 22,976 – designated for urban renewal
- 301,638 – designated for transit
- 884,289 – designated for general fund stabilization

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**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 better, A-1 rated commercial paper and banker's acceptances, Aa rated corporate bonds, time deposits, repurchase agreements and the State of Oregon Local Government Investment Pool. At June 30, 2010, the City's cash and investments are comprised of the following:

Cash on hand	\$	5,550
Deposits with financial institutions		5,854,895
Investments:		
State of Oregon Local Government Investment Pool		38,231,188
Corporate notes		5,093,132
U.S. agency obligations		18,390,257
Total pooled cash and investments	<u>\$</u>	<u>67,575,023</u>

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

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	Agency <u>Fund</u>	<u>Total</u>
Pooled cash and investments	\$ 36,490,069	\$ 26,920,313	\$ 48,223	\$ 63,458,605
Restricted cash and investments	3,136,088	980,330	-	4,116,418
	<u>\$ 39,626,157</u>	<u>\$ 27,900,643</u>	<u>\$ 48,223</u>	<u>\$ 67,575,023</u>

Deposits with Financial Institutions

The City's cash deposits with financial institutions are in a NOW account that is fully insured by the Federal Depository Insurance Corporation (FDIC) and a Public Funds Savings Account that is insured up to \$250,000 by the FDIC. The total cash in bank is \$6,116,417, of these deposits, \$1,501,413 was not insured by the FDIC as of June 30, 2010. 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 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected.

Interest Rate Risk

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

<u>Maturity</u>	<u>Minimum Investment</u>	<u>Actual at June 30, 2010</u>
Less than 30 days	10%	64%
Less than 12 months	50%	77%
Less than 18 months	65%	84%
Less than 7 years	100%	100%

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

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

Credit Risk

The City's investment policy limits investments in commercial paper and corporate bonds to those rated at least A-1 and AA respectively by a nationally recognized rating agency. 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, 2010, the City was in compliance with the above policy requirements with commercial paper and corporate bonds totaling just over 8% of the portfolio. Investments in obligations of the States of Oregon, California, Idaho and Washington must be rated AA 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 City had no investments in such obligations at June 30, 2010.

The State of Oregon Local Government Pool and money market account are unrated. Investments held at June 30, 2010 are categorized by rating as follows:

<u>Investor Service Rating</u>	U.S. Agency <u>Obligations</u>	Corporate <u>Notes</u>
Aaa	\$ 18,390,257	\$ 2,215,313
Aa2	-	1,223,911
Aa3	-	1,653,908
	<u>\$ 18,390,257</u>	<u>\$ 5,093,132</u>

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, 2010, the City does not have investments exposed to custodial credit risk.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

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

Assessments receivable consist of amounts levied against benefited property owners for the cost of public improvements and attach as an enforceable lien on the property until paid. All the City's assessment loans are made over a period of 10 years and bear interest ranging from 5.00% to 7.50%. Promissory notes consist of System Development Charge (SDC) deferrals and loans over a period of 9 months to 10 years and bear interest ranging from 5% to 12% and Community Development and Affordable Housing loans with variable terms.

Assessments, loans and notes receivable consisted of the following at June 30, 2010:

	Governmental Activities	Business-type Activities
Assessments receivable for downtown economic improvements	\$ 33,798	\$ -
Assessments receivable for local improvements, 10 year terms with 5% to 7.25% interest	-	444,637
Allowance for uncollectible assessments	-	(89,110)
Total Assessments Receivable	33,798	355,527
Promissory notes receivable for system development charges and improvement fees, 1 to 10 year terms with 6% to 7.5% interest	218,511	44,177
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	90,360	-
Community development block grant loans to qualified individuals or organizations, various terms with zero to 2% interest	1,445,272	-
Affordable Housing Loans to qualified organizations	951,877	-
Low interest deferred loans to downtown businesses for urban renewal	34,461	-
Allowance for uncollectible loans and notes receivable	-	(7,790)
Total Loans and Notes Receivable	2,740,481	36,387
Total	\$ 2,774,278	\$ 391,914

**Note 4 - Assets Held for Resale**

The City has made improvements to land held for resale in the Juniper Ridge Urban Renewal Area. During fiscal year 2009-10 the city disposed of \$2.3 million in improvements through sales of a portion of this land.

Governmental activities	Restated Balance			Balance
	June 30, 2009	Increases	Decreases	June 30, 2010
Assets held for resale	\$ 4,919,004	\$ 1,834,079	\$ (2,318,839)	\$ 4,434,244

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**Note 5 - Capital Assets**

Governmental capital asset activity for the year ended June 30, 2010 was as follows:

<u>Governmental activities</u>	Restated Balance			Transfers/ Adjustments	Balance
	June 30, 2009	Increases	Decreases		June 30, 2010
Capital assets not depreciated:					
Land including right-of-way	\$ 151,766,303	\$ 218,352	\$ (305,727)	\$ -	\$ 151,678,928
Artwork	719,215	-	-	-	719,215
Construction in progress	16,981,009	3,916,638	(9,979,243)	(572)	10,917,832
Total capital assets not being depreciated	169,466,527	4,134,990	(10,284,970)	(572)	163,315,975
Capital assets being depreciated:					
Buildings and improvements	34,719,386	6,133,909	-	-	40,853,295
Infrastructure	467,779,492	3,901,776	-	-	471,681,268
Vehicles and equipment	20,294,254	878,837	(703,255)	(2,047,012)	18,422,824
Software	-	138,232	-	1,804,788	1,943,020
Total capital assets being depreciated	522,793,132	11,052,754	(703,255)	(242,224)	532,900,407
Less accumulated depreciation for:					
Buildings and improvements	4,431,867	724,867	-	1,158	5,157,892
Infrastructure	134,617,475	10,527,815	-	87	145,145,378
Vehicles and equipment	11,574,773	1,663,202	(607,495)	(1,593,809)	11,036,671
Software	-	10,256	-	1,408,936	1,419,192
Total accumulated depreciation	150,624,115	12,926,141	(607,495)	(183,628)	162,759,133
Total capital assets being depreciated, net	372,169,017	(1,873,387)	(95,760)	(58,596)	370,141,274
Governmental activities capital assets, net	\$ 541,635,544	\$ 2,261,604	\$ (10,380,730)	\$ (59,168)	\$ 533,457,249

Depreciation expense was charged to governmental activities as follows:

<u>Governmental activities</u>	
General government	\$ 1,020,896
Public safety	768,344
Public ways and facilities	10,794,172
Community and economic development	60,972
Urban Renewal	89,934
Transit	191,823
Governmental activities depreciation expense	<u>\$ 12,926,141</u>



CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

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

Business-type capital asset activity for the year ended June 30, 2010 was as follows:

<u>Business-type activities</u>	Balance June 30, 2009	Increases	Decreases	Transfers/ Adjustments	Balance June 30, 2010
Capital assets not depreciated:					
Land including right-of-way	\$ 6,718,582	\$ -	\$ -	\$ -	\$ 6,718,582
Land use rights	-	957,076	-	-	957,076
Construction in progress	29,285,619	10,296,475	(14,440,207)	-	25,141,887
Total capital assets not being depreciated	36,004,201	11,253,551	(14,440,207)	-	32,817,545
Capital assets being depreciated:					
Buildings and improvements	23,784,742	208,724	-	-	23,993,466
Vehicles and equipment	10,876,837	243,692	(31,094)	(448,017)	10,641,417
Software	-	25,738	-	690,240	715,979
Water infrastructure	94,909,425	3,383,333	(367,970)	(7,923)	97,916,865
Water reclamation infrastructure	133,709,607	1,356,224	(36,485)	2,908	135,032,255
Stormwater infrastructure	35,335,475	41,277	-	-	35,376,752
Other infrastructure	2,800,347	10,432,019	-	-	13,232,366
Total capital assets being depreciated	301,416,433	15,691,008	(435,549)	237,208	316,909,100
Less accumulated depreciation for:					
Buildings and improvements	6,405,199	756,835	-	-	7,162,034
Vehicles and equipment	8,109,280	939,209	(31,094)	(82,226)	8,935,169
Software	-	4,290	-	267,100	271,389
Water infrastructure	17,637,528	1,886,819	-	-	19,524,347
Water reclamation infrastructure	28,949,836	1,973,185	(10,815)	-	30,912,206
Stormwater infrastructure	9,998,534	669,696	-	-	10,668,230
Other infrastructure	448,150	161,748	-	-	609,898
Total accumulated depreciation	71,548,527	6,391,782	(41,909)	184,873	78,083,273
Total capital assets being depreciated, net	229,867,906	9,299,226	(393,639)	52,335	238,825,828
Business-type activities capital assets, net	\$ 265,872,107	\$ 20,552,777	\$ (14,833,847)	\$ 52,335	\$ 271,643,372

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

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

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

<u>Business-type activities</u>	
Airport	\$ 209,855
Water	2,181,400
Water reclamation	2,954,182
Parking	311,023
Stormwater	719,139
Other business activities	16,183
Business-type activities depreciation expense	<u>\$ 6,391,782</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, 2010 totaled \$218,702. Minimum future lease payments not including annual consumer price index adjustments are \$217,609 each fiscal year from 2011 through 2050.

The City leases office space under an operating lease agreement expiring in April 2012. Lease payments are due monthly on the first day of the month. Rental expense for the fiscal year ended June 30, 2010 totaled \$252,076. Minimum future lease payments not including annual consumer price index adjustments are \$257,361 each fiscal year from 2011 through 2012.

**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 2030. 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, 2010 is \$663,074.

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

The City provided interim financing for the following funds:

<b>Amount</b>	<b>Description</b>
\$224,000	Due to the Water Reclamation Fund from the Nonmajor Governmental Funds
550,000	Due to the General Fund from the Nonmajor Enterprise Funds
55,000	Due to the General Fund from the Nonmajor Governmental Funds
3,107	Due to one Nonmajor Governmental Funds to another Nonmajor Governmental Fund

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

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**Note 9 - Advances**

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

**Note 10 - Interfund Transfers**

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. During fiscal year 2009-10, the City made the following interfund transfers between its governmental activities and business-type activities:

<u>Amount</u>	<u>Description</u>
\$ 558,301	From the Nonmajor Governmental Funds to the Water Fund for SDC projects
881,600	From the Nonmajor Governmental Funds to the Water Reclamation Fund for SDC projects
40,000	From the Nonmajor Governmental Funds to the Downtown Parking Fund for operations
165,000	From the General Fund to the Nonmajor Enterprise Funds for general operations
86,650	From the Water Reclamation Fund to the Nonmajor Governmental Funds for abandoned Local Improvement Districts
338,000	From the Nonmajor Enterprise Funds to the General Fund for the repayment of startup costs

**Note 11 - Compensated Absences**

Change in compensated absences during the fiscal year ended June 30, 2010 was as follows and are included in accrued liabilities on the Statement of Net Assets:

	<u>Balance at</u> <u>June 30, 2009</u>	<u>Earned</u>	<u>Used</u>	<u>Balance at</u> <u>June 30, 2010</u>	<u>Due within</u> <u>one year</u>
Governmental activities	\$ 2,331,457	\$ (2,123,558)	\$ 2,297,692	\$ 2,505,591	\$ 2,380,311
Business-type activities	407,157	(406,597)	362,022	362,582	344,453
	<u>\$ 2,738,614</u>	<u>\$ (2,530,155)</u>	<u>\$ 2,659,714</u>	<u>\$ 2,868,173</u>	<u>\$ 2,724,764</u>

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**Note 12 - Long-Term Debt**

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

<u>Governmental activities:</u>	Original Issue	Interest Rate	Maturity
Limited tax improvement bonds			
Series 2003	\$ 1,322,000	5.00%	12/01/12
Full faith & credit obligations			
Fire stations, 1999	4,275,000	3.80% to 4.85%	06/01/24
Transportation system, 2000	6,000,000	4.35% to 5.30%	09/01/20
Police facility & street equipment, 2002	7,130,000	4.00% to 5.00%	12/01/26
Transportation, street & fire, 2003	13,050,800	2.00% to 4.50%	12/01/22
Pension obligation bonds, 2004	13,725,000	2.13% to 6.095%	06/01/28
City hall land, 2005	4,780,000	3.59%	06/01/10
Police expansion and ambulance 2006	4,950,000	3.75% to 6.00%	12/01/31
Cooley road, police expansion, and fire, 2008	4,425,000	3.00% to 4.25%	12/01/27
Fire stations, 2010 refinance 1999	3,225,000	3.23%	06/01/24
Transportation system, 2010 refinance of 2003	4,103,000	2.84%	06/01/21
Accessibility 2010	3,265,000	2.62%	06/30/24
City hall land, 2010 refinance of 2005	3,600,000	3.65%	06/01/15
Tax increment bonds			
Series 1998	7,485,000	3.75% to 4.85%	06/01/18
Series 2004A	3,600,000	5.00%	11/30/13
Series 2004B	6,900,000	4.25%	12/01/13
Line of credit	5,200,000	variable	06/19/13

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**Note 12 - Long-Term Debt (Continued)**

<u>Governmental activities:</u>	Balance at June 30, 2009	Additions	Reductions/ Adjustments	Balance at June 30, 2010	Due within one year
Limited tax improvement bonds					
Series 2003	\$ 164,000	\$ -	\$ (164,000)	\$ -	\$ -
Full faith & credit obligations					
Fire stations, 1999	3,225,000	-	(3,225,000)	-	-
Transportation system, 2000	4,275,000	-	(4,275,000)	-	-
Police facility & street equip., 2002	5,560,000	-	(200,000)	5,360,000	210,000
Transportation, street & fire, 2003	9,156,500	-	(559,300)	8,597,200	583,400
Pension obligation bonds, 2004	13,675,000	-	(85,000)	13,590,000	130,000
City hall land, 2005	4,780,000	-	(4,780,000)	-	-
Police expansion and ambulance 2006	4,725,000	-	(235,000)	4,490,000	240,000
Cooley road, police expansion, and fire, 2008	4,385,000	-	(45,000)	4,340,000	205,000
Fire stations, 2010 refinance 1999	-	3,225,000	(170,000)	3,055,000	175,000
Transportation system, 2010 refinance of 2003	-	4,103,000	(65,000)	4,038,000	325,000
Accessibility 2010	-	3,265,000	(80,000)	3,185,000	190,000
City hall land, 2010 refinance of 2005	-	3,600,000	-	3,600,000	100,000
Tax increment bonds					
Series 1998	4,155,000	-	(4,155,000)	-	-
Series 2004A	185,000	-	(185,000)	-	-
Series 2004B	6,900,000	-	(940,000)	5,960,000	1,250,000
Line of credit	5,200,000	8,850	-	5,208,850	-
Long-term debt obligations	66,385,500	14,201,850	(19,163,300)	61,424,050	3,408,400
Premiums and discounts	53,344	242,088	2,599	298,031	23,079
Total governmental activities	<u>\$ 66,438,844</u>	<u>\$ 14,443,938</u>	<u>\$ (19,160,701)</u>	<u>\$ 61,722,081</u>	<u>\$ 3,431,479</u>

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**Note 12 - Long-Term Debt (Continued)**

<u>Business-type activities:</u>	Original	Interest	Maturity
	Issue	Rate	
Full faith & credit obligations			
Airport, series 1999A	\$ 840,000	5.25% to 5.30%	06/01/19
Airport, series 1999B	260,000	5.38%	06/01/13
Airport, series 2003	279,200	2.00% to 3.70%	12/01/13
Stormwater, series 2008	275,000	3.00%	12/01/12
Airport, series 2010	1,057,000	2.60%	06/01/19
Revenue bonds			
Water, series 2000	4,000,000	4.40% to 5.38%	10/01/20
Sewer, series 2000	7,000,000	4.40% to 5.38%	10/01/10
Sewer, series 2002	5,500,000	1.77% to 5.04%	11/01/22
Sewer, series 2005	7,585,000	3.00% to 4.00%	11/01/20
Sewer, series 2008	10,000,000	3.50% to 4.50%	10/31/28
Notes payable			
Pacific Aviation	655,000	5.01%	12/01/17
Woodriver Village	300,000	3.00% to 5.00%	01/01/22
Airport Eastside Improvement	867,335	4.00% to 4.375%	12/01/31
Safe Water Drinking Loan	166,852	3.83%	to be determined
ARRA Forgivable Loan	2,806,500	3.00%	to be determined

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**Note 12 - Long-Term Debt (Continued)**

<u>Business-type activities:</u>	Balance at June 30, 2009	Additions	Reductions/ Adjustments	Balance at June 30, 2010	Due within one year
Full faith & credit obligations					
Airport, series 1999A	\$ 840,000	\$ -	\$ (840,000)	\$ -	\$ -
Airport, series 1999B	230,000	-	(230,000)	-	-
Airport, series 2003	138,500	-	(25,700)	112,800	26,600
Stormwater, series 2008	225,000	-	(55,000)	170,000	55,000
Airport, series 2010	-	1,057,000	(80,000)	977,000	80,000
Revenue bonds					
Water, series 2000	2,840,000	-	(175,000)	2,665,000	185,000
Sewer, series 2000	635,000	-	(310,000)	325,000	325,000
Sewer, series 2002	4,265,000	-	(230,000)	4,035,000	235,000
Sewer, series 2005	6,950,000	-	(285,000)	6,665,000	295,000
Sewer, series 2008	10,000,000	-	(335,000)	9,665,000	345,000
Notes payable					
Pacific Aviation	471,587	-	(42,016)	429,571	42,330
Woodriver Village	216,893	-	(12,150)	204,743	12,238
Airport Eastside Improvement	826,036	-	(23,806)	802,230	23,958
Safe Water Drinking Loan	-	166,852	-	166,852	N/A
ARRA Forgivable Loan	-	2,806,500	-	2,806,500	N/A
Long-term debt obligations	27,638,016	4,030,352	(2,643,672)	29,024,696	1,625,126
Premiums and discounts	28,467	43,313	(5,677)	66,103	5,677
Total business-type activities	<u>\$ 27,666,483</u>	<u>\$ 4,073,665</u>	<u>\$ (2,649,349)</u>	<u>\$ 29,090,799</u>	<u>\$ 1,630,803</u>

<u>Total long-term debt obligations:</u>	Governmental Activities	Business-type Activities	Total	Due within one year
Full faith & credit	\$ 50,255,200	\$ 1,259,800	\$ 51,515,000	\$ 3,440,000
Tax increment bonds	5,960,000	-	5,960,000	130,000
Revenue bonds	-	23,355,000	23,355,000	1,385,000
Notes payable	-	4,409,896	4,409,896	78,526
Line of credit	5,208,850	-	5,208,850	-
Long-term debt obligations	61,424,050	29,024,696	90,448,746	5,033,526
Premiums and discounts	298,031	66,103	364,134	28,756
Total long-term debt obligations	<u>\$ 61,722,081</u>	<u>\$ 29,090,799</u>	<u>\$ 90,812,880</u>	<u>\$ 5,062,282</u>

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**Note 12 - Long-Term Debt (Continued)**

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
2011	\$ 3,408,400	\$ 2,537,471	\$ 1,625,126	\$ 1,032,754	\$ 5,033,526	\$ 3,570,225
2012	3,852,400	2,423,635	1,671,708	970,884	5,524,108	3,394,519
2013	9,565,250	2,280,242	1,743,317	909,899	11,308,567	3,190,141
2014	4,745,000	1,996,024	1,756,329	845,420	6,501,329	2,841,444
2015	4,425,000	1,852,236	1,822,090	777,785	6,247,090	2,630,021
2016-2020	13,908,000	7,295,946	9,375,848	2,709,846	23,283,848	10,005,792
2021-2025	14,370,000	3,855,178	5,029,148	1,049,276	19,399,148	4,904,454
2026-2030	6,750,000	738,452	2,919,468	285,952	9,669,468	1,024,404
2031-2032	400,000	16,708	108,310	7,116	508,310	23,825
	<u>\$ 61,424,050</u>	<u>\$ 22,995,892</u>	<u>\$ 26,051,344</u>	<u>\$ 8,588,932</u>	<u>\$ 87,475,394</u>	<u>\$ 31,584,825</u>

Debt service requirements for the Safe Water Drinking Loan (\$166,852) and the ARRA Forgivable Loan (\$2,806,500) are not included in the schedule above. The debt service schedules for those obligations will be determined when the project is complete.

The balance of unamortized premiums and discounts on long-term debt issuances is \$364,134, 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.

Full Faith & Credit Obligations

In prior years, the City issued full faith & credit obligations to provide financing for the construction of police and fire facilities, airport, stormwater, and street infrastructure and equipment, and to partially fund unfunded pension costs attributable to the unfunded actuarial liability in the Public Employees' Retirement System plan in which the City participates. These bonds are backed by the full faith and credit of the City with stated interest rates on specific maturities ranging from 2.0% to 6.095% and maturities through fiscal year 2032.

Advance and Current Refunding. On February 18, 2010, the City issued \$4,103,000 in bonds, with an interest rate of 2.84%, to refinance the 2000 series Transportation Improvement Full Faith & Credit Obligations with an interest rate of 5.05%. The proceeds of the advance refunding were placed in an irrevocable trust for the purpose of advance refunding all future debt service payments of \$4,010,000. As a result, these refunded bonds are considered to be defeased and the City has removed the liability from its accounts. The reacquisition price exceeded the net carrying amount of the old debt by \$205,198. This amount is being netted against the new debt and amortized over the remaining life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$284,692 and resulted in an economic gain of \$413,597.

In addition, the City issued \$4,282,000 in bonds with interest rates ranging between 2.6% and 3.23% for a current refunding of the 1999 series Airport Full Faith & Credit Obligations, and the 1999 series Fire Admin Building Full Faith & Credit Obligations with stated interest rates on specific maturities ranging from 4.58% to 5.38%. This amount is being netted against the new debt and amortized over the life of the new debt issued. The refunding was undertaken to reduce the total future debt service payments by \$582,483. The transaction also resulted in an economic gain of \$489,054.

On May 28, 2010 the City received \$3,600,000 in notes payable with an interest rate of 3.65% and maturity in fiscal year 2015 for an extension of the remaining balance of the 2005 series City Hall Land Full Faith & Credit. The note payable was extended due to the recession and slow economic recovery.



## CITY OF BEND, OREGON

### Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

#### **Note 12 - Long-Term Debt (Continued)**

New Debt Issuances. On February 18, 2010 the City issued \$3,265,000 in Recovery Zone Economic Development Bonds with an interest rate of 2.62% and maturity in fiscal year 2024. The proceeds of the obligations were used to finance accessibility infrastructure improvements. These bonds will be repaid from the General Fund.

#### Tax Increment Bonds

The Bend Urban Renewal Agency issued tax increment bonds to finance a parking structure and street improvements in the Downtown Urban Renewal District. In fiscal year 2007-08, the City issued full faith & credit bonds related to Cooley Road improvements in the amount of \$3.7 million which will be serviced by tax increment revenues.

During fiscal year 2009-10 the city paid off the 1998 series and a portion of the 2004 series of tax increment bonds leaving \$5.9 million of the 2004 series outstanding.

#### 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, 2010. The outstanding bonds have stated interest rates on specific maturities ranging from 1.77% to 5.38% and maturities through fiscal year 2029.

Refunded Debt. In 2005, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. At June 30, 2010, \$4,345,000 of revenue bonds outstanding are considered defeased.

#### Notes Payable

The City has long-term notes payable to the State of Oregon Economic and Community Development Department to provide funding for airport and sewer infrastructure improvements. The notes have maturities through fiscal year 2032 and stated interest rates on specific maturities of 3.00% to 5.01%. Revenues from the airport and sewer operations are utilized to repay the respective notes. Airport Eastside Improvement notes payable of \$867,335 includes \$120,335 additional funding for airport infrastructure and conversion of \$747,000 of State of Oregon Economic and Community Development Department short-term notes payable.

New Debt Issuances. During fiscal year 2009-10, the City was awarded a State of Oregon Business Development Department (OBDD) Safe Drinking Water Revolving Loan Fund (SDWRLF) Note and an American Recovery and Reinvestment Act (ARRA) Forgivable Note for a total of \$5,613,000. The water projects funded by these notes include the Shiloh Well Rehabilitation, Pilot Butte Well No. 4 Control Building, Timber Ridge Water Line Replacement, and the Fixed Base Automation Meter Reading System and Meter Replacement.

The SDWRLF Note has an interest rate of 3.83% and repayment will be required annually following project completion. The ARRA Forgivable Note has an interest rate of 3.0%. If the City complies with the terms and completes the activities as set forth in the Loan agreement, the State shall forgive repayment of the ARRA Forgivable Loan of \$2,806,500. These loans are drawn on a reimbursement basis. As of June 30, 2010, the City has requested reimbursement for \$166,853 of the SDWRLF Note and \$2,806,500 of the ARRA Forgivable Note.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**Note 12 - Long-Term Debt (Continued)**

Long -Term Line of Credit

On June 19, 2010 the City extended the maturity date of the line of credit with Bank of America to June 19, 2013. As of June 30, 2010 the City had drawn \$5,208,850 on the line of credit which provides funding for Juniper Ridge development. The line of credit is available up to \$6,000,000 with interest paid quarterly on the outstanding balance at a variable interest rate. The interest rate is determined as the LIBOR Fixed Rate or 64% of the Prime Rate minus a spread of four-tenths percent at the discretion of the City. The interest rate as of June 30, 2010 was 1.68%.

**Note 13 - 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 liability limit of \$10,000,000 per occurrence or \$30,000,000 in the aggregate; automobile liability with coverage up to \$10,000,000 (combined single limit); commercial property blanket building and contents limit \$30,000,000; a public employee dishonesty bond for claims up to \$100,000 covering the Finance Director; a blanket fidelity bond at \$250,000; 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.

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

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

<u>Fiscal Year</u>	Claims Incurred			
	Balance at <u>June 30, 2009</u>	and Changes in <u>Estimate</u>	Claims <u>Paid</u>	Balance at <u>June 30, 2010</u>
2007-2008	\$ 85,286	\$ 97,671	\$ (135,689)	\$ 47,268
2008-2009	47,268	385,000	(282,268)	150,000
2009-2010	150,000	449,556	(356,657)	242,899

**Note 14 - Participation in Public Employees' Retirement System**

Plan Description

The City contributes to the Oregon Public Employees Retirement System (PERS) and to the Oregon Public Service Retirement Plan (OPSRP). PERS is an agent multi-employer defined benefit public employee retirement system. OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan) and the Individual Account Program (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan). A defined benefit plan is benefit-based and uses predictable criteria such as a pension determined by salary multiplied by length of service multiplied by a factor. A defined contribution plan has no guarantee. OPSRP is administered by PERS, which acts as a common investment and administrative agent for political subdivisions in the State of Oregon.

## CITY OF BEND, OREGON

### Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

#### **Note 14 - Participation in Public Employees' Retirement System (Continued)**

The 1995 Oregon Legislature established a different level of benefits for employees who began their six-month waiting period on or after January 1, 1996 called Tier Two. The 2003 Oregon Legislature established OPSRP for public employees hired on or after August 29, 2003, unless membership was previously established in PERS. Benefits generally vest after five years of continuous service. Retirement benefits based on salary and length of service are calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statute.

The State of Oregon PERS 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, P.O. Box 23700, Tigard, Oregon 97281-3700 or by calling 1-888-320-7377.

#### Funding Policy

The rate of employers' contributions to PERS is determined periodically by PERS based on actuarial valuations performed at least every two years. The City is required by ORS 238.225 to contribute at an actuarially determined rate. For fiscal year 2009-10, the City was required to contribute 8.23% of covered Tier One and Tier Two employees' salaries. For OPSRP employees, the City contributed 7.01% of eligible police and fire salaries and 4.30% of eligible general service salaries to the plan. These contribution rates were determined based on actuarial valuations as of 12/31/07 and are effective for the period beginning July 1, 2009 through June 30, 2011. These rates include the effect of side account rate offsets, but exclude contributions to the Individual Account Program (IAP) and debt service for pension obligation bonds.

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

#### Annual Pension Cost

For fiscal year 2009-10, the City's annual pension cost for PERS was equal to the City's required and actual contributions and consisted of \$2,288,072 for the City's required share. The City also paid the employees' contribution of \$1,802,914.

#### 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 8.0% in 2008 to 5% in 2013.
- An investment rate of return of 8.0% compounded annually.
- Interest crediting of 8% annually on regular account balances and 8.5% on variable account balances.
- Projected general wage inflation of 3.75% per year.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**Note 14 - Participation in Public Employees' Retirement System (Continued)**

The actuarial valuation method used is the Projected Unit Credit (PUC) method. The Employer's unfunded actuarial liability is being amortized as an increasing dollar amount over 24 years. The following table presents the three-year trend information.

Three Year Trend Information

<u>Fiscal Year</u>		<u>Annual Pension Cost (APC)</u>	<u>Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2007-08	\$	2,831,921	\$ 2,831,921	100%	-
2008-09		2,915,687	2,915,687	100%	-
2009-10		2,288,072	2,288,072	100%	-

The City issued \$13,725,000 of pension obligation bonds during fiscal year 2003-04 and made a \$13,122,795 lump sum contribution towards its unfunded actuarial liability which was determined to be at a fair value of \$11,523,804 on December 31, 2009. The lump sum contribution is being amortized through June 1, 2028 to provide employer contribution rate relief and the current year amortization expense totaled \$545,103. With the lump sum contribution, the City's employer rate was reduced by 3.72% effective July 1, 2009.

**Note 15 - 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 PERS 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 is required 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.

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 PERS group insurance since date of retirement until the qualifying age of 62 (age 60 for emergency personnel). The City will pay the PERS sponsored supplement to Medicare insurance beginning at age 65 if the retiree has continuously maintained coverage.

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.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**Note 15 - Other Post Employment Benefits (OPEB) (Continued)**

Annual OPEB Cost and Net OPEB Obligation

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

	<u>For the Year Ended June 30, 2010</u>
<u>Determination of Annual Required Contribution</u>	
Normal cost at year end	\$ 1,789,619
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	1,586,658
Annual required contribution (ARC)	<u>\$ 3,376,277</u>
 <u>Determination of Net OPEB Obligation</u>	
Annual required contribution	\$ 3,376,277
Interest on prior year net OPEB obligation	116,700
Adjustment to annual required contribution	<u>(183,054)</u>
Annual OPEB expense	3,309,923
Benefit payments	<u>672,994</u>
Increase in net OPEB obligation	2,636,929
Net OPEB obligation - beginning of year	<u>2,593,326</u>
Net OPEB obligation - end of year	<u>\$ 5,230,255</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009-10 were as follows. The information is not available for 2008:

Year ending <u>June 30</u>	Annual <u>OPEB Cost</u>	OPEB <u>Contribution</u>	Percentage of <u>Cost Contributed</u>
2009	\$ 3,130,178	\$ 536,852	17%
2010	3,376,277	672,994	20%

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2009 was as follows:

Actuarial accrued liability (AAL)	\$ 22,829,327
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL )	<u>\$ 22,829,327</u>

## CITY OF BEND, OREGON

### Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

#### **Note 15 - Other Post Employment Benefits (OPEB) (Continued)**

##### 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.

In the July 1, 2007 actuarial valuation, the projected unit credit cost method (PUC) was used. The actuarial assumptions included a discount rate of 4.5% for unfunded liabilities based on the expected long-term annual investment returns for Oregon's LGIP pool and comparable investments. An annual healthcare cost trend rate of 8.0%, reduced incrementally to an ultimate rate of 5 percent, is assumed. The rates include projected annual payroll increases of 3.75%. Retirement and withdrawal rates were based on the Oregon PERS in its actuarial valuations of retirement benefits. Withdrawal rates have been removed for older active members to reflect the likelihood that the City's benefits have a significant impact on retention.

##### **PERS 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.

###### 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 PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS 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 PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.29% of annual covered payroll for Tier 1 & 2 and 0.19% 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, 2010 and June 30, 2009 were \$78,801 and \$109,120, respectively, which equaled the required contributions for each year.

## CITY OF BEND, OREGON

### Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

#### **Note 16 - 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 17 - Commitment and Contingencies**

At June 30, 2010 the City was committed on outstanding construction, engineering, consulting, service and equipment purchase contracts totaling \$1,315,186 in the governmental activities, and \$12,545,591 in the business-type activities.

The City has agreements to reimburse various developers for the construction of certain street, water and sewer infrastructure through system development charges or recovery fees collected from properties established as reimbursement or recovery areas. As of June 30, 2010, amounts collected and potentially due to developers totaled \$366,753 and are recorded as a liability in the System Development Charges Fund.

The City is a defendant in a lawsuit alleging breach of contract and tortious interference relating to the City's condemnation of the Juniper Utility Company. A \$6.9 million estimated liability related to this action was previously recorded in the Water and Water Reclamation funds. The City has filed an appeal on the judgment and the outcome of the appeal is unknown at this time. Various other 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 18 - Restatement**

The items below represent restatements to beginning net assets of the governmental activities and beginning fund balance in the General Fund and nonmajor governmental funds as of July 1, 2009.

In prior years, the City recorded improvements to land held for resale as capital assets in the governmental activities. Amounts capitalized in prior years as construction in progress in the governmental activities of \$4,919,004 have been reclassified to assets held for resale in the General Fund and in the governmental activities to properly present the intent of the City to sell the property. To properly record assets held for resale, the impact of the adjustment is to increase assets in the General Fund by \$4,919,004 and reclassify capital assets to assets held for resale in the governmental activities within the Statement of Net Assets. Beginning fund balance in the General Fund is increased by \$4,919,004. Net assets in the governmental activities on the Statement of Net Assets indicates a reclassification from net assets invested in capital assets, net of related debt to unrestricted net assets.

An interfund loan to a nonmajor governmental fund that is also a component unit of the City was recorded in a prior fiscal year on the GAAP basis in the amount of \$1,005,766. This loan was determined in the current year to be without basis as the loan was not properly authorized by the component unit's board. The impact of this adjustment is to increase fund balance in the nonmajor governmental fund by \$1,005,766 and offset that increase by a decrease in due to other funds by a like amount.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2010

**Note 19 - Subsequent Events**

The City entered into an Intergovernmental Agreement (IGA) and Property Use Agreement with Central Oregon Intergovernmental Council (COIC) transferring the management and governance of the Bend Area Transit to COIC effective September 1, 2010. During the first year of the IGA, the City remains the recipient of transit grants and COIC is the subrecipient. The City also will contribute \$833,333 for the remainder of the 2010-11 fiscal year and \$1 million (with annual CPI increases) in subsequent years. If both parties agree the transition is successful, the City will transfer the grants, facilities and other assets to COIC after conclusion of the transition period.

On November 30, 2010, the City issued \$13,030,000 in full faith and credit Recovery Zone Economic Development Bonds (RZEDBs) and refunded \$2,480,000 of existing water revenue bonds. These bonds will be used to finance water and sewer system improvements. The RZEDBs were created by the American Recovery and Reinvestment Act of 2009 (ARRA). The bonds were designed for projects that would qualify for tax exempt municipal bonds, but are instead issued as taxable bonds with the Federal government providing direct subsidy of 45% of the interest expense



REQUIRED SUPPLEMENTARY INFORMATION



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

### General Fund

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

### Fire / Emergency Medical Services (EMS) 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.



City of Bend, Oregon

**General Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Property taxes:						
Current year's property tax levy	\$ 41,609,800	\$ 41,609,800	\$ 20,601,949	\$ -	\$ 20,601,949	\$ (21,007,851)
Delinquent property taxes	1,303,150	1,303,150	1,285,327	-	1,285,327	(17,823)
Transient room taxes	3,593,300	3,593,300	2,076,415	-	2,076,415	(1,516,885)
Franchise fees	11,178,600	12,251,916	6,211,755	-	6,211,755	(6,040,161)
Intergovernmental	4,220,400	4,220,400	1,964,449	-	1,964,449	(2,255,951)
Licenses and permits	610,100	610,100	305,474	-	305,474	(304,627)
Charges for services:						
Charges to others	400,000	400,000	92,089	-	92,089	(307,911)
Charges to other City funds	89,200	89,200	58,600	-	58,600	(30,600)
Fines and forfeitures	2,228,700	2,228,700	1,059,441	-	1,059,441	(1,169,259)
Investment income	201,200	201,200	103,505	-	103,505	(97,695)
Miscellaneous	6,000	6,000	11,745	-	11,745	5,745
<b>Total Revenues</b>	<b>65,440,450</b>	<b>66,513,766</b>	<b>33,770,750</b>	<b>-</b>	<b>33,770,750</b>	<b>(32,743,016)</b>
<b>Expenditures</b>						
Accessibility	581,189	581,189	255,765	-	255,765	325,424
Municipal court	1,132,729	1,132,729	522,706	-	522,706	610,023
Code enforcement	204,766	204,766	99,106	-	99,106	105,660
Police	35,452,580	35,467,180	16,156,196	-	16,156,196	19,310,984
Nondepartmental	166,600	266,600	94,207	-	94,207	172,393
Contingency	4,729,786	2,794,786	-	-	-	2,794,786
<b>Total Expenditures</b>	<b>42,267,650</b>	<b>40,447,250</b>	<b>17,127,980</b>	<b>-</b>	<b>17,127,980</b>	<b>23,319,270</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>23,172,800</b>	<b>26,066,516</b>	<b>16,642,770</b>	<b>-</b>	<b>16,642,770</b>	<b>(9,423,746)</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	7,319,200	7,319,200	4,365,845	-	4,365,845	(2,953,355)
Insurance proceeds	-	-	16,460	-	16,460	16,460
Advances to other governments	(100,000)	(100,000)	(50,000)	-	(50,000)	50,000
Repayments from other governments	90,000	90,000	32,000	-	32,000	(58,000)
Advances to other funds	-	(1,590,000)	(640,000)	-	(640,000)	950,000
Interfund loan repayments	45,000	45,000	36,000	-	36,000	(9,000)
Transfers in	338,000	338,000	461,000	-	461,000	123,000
Transfers out	(36,317,600)	(37,621,316)	(20,219,581)	-	(20,219,581)	17,401,735
<b>Total Other Financing Sources (Uses)</b>	<b>(28,625,400)</b>	<b>(31,519,116)</b>	<b>(15,998,276)</b>	<b>-</b>	<b>(15,998,276)</b>	<b>15,520,840</b>
Net change in fund balance	(5,452,600)	(5,452,600)	644,494	-	644,494	6,097,094
Beginning Fund Balance	5,452,600	5,452,600	6,733,680	-	6,733,680	1,281,080
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,378,174</b>	<b>\$ -</b>	<b>\$ 7,378,174</b>	<b>\$ 7,378,174</b>

City of Bend, Oregon

**General Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)  
For the fiscal year ended June 30, 2010

**Reconciliation of Budgetary basis to GAAP basis**

Other Financing Sources (Uses) - Budgetary Basis	\$ (15,998,276)
Proceeds from sale of assets reported as revenues on the budgetary basis are reduced by the disposal of assets held for resale on the GAAP basis	(2,318,839)
Advances to other governments reported as other financing uses on the budgetary basis are reported as receivables on the GAAP basis	50,000
Repayments from other governments reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis	(32,000)
Advances to other funds reported as other financing uses on the budgetary basis are reported as assets on the GAAP basis	640,000
Repayments from other funds reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis	(36,000)
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	<u>1,834,079</u>
<b>Other Financing Sources (Uses) - GAAP Basis</b>	<u><b>\$ (15,861,036)</b></u>

City of Bend, Oregon

**Fire / Emergency Medical Services Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Intergovernmental	\$ 4,613,100	\$ 4,648,100	\$ 2,392,904	\$ -	\$ 2,392,904	\$ (2,255,196)
Charges for services:						
Charges to others	4,155,600	4,155,600	2,169,176	-	2,169,176	(1,986,424)
Charges to other City funds	-	-	3,600	-	3,600	3,600
Investment income	24,900	24,900	3,289	-	3,289	(21,611)
Miscellaneous	13,000	18,000	14,426	-	14,426	(3,574)
<b>Total Revenues</b>	<b>8,806,600</b>	<b>8,846,600</b>	<b>4,583,395</b>	<b>-</b>	<b>4,583,395</b>	<b>(4,263,205)</b>
<b>Expenditures</b>						
Current:						
Personal services	22,536,878	22,636,878	10,997,954	-	10,997,954	11,638,924
Materials and services	2,539,690	2,575,590	1,189,894	-	1,189,894	1,385,696
Interfund charges	2,418,200	2,460,300	1,190,382	-	1,190,382	1,269,918
Debt service	950,800	1,445,800	891,383	-	891,383	554,417
Capital outlay	60,000	95,000	71,420	-	71,420	23,580
Contingency	385,432	219,432	-	-	-	219,432
Maintenance reserves	763,000	763,000	-	-	-	763,000
<b>Total Expenditures</b>	<b>29,654,000</b>	<b>30,196,000</b>	<b>14,341,033</b>	<b>-</b>	<b>14,341,033</b>	<b>15,854,967</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(20,847,400)</b>	<b>(21,349,400)</b>	<b>(9,757,638)</b>	<b>-</b>	<b>(9,757,638)</b>	<b>11,591,762</b>
<b>Other Financing Sources (Uses)</b>						
Insurance proceeds	-	-	18,063	-	18,063	18,063
Issuance of long-term debt	-	502,000	495,000	-	495,000	(7,000)
Premium on debt issuance	-	-	12,781	-	12,781	12,781
Transfers in	19,699,300	19,699,300	9,592,300	-	9,592,300	(10,107,000)
Transfers out	(12,000)	(12,000)	(6,000)	-	(6,000)	6,000
<b>Total Other Financing Sources (Uses)</b>	<b>19,687,300</b>	<b>20,189,300</b>	<b>10,112,144</b>	<b>-</b>	<b>10,112,144</b>	<b>(10,077,156)</b>
Net change in fund balance	(1,160,100)	(1,160,100)	354,506	-	354,506	1,514,606
Beginning Fund Balance	1,160,100	1,160,100	1,458,902	-	1,458,902	298,802
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,813,408</b>	<b>\$ -</b>	<b>\$ 1,813,408</b>	<b>\$ 1,813,408</b>

City of Bend, Oregon

## Oregon Public Employees Retirement System

Schedule of Funding Progress

For the fiscal year ended June 30, 2010

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as of Percentage of Covered Payroll</b>
12/31/2007	\$ 123,895,049	\$ 110,585,933	\$ (13,309,116)	112%	\$ 31,627,544	-42%
12/31/2008	93,975,721	113,200,430	19,224,709	83%	30,478,644	63%
12/31/2009	107,912,057	121,599,417	13,687,360	89%	30,492,744	45%



City of Bend, Oregon

## Other Postemployment Benefit Plans

Schedule of Funding Progress

For the fiscal year ended June 30, 2010

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as of Percentage of Covered Payroll</b>
7/1/2007 \$	- \$	18,757,092 \$	18,757,092	0%	\$ 31,627,544	59%
7/1/2009	-	22,829,327	22,829,327	0%	30,492,744	75%

CITY OF BEND, OREGON

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2010

Required Supplementary Information includes budgetary comparisons for the General Fund and the Fire/Emergency Medical Service (EMS) Fund. The budgetary comparison information for all other funds can be found in 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). 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, 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 2009-11 biennium. All appropriations terminate on June 30, 2011.

OTHER SUPPLEMENTARY INFORMATION



City of Bend, Oregon

**General Fund and Major Special Revenue Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the fiscal year ended June 30, 2010

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>General Fund</u></b>			
Accessibility	\$ 581,189	\$ 255,765	\$ 325,424
Municipal court	1,132,729	522,706	610,023
Code enforcement	204,766	99,106	105,660
Police	35,467,180	16,156,196	19,310,984
Nondepartmental	39,577,916	21,003,788	18,574,128
Contingency	2,794,786	-	2,794,786
	<b>\$ 79,177,377</b>	<b>\$ 37,781,796</b>	<b>\$ 41,395,581</b>
<b><u>Fire/ Emergency Medical Services Fund</u></b>			
Expenditures & other uses	\$ 29,225,568	\$ 14,347,033	\$ 14,878,535
Contingency	219,432	-	219,432
Other requirements	763,000	-	763,000
	<b>\$ 30,208,000</b>	<b>\$ 14,347,033</b>	<b>\$ 15,860,967</b>

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## **MAJOR ENTERPRISE FUNDS**

### Water Fund

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

### Water Reclamation Fund

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





City of Bend, Oregon

**Water Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		<u>FY2009-10 Actual</u>	<u>FY2010-11 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget Positive (Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ 2,198	\$ -	\$ 2,198	\$ 2,198
Charges for services:						
Charges to others	25,771,100	25,771,100	12,345,470	-	12,345,470	(13,425,630)
Charges to other City funds	492,500	492,500	203,441	-	203,441	(289,059)
Investment income	105,100	105,100	130,057	-	130,057	24,957
Miscellaneous	141,800	141,800	140,260	-	140,260	(1,540)
<b>Total Revenues</b>	<b>26,510,500</b>	<b>26,510,500</b>	<b>12,821,426</b>	<b>-</b>	<b>12,821,426</b>	<b>(13,689,074)</b>
<b>Expenditures</b>						
Current:						
Personal services	7,274,596	7,274,596	3,214,452	-	3,214,452	4,060,144
Materials and services	9,423,484	9,423,484	3,898,251	-	3,898,251	5,525,233
Interfund charges	5,772,600	5,772,600	2,640,480	-	2,640,480	3,132,120
Debt service	1,960,000	2,272,000	317,167	-	317,167	1,954,833
Capital outlay	13,398,000	16,511,000	4,618,234	-	4,618,234	11,892,766
Contingency	2,906,270	4,714,270	-	-	-	4,714,270
Debt service reserved	323,000	703,000	-	-	-	703,000
<b>Total Expenditures</b>	<b>41,057,950</b>	<b>46,670,950</b>	<b>14,688,584</b>	<b>-</b>	<b>14,688,584</b>	<b>31,982,366</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(14,547,450)</b>	<b>(20,160,450)</b>	<b>(1,867,158)</b>	<b>-</b>	<b>(1,867,158)</b>	<b>18,293,292</b>
<b>Other Financing Sources</b>						
Issuance of long-term debt	10,500,000	16,113,000	2,973,352	-	2,973,352	(13,139,648)
Transfers in	1,260,200	1,260,200	558,301	-	558,301	(701,899)
<b>Total Other Financing Sources</b>	<b>11,760,200</b>	<b>17,373,200</b>	<b>3,531,653</b>	<b>-</b>	<b>3,531,653</b>	<b>(13,841,547)</b>
Net change in fund balance	(2,787,250)	(2,787,250)	1,664,496	-	1,664,496	4,451,746
Beginning Fund Balance	2,787,250	2,787,250	7,192,631	-	7,192,631	4,405,381
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,857,127</b>	<b>\$ -</b>	<b>\$ 8,857,127</b>	<b>\$ 8,857,127</b>

City of Bend, Oregon

**Water Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the fiscal year ended June 30, 2010

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 12,821,426
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>1,447,316</u>
<b>Total Revenues - GAAP Basis</b>	<b><u>\$ 14,268,743</u></b>
Total Expenditures - Budgetary Basis	\$ 14,688,584
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	208,809
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(4,599,286)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(175,000)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	2,181,400
Amortization of bond issue costs is not reported on the budgetary basis but is reported as an expense on the GAAP basis	<u>6,057</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 12,310,564</u></b>
Other Financing Sources- Budgetary Basis	\$ 3,531,653
Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis	(2,973,352)
Loss on disposal of asset reported as an expense on the GAAP basis	<u>(375,893)</u>
<b>Other Financing Sources - GAAP Basis</b>	<b><u>\$ 182,408</u></b>

City of Bend, Oregon

**Water Reclamation Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Charges for services:						
Charges to others	\$ 28,146,100	\$ 28,146,100	\$ 13,012,414	\$ -	\$ 13,012,414	\$ (15,133,686)
Charges to other City funds	109,600	109,600	56,318	-	56,318	(53,282)
Investment income	130,700	130,700	131,375	-	131,375	675
Miscellaneous	310,100	310,100	187,936	-	187,936	(122,164)
<b>Total Revenues</b>	<b>28,696,500</b>	<b>28,696,500</b>	<b>13,388,043</b>	<b>-</b>	<b>13,388,043</b>	<b>(15,308,457)</b>
<b>Expenditures</b>						
Current:						
Personal services	7,515,209	7,515,209	3,265,480	-	3,265,480	4,249,729
Materials and services	4,621,484	4,621,484	1,709,120	-	1,709,120	2,912,364
Interfund charges	6,073,200	6,073,200	2,743,675	-	2,743,675	3,329,525
Debt service	5,442,000	5,442,000	2,015,370	-	2,015,370	3,426,630
Capital outlay	26,622,600	26,622,600	4,001,558	-	4,001,558	22,621,042
Contingency	2,078,257	2,078,257	-	-	-	2,078,257
Debt service reserves	521,500	521,500	-	-	-	521,500
<b>Total Expenditures</b>	<b>52,874,250</b>	<b>52,874,250</b>	<b>13,735,204</b>	<b>-</b>	<b>13,735,204</b>	<b>39,139,046</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(24,177,750)</b>	<b>(24,177,750)</b>	<b>(347,161)</b>	<b>-</b>	<b>(347,161)</b>	<b>23,830,589</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	-	34,358	-	34,358	34,358
Issuance of long-term debt	14,000,000	14,000,000	-	-	-	(14,000,000)
Advances to other funds	-	-	(224,000)	-	(224,000)	(224,000)
Interfund loan repayments	307,700	307,700	303,127	-	303,127	(4,573)
Transfers in	1,834,500	1,834,500	881,600	-	881,600	(952,900)
Transfers out	(512,800)	(512,800)	(86,650)	-	(86,650)	426,150
<b>Total Other Financing Sources (Uses)</b>	<b>15,629,400</b>	<b>15,629,400</b>	<b>908,436</b>	<b>-</b>	<b>908,436</b>	<b>(14,720,964)</b>
Net change in fund balance	(8,548,350)	(8,548,350)	561,275	-	561,275	9,109,625
Beginning Fund Balance	8,548,350	8,548,350	9,249,431	-	9,249,431	701,081
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,810,706</b>	<b>\$ -</b>	<b>\$ 9,810,706</b>	<b>\$ 9,810,706</b>

City of Bend, Oregon

**Water Reclamation Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the fiscal year ended June 30, 2010

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 13,388,043
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>302,270</u>
<b>Total Revenues - GAAP Basis</b>	<b><u>\$ 13,690,312</u></b>
Total Expenditures - Budgetary Basis	\$ 13,735,204
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	204,448
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(3,956,171)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(1,172,150)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	2,954,182
Amortization of bond issue costs is not reported on the budgetary basis but is reported as an expense on the GAAP basis	<u>74,759</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 11,840,271</u></b>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ 908,436
Advances to other funds reported as other financing uses on the budgetary basis are reported as assets on the GAAP basis	224,000
Repayments from other funds reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis	(303,127)
Loss on disposal of asset reported as an expense on the GAAP basis	<u>(25,670)</u>
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b><u>\$ 803,639</u></b>

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

Schedule of Expenditures and Other Uses by Appropriation Levels  
 For the fiscal year ended June 30, 2010

	<u>Appropriation</u>	<u>Actual</u> <u>Expenditures</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
<b><u>Water Fund</u></b>			
Expenditures & other uses	\$ 41,253,680	\$ 14,688,584	\$ 26,565,096
Contingency	4,714,270	-	4,714,270
Other requirements	703,000	-	703,000
	\$ 46,670,950	\$ 14,688,584	\$ 31,982,366
<b><u>Water Reclamation Fund</u></b>			
Expenditures & other uses	\$ 50,787,293	\$ 14,045,854	\$ 36,741,439
Contingency	2,078,257	-	2,078,257
Other requirements	521,500	-	521,500
	\$ 53,387,050	\$ 14,045,854	\$ 39,341,196

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**NONMAJOR GOVERNMENTAL AND  
ENTERPRISE FUNDS**





City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 June 30, 2010

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>Total</b>
<b>Assets</b>				
Pooled cash and investments	\$ 4,347,215	\$ 4,776,826	\$ 9,955,693	\$ 19,079,734
Restricted cash and investments	2,190,388	850,000	3,225	3,043,613
Receivables:				
Property taxes	-	303,429	-	303,429
Accounts, net	193,826	-	146,463	340,288
Assessments, net	33,798	-	-	33,798
Loans and notes, net	2,706,020	-	34,461	2,740,481
Due from other funds	3,107	-	-	3,107
Due from other governments	1,510,561	-	-	1,510,561
<b>Total Assets</b>	<b>\$ 10,984,914</b>	<b>\$ 5,930,255</b>	<b>\$ 10,139,842</b>	<b>\$ 27,055,012</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 485,473	\$ -	\$ 358,427	\$ 843,900
Salaries and benefits payable	95,147	-	1,464	96,611
Retainage payable	12,144	-	9,023	21,167
Due to developers	366,753	-	-	366,753
Other accrued liabilities	-	-	208,253	208,253
Deposits	747,201	-	3,225	750,426
Deferred revenues	2,844,816	244,005	148,480	3,237,301
Due to other funds	58,107	-	224,000	282,107
<b>Total Liabilities</b>	<b>4,609,641</b>	<b>244,005</b>	<b>952,872</b>	<b>5,806,518</b>
Fund balances:				
Reserved for:				
Debt service	-	5,686,250	-	5,686,250
Long-term loans and advances	-	-	34,461	34,461
Construction	482,254	-	9,375,583	9,857,837
Building program	497,181	-	-	497,181
Unreserved:				
Designated	4,241,210	-	-	4,241,210
Undesignated	1,154,629	-	(223,074)	931,554
<b>Total Fund Balances</b>	<b>6,375,273</b>	<b>5,686,250</b>	<b>9,186,970</b>	<b>21,248,493</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,984,914</b>	<b>\$ 5,930,255</b>	<b>\$ 10,139,842</b>	<b>\$ 27,055,012</b>

City of Bend, Oregon

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

Nonmajor Governmental Funds

For the fiscal year ended June 30, 2010

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b>Revenues</b>				
Property taxes	\$ -	\$ 3,485,969	\$ -	\$ 3,485,969
Transient room taxes	889,892	-	-	889,892
Franchise fees	471,558	-	764,119	1,235,677
Intergovernmental	6,628,498	218,702	142,882	6,990,082
Assessments	121,283	79,690	-	200,974
Licenses and permits	1,875,638	-	-	1,875,638
Charges for services	2,394,952	1,047,072	6,332	3,448,356
System development charges	2,261,694	-	-	2,261,694
Contributions	-	-	91,935	91,935
Loan repayments	1,023,998	-	14,757	1,038,755
Investment income	87,541	77,313	41,479	206,333
Miscellaneous	44,741	-	28,211	72,952
<b>Total Revenues</b>	<b>15,799,795</b>	<b>4,908,746</b>	<b>1,089,715</b>	<b>21,798,256</b>
<b>Expenditures</b>				
Current:				
General government	-	16,700	-	16,700
Public safety	148,700	37,955	-	186,654
Public ways and facilities	5,687,975	18,100	755,525	6,461,600
Community and economic development	7,062,624	-	-	7,062,624
Urban renewal	74,789	-	506,532	581,321
Transit	2,441,530	-	-	2,441,530
Debt service:				
Principal	-	8,389,000	892,200	9,281,200
Interest	-	1,460,729	602,248	2,062,977
Capital outlay	1,331,723	-	2,839,443	4,171,166
<b>Total Expenditures</b>	<b>16,747,341</b>	<b>9,922,483</b>	<b>5,595,949</b>	<b>32,265,773</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(947,546)</b>	<b>(5,013,737)</b>	<b>(4,506,233)</b>	<b>(10,467,517)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	35,351	-	211,134	246,485
Insurance proceeds	20,057	-	-	20,057
Issuance of long-term debt	-	2,730,000	7,376,850	10,106,850
Premium on issuance of long-term debt	-	70,491	160,303	230,795
Discount on issuance of long-term debt	-	-	(1,488)	(1,488)
Payment to bond escrow agent	-	-	(4,215,198)	(4,215,198)
Transfers in	4,757,147	6,000	7,103,196	11,866,343
Transfers out	(3,374,929)	-	(1,919,310)	(5,294,239)
<b>Total Other Financing Sources (Uses)</b>	<b>1,437,625</b>	<b>2,806,491</b>	<b>8,715,488</b>	<b>12,959,605</b>
Net change in fund balances	490,079	(2,207,246)	4,209,254	2,492,088
Fund Balances, July 1, 2009, as restated	5,885,194	7,893,496	4,977,716	18,756,406
<b>Fund Balances, June 30, 2010</b>	<b>\$ 6,375,273</b>	<b>\$ 5,686,250</b>	<b>\$ 9,186,970</b>	<b>\$ 21,248,493</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

### BURA General Fund

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

### Street Operations Fund

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

### 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.

### 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.

### 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.

### 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.

### Affordable Housing Fund

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

### Public Transit Operations Fund

This fund accounts for the City's public transit operations. Funding is provided primarily by general discretionary revenues, intergovernmental grants and agreements and ridership charges.

### 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.

## **NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

### 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.

### General Fund Stabilization Fund

The General Fund Revenue Stabilization Fund will serve as the City's "rainy day fund" for the General Fund.

City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 June 30, 2010

		<b>BURA</b>		<b>Street</b>		<b>Police</b>		<b>Energy</b>
		<b>General</b>		<b>Operations</b>		<b>Grant</b>		<b>ARRA Grant</b>
		<b>Fund</b>		<b>Fund</b>		<b>Fund</b>		<b>Fund</b>
<b><u>Assets</u></b>								
Pooled cash and investments	\$	27,897	\$	834,406	\$	-	\$	-
Restricted cash and investments		5,549		-		79,387		-
Receivables:								
Accounts, net		-		46,738		-		-
Assessments, net		-		-		-		-
Loans and notes receivable, net		-		-		-		-
Due from other funds		-		-		-		-
Due from other governments		-		823,974		-		3,107
<b>Total Assets</b>	<b>\$</b>	<b>33,446</b>	<b>\$</b>	<b>1,705,117</b>	<b>\$</b>	<b>79,387</b>	<b>\$</b>	<b>3,107</b>
<b><u>Liabilities and Fund Balances</u></b>								
Liabilities:								
Accounts payable	\$	2,326	\$	140,682	\$	(560)	\$	-
Salaries and benefits payable		396		36,574		-		-
Retainage payable		-		12,144		-		-
Due to developers		-		-		-		-
Deposits		5,549		-		-		-
Deferred revenues		2,198		6,038		79,947		-
Due to other funds		-		-		-		3,107
<b>Total Liabilities</b>		<b>10,470</b>		<b>195,439</b>		<b>79,387</b>		<b>3,107</b>
Fund balances:								
Reserved for:								
Construction		-		-		-		-
Building Program		-		-		-		-
Unreserved - designated		-		1,509,678		-		-
Unreserved - undesignated		22,976		-		-		-
<b>Total Fund Balances</b>		<b>22,976</b>		<b>1,509,678</b>		<b>-</b>		<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$</b>	<b>33,446</b>	<b>\$</b>	<b>1,705,117</b>	<b>\$</b>	<b>79,387</b>	<b>\$</b>	<b>3,107</b>

City of Bend, Oregon  
**Combining Balance Sheet (Continued)**  
 Nonmajor Special Revenue Funds  
 June 30, 2010

	System Development Charges (SDC) <u>Fund</u>	Building <u>Fund</u>	Planning <u>Fund</u>	Private Development Engineering <u>Fund</u>
<b><u>Assets</u></b>				
Pooled cash and investments	\$ -	\$ -	\$ 526,210	\$ 171,344
Restricted cash and investments	1,040,085	563,465	250,192	251,710
Receivables:				
Accounts, net	-	32,315	-	-
Assessments, net	-	-	-	-
Loans and notes receivable, net	308,871	-	-	-
Due from other funds	-	-	3,107	-
Due from other governments	-	-	12,859	-
<b>Total Assets</b>	<b>\$ 1,348,956</b>	<b>\$ 595,780</b>	<b>\$ 792,368</b>	<b>\$ 423,055</b>
<b><u>Liabilities and Fund Balances</u></b>				
Liabilities:				
Accounts payable	\$ 9,653	\$ 1,898	\$ 17,964	\$ 186
Salaries and benefits payable	-	26,062	23,311	3,539
Retainage payable	-	-	-	-
Due to developers	366,753	-	-	-
Deposits	181,425	58,325	250,192	251,710
Deferred revenues	308,871	12,315	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>866,702</b>	<b>98,600</b>	<b>291,467</b>	<b>255,436</b>
Fund balances:				
Reserved for:				
Construction	482,254	-	-	-
Building Program	-	497,181	-	-
Unreserved - designated	-	-	500,900	-
Unreserved - undesignated	-	-	-	167,619
<b>Total Fund Balances</b>	<b>482,254</b>	<b>497,181</b>	<b>500,900</b>	<b>167,619</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,348,956</b>	<b>\$ 595,780</b>	<b>\$ 792,368</b>	<b>\$ 423,055</b>

City of Bend, Oregon  
**Combining Balance Sheet (Continued)**  
 Nonmajor Special Revenue Funds  
 June 30, 2010

	<b>Community Development Block Grant Fund</b>	<b>Affordable Housing Fund</b>	<b>Public Transit Operations Fund</b>	<b>Tourism Fund</b>
<b><u>Assets</u></b>				
Pooled cash and investments	\$ 3,505	\$ 1,337,283	\$ 286	\$ 4,165
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts, net	-	-	9,500	105,273
Assessments, net	-	-	-	-
Loans and notes receivable, net	1,445,272	951,877	-	-
Due from other funds	-	-	-	-
Due from other governments	188,634	-	481,987	-
<b>Total Assets</b>	<b>\$ 1,637,411</b>	<b>\$ 2,289,160</b>	<b>\$ 491,772</b>	<b>\$ 109,438</b>
<b><u>Liabilities and Fund Balances</u></b>				
Liabilities:				
Accounts payable	\$ 74,373	\$ 508	\$ 163,970	\$ 17,601
Salaries and benefits payable	3,022	578	1,664	-
Retainage payable	-	-	-	-
Due to developers	-	-	-	-
Deposits	-	-	-	-
Deferred revenues	1,445,272	951,877	4,500	-
Due to other funds	35,000	-	20,000	-
<b>Total Liabilities</b>	<b>1,557,667</b>	<b>952,963</b>	<b>190,134</b>	<b>17,601</b>
Fund balances:				
Reserved for:				
Construction	-	-	-	-
Building Program	-	-	-	-
Unreserved - designated	-	1,336,197	301,638	91,837
Unreserved - undesignated	79,744	-	-	-
<b>Total Fund Balances</b>	<b>79,744</b>	<b>1,336,197</b>	<b>301,638</b>	<b>91,837</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,637,411</b>	<b>\$ 2,289,160</b>	<b>\$ 491,772</b>	<b>\$ 109,438</b>

City of Bend, Oregon  
**Combining Balance Sheet (Continued)**  
 Nonmajor Special Revenue Funds  
 June 30, 2010

	Economic Improvement District <u>Fund</u>		Police Reserve <u>Fund</u>		General Fund Stabilization <u>Fund</u>		<u>Total</u>	
<b><u>Assets</u></b>								
Pooled cash and investments	\$	56,871	\$	500,959	\$	884,289	\$	4,347,215
Restricted cash and investments		-		-		-		2,190,388
Receivables:								
Accounts, net		-		-		-		193,826
Assessments, net		33,798		-		-		33,798
Loans and notes receivable, net		-		-		-		2,706,020
Due from other funds		-		-		-		3,107
Due from other governments		-		-		-		1,510,561
<b>Total Assets</b>	<b>\$</b>	<b>90,669</b>	<b>\$</b>	<b>500,959</b>	<b>\$</b>	<b>884,289</b>	<b>\$</b>	<b>10,984,914</b>
<b><u>Liabilities and Fund Balances</u></b>								
Liabilities:								
Accounts payable	\$	56,871	\$	-	\$	-	\$	485,473
Salaries and benefits payable		-		-		-		95,147
Retainage payable		-		-		-		12,144
Due to developers		-		-		-		366,753
Deposits		-		-		-		747,201
Deferred revenues		33,798		-		-		2,844,816
Due to other funds		-		-		-		58,107
<b>Total Liabilities</b>		<b>90,669</b>		<b>-</b>		<b>-</b>		<b>4,609,641</b>
Fund balances:								
Reserved for:								
Construction		-		-		-		482,254
Building Program		-		-		-		497,181
Unreserved - designated		-		500,959		-		4,241,210
Unreserved - undesignated		-		-		884,289		1,154,629
<b>Total Fund Balances</b>		<b>-</b>		<b>500,959</b>		<b>884,289</b>		<b>6,375,273</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$</b>	<b>90,669</b>	<b>\$</b>	<b>500,959</b>	<b>\$</b>	<b>884,289</b>	<b>\$</b>	<b>10,984,914</b>



City of Bend, Oregon

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

Nonmajor Special Revenue Funds

For the fiscal year ended June 30, 2010

	<b>BURA General Fund</b>	<b>Street Operations Fund</b>	<b>Police Grant Fund</b>	<b>Energy ARRA Grant Fund</b>
<b>Revenues</b>				
Franchise fees	\$ -	\$ 471,558	\$ -	\$ -
Transient room taxes	-	-	-	-
Intergovernmental	-	3,935,249	172,348	12,107
Assessments	-	-	-	-
Licenses and permits	-	26,702	-	-
Charges for services	49,346	475,649	-	-
System development charges	-	-	-	-
Loan repayments	-	-	-	-
Investment income	176	7,957	597	-
Miscellaneous	5,158	28,096	-	-
<b>Total Revenues</b>	<b>54,681</b>	<b>4,945,211</b>	<b>172,945</b>	<b>12,107</b>
<b>Expenditures</b>				
Current:				
Public safety	-	-	148,700	-
Public ways and facilities	-	5,151,036	-	-
Community and economic development	-	-	-	3,107
Urban renewal	74,789	-	-	-
Transit	-	-	-	-
Capital outlay	-	856,112	24,245	-
<b>Total Expenditures</b>	<b>74,789</b>	<b>6,007,148</b>	<b>172,945</b>	<b>3,107</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(20,109)</b>	<b>(1,061,937)</b>	<b>-</b>	<b>9,000</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	-	-	-	-
Insurance proceeds	-	57	-	-
Transfers in	45,231	1,125,000	-	-
Transfers out	(56)	-	-	(9,000)
<b>Total Other Financing Sources (Uses)</b>	<b>45,175</b>	<b>1,125,057</b>	<b>-</b>	<b>(9,000)</b>
Net change in fund balance	25,066	63,120	-	-
Fund Balances (Deficit), July 1, 2009	(2,090)	1,446,559	-	-
<b>Fund Balances, June 30, 2010</b>	<b>\$ 22,976</b>	<b>\$ 1,509,678</b>	<b>\$ -</b>	<b>\$ -</b>

City of Bend, Oregon

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

Nonmajor Special Revenue Funds

For the fiscal year ended June 30, 2010

	System Development Charges (SDC) <u>Fund</u>	Building <u>Fund</u>	Planning <u>Fund</u>	Private Development Engineering <u>Fund</u>
<b>Revenues</b>				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Transient room taxes	-	-	-	-
Intergovernmental	-	-	25,259	-
Assessments	-	-	-	-
Licenses and permits	-	1,848,937	-	-
Charges for services	-	107,851	950,120	284,480
System development charges	2,261,694	-	-	-
Loan repayments	448,296	-	-	-
Investment income	38,727	9,979	8,048	4,594
Miscellaneous	163	46	1,884	883
<b>Total Revenues</b>	<b>2,748,880</b>	<b>1,966,812</b>	<b>985,311</b>	<b>289,957</b>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	-
Public ways and facilities	226,548	-	-	310,390
Community and economic development	-	2,599,661	2,053,101	-
Urban renewal	-	-	-	-
Transit	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>226,548</b>	<b>2,599,661</b>	<b>2,053,101</b>	<b>310,390</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,522,332</b>	<b>(632,849)</b>	<b>(1,067,790)</b>	<b>(20,434)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	-	22,500	-	-
Insurance proceeds	-	20,000	-	-
Transfers in	-	132,859	838,573	40,000
Transfers out	(3,306,401)	-	(3,280)	(1,892)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,306,401)</b>	<b>175,359</b>	<b>835,293</b>	<b>38,108</b>
Net change in fund balance	(784,070)	(457,490)	(232,497)	17,674
Fund Balances (Deficit), July 1, 2009	1,266,324	954,670	733,397	149,944
<b>Fund Balances, June 30, 2010</b>	<b>\$ 482,254</b>	<b>\$ 497,181</b>	<b>\$ 500,900</b>	<b>\$ 167,619</b>

City of Bend, Oregon

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

Nonmajor Special Revenue Funds

For the fiscal year ended June 30, 2010

	<b>Community Development Block Grant Fund</b>	<b>Affordable Housing Fund</b>	<b>Public Transit Operations Fund</b>	<b>Tourism Fund</b>
<b>Revenues</b>				
Franchise fees	\$ -	\$ -	\$ -	\$ -
Transient room taxes	-	-	-	889,892
Intergovernmental	816,565	-	1,666,970	-
Assessments	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	257,249	270,258	-
System development charges	-	-	-	-
Loan repayments	40,858	534,845	-	-
Investment income	568	12,582	(527)	(252)
Miscellaneous	-	-	8,510	-
<b>Total Revenues</b>	<b>857,991</b>	<b>804,675</b>	<b>1,945,210</b>	<b>889,639</b>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	-
Public ways and facilities	-	-	-	-
Community and economic development	857,433	548,657	-	853,639
Urban renewal	-	-	-	-
Transit	-	-	2,441,530	-
Capital outlay	-	-	451,366	-
<b>Total Expenditures</b>	<b>857,433</b>	<b>548,657</b>	<b>2,892,897</b>	<b>853,639</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>558</b>	<b>256,018</b>	<b>(947,686)</b>	<b>36,000</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	-	-	12,851	-
Insurance proceeds	-	-	-	-
Transfers in	-	95,000	1,100,000	-
Transfers out	-	-	(54,300)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>95,000</b>	<b>1,058,551</b>	<b>-</b>
Net change in fund balance	558	351,018	110,865	36,000
Fund Balances (Deficit), July 1, 2009	79,186	985,179	190,773	55,837
<b>Fund Balances, June 30, 2010</b>	<b>\$ 79,744</b>	<b>\$ 1,336,197</b>	<b>\$ 301,638</b>	<b>\$ 91,837</b>

City of Bend, Oregon

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

Nonmajor Special Revenue Funds

For the fiscal year ended June 30, 2010

	Economic Improvement District Fund	Police Reserve Fund	General Fund Stabilization Fund	<u>Total</u>
<b>Revenues</b>				
Franchise fees	\$ -	\$ -	\$ -	\$ 471,558
Transient room taxes	-	-	-	889,892
Intergovernmental	-	-	-	6,628,498
Assessments	121,283	-	-	121,283
Licenses and permits	-	-	-	1,875,638
Charges for services	-	-	-	2,394,952
System development charges	-	-	-	2,261,694
Loan repayments	-	-	-	1,023,998
Investment income	328	959	3,806	87,541
Miscellaneous	-	-	-	44,741
<b>Total Revenues</b>	<b>121,611</b>	<b>959</b>	<b>3,806</b>	<b>15,799,795</b>
<b>Expenditures</b>				
Current:				
Public safety	-	-	-	148,700
Public ways and facilities	-	-	-	5,687,975
Community and economic development	147,025	-	-	7,062,624
Urban renewal	-	-	-	74,789
Transit	-	-	-	2,441,530
Capital outlay	-	-	-	1,331,723
<b>Total Expenditures</b>	<b>147,025</b>	<b>-</b>	<b>-</b>	<b>16,747,341</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(25,415)</b>	<b>959</b>	<b>3,806</b>	<b>(947,546)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	-	-	-	35,351
Insurance proceeds	-	-	-	20,057
Transfers in	-	500,000	880,484	4,757,147
Transfers out	-	-	-	(3,374,929)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>500,000</b>	<b>880,484</b>	<b>1,437,625</b>
Net change in fund balance	(25,415)	500,959	884,289	490,079
Fund Balances (Deficit), July 1, 2009	25,415	-	-	5,885,194
<b>Fund Balances, June 30, 2010</b>	<b>\$ -</b>	<b>\$ 500,959</b>	<b>\$ 884,289</b>	<b>\$ 6,375,273</b>

City of Bend, Oregon

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

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Rental income:						
Rent from others	\$ 51,300	\$ 63,300	\$ 49,346	\$ -	\$ 49,346	\$ (13,954)
Investment income	-	-	176	-	176	176
Miscellaneous	4,000	4,000	5,158	-	5,158	1,158
<b>Total Revenues</b>	<b>55,300</b>	<b>67,300</b>	<b>54,681</b>	<b>-</b>	<b>54,681</b>	<b>(12,619)</b>
<b>Expenditures</b>						
Current:						
Personal services	32,488	44,488	27,020	-	27,020	17,468
Materials and services	34,259	34,259	31,728	-	31,728	2,531
Interfund charges	71,800	71,800	16,041	-	16,041	55,759
<b>Total Expenditures</b>	<b>138,547</b>	<b>150,547</b>	<b>74,789</b>	<b>-</b>	<b>74,789</b>	<b>75,758</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(83,247)</b>	<b>(83,247)</b>	<b>(20,109)</b>	<b>-</b>	<b>(20,109)</b>	<b>63,138</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	83,247	83,247	45,231	-	45,231	(38,016)
Transfers out	-	-	(56)	-	(56)	(56)
<b>Total Other Financing Sources (Uses)</b>	<b>83,247</b>	<b>83,247</b>	<b>45,175</b>	<b>-</b>	<b>45,175</b>	<b>(38,072)</b>
Net change in fund balance	-	-	25,066	-	25,066	25,066
Beginning Fund Balance (Deficit)	-	-	(2,090)	-	(2,090)	(2,090)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,976</b>	<b>\$ -</b>	<b>\$ 22,976</b>	<b>\$ 22,976</b>

City of Bend, Oregon

**Street Operations Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		<u>FY2009-10 Actual</u>	<u>FY2010-11 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget Positive (Negative)</u>
<b>Revenues</b>						
Franchise fees	\$ 956,400	\$ 956,400	\$ 471,558	\$ -	\$ 471,558	\$ (484,842)
Intergovernmental:						
State highway fund apportionment	6,363,700	7,863,700	3,398,550	-	3,398,550	(4,465,150)
Grants and agreements	1,036,700	1,036,700	536,699	-	536,699	(500,001)
Licenses and permits	128,400	128,400	26,702	-	26,702	(101,699)
Charges for services:						
Charges to others	2,800,000	-	-	-	-	-
Charges to other City funds	918,000	918,000	475,649	-	475,649	(442,351)
Investment income	71,200	71,200	7,957	-	7,957	(63,243)
Miscellaneous	71,000	71,000	28,096	-	28,096	(42,904)
<b>Total Revenues</b>	<b>12,345,400</b>	<b>11,045,400</b>	<b>4,945,211</b>	<b>-</b>	<b>4,945,211</b>	<b>(6,100,189)</b>
<b>Expenditures</b>						
Current:						
Personal services	5,075,565	4,865,565	2,341,661	-	2,341,661	2,523,904
Materials and services	2,468,500	2,864,359	1,349,143	-	1,349,143	1,515,216
Interfund charges	3,198,000	3,198,000	1,460,233	-	1,460,233	1,737,767
Capital outlay	2,694,700	2,221,000	856,112	-	856,112	1,364,888
Contingency	2,000,035	1,596,476	-	-	-	1,596,476
<b>Total Expenditures</b>	<b>15,436,800</b>	<b>14,745,400</b>	<b>6,007,148</b>	<b>-</b>	<b>6,007,148</b>	<b>8,738,252</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,091,400)</b>	<b>(3,700,000)</b>	<b>(1,061,937)</b>	<b>-</b>	<b>(1,061,937)</b>	<b>2,638,063</b>
<b>Other Financing Sources</b>						
Insurance proceeds	-	-	57	-	57	57
Transfers in	2,200,000	2,200,000	1,125,000	-	1,125,000	(1,075,000)
<b>Total Other Financing Sources</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>1,125,057</b>	<b>-</b>	<b>1,125,057</b>	<b>(1,074,943)</b>
Net change in fund balance	(891,400)	(1,500,000)	63,120	-	63,120	1,563,120
Beginning Fund Balance	891,400	1,500,000	1,446,559	-	1,446,559	(53,441)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,509,678</b>	<b>\$ -</b>	<b>\$ 1,509,678</b>	<b>\$ 1,509,678</b>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	\$ 252,295	\$ 172,348	\$ -	\$ 172,348	\$ (79,947)
Investment income	-	-	597	-	597	597
<b>Total Revenues</b>	<b>-</b>	<b>252,295</b>	<b>172,945</b>	<b>-</b>	<b>172,945</b>	<b>(79,350)</b>
<b>Expenditures</b>						
Current:						
Materials and services	-	177,347	148,700	-	148,700	28,647
Capital outlay	-	74,948	24,245	-	24,245	50,703
<b>Total Expenditures</b>	<b>-</b>	<b>252,295</b>	<b>172,945</b>	<b>-</b>	<b>172,945</b>	<b>79,350</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

City of Bend, Oregon

**Energy ARRA Grant Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	\$ 584,500	\$ 12,107	\$ -	\$ 12,107	\$ (572,393)
<b>Total Revenues</b>	<b>-</b>	<b>584,500</b>	<b>12,107</b>	<b>-</b>	<b>12,107</b>	<b>(572,393)</b>
<b>Expenditures</b>						
Current:						
Materials and services	-	267,000	-	-	-	267,000
Interfund charges	-	67,500	3,107	-	3,107	64,393
Capital outlay	-	241,000	-	-	-	241,000
<b>Total Expenditures</b>	<b>-</b>	<b>575,500</b>	<b>3,107</b>	<b>-</b>	<b>3,107</b>	<b>572,393</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>9,000</b>	<b>9,000</b>	<b>-</b>	<b>9,000</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	-	(9,000)	(9,000)	-	(9,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(9,000)</b>	<b>(9,000)</b>	<b>-</b>	<b>(9,000)</b>	<b>-</b>
Net change in fund balance	-	-	-	-	-	-
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



City of Bend, Oregon

**System Development Charges Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
System development charges	\$ 5,481,200	\$ 4,754,200	\$ 2,261,694	\$ -	\$ 2,261,694	\$ (2,492,506)
Loan repayments	186,300	328,300	448,296	-	448,296	119,996
Investment income	98,900	98,900	38,727	-	38,727	(60,173)
Miscellaneous	-	-	163	-	163	163
<b>Total Revenues</b>	<b>5,766,400</b>	<b>5,181,400</b>	<b>2,748,880</b>	<b>-</b>	<b>2,748,880</b>	<b>(2,432,520)</b>
<b>Expenditures</b>						
Current:						
Materials and services	100,000	100,000	91,548	-	91,548	8,452
Interfund charges	209,000	209,000	135,000	-	135,000	74,000
Contingency	1,095,200	580,900	-	-	-	580,900
<b>Total Expenditures</b>	<b>1,404,200</b>	<b>889,900</b>	<b>226,548</b>	<b>-</b>	<b>226,548</b>	<b>663,352</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,362,200</b>	<b>4,291,500</b>	<b>2,522,332</b>	<b>-</b>	<b>2,522,332</b>	<b>(1,769,168)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,083,200	1,083,200	-	-	-	(1,083,200)
Transfers out	(6,445,400)	(6,636,900)	(3,306,401)	-	(3,306,401)	3,330,499
<b>Total Other Financing Sources (Uses)</b>	<b>(5,362,200)</b>	<b>(5,553,700)</b>	<b>(3,306,401)</b>	<b>-</b>	<b>(3,306,401)</b>	<b>2,247,299</b>
Net change in fund balance	(1,000,000)	(1,262,200)	(784,070)	-	(784,070)	478,130
Beginning Fund Balance	1,000,000	1,262,200	1,266,324	-	1,266,324	4,124
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 482,254</b>	<b>\$ -</b>	<b>\$ 482,254</b>	<b>\$ 482,254</b>

City of Bend, Oregon

**Building Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual <u>Budget</u> <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Licenses and permits	\$ 4,700,600	\$ 3,816,300	\$ 1,848,937	\$ -	\$ 1,848,937	\$ (1,967,363)
Charges for services:						
Charges to others	6,300	6,300	(2,963)	-	(2,963)	(9,263)
Charges to other City funds	-	22,000	110,814	-	110,814	88,814
Investment income	30,800	30,800	9,979	-	9,979	(20,821)
Miscellaneous	2,000	2,000	46	-	46	(1,954)
<b>Total Revenues</b>	<b>4,739,700</b>	<b>3,877,400</b>	<b>1,966,812</b>	<b>-</b>	<b>1,966,812</b>	<b>(1,910,588)</b>
<b>Expenditures</b>						
Current:						
Personal services	3,936,826	3,662,374	1,799,628	-	1,799,628	1,862,746
Materials and services	157,525	136,525	244,068	-	244,068	(107,543)
Interfund charges	1,141,600	1,161,600	555,964	-	555,964	605,636
Contingency	469,049	207,101	-	-	-	207,101
<b>Total Expenditures</b>	<b>5,705,000</b>	<b>5,167,600</b>	<b>2,599,661</b>	<b>-</b>	<b>2,599,661</b>	<b>2,567,939</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(965,300)</b>	<b>(1,290,200)</b>	<b>(632,849)</b>	<b>-</b>	<b>(632,849)</b>	<b>657,351</b>
<b>Other Financing Sources</b>						
Proceeds from sale of assets	-	-	22,500	-	22,500	22,500
Insurance proceeds	-	-	20,000	-	20,000	20,000
Transfers in	142,200	332,200	132,847	-	132,847	(199,353)
<b>Total Other Financing Sources</b>	<b>142,200</b>	<b>332,200</b>	<b>175,347</b>	<b>-</b>	<b>175,347</b>	<b>(156,853)</b>
Net change in fund balance	(823,100)	(958,000)	(457,501)	-	(457,501)	500,499
Beginning Fund Balance	823,100	958,000	954,670	-	954,670	(3,330)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 497,169</b>	<b>\$ -</b>	<b>\$ 497,169</b>	<b>\$ 497,169</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Other Financing Sources - Budgetary Basis	\$ 175,347
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	12
<b>Total Other Financing Sources - GAAP Basis</b>	<b>\$ 175,359</b>

City of Bend, Oregon

**Planning Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ 16,000	\$ 16,000	\$ 25,259	\$ -	\$ 25,259	\$ 9,259
Charges for services:						
Charges to others	3,215,100	2,258,600	947,013	-	947,013	(1,311,587)
Charges to other City funds	5,700	5,700	3,107	-	3,107	(2,593)
Investment income	20,000	20,000	8,048	-	8,048	(11,952)
Miscellaneous	-	-	1,884	-	1,884	1,884
<b>Total Revenues</b>	<b>3,256,800</b>	<b>2,300,300</b>	<b>985,311</b>	<b>-</b>	<b>985,311</b>	<b>(1,314,989)</b>
<b>Expenditures</b>						
Current:						
Personal services	3,506,957	3,299,151	1,524,314	-	1,524,314	1,774,837
Materials and services	482,847	414,473	107,575	-	107,575	306,898
Interfund charges	846,300	863,100	421,211	-	421,211	441,889
Contingency	505,196	37,576	-	-	-	37,576
<b>Total Expenditures</b>	<b>5,341,300</b>	<b>4,614,300</b>	<b>2,053,101</b>	<b>-</b>	<b>2,053,101</b>	<b>2,561,199</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,084,500)</b>	<b>(2,314,000)</b>	<b>(1,067,790)</b>	<b>-</b>	<b>(1,067,790)</b>	<b>1,246,210</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,600,000	1,587,000	838,565	-	838,565	(748,435)
Transfers out	-	-	(3,280)	-	(3,280)	(3,280)
<b>Total Other Financing Sources (Uses)</b>	<b>1,600,000</b>	<b>1,587,000</b>	<b>835,285</b>	<b>-</b>	<b>835,285</b>	<b>(751,715)</b>
Net change in fund balance	(484,500)	(727,000)	(232,505)	-	(232,505)	494,495
Beginning Fund Balance	484,500	727,000	733,397	-	733,397	6,397
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,893</b>	<b>\$ -</b>	<b>\$ 500,893</b>	<b>\$ 500,893</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Other Financing Sources (Uses) - Budgetary Basis	\$ 835,285
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	8
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b>\$ 835,293</b>

City of Bend, Oregon

**Private Development Engineering Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Charges for services:						
Charges to others	\$ 1,057,500	\$ 733,400	\$ 284,480	\$ -	\$ 284,480	\$ (448,920)
Investment income	7,400	7,400	4,594	-	4,594	(2,806)
Miscellaneous	-	-	883	-	883	883
<b>Total Revenues</b>	<b>1,064,900</b>	<b>740,800</b>	<b>289,957</b>	<b>-</b>	<b>289,957</b>	<b>(450,843)</b>
<b>Expenditures</b>						
Current:						
Personal services	670,764	611,808	202,730	-	202,730	409,078
Materials and services	51,690	71,390	40,199	-	40,199	31,191
Interfund charges	306,800	226,800	67,461	-	67,461	159,339
Contingency	147,146	28,802	-	-	-	28,802
<b>Total Expenditures</b>	<b>1,176,400</b>	<b>938,800</b>	<b>310,390</b>	<b>-</b>	<b>310,390</b>	<b>628,410</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(111,500)</b>	<b>(198,000)</b>	<b>(20,434)</b>	<b>-</b>	<b>(20,434)</b>	<b>177,566</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	40,000	40,000	-	40,000	-
Transfers out	-	-	(1,892)	-	(1,892)	(1,892)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>40,000</b>	<b>38,108</b>	<b>-</b>	<b>38,108</b>	<b>(1,892)</b>
Net change in fund balance	(111,500)	(158,000)	17,674	-	17,674	175,674
Beginning Fund Balance	111,500	158,000	149,944	-	149,944	(8,056)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 167,619</b>	<b>\$ -</b>	<b>\$ 167,619</b>	<b>\$ 167,619</b>

City of Bend, Oregon

**Community Development Block Grant Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ 1,062,300	\$ 1,382,300	\$ 816,565	\$ -	\$ 816,565	\$ (565,735)
Loan repayments	56,400	56,400	40,858	-	40,858	(15,542)
Investment income	1,200	1,200	568	-	568	(632)
<b>Total Revenues</b>	<b>1,119,900</b>	<b>1,439,900</b>	<b>857,991</b>	<b>-</b>	<b>857,991</b>	<b>(581,909)</b>
<b>Expenditures</b>						
Current:						
Personal services	209,493	239,493	135,366	-	135,366	104,127
Materials and services	815,422	1,105,422	703,567	-	703,567	401,855
Interfund charges	38,300	38,300	18,500	-	18,500	19,800
Contingency	57,785	57,785	-	-	-	57,785
<b>Total Expenditures</b>	<b>1,121,000</b>	<b>1,441,000</b>	<b>857,433</b>	<b>-</b>	<b>857,433</b>	<b>583,567</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,100)</b>	<b>(1,100)</b>	<b>558</b>	<b>-</b>	<b>558</b>	<b>1,658</b>
<b>Other Financing Sources</b>						
Advances from other funds	-	-	35,000	-	35,000	35,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>35,000</b>	<b>-</b>	<b>35,000</b>	<b>35,000</b>
Net change in fund balance	(1,100)	(1,100)	35,558	-	35,558	36,658
Beginning Fund Balance	1,100	1,100	79,186	-	79,186	78,086
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 114,744</b>	<b>\$ -</b>	<b>\$ 114,744</b>	<b>\$ 114,744</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Other Financing Sources - Budgetary Basis	\$ 35,000
Advance from other funds reported as other financing source on the budgetary basis is reported as a liability on the GAAP basis	(35,000)
<b>Total Other Financing Sources - GAAP Basis</b>	<b>\$ -</b>

City of Bend, Oregon

**Affordable Housing Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Charges for services	\$ 897,400	\$ 897,400	\$ 257,249	\$ -	\$ 257,249	\$ (640,151)
Loan Repayment	516,100	516,100	534,845	-	534,845	18,745
Investment income	32,900	32,900	12,582	-	12,582	(20,318)
<b>Total Revenues</b>	<b>1,446,400</b>	<b>1,446,400</b>	<b>804,675</b>	<b>-</b>	<b>804,675</b>	<b>(641,725)</b>
<b>Expenditures</b>						
Current:						
Personal services	76,837	76,837	39,759	-	39,759	37,078
Materials and services	901,688	901,688	454,398	-	454,398	447,290
Interfund charges	112,900	112,900	54,500	-	54,500	58,400
Contingency	1,097,375	1,097,375	-	-	-	1,097,375
<b>Total Expenditures</b>	<b>2,188,800</b>	<b>2,188,800</b>	<b>548,657</b>	<b>-</b>	<b>548,657</b>	<b>1,640,143</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(742,400)</b>	<b>(742,400)</b>	<b>256,018</b>	<b>-</b>	<b>256,018</b>	<b>998,418</b>
<b>Other Financing Sources</b>						
Transfers in	-	-	95,000	-	95,000	95,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>95,000</b>	<b>-</b>	<b>95,000</b>	<b>95,000</b>
Net change in fund balance	(742,400)	(742,400)	351,018	-	351,018	1,093,418
Beginning Fund Balance	742,400	742,400	985,179	-	985,179	242,779
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,336,197</b>	<b>\$ -</b>	<b>\$ 1,336,197</b>	<b>\$ 1,336,197</b>

City of Bend, Oregon

**Public Transit Operations Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ 3,057,000	\$ 3,057,000	\$ 1,666,970	\$ -	\$ 1,666,970	\$ (1,390,030)
Charges for services	450,200	450,200	270,258	-	270,258	(179,942)
Investment income	-	-	(527)	-	(527)	(527)
Miscellaneous	18,000	18,000	8,510	-	8,510	(9,490)
<b>Total Revenues</b>	<b>3,525,200</b>	<b>3,525,200</b>	<b>1,945,210</b>	<b>-</b>	<b>1,945,210</b>	<b>(1,579,990)</b>
<b>Expenditures</b>						
Current:						
Personal services	231,528	231,528	111,116	-	111,116	120,412
Materials and services	2,982,340	2,997,540	1,554,757	-	1,554,757	1,442,783
Interfund charges	1,626,800	1,626,800	775,657	-	775,657	851,143
Capital outlay	862,000	791,800	451,366	-	451,366	340,434
Contingency	32,332	32,332	-	-	-	32,332
<b>Total Expenditures</b>	<b>5,735,000</b>	<b>5,680,000</b>	<b>2,892,897</b>	<b>-</b>	<b>2,892,897</b>	<b>2,787,103</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,209,800)</b>	<b>(2,154,800)</b>	<b>(947,686)</b>	<b>-</b>	<b>(947,686)</b>	<b>1,207,114</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	-	12,851	-	12,851	12,851
Advances from other funds	-	-	20,000	-	20,000	20,000
Transfers in	2,116,500	2,116,500	1,100,000	-	1,100,000	(1,016,500)
Transfers out	-	(55,000)	(54,300)	-	(54,300)	700
<b>Total Other Financing Sources (Uses)</b>	<b>2,116,500</b>	<b>2,061,500</b>	<b>1,078,551</b>	<b>-</b>	<b>1,078,551</b>	<b>(982,949)</b>
Net change in fund balance	(93,300)	(93,300)	130,865	-	130,865	224,165
Beginning Fund Balance	93,300	93,300	190,773	-	190,773	97,473
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 321,638</b>	<b>\$ -</b>	<b>\$ 321,638</b>	<b>\$ 321,638</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Other Financing Sources (Uses) - Budgetary Basis	\$ 1,078,551
Advance from other funds reported as other financing source on the budgetary basis is reported as a liability on the GAAP basis	<u>(20,000)</u>
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b><u>\$ 1,058,551</u></b>

City of Bend, Oregon

**Tourism Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Transient room taxes	\$ 1,540,000	\$ 1,642,000	\$ 889,892	\$ -	\$ 889,892	\$ (752,108)
Investment income	4,700	4,700	(252)	-	(252)	(4,952)
<b>Total Revenues</b>	<b>1,544,700</b>	<b>1,646,700</b>	<b>889,639</b>	<b>-</b>	<b>889,639</b>	<b>(757,061)</b>
<b>Expenditures</b>						
Current:						
Materials and services	1,453,400	1,555,400	833,539	-	833,539	721,861
Interfund charges	41,600	41,600	20,100	-	20,100	21,500
Contingency	120,800	120,800	-	-	-	120,800
<b>Total Expenditures</b>	<b>1,615,800</b>	<b>1,717,800</b>	<b>853,639</b>	<b>-</b>	<b>853,639</b>	<b>864,161</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(71,100)</b>	<b>(71,100)</b>	<b>36,000</b>	<b>-</b>	<b>36,000</b>	<b>107,100</b>
<b>Other Financing Sources (Uses)</b>						
Interfund loan repayments	(45,000)	(45,000)	(36,000)	-	(36,000)	9,000
<b>Total Other Financing Sources (Uses)</b>	<b>(45,000)</b>	<b>(45,000)</b>	<b>(36,000)</b>	<b>-</b>	<b>(36,000)</b>	<b>9,000</b>
Net change in fund balance	(116,100)	(116,100)	-	-	-	116,100
Beginning Fund Balance	116,100	116,100	91,837	-	91,837	(24,263)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 91,837</b>	<b>\$ -</b>	<b>\$ 91,837</b>	<b>\$ 91,837</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Other Financing Sources (Uses) - Budgetary Basis	\$ (36,000)
Repayment of interfund loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis	<u>36,000</u>
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b><u>\$ -</u></b>



City of Bend, Oregon

**Economic Improvement District Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Assessments	\$ 240,000	\$ 250,000	\$ 121,283	\$ -	\$ 121,283	\$ (128,717)
Investment income	-	-	328	-	328	328
<b>Total Revenues</b>	<b>240,000</b>	<b>250,000</b>	<b>121,611</b>	<b>-</b>	<b>121,611</b>	<b>(128,389)</b>
<b>Expenditures</b>						
Current:						
Materials and services	228,000	255,600	133,629	-	133,629	121,971
Interfund charges	12,000	19,800	13,397	-	13,397	6,403
<b>Total Expenditures</b>	<b>240,000</b>	<b>275,400</b>	<b>147,025</b>	<b>-</b>	<b>147,025</b>	<b>128,375</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(25,400)</b>	<b>(25,415)</b>	<b>-</b>	<b>(25,415)</b>	<b>(15)</b>
Beginning Fund Balance	-	25,400	25,415	-	25,415	15
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Revenues</u></b>						
Investment income	\$ -	\$ -	\$ 959	\$ -	\$ 959	\$ 959
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>959</b>	<b>-</b>	<b>959</b>	<b>959</b>
<b><u>Expenditures</u></b>						
Contingency	-	500,000	-	-	-	500,000
<b>Total Expenditures</b>	<b>-</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,000</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(500,000)</b>	<b>959</b>	<b>-</b>	<b>959</b>	<b>500,959</b>
<b><u>Other Financing Sources</u></b>						
Transfers in	-	500,000	500,000	-	500,000	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>	<b>-</b>
Net change in fund balance	-	-	500,959	-	500,959	500,959
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,959</b>	<b>\$ -</b>	<b>\$ 500,959</b>	<b>\$ 500,959</b>

City of Bend, Oregon

**General Fund Stabilization Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Investment income	\$ 10,100	\$ 10,100	\$ 3,806	\$ -	\$ 3,806	\$ (6,294)
<b>Total Revenues</b>	<b>10,100</b>	<b>10,100</b>	<b>3,806</b>	<b>-</b>	<b>3,806</b>	<b>(6,294)</b>
<b>Expenditures</b>						
Reserves	510,100	510,100	-	-	-	510,100
<b>Total Expenditures</b>	<b>510,100</b>	<b>510,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>510,100</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>3,806</b>	<b>-</b>	<b>3,806</b>	<b>503,806</b>
<b>Other Financing Sources</b>						
Transfers in	500,000	500,000	880,484	-	880,484	380,484
<b>Total Other Financing Sources</b>	<b>500,000</b>	<b>500,000</b>	<b>880,484</b>	<b>-</b>	<b>880,484</b>	<b>380,484</b>
Net change in fund balance	-	-	884,289	-	884,289	884,289
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 884,289</b>	<b>\$ -</b>	<b>\$ 884,289</b>	<b>\$ 884,289</b>

**Nonmajor Special Revenue Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the fiscal year ended June 30, 2010

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>BURA General Fund</u></b>			
Expenditures & other uses	\$ 150,547	\$ 74,845	\$ 75,702
	<b>\$ 150,547</b>	<b>\$ 74,845</b>	<b>\$ 75,702</b>
<b><u>Street Operations Fund</u></b>			
Expenditures & other uses	\$ 13,148,924	\$ 6,007,148	\$ 7,141,776
Contingency	1,596,476	-	1,596,476
	<b>\$ 14,745,400</b>	<b>\$ 6,007,148</b>	<b>\$ 8,738,252</b>
<b><u>Police Grant Fund</u></b>			
Expenditures & other uses	\$ 252,295	\$ 172,945	\$ 79,350
	<b>\$ 252,295</b>	<b>\$ 172,945</b>	<b>\$ 79,350</b>
<b><u>Energy ARRA Grant Fund</u></b>			
Expenditures & other uses	\$ 584,500	\$ 12,107	\$ 572,393
	<b>\$ 584,500</b>	<b>\$ 12,107</b>	<b>\$ 572,393</b>
<b><u>System Development Charges Fund</u></b>			
Expenditures & other uses	\$ 6,945,900	\$ 3,532,950	\$ 3,412,950
Contingency	580,900	-	580,900
	<b>\$ 7,526,800</b>	<b>\$ 3,532,950</b>	<b>\$ 3,993,850</b>
<b><u>Building Fund</u></b>			
Expenditures & other uses	\$ 4,960,499	\$ 2,599,661	\$ 2,360,838
Contingency	207,101	-	207,101
	<b>\$ 5,167,600</b>	<b>\$ 2,599,661</b>	<b>\$ 2,567,939</b>
<b><u>Planning Fund</u></b>			
Expenditures & other uses	\$ 4,576,724	\$ 2,056,381	\$ 2,520,343
Contingency	37,576	-	37,576
	<b>\$ 4,614,300</b>	<b>\$ 2,056,381</b>	<b>\$ 2,557,919</b>
<b><u>Private Development Engineering</u></b>			
Expenditures & other uses	\$ 909,998	\$ 312,282	\$ 597,716
Contingency	28,802	-	28,802
	<b>\$ 938,800</b>	<b>\$ 312,282</b>	<b>\$ 626,518</b>
<b><u>Community Development Block Grant</u></b>			
Expenditures & other uses	\$ 1,383,215	\$ 857,433	\$ 525,782
Contingency	57,785	-	57,785
	<b>\$ 1,441,000</b>	<b>\$ 857,433</b>	<b>\$ 583,567</b>
<b><u>Affordable Housing</u></b>			
Expenditures & other uses	\$ 1,091,425	\$ 548,657	\$ 542,768
Contingency	1,097,375	-	1,097,375
	<b>\$ 2,188,800</b>	<b>\$ 548,657</b>	<b>\$ 1,640,143</b>

City of Bend, Oregon

**Nonmajor Special Revenue Funds**

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

For the fiscal year ended June 30, 2010

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>Public Transit Operations</u></b>			
Expenditures & other uses	\$ 5,702,668	\$ 2,947,197	\$ 2,755,471
Contingency	32,332	-	32,332
	<b>\$ 5,735,000</b>	<b>\$ 2,947,197</b>	<b>\$ 2,787,803</b>
<b><u>Tourism</u></b>			
Expenditures & other uses	\$ 1,642,000	\$ 889,639	\$ 752,361
Contingency	120,800	-	120,800
	<b>\$ 1,762,800</b>	<b>\$ 889,639</b>	<b>\$ 873,161</b>
<b><u>Economic Improvement District</u></b>			
Expenditures & other uses	\$ 275,400	\$ 147,025	\$ 128,375
	<b>\$ 275,400</b>	<b>\$ 147,025</b>	<b>\$ 128,375</b>
<b><u>Police Reserve Fund</u></b>			
Contingency	\$ 500,000	\$ -	\$ 500,000
	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ 500,000</b>
<b><u>General Fund Stabilization Fund</u></b>			
Other requirements	\$ 510,100	\$ -	\$ 510,100
	<b>\$ 510,100</b>	<b>\$ -</b>	<b>\$ 510,100</b>

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## **NONMAJOR DEBT SERVICE FUNDS**

### Improvement District Debt Service Fund

This fund accounts for the collection of special assessment loans and the servicing of the related bonded debt.

### Urban Renewal Debt Service Fund

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

### 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.





City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Debt Service Funds  
 June 30, 2010

	Improvement District Debt Service <u>Fund</u>	Urban Renewal Debt Service <u>Fund</u>	Murphy Crossing Debt Service <u>Fund</u>	Fire Station Debt Service <u>Fund</u>
<b>Assets</b>				
Pooled cash and investments	\$ 716,002	\$ 2,192,408	\$ 48,541	\$ 6,437
Restricted cash and investments	-	850,000	-	-
Receivables:				
Property taxes	-	267,374	2,949	-
<b>Total Assets</b>	<b>\$ 716,002</b>	<b>\$ 3,309,782</b>	<b>\$ 51,489</b>	<b>\$ 6,437</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Deferred revenues	\$ -	\$ 215,301	\$ 2,324	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>215,301</b>	<b>2,324</b>	<b>-</b>
Fund balances:				
Reserved - debt service	716,002	3,094,481	49,165	6,437
<b>Total Fund Balances</b>	<b>716,002</b>	<b>3,094,481</b>	<b>49,165</b>	<b>6,437</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 716,002</b>	<b>\$ 3,309,782</b>	<b>\$ 51,489</b>	<b>\$ 6,437</b>

City of Bend, Oregon  
**Combining Balance Sheet (Continued)**  
 Nonmajor Debt Service Funds  
 June 30, 2010

	PERS Debt Service Fund	Juniper Ridge Urban Renewal Debt Service Fund	Total
<b>Assets</b>			
Pooled cash and investments	\$ 1,195,711	\$ 617,727	\$ 4,776,826
Restricted cash and investments	-	-	850,000
Receivables:			
Property taxes	-	33,107	303,429
<b>Total Assets</b>	<b>\$ 1,195,711</b>	<b>\$ 650,834</b>	<b>\$ 5,930,255</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Deferred revenues	\$ -	\$ 26,380	\$ 244,005
<b>Total Liabilities</b>	<b>-</b>	<b>26,380</b>	<b>244,005</b>
Fund balances:			
Reserved - debt service	1,195,711	624,454	5,686,250
<b>Total Fund Balances</b>	<b>1,195,711</b>	<b>624,454</b>	<b>5,686,250</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,195,711</b>	<b>\$ 650,834</b>	<b>\$ 5,930,255</b>

City of Bend, Oregon

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

Nonmajor Debt Service Funds

For the fiscal year ended June 30, 2010

	Improvement District Debt Service <u>Fund</u>	Urban Renewal Debt Service <u>Fund</u>	Murphy Crossing Debt Service <u>Fund</u>	Fire Station Debt Service <u>Fund</u>
<b>Revenues</b>				
Property taxes	\$ -	\$ 2,976,092	\$ 48,918	\$ -
Intergovernmental	-	-	-	218,702
Assessments	79,690	-	-	-
Charges for services	-	-	-	-
Investment income	9,235	47,890	247	494
<b>Total Revenues</b>	<b>88,926</b>	<b>3,023,982</b>	<b>49,165</b>	<b>219,196</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	37,955
Public ways and facilities	18,100	-	-	-
Debt service:				
Principal	164,000	5,280,000	-	2,860,000
Interest	6,936	373,633	-	128,363
<b>Total Expenditures</b>	<b>189,036</b>	<b>5,653,633</b>	<b>-</b>	<b>3,026,317</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(100,111)</b>	<b>(2,629,651)</b>	<b>49,165</b>	<b>(2,807,121)</b>
<b>Other Financing Sources</b>				
Issuance of long-term debt	-	-	-	2,730,000
Premium on issuance of long-term debt	-	-	-	70,491
Transfers in	-	-	-	6,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,806,491</b>
Net change in fund balances	(100,111)	(2,629,651)	49,165	(630)
Fund Balance, July 1, 2009	816,113	5,724,132	-	7,067
<b>Fund Balance, June 30, 2010</b>	<b>\$ 716,002</b>	<b>\$ 3,094,481</b>	<b>\$ 49,165</b>	<b>\$ 6,437</b>

City of Bend, Oregon

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

Nonmajor Debt Service Funds

For the fiscal year ended June 30, 2010

	PERS Debt Service Fund	Juniper Ridge Urban Renewal Debt Service Fund	Total
<b>Revenues</b>			
Property taxes	\$ -	\$ 460,959	\$ 3,485,969
Intergovernmental	-	-	218,702
Assessments	-	-	79,690
Charges for services	1,047,072	-	1,047,072
Investment income	14,240	5,207	77,313
<b>Total Revenues</b>	<b>1,061,312</b>	<b>466,166</b>	<b>4,908,746</b>
<b>Expenditures</b>			
Current:			
General government	16,700	-	16,700
Public safety	-	-	37,955
Public ways and facilities	-	-	18,100
Debt service:			
Principal	85,000	-	8,389,000
Interest	818,407	133,390	1,460,729
<b>Total Expenditures</b>	<b>920,107</b>	<b>133,390</b>	<b>9,922,483</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>141,205</b>	<b>332,776</b>	<b>(5,013,737)</b>
<b>Other Financing Sources</b>			
Issuance of long-term debt	-	-	2,730,000
Premium on issuance of long-term debt	-	-	70,491
Transfers in	-	-	6,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>2,806,491</b>
Net change in fund balances	141,205	332,776	(2,207,246)
Fund Balance, July 1, 2009	1,054,506	291,678	7,893,496
<b>Fund Balance, June 30, 2010</b>	<b>\$ 1,195,711</b>	<b>\$ 624,454</b>	<b>\$ 5,686,250</b>

City of Bend, Oregon

**Improvement District Debt Service Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Assessments	\$ 101,300	\$ 101,300	\$ 79,690	\$ -	\$ 79,690	\$ (21,610)
Charges for services	79,000	79,000	-	-	-	(79,000)
Investment income	31,200	31,200	9,235	-	9,235	(21,965)
<b>Total Revenues</b>	<b>211,500</b>	<b>211,500</b>	<b>88,926</b>	<b>-</b>	<b>88,926</b>	<b>(122,574)</b>
<b>Expenditures</b>						
Current:						
Interfund charges	37,500	37,500	18,100	-	18,100	19,400
Debt service	172,800	172,800	170,936	-	170,936	1,864
Debt service reserve	803,200	803,200	-	-	-	803,200
<b>Total Expenditures</b>	<b>1,013,500</b>	<b>1,013,500</b>	<b>189,036</b>	<b>-</b>	<b>189,036</b>	<b>824,464</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(802,000)</b>	<b>(802,000)</b>	<b>(100,111)</b>	<b>-</b>	<b>(100,111)</b>	<b>701,889</b>
Beginning Fund Balance	802,000	802,000	816,113	-	816,113	14,113
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 716,002</b>	<b>\$ -</b>	<b>\$ 716,002</b>	<b>\$ 716,002</b>

City of Bend, Oregon

**Urban Renewal Debt Service Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Property taxes	\$ 5,986,000	\$ 5,986,000	\$ 2,976,092	\$ -	\$ 2,976,092	\$ (3,009,908)
Investment income	127,200	127,200	47,890	-	47,890	(79,310)
<b>Total Revenues</b>	<b>6,113,200</b>	<b>6,113,200</b>	<b>3,023,982</b>	<b>-</b>	<b>3,023,982</b>	<b>(3,089,218)</b>
<b>Expenditures</b>						
Debt service	9,829,400	9,829,400	5,653,633	-	5,653,633	4,175,767
Debt service reserve	1,927,600	1,927,600	-	-	-	1,927,600
<b>Total Expenditures</b>	<b>11,757,000</b>	<b>11,757,000</b>	<b>5,653,633</b>	<b>-</b>	<b>5,653,633</b>	<b>6,103,367</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(5,643,800)</b>	<b>(5,643,800)</b>	<b>(2,629,651)</b>	<b>-</b>	<b>(2,629,651)</b>	<b>3,014,149</b>
Beginning Fund Balance	5,643,800	5,643,800	5,724,132	-	5,724,132	80,332
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,094,481</b>	<b>\$ -</b>	<b>\$ 3,094,481</b>	<b>\$ 3,094,481</b>

City of Bend, Oregon

**Murphy Crossing Urban Renewal Debt Service Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Property taxes	\$ 47,800	\$ 47,800	\$ 48,918	\$ -	\$ 48,918	\$ 1,118
Investment income	900	900	247	-	247	(653)
<b>Total Revenues</b>	<b>48,700</b>	<b>48,700</b>	<b>49,165</b>	<b>-</b>	<b>49,165</b>	<b>465</b>
<b>Expenditures</b>						
Debt service reserve	48,700	48,700	-	-	-	48,700
<b>Total Expenditures</b>	<b>48,700</b>	<b>48,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,700</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>49,165</b>	<b>-</b>	<b>49,165</b>	<b>49,165</b>
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 49,165</b>	<b>\$ -</b>	<b>\$ 49,165</b>	<b>\$ 49,165</b>

City of Bend, Oregon

**Fire Station Debt Service Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		<u>FY2009-10 Actual</u>	<u>FY2010-11 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Intergovernmental	\$ 516,900	\$ 516,900	\$ 218,702	\$ -	\$ 218,702	\$ (298,198)
Investment income	200	200	494	-	494	294
<b>Total Revenues</b>	<b>517,100</b>	<b>517,100</b>	<b>219,196</b>	<b>-</b>	<b>219,196</b>	<b>(297,904)</b>
<b>Expenditures</b>						
Current:						
Materials and services	1,300	37,500	32,655	-	32,655	4,845
Interfund charges	10,900	10,900	5,300	-	5,300	5,600
Debt service	517,100	3,247,100	2,988,363	-	2,988,363	258,737
Debt service reserve	7,000	7,000	-	-	-	7,000
<b>Total Expenditures</b>	<b>536,300</b>	<b>3,302,500</b>	<b>3,026,317</b>	<b>-</b>	<b>3,026,317</b>	<b>276,183</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(19,200)</b>	<b>(2,785,400)</b>	<b>(2,807,121)</b>	<b>-</b>	<b>(2,807,121)</b>	<b>(21,721)</b>
<b>Other Financing Sources</b>						
Issuance of long term debt	-	2,766,200	2,730,000	-	2,730,000	(36,200)
Premium on issuance of debt	-	-	70,491	-	70,491	70,491
Transfers in	12,000	12,000	6,000	-	6,000	(6,000)
<b>Total Other Financing Sources</b>	<b>12,000</b>	<b>2,778,200</b>	<b>2,806,491</b>	<b>-</b>	<b>2,806,491</b>	<b>28,291</b>
Net change in fund balance	(7,200)	(7,200)	(630)	-	(630)	6,570
Beginning Fund Balance	7,200	7,200	7,067	-	7,067	(133)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,437</b>	<b>\$ -</b>	<b>\$ 6,437</b>	<b>\$ 6,437</b>



City of Bend, Oregon

**PERS Debt Service Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Charges to other City funds	\$ 2,325,200	\$ 2,325,200	\$ 1,047,072	\$ -	\$ 1,047,072	\$ (1,278,128)
Investment income	51,700	51,700	14,240	-	14,240	(37,460)
<b>Total Revenues</b>	<b>2,376,900</b>	<b>2,376,900</b>	<b>1,061,312</b>	<b>-</b>	<b>1,061,312</b>	<b>(1,315,588)</b>
<b>Expenditures</b>						
Current:						
Interfund charges	34,600	34,600	16,700	-	16,700	17,900
Debt service	1,847,800	1,847,800	903,407	-	903,407	944,393
Debt service reserve	1,552,100	1,552,100	-	-	-	1,552,100
<b>Total Expenditures</b>	<b>3,434,500</b>	<b>3,434,500</b>	<b>920,107</b>	<b>-</b>	<b>920,107</b>	<b>2,514,393</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,057,600)</b>	<b>(1,057,600)</b>	<b>141,205</b>	<b>-</b>	<b>141,205</b>	<b>1,198,805</b>
Beginning Fund Balance	1,057,600	1,057,600	1,054,506	-	1,054,506	(3,094)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,195,711</b>	<b>\$ -</b>	<b>\$ 1,195,711</b>	<b>\$ 1,195,711</b>

City of Bend, Oregon

**Juniper Ridge Urban Renewal Debt Service Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Property taxes	\$ 610,600	\$ 610,600	\$ 460,959	\$ -	\$ 460,959	\$ (149,641)
Investment income	16,500	16,500	5,207	-	5,207	(11,293)
<b>Total Revenues</b>	<b>627,100</b>	<b>627,100</b>	<b>466,166</b>	<b>-</b>	<b>466,166</b>	<b>(160,934)</b>
<b>Expenditures</b>						
Debt service	419,500	419,500	133,390	-	133,390	286,110
Debt service reserve	495,200	495,200	-	-	-	495,200
<b>Total Expenditures</b>	<b>914,700</b>	<b>914,700</b>	<b>133,390</b>	<b>-</b>	<b>133,390</b>	<b>781,310</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(287,600)</b>	<b>(287,600)</b>	<b>332,776</b>	<b>-</b>	<b>332,776</b>	<b>620,376</b>
Beginning Fund Balance	287,600	287,600	291,678	-	291,678	4,078
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 624,454</b>	<b>\$ -</b>	<b>\$ 624,454</b>	<b>\$ 624,454</b>

City of Bend, Oregon

**Nonmajor Debt Service Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the fiscal year ended June 30, 2010

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>Improvement District Debt Service Fund</u></b>			
Expenditures & other uses	\$ 210,300	\$ 189,036	\$ 21,264
Reserves	803,200	-	803,200
	<b>\$ 1,013,500</b>	<b>\$ 189,036</b>	<b>\$ 824,464</b>
<b><u>Urban Renewal Debt Service Fund</u></b>			
Expenditures & other uses	\$ 9,829,400	\$ 5,653,633	\$ 4,175,767
Reserves	1,927,600	-	1,927,600
	<b>\$ 11,757,000</b>	<b>\$ 5,653,633</b>	<b>\$ 6,103,367</b>
<b><u>Murphy Crossing Urban Renewal Debt Service Fund</u></b>			
Reserve	\$ 48,700	\$ -	\$ 48,700
	<b>\$ 48,700</b>	<b>\$ -</b>	<b>\$ 48,700</b>
<b><u>Fire Station Debt Service Fund</u></b>			
Expenditures & other uses	\$ 3,295,500	\$ 3,026,317	\$ 269,183
Reserve	7,000	-	7,000
	<b>\$ 3,302,500</b>	<b>\$ 3,026,317</b>	<b>\$ 276,183</b>
<b><u>PERS Debt Service Fund</u></b>			
Expenditures & other uses	\$ 1,882,400	\$ 920,107	\$ 962,293
Reserves	1,552,100	-	1,552,100
	<b>\$ 3,434,500</b>	<b>\$ 920,107</b>	<b>\$ 2,514,393</b>
<b><u>Juniper Ridge Urban Renewal Debt Service Fund</u></b>			
Expenditures & other uses	\$ 419,500	\$ 133,390	\$ 286,110
Reserves	495,200	-	495,200
	<b>\$ 914,700</b>	<b>\$ 133,390</b>	<b>\$ 781,310</b>

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## **NONMAJOR CAPITAL PROJECTS FUNDS**

### 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.

### Urban Renewal Construction Fund

This fund accounts for the construction activities of the Bend Urban Renewal Agency other than those related to Juniper Ridge. The principal source of revenue is loan proceeds used to relieve urban blight and renovate the downtown area.

### Juniper Ridge Urban Renewal Construction Fund

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

### Accessibility Construction Fund

This fund accounts for the cost of construction related to improving accessibility. Funding is provided from the General Fund.

### Transportation Construction Fund

This fund accounts for the construction of streets, bridges, and trails. The principal sources of revenue are franchise fees and proceeds from borrowings.



City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Capital Projects Funds  
 June 30, 2010

	Improvement District Construction <u>Fund</u>	Urban Renewal Construction <u>Fund</u>	Juniper Ridge Urban Renewal Construction <u>Fund</u>	Accessibility Construction <u>Fund</u>	Transportation Construction <u>Fund</u>	<u>Total</u>
<b>Assets</b>						
Pooled cash and investments	\$ 926	\$ 467,771	\$ 819,123	\$ 2,414,098	\$ 6,253,776	\$ 9,955,693
Restricted cash and investments	-	-	-	-	3,225	3,225
Receivables:						
Accounts, net	-	-	-	-	146,463	146,463
Loans and notes, net	-	34,461	-	-	-	34,461
<b>Total Assets</b>	<b>\$ 926</b>	<b>\$ 502,232</b>	<b>\$ 819,123</b>	<b>\$ 2,414,098</b>	<b>\$ 6,403,463</b>	<b>\$ 10,139,842</b>
<b>Liabilities and Fund Balances (Deficit)</b>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 165,232	\$ 51,248	\$ 141,948	\$ 358,427
Salaries and benefits payable	-	-	1,464	-	-	1,464
Retainage payable	-	2,660	2,843	-	3,520	9,023
Other accrued liabilities	-	-	-	-	208,253	208,253
Deposits	-	-	-	-	3,225	3,225
Deferred revenue	-	-	-	-	148,480	148,480
Due to other funds	224,000	-	-	-	-	224,000
<b>Total Liabilities</b>	<b>224,000</b>	<b>2,660</b>	<b>169,538</b>	<b>51,248</b>	<b>505,426</b>	<b>952,872</b>
Fund balances (deficit):						
Reserved for:						
Long-term loans and advances	-	34,461	-	-	-	34,461
Construction	-	465,111	649,585	2,362,851	5,898,037	9,375,583
Unreserved:						
Undesignated	(223,074)	-	-	-	-	(223,074)
<b>Total Fund Balances (Deficit)</b>	<b>(223,074)</b>	<b>499,572</b>	<b>649,585</b>	<b>2,362,851</b>	<b>5,898,037</b>	<b>9,186,970</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 926</b>	<b>\$ 502,232</b>	<b>\$ 819,123</b>	<b>\$ 2,414,098</b>	<b>\$ 6,403,463</b>	<b>\$ 10,139,842</b>

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

Nonmajor Capital Projects Funds  
For the fiscal year ended June 30, 2010

	Improvement District Construction Fund	Urban Renewal Construction Fund	Juniper Ridge Urban Renewal Construction Fund	Accessibility Construction Fund	Transportation Construction Fund	Total
<b>Revenues</b>						
Franchise fees	\$ -	\$ -	\$ -	\$ -	\$ 764,119	\$ 764,119
Intergovernmental	-	-	-	15,382	127,500	142,882
Rent from others	-	-	-	-	20,695	20,695
Charges for services	-	-	-	-	6,332	6,332
Contributions	-	-	-	-	91,935	91,935
Loan repayments	-	-	-	-	14,757	14,757
Investment income	(4,097)	5,833	(16,464)	4,082	52,125	41,479
Miscellaneous	-	-	1	2,990	4,525	7,516
<b>Total Revenues</b>	<b>(4,097)</b>	<b>5,833</b>	<b>(16,463)</b>	<b>22,454</b>	<b>1,081,987</b>	<b>1,089,715</b>
<b>Expenditures</b>						
Current:						
Public ways and facilities	2,500	-	-	265,083	487,942	755,525
Urban renewal	-	-	506,532	-	-	506,532
Debt service:						
Principal	-	-	-	80,000	812,200	892,200
Interest	-	-	75,657	34,243	492,348	602,248
Capital outlay	-	31,230	726,440	668,673	1,413,100	2,839,443
<b>Total Expenditures</b>	<b>2,500</b>	<b>31,230</b>	<b>1,308,629</b>	<b>1,047,999</b>	<b>3,205,591</b>	<b>5,595,949</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(6,597)</b>	<b>(25,397)</b>	<b>(1,325,091)</b>	<b>(1,025,545)</b>	<b>(2,123,604)</b>	<b>(4,506,233)</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	-	-	-	211,134	211,134
Issuance of long-term debt	-	-	8,850	3,265,000	4,103,000	7,376,850
Premium on issuance of long-term debt	-	-	-	-	160,303	160,303
Discount on issuance of long-term debt	-	-	-	(1,488)	-	(1,488)
Payment to bond escrow agent	-	-	-	-	(4,215,198)	(4,215,198)
Transfers in	86,650	-	4,700,046	450,000	1,866,500	7,103,196
Transfers out	-	(85,231)	(1,834,079)	-	-	(1,919,310)
<b>Total Other Financing Sources (Uses)</b>	<b>86,650</b>	<b>(85,231)</b>	<b>2,874,817</b>	<b>3,713,512</b>	<b>2,125,739</b>	<b>8,715,488</b>
Net change in fund balance	80,053	(110,628)	1,549,726	2,687,968	2,135	4,209,254
Fund Balances (Deficits), July 1, 2009, as restated						
	(303,127)	610,199	(900,141)	(325,117)	5,895,902	4,977,716
<b>Fund Balances (Deficit), June 30, 2010</b>	<b>\$ (223,074)</b>	<b>\$ 499,572</b>	<b>\$ 649,585</b>	<b>\$ 2,362,851</b>	<b>\$ 5,898,037</b>	<b>\$ 9,186,970</b>



City of Bend, Oregon

**Improvement District Construction Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Investment income	\$ -	\$ -	\$ (4,097)	\$ -	\$ (4,097)	\$ (4,097)
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>(4,097)</b>	<b>-</b>	<b>(4,097)</b>	<b>(4,097)</b>
<b>Expenditures</b>						
Current:						
Interfund charges	5,100	5,100	2,500	-	2,500	2,600
Capital outlay	200,000	200,000	-	-	-	200,000
<b>Total Expenditures</b>	<b>205,100</b>	<b>205,100</b>	<b>2,500</b>	<b>-</b>	<b>2,500</b>	<b>202,600</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(205,100)</b>	<b>(205,100)</b>	<b>(6,597)</b>	<b>-</b>	<b>(6,597)</b>	<b>198,503</b>
<b>Other Financing Sources (Uses)</b>						
Advances from other funds	-	-	224,000	-	224,000	224,000
Interfund loan repayments	(307,700)	(307,700)	(303,127)	-	(303,127)	4,573
Transfers in	512,800	512,800	86,650	-	86,650	(426,150)
<b>Total Other Financing Sources (Uses)</b>	<b>205,100</b>	<b>205,100</b>	<b>7,523</b>	<b>-</b>	<b>7,523</b>	<b>(197,577)</b>
Net change in fund balance	-	-	926	-	926	926
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 926</b>	<b>\$ -</b>	<b>\$ 926</b>	<b>\$ 926</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Other Financing Sources (Uses) - Budgetary Basis	\$ 7,523
Advance from other funds reported as other financing source on the budgetary basis is reported as a liability on the GAAP basis	(224,000)
Repayment of interfund loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis	<u>303,127</u>
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b><u>\$ 86,650</u></b>

City of Bend, Oregon

**Urban Renewal Construction Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		<u>FY2009-10 Actual</u>	<u>FY2010-11 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget Positive (Negative)</u>
<b>Revenues</b>						
Investment income	\$ 21,400	\$ 21,400	\$ 5,833	\$ -	\$ 5,833	\$ (15,567)
<b>Total Revenues</b>	<b>21,400</b>	<b>21,400</b>	<b>5,833</b>	<b>-</b>	<b>5,833</b>	<b>(15,567)</b>
<b>Expenditures</b>						
Capital outlay	-	33,000	31,230	-	31,230	1,771
Contingency	510,753	437,753	-	-	-	437,753
<b>Total Expenditures</b>	<b>510,753</b>	<b>470,753</b>	<b>31,230</b>	<b>-</b>	<b>31,230</b>	<b>439,524</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(489,353)</b>	<b>(449,353)</b>	<b>(25,397)</b>	<b>-</b>	<b>(25,397)</b>	<b>423,956</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	(83,247)	(123,247)	(85,231)	-	(85,231)	38,016
<b>Total Other Financing Sources (Uses)</b>	<b>(83,247)</b>	<b>(123,247)</b>	<b>(85,231)</b>	<b>-</b>	<b>(85,231)</b>	<b>38,016</b>
Net change in fund balance	(572,600)	(572,600)	(110,628)	-	(110,628)	461,972
Beginning Fund Balance	572,600	572,600	575,738	-	575,738	3,138
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 465,111</b>	<b>\$ -</b>	<b>\$ 465,111</b>	<b>\$ 465,111</b>

City of Bend, Oregon

**Juniper Ridge Urban Renewal Construction Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Investment income	\$ 12,200	\$ 12,200	\$ (16,464)	\$ -	\$ (16,464)	\$ (28,664)
Miscellaneous	-	-	1	-	1	1
<b>Total Revenues</b>	<b>12,200</b>	<b>12,200</b>	<b>(16,463)</b>	<b>-</b>	<b>(16,463)</b>	<b>(28,663)</b>
<b>Expenditures</b>						
Current:						
Personal services	149,555	160,755	94,692	-	94,692	66,063
Materials and services	298,202	287,002	134,552	-	134,552	152,450
Interfund charges	611,300	611,300	277,287	-	277,287	334,013
Debt service	8,390,000	8,390,000	75,657	-	75,657	8,314,343
Capital outlay	2,933,100	2,933,100	2,560,519	-	2,560,519	372,581
Contingency	435,643	435,643	-	-	-	435,643
<b>Total Expenditures</b>	<b>12,817,800</b>	<b>12,817,800</b>	<b>3,142,707</b>	<b>-</b>	<b>3,142,707</b>	<b>9,675,093</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(12,805,600)</b>	<b>(12,805,600)</b>	<b>(3,159,170)</b>	<b>-</b>	<b>(3,159,170)</b>	<b>9,646,430</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from short-term notes payable	500,000	500,000	-	-	-	(500,000)
Issuance of long-term debt	6,000,000	6,000,000	8,850	-	8,850	(5,991,150)
Transfers in	7,319,200	7,319,200	4,700,046	-	4,700,046	(2,619,154)
Transfers out	(1,083,200)	(1,083,200)	-	-	-	1,083,200
<b>Total Other Financing Sources (Uses)</b>	<b>12,736,000</b>	<b>12,736,000</b>	<b>4,708,896</b>	<b>-</b>	<b>4,708,896</b>	<b>(8,027,104)</b>
Net change in fund balance	(69,600)	(69,600)	1,549,726	-	1,549,726	1,619,326
Beginning Fund Balance (Deficit)	69,600	69,600	(900,141)	-	(900,141)	(969,741)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 649,585</b>	<b>\$ -</b>	<b>\$ 649,585</b>	<b>\$ 649,585</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenditures - Budgetary Basis	\$ 3,142,707
Capitalized amounts reported as expenditures on the budgetary basis are reported as capital contributions to other funds on the GAAP basis	(1,834,079)
<b>Total Expenditures - GAAP Basis</b>	<b>\$ 1,308,629</b>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ 4,708,896
Capitalized amounts reported as expenditures on the budgetary basis are reported as capital contributions to other funds on the GAAP basis	(1,834,079)
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b>\$ 2,874,817</b>

City of Bend, Oregon

**Accessibility Construction Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ 15,382	\$ -	\$ 15,382	\$ 15,382
Investment income	26,200	26,200	4,082	-	4,082	(22,118)
Miscellaneous	-	-	2,990	-	2,990	2,990
<b>Total Revenues</b>	<b>26,200</b>	<b>26,200</b>	<b>22,454</b>	<b>-</b>	<b>22,454</b>	<b>(3,746)</b>
<b>Expenditures</b>						
Current:						
Materials and services	160,200	160,200	63,757	-	63,757	96,443
Interfund charges	478,600	478,600	201,326	-	201,326	277,274
Debt service	840,100	840,100	114,243	-	114,243	725,857
Capital outlay	1,786,000	2,246,000	668,673	-	668,673	1,577,327
Contingency	88,900	88,900	-	-	-	88,900
<b>Total Expenditures</b>	<b>3,353,800</b>	<b>3,813,800</b>	<b>1,047,999</b>	<b>-</b>	<b>1,047,999</b>	<b>2,765,801</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,327,600)</b>	<b>(3,787,600)</b>	<b>(1,025,545)</b>	<b>-</b>	<b>(1,025,545)</b>	<b>2,762,055</b>
<b>Other Financing Sources (Uses)</b>						
Repayment of short-term notes payable	(900,000)	(440,000)	(440,000)	-	(440,000)	-
Issuance of long-term debt	3,200,000	3,200,000	3,265,000	-	3,265,000	65,000
Discount on issuance of long-term debt	-	-	(1,488)	-	(1,488)	(1,488)
Transfers in	900,000	900,000	450,000	-	450,000	(450,000)
<b>Total Other Financing Sources (Uses)</b>	<b>3,200,000</b>	<b>3,660,000</b>	<b>3,273,512</b>	<b>-</b>	<b>3,273,512</b>	<b>(386,488)</b>
Net change in fund balance	(127,600)	(127,600)	2,247,968	-	2,247,968	2,375,568
Beginning Fund Balance	127,600	127,600	114,883	-	114,883	(12,717)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,362,851</b>	<b>\$ -</b>	<b>\$ 2,362,851</b>	<b>\$ 2,362,851</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Other Financing Sources (Uses) - Budgetary Basis	\$ 3,273,512
Repayment of short-term loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis	440,000
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b>\$ 3,713,512</b>

City of Bend, Oregon

**Transportation Construction Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Franchise fees	\$ 1,818,125	\$ 1,818,125	\$ 764,119	\$ -	\$ 764,119	\$ (1,054,006)
Intergovernmental	127,500	127,500	127,500	-	127,500	-
Rental income	40,200	40,200	20,695	-	20,695	(19,505)
Charges for services	-	-	6,332	-	6,332	6,332
Contributions	-	-	91,935	-	91,935	91,935
Loan repayments	27,300	27,300	14,757	-	14,757	(12,543)
Investment income	79,500	79,500	52,125	-	52,125	(27,375)
Miscellaneous	-	-	4,525	-	4,525	4,525
<b>Total Revenues</b>	<b>2,092,625</b>	<b>2,092,625</b>	<b>1,081,987</b>	<b>-</b>	<b>1,081,987</b>	<b>(1,010,638)</b>
<b>Expenditures</b>						
Current:						
Materials and services	226,400	279,600	98,417	-	98,417	181,183
Interfund charges	621,900	704,800	389,525	-	389,525	315,275
Debt service	2,621,900	2,616,700	1,304,548	-	1,304,548	1,312,152
Capital outlay	2,905,000	2,672,500	1,413,100	-	1,413,100	1,259,400
Contingency	815,725	3,166,825	-	-	-	3,166,825
Reserved for construction	1,300,000	300,000	-	-	-	300,000
Reserved for debt	-	1,000,000	-	-	-	1,000,000
Reserved for exaction	700,000	700,000	-	-	-	700,000
<b>Total Expenditures</b>	<b>9,190,925</b>	<b>11,440,425</b>	<b>3,205,591</b>	<b>-</b>	<b>3,205,591</b>	<b>8,234,834</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(7,098,300)</b>	<b>(9,347,800)</b>	<b>(2,123,604)</b>	<b>-</b>	<b>(2,123,604)</b>	<b>7,224,196</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	61,700	211,134	-	211,134	149,434
Issuance of long-term debt	-	4,063,200	4,103,000	-	4,103,000	39,800
Premium on issuance of long-term debt	-	-	160,303	-	160,303	160,303
Payment to refunded bond escrow agent	-	(4,215,200)	(4,215,198)	-	(4,215,198)	2
Transfers in	3,350,700	3,542,200	1,866,500	-	1,866,500	(1,675,700)
<b>Total Other Financing Sources (Uses)</b>	<b>3,350,700</b>	<b>3,451,900</b>	<b>2,125,739</b>	<b>-</b>	<b>2,125,739</b>	<b>(1,326,161)</b>
Net change in fund balance	(3,747,600)	(5,895,900)	2,135	-	2,135	5,898,035
Beginning Fund Balance	3,747,600	5,895,900	5,895,902	-	5,895,902	2
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,898,037</b>	<b>\$ -</b>	<b>\$ 5,898,037</b>	<b>\$ 5,898,037</b>

City of Bend, Oregon

**Nonmajor Capital Projects Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the fiscal year ended June 30, 2010

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>Improvement District Construction Fund</u></b>			
Expenditures & other uses	\$ 512,800	\$ 305,627	\$ 207,173
	<b>\$ 512,800</b>	<b>\$ 305,627</b>	<b>\$ 207,173</b>
<b><u>Urban Renewal Construction Fund</u></b>			
Expenditures & other uses	\$ 156,247	\$ 116,461	\$ 39,787
Contingency	437,753	-	437,753
	<b>\$ 594,000</b>	<b>\$ 116,461</b>	<b>\$ 477,540</b>
<b><u>Juniper Ridge Urban Renewal Construction Fund</u></b>			
Expenditures & other uses	\$ 13,465,357	\$ 3,142,707	\$ 10,322,650
Contingency	435,643	-	435,643
	<b>\$ 13,901,000</b>	<b>\$ 3,142,707</b>	<b>\$ 10,758,293</b>
<b><u>Accessibility Construction Fund</u></b>			
Expenditures & other uses	\$ 4,164,900	\$ 1,489,487	\$ 2,675,413
Contingency	88,900	-	88,900
	<b>\$ 4,253,800</b>	<b>\$ 1,489,487</b>	<b>\$ 2,764,313</b>
<b><u>Transportation Construction Fund</u></b>			
Expenditures & other uses	\$ 10,488,800	\$ 7,420,789	\$ 3,068,011
Contingency	3,166,825	-	3,166,825
Reserves	2,000,000	-	2,000,000
	<b>\$ 15,655,625</b>	<b>\$ 7,420,789</b>	<b>\$ 8,234,836</b>

## **NONMAJOR ENTERPRISE FUNDS**

### Airport Fund

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

### Cemetery Fund

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

### Downtown Parking Fund

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

### Stormwater Fund

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





City of Bend, Oregon  
**Combining Statement of Net Assets**  
 Nonmajor Enterprise Funds  
 June 30, 2010

	<u>Airport Fund</u>	<u>Cemetery Fund</u>	<u>Downtown Parking Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b><u>Assets</u></b>					
Current assets:					
Pooled cash and investments	\$ -	\$ 344,176	\$ 1,170,630	\$ 3,221,504	\$ 4,736,311
Accounts receivable, net	27,304	-	11,945	220,551	259,801
Due from other governments	1,246,425	-	-	-	1,246,425
Bond issue costs, net	28,956	-	-	438	29,394
<b>Total Current Assets</b>	<b>1,302,684</b>	<b>344,176</b>	<b>1,182,576</b>	<b>3,442,494</b>	<b>6,271,930</b>
Noncurrent assets:					
Restricted cash	41,463	-	2,768	-	44,231
Bond issue costs, net	4,792	-	-	7,447	12,239
Capital assets, net	19,806,305	170,719	14,370,090	25,567,020	59,914,134
<b>Total Noncurrent Assets</b>	<b>19,852,560</b>	<b>170,719</b>	<b>14,372,858</b>	<b>25,574,466</b>	<b>59,970,604</b>
<b>Total Assets</b>	<b>21,155,245</b>	<b>514,895</b>	<b>15,555,434</b>	<b>29,016,960</b>	<b>66,242,534</b>
<b><u>Liabilities</u></b>					
Current liabilities:					
Accounts payable	677,307	311	3,696	30,581	711,895
Salaries and benefits payable	1,964	503	1,928	11,627	16,023
Retainage payable	68,186	-	1,809	-	69,995
Compensated absences	5,769	9,175	11,361	9,780	36,084
Interest payable	35,099	-	-	425	35,524
Other accrued liabilities	23,199	-	1,721	-	24,920
Deposits	57,596	-	2,768	-	60,364
Due to other funds	550,000	-	-	-	550,000
Advances from other funds	-	-	6,600	-	6,600
Current portion of long-term debt, net	177,098	-	-	55,051	232,149
<b>Total Current Liabilities</b>	<b>1,596,219</b>	<b>9,989</b>	<b>29,883</b>	<b>107,464</b>	<b>1,743,555</b>
Noncurrent liabilities:					
Advances from other funds	-	-	28,400	-	28,400
Other post-retirement benefits payable	12,462	6,647	11,035	80,600	110,743
Long-term debt, net	2,178,217	-	-	115,861	2,294,078
<b>Total Noncurrent Liabilities</b>	<b>2,190,679</b>	<b>6,647</b>	<b>39,435</b>	<b>196,461</b>	<b>2,433,221</b>
<b>Total Liabilities</b>	<b>3,786,898</b>	<b>16,635</b>	<b>69,318</b>	<b>303,925</b>	<b>4,176,776</b>
<b><u>Net Assets</u></b>					
Invested in capital assets, net of related debt	16,900,990	170,719	14,370,090	25,396,108	56,837,907
Unrestricted	467,357	327,541	1,116,026	3,316,927	5,227,851
<b>Total Net Assets</b>	<b>\$ 17,368,347</b>	<b>\$ 498,260</b>	<b>\$ 15,486,116</b>	<b>\$ 28,713,035</b>	<b>\$ 62,065,758</b>

City of Bend, Oregon

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

Nonmajor Enterprise Funds

For the fiscal year ended June 30, 2010

	Airport Fund	Cemetery Fund	Downtown Parking Fund	Stormwater Fund	Total
<b><u>Operating Revenues</u></b>					
Charges for services	\$ 702,869	\$ 41,245	\$ 550,835	\$ 2,465,045	\$ 3,759,994
Miscellaneous	70,492	5	5	23	70,525
<b>Total Operating Revenues</b>	<b>773,361</b>	<b>41,250</b>	<b>550,840</b>	<b>2,465,068</b>	<b>3,830,519</b>
<b><u>Operating Expenses</u></b>					
Salaries and benefits	144,255	31,859	138,809	841,766	1,156,690
Materials and supplies	67,231	10,440	308,493	235,009	621,173
Internal services	206,465	51,305	130,839	357,139	745,748
Depreciation	209,855	16,183	311,023	719,139	1,256,200
<b>Total Operating Expenses</b>	<b>627,806</b>	<b>109,787</b>	<b>889,165</b>	<b>2,153,053</b>	<b>3,779,811</b>
<b>Operating income (loss)</b>	<b>145,555</b>	<b>(68,537)</b>	<b>(338,325)</b>	<b>312,015</b>	<b>50,708</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment income	(1,039)	3,980	10,749	28,544	42,234
Interest expense	(118,205)	-	-	(5,788)	(123,992)
Parking improvement fees	-	-	14,000	-	14,000
Permanent maintenance fees	-	8,262	-	-	8,262
Amortization of bond issue costs	50	-	-	(387)	(338)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(119,194)</b>	<b>12,242</b>	<b>24,749</b>	<b>22,370</b>	<b>(59,834)</b>
<b>Income (loss) before contributions and transfers</b>	<b>26,360</b>	<b>(56,294)</b>	<b>(313,576)</b>	<b>334,385</b>	<b>(9,126)</b>
<b><u>Contributions and Transfers</u></b>					
Capital contributions	1,808,906	-	208,724	130,468	2,148,098
Transfers in	-	-	205,000	-	205,000
Transfers out	-	-	-	(338,000)	(338,000)
<b>Total Contributions and Transfers</b>	<b>1,808,906</b>	<b>-</b>	<b>413,724</b>	<b>(207,532)</b>	<b>2,015,098</b>
Change in net assets	1,835,266	(56,294)	100,148	126,853	2,005,973
Net Assets, July 1, 2009	15,533,081	554,555	15,385,968	28,586,182	60,059,786
<b>Net Assets, June 30, 2010</b>	<b>\$ 17,368,347</b>	<b>\$ 498,260</b>	<b>\$ 15,486,116</b>	<b>\$ 28,713,035</b>	<b>\$ 62,065,758</b>

City of Bend, Oregon  
**Combining Statement of Cash Flows**  
 Nonmajor Enterprise Funds  
 For the fiscal year ended June 30, 2010

	Airport Fund	Cemetery Fund	Downtown Parking Fund	Stormwater Fund	Total
<b><u>Cash Flows from Operating Activities</u></b>					
Cash received from customers	\$ 756,824	\$ 41,250	\$ 556,595	\$ 2,419,514	\$ 3,774,184
Cash received from interfund services provided	-	-	-	44,334	44,334
Cash paid to employees for services	(131,294)	(30,990)	(131,147)	(779,624)	(1,073,055)
Cash paid to suppliers for goods and services	(64,448)	(10,454)	(310,246)	(263,035)	(648,183)
Cash paid for interfund services used	(206,465)	(51,305)	(130,839)	(357,139)	(745,748)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>354,616</b>	<b>(51,500)</b>	<b>(15,636)</b>	<b>1,064,050</b>	<b>1,351,531</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>					
Advances from other funds for noncapital financing activities	-	-	35,000	-	35,000
Transfers from other funds	-	-	205,000	-	205,000
Transfers to other funds	-	-	-	(338,000)	(338,000)
<b>Net Cash Provided (Used) By Noncapital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>240,000</b>	<b>(338,000)</b>	<b>(98,000)</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>					
Advances from other funds for capital activities	550,000	-	-	-	550,000
Short-term loan repayment	(500,000)	-	-	-	(500,000)
Issuance of debt	1,100,313	-	-	-	1,100,313
Payment of bond issue costs	(12,444)	-	-	-	(12,444)
Principal payments on capital debt	(1,241,522)	-	-	(55,000)	(1,296,522)
Interest payments on capital debt	(117,518)	-	-	(5,925)	(123,443)
Capital grants and contributions	905,822	-	-	-	905,822
Permanent maintenance fees	-	8,262	-	-	8,262
Parking improvement fees	-	-	14,000	-	14,000
Acquisition and construction of capital assets	(1,381,397)	-	(34,686)	(60,356)	(1,476,439)
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<b>(696,746)</b>	<b>8,262</b>	<b>(20,686)</b>	<b>(121,281)</b>	<b>(830,451)</b>
<b><u>Cash Flows from Investing Activities</u></b>					
Investment income	(1,039)	3,980	10,749	28,544	42,234
<b>Net Cash Provided (Used) By Investing Activities</b>	<b>(1,039)</b>	<b>3,980</b>	<b>10,749</b>	<b>28,544</b>	<b>42,234</b>
 Net change in pooled cash and investments	 (343,169)	 (39,258)	 214,427	 633,313	 465,314
 Pooled Cash and Investments, July 1, 2009	 384,632	 383,434	 958,971	 2,588,191	 4,315,228
<b>Pooled Cash and Investments, June 30, 2010</b>	<b>\$ 41,463</b>	<b>\$ 344,176</b>	<b>\$ 1,173,398</b>	<b>\$ 3,221,504</b>	<b>\$ 4,780,542</b>

City of Bend, Oregon  
**Combining Statement of Cash Flows**  
 Nonmajor Enterprise Funds  
 For the fiscal year ended June 30, 2010

	<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>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ 145,555	\$ (68,537)	\$ (338,325)	\$ 312,015	\$ 50,708
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	209,855	16,183	311,023	719,139	1,256,200
Change in:					
Accounts receivable	(11,399)	-	2,987	(1,219)	(9,631)
Accounts payable	7,198	(14)	(3,473)	(28,026)	(24,316)
Salaries and benefits payable	447	(494)	642	6,885	7,480
Other post-employment benefits	8,183	1,925	7,020	53,224	70,352
Compensated absences payable	4,331	(562)	-	2,033	5,803
Other accrued liabilities	(4,415)	-	1,721	-	(2,694)
Prepays and deposits payable	(5,138)	-	2,768	-	(2,370)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 354,616</b>	<b>\$ (51,500)</b>	<b>\$ (15,636)</b>	<b>\$ 1,064,050</b>	<b>\$ 1,351,531</b>

Noncash Capital and Related Financing Activities

The City received donated parking infrastructure and stormwater infrastructure totaling \$208,724 and \$19,219, respectively, in the current year.

Acquisition of capital assets financed through accounts payable for the current year totaled \$670,856 in the Airport Fund and \$17,034 in the Stormwater Fund.

The net book value of capital assets contributed from other funds in the current year totaled \$111,249 in the Stormwater Fund

**Airport Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Intergovernmental	\$ 5,727,900	\$ 5,727,900	\$ 1,808,906	\$ -	\$ 1,808,906	\$ (3,918,994)
Charges for services	1,348,500	1,348,500	702,869	-	702,869	(645,631)
Investment income	5,900	5,900	(1,039)	-	(1,039)	(6,939)
Miscellaneous	124,900	124,900	70,492	-	70,492	(54,408)
<b>Total Revenues</b>	<b>7,207,200</b>	<b>7,207,200</b>	<b>2,581,227</b>	<b>-</b>	<b>2,581,227</b>	<b>(4,625,973)</b>
<b>Expenditures</b>						
Current:						
Personal services	317,779	309,279	136,073	-	136,073	173,206
Materials and services	140,655	162,755	79,675	-	79,675	83,080
Interfund charges	427,800	428,400	206,465	-	206,465	221,935
Capital outlay	6,008,600	5,708,600	1,831,725	-	1,831,725	3,876,875
Debt service	556,900	1,626,900	1,359,727	-	1,359,727	267,173
Contingency	303,166	303,166	-	-	-	303,166
<b>Total Expenditures</b>	<b>7,754,900</b>	<b>8,539,100</b>	<b>3,613,664</b>	<b>-</b>	<b>3,613,664</b>	<b>4,925,436</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(547,700)</b>	<b>(1,331,900)</b>	<b>(1,032,437)</b>	<b>-</b>	<b>(1,032,437)</b>	<b>299,463</b>
<b>Other Financing Sources (Uses)</b>						
Advances from other funds	-	-	550,000	-	550,000	550,000
Repayment of short-term notes payable	(200,000)	(500,000)	(500,000)	-	(500,000)	-
Issuance of long term debt	-	1,084,200	1,057,000	-	1,057,000	(27,200)
Premium on issuance of long-term debt	-	-	43,313	-	43,313	43,313
Transfers in	650,000	650,000	-	-	-	(650,000)
<b>Total Other Financing Sources (Uses)</b>	<b>450,000</b>	<b>1,234,200</b>	<b>1,150,313</b>	<b>-</b>	<b>1,150,313</b>	<b>(83,887)</b>
Net change in fund balance	(97,700)	(97,700)	117,877	-	117,877	215,577
Beginning Fund Balance	97,700	97,700	353,740	-	353,740	256,040
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 471,616</b>	<b>\$ -</b>	<b>\$ 471,616</b>	<b>\$ 471,616</b>

City of Bend, Oregon

**Airport Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)  
For the fiscal year ended June 30, 2010

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenditures - Budgetary Basis	\$ 3,613,664
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	8,183
Bond issue costs reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(12,444)
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(1,831,725)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(1,241,522)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	209,855
Amortization of bond issue costs is not reported on the budgetary basis but is reported as an expense on the GAAP basis	(50)
<b>Total Expenses - GAAP Basis</b>	<u>\$ 745,961</u>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ 1,150,313
Advance from other funds reported as other financing source on the budgetary basis is reported as a liability on the GAAP basis	(550,000)
Repayment of short-term loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis	500,000
Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis	(1,100,313)
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<u>\$ -</u>

City of Bend, Oregon

**Cemetery Fund**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Burial and lot fees	\$ 89,900	\$ 89,900	\$ 41,245	\$ -	\$ 41,245	\$ (48,655)
Permanent maintenance fees	35,100	35,100	8,262	-	8,262	(26,838)
Investment income	13,000	13,000	3,980	-	3,980	(9,020)
Miscellaneous	-	-	5	-	5	5
<b>Total Revenues</b>	<b>138,000</b>	<b>138,000</b>	<b>53,493</b>	<b>-</b>	<b>53,493</b>	<b>(84,507)</b>
<b>Expenditures</b>						
Current:						
Personal services	60,359	60,359	29,934	-	29,934	30,425
Materials and services	5,600	15,600	10,440	-	10,440	5,160
Interfund charges	109,900	109,900	51,305	-	51,305	58,595
Permanent maintenance reserve	308,941	298,941	-	-	-	298,941
<b>Total Expenditures</b>	<b>484,800</b>	<b>484,800</b>	<b>91,680</b>	<b>-</b>	<b>91,680</b>	<b>393,120</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(346,800)</b>	<b>(346,800)</b>	<b>(38,187)</b>	<b>-</b>	<b>(38,187)</b>	<b>308,613</b>
Beginning Fund Balance	346,800	346,800	372,371	-	372,371	25,571
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 334,184</b>	<b>\$ -</b>	<b>\$ 334,184</b>	<b>\$ 334,184</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenditures - Budgetary Basis	\$ 91,680
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	1,925
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	16,183
<b>Total Expenses - GAAP Basis</b>	<b>\$ 109,787</b>

City of Bend, Oregon

**Downtown Parking Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Fines and lot rental fees	\$ 1,267,100	\$ 1,267,100	\$ 550,835	\$ -	\$ 550,835	\$ (716,265)
Parking improvement fees	-	-	14,000	-	14,000	14,000
Investment income	37,900	37,900	10,749	-	10,749	(27,151)
Miscellaneous	5,000	5,000	5	-	5	(4,995)
<b>Total Revenues</b>	<b>1,310,000</b>	<b>1,310,000</b>	<b>575,589</b>	<b>-</b>	<b>575,589</b>	<b>(734,411)</b>
<b>Expenditures</b>						
Current:						
Personal services	256,520	262,420	131,789	-	131,789	130,631
Materials and services	610,414	622,214	308,493	-	308,493	313,721
Interfund charges	300,200	301,100	130,839	-	130,839	170,261
Capital outlay	50,000	323,900	36,495	-	36,495	287,405
Contingency	141,466	141,466	-	-	-	141,466
Construction reserves	917,200	624,700	-	-	-	624,700
<b>Total Expenditures</b>	<b>2,275,800</b>	<b>2,275,800</b>	<b>607,616</b>	<b>-</b>	<b>607,616</b>	<b>1,668,184</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(965,800)</b>	<b>(965,800)</b>	<b>(32,028)</b>	<b>-</b>	<b>(32,028)</b>	<b>933,772</b>
<b>Other Financing Sources</b>						
Advance from other funds	-	-	35,000	-	35,000	35,000
Transfers in	-	-	205,000	-	205,000	205,000
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>240,000</b>	<b>-</b>	<b>240,000</b>	<b>240,000</b>
Net change in fund balance	(965,800)	(965,800)	207,972	-	207,972	1,173,772
Beginning Fund Balance	965,800	965,800	955,482	-	955,482	(10,318)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,163,455</b>	<b>\$ -</b>	<b>\$ 1,163,455</b>	<b>\$ 1,163,455</b>



City of Bend, Oregon

**Downtown Parking Fund**

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

For the fiscal year ended June 30, 2010

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 575,589
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>208,724</u>
<b>Total Revenues - GAAP Basis</b>	<b><u>\$ 784,313</u></b>
Total Expenditures - Budgetary Basis	\$ 607,616
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	7,020
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(36,495)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	<u>311,023</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 889,165</u></b>
Total Other Financing Sources - Budgetary Basis	\$ 240,000
Advance from other funds reported as other financing source on the budgetary basis is reported as a liability on the GAAP basis	<u>(35,000)</u>
<b>Total Other Financing Sources - GAAP Basis</b>	<b><u>\$ 205,000</u></b>

City of Bend, Oregon  
**Stormwater Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		<u>FY2009-10</u> <u>Actual</u>	<u>FY2010-11</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Charges for services:						
Charges to others	\$ 4,901,400	\$ 4,864,900	\$ 2,420,711	\$ -	\$ 2,420,711	\$ (2,444,189)
Charges to other City funds	34,400	70,900	44,334	-	44,334	(26,566)
Investment income	81,600	81,600	28,544	-	28,544	(53,056)
Miscellaneous	-	-	23	-	23	23
<b>Total Revenues</b>	<b>5,017,400</b>	<b>5,017,400</b>	<b>2,493,612</b>	<b>-</b>	<b>2,493,612</b>	<b>(2,523,788)</b>
<b>Expenditures</b>						
Current:						
Personal services	1,911,558	1,911,558	788,542	-	788,542	1,123,016
Materials and services	825,400	825,400	235,009	-	235,009	590,391
Interfund charges	777,100	777,100	357,139	-	357,139	419,961
Debt service	120,300	120,300	60,788	-	60,788	59,513
Capital outlay	1,614,000	1,614,000	52,154	-	52,154	1,561,846
Contingency	2,117,242	2,117,242	-	-	-	2,117,242
<b>Total Expenditures</b>	<b>7,365,600</b>	<b>7,365,600</b>	<b>1,493,632</b>	<b>-</b>	<b>1,493,632</b>	<b>5,871,968</b>
<b>Excess (deficiency) of revenues</b> <b>over expenditures</b>	<b>(2,348,200)</b>	<b>(2,348,200)</b>	<b>999,980</b>	<b>-</b>	<b>999,980</b>	<b>3,348,180</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	(338,000)	(338,000)	(338,000)	-	(338,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(338,000)</b>	<b>(338,000)</b>	<b>(338,000)</b>	<b>-</b>	<b>(338,000)</b>	<b>-</b>
Net change in fund balance	(2,686,200)	(2,686,200)	661,980	-	661,980	3,348,180
Beginning Fund Balance	2,686,200	2,686,200	2,727,660	-	2,727,660	41,460
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,389,640</b>	<b>\$ -</b>	<b>\$ 3,389,640</b>	<b>\$ 3,389,640</b>

City of Bend, Oregon  
**Stormwater Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)  
For the fiscal year ended June 30, 2010

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 2,493,612
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>130,468</u>
<b>Total Revenues - GAAP Basis</b>	<b><u>\$ 2,624,081</u></b>
Total Expenditures - Budgetary Basis	\$ 1,493,632
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	53,224
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(52,154)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(55,000)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	719,139
Amortization of bond issue costs is not reported on the budgetary basis but is reported as an expense on the GAAP basis	<u>387</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 2,159,228</u></b>

City of Bend, Oregon

**Nonmajor Enterprise Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the fiscal year ended June 30, 2010

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>Airport Fund</u></b>			
Expenditures & other uses	\$ 8,735,934	\$ 4,113,664	\$ 4,622,270
Contingency	303,166	-	303,166
	<b>\$ 9,039,100</b>	<b>\$ 4,113,664</b>	<b>\$ 4,925,436</b>
<b><u>Cemetery Fund</u></b>			
Expenditures & other uses	\$ 185,859	\$ 91,680	\$ 94,179
Other requirements	298,941	-	298,941
	<b>\$ 484,800</b>	<b>\$ 91,680</b>	<b>\$ 393,120</b>
<b><u>Downtown Parking Fund</u></b>			
Expenditures & other uses	\$ 1,509,634	\$ 607,616	\$ 902,018
Contingency	141,466	-	141,466
Other requirements	624,700	-	624,700
	<b>\$ 2,275,800</b>	<b>\$ 607,616</b>	<b>\$ 1,668,184</b>
<b><u>Stormwater Fund</u></b>			
Expenditures & other uses	\$ 5,586,358	\$ 1,831,632	\$ 3,754,726
Contingency	2,117,242	-	2,117,242
	<b>\$ 7,703,600</b>	<b>\$ 1,831,632</b>	<b>\$ 5,871,968</b>

## **INTERNAL SERVICE FUND**

### Garage Division

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

### Information Technology Division

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

### Facility Management Division

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

### Engineering Division

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

### Public Works Administration Division

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

### Public Works Laboratory Division

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

### Risk Management Division

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

### Administration & Financial Services Division

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

### City Attorney's Office Division

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

### Community Development Administration Division

To account for the administration of the City's Planning and Building departments. This division was closed out to the Planning and Building departments.



City of Bend, Oregon  
**Combining Statement of Net Assets**  
Internal Service Fund  
June 30, 2010

	<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>Public Works Laboratory Division</u>
<b>Assets</b>						
Current assets:						
Pooled cash and investments	\$ 220,099	\$ 1,134,026	\$ 1,755,951	\$ 337,078	\$ 1,063,366	\$ 425,905
Accounts receivable, net	-	-	-	-	-	-
Inventories	30,631	-	-	-	-	-
Prepays and deposits	-	-	-	-	6,558	-
Bond issue costs, net	-	-	21,957	-	-	-
<b>Total Current Assets</b>	<b>250,730</b>	<b>1,134,026</b>	<b>1,777,908</b>	<b>337,078</b>	<b>1,069,924</b>	<b>425,905</b>
Noncurrent assets:						
Bond issue costs, net	-	-	140,642	-	-	-
Capital assets, net	25,085	1,001,431	27,336,491	4,723	3,268	85,735
<b>Total Noncurrent Assets</b>	<b>25,085</b>	<b>1,001,431</b>	<b>27,477,134</b>	<b>4,723</b>	<b>3,268</b>	<b>85,735</b>
<b>Total Assets</b>	<b>275,815</b>	<b>2,135,456</b>	<b>29,255,041</b>	<b>341,802</b>	<b>1,073,192</b>	<b>511,640</b>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	87,758	63,058	43,282	574	5,022	7,033
Salaries and benefits payable	10,724	9,695	7,066	12,975	20,687	6,072
Other accrued liabilities:						
Compensated absences	39,310	61,479	34,708	46,547	47,630	31,222
Interest	-	-	43,808	-	-	-
Insurance claims	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Current portion of long-term debt, net	-	-	417,515	-	-	-
<b>Total Current Liabilities</b>	<b>137,791</b>	<b>134,232</b>	<b>546,379</b>	<b>60,097</b>	<b>73,340</b>	<b>44,327</b>
Noncurrent liabilities:						
Other post-retirement benefits payable	80,865	57,923	53,524	103,669	159,444	23,865
Long-term debt, net	-	-	12,070,054	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>80,865</b>	<b>57,923</b>	<b>12,123,578</b>	<b>103,669</b>	<b>159,444</b>	<b>23,865</b>
<b>Total Liabilities</b>	<b>218,657</b>	<b>192,155</b>	<b>12,669,957</b>	<b>163,766</b>	<b>232,783</b>	<b>68,192</b>
<b>Net Assets</b>						
Invested in capital assets, net of related debt						
	25,085	1,001,431	14,848,922	4,723	3,268	85,735
Unrestricted	32,073	941,871	1,736,162	173,313	837,141	357,713
<b>Total Net Assets</b>	<b>\$ 57,159</b>	<b>\$ 1,943,301</b>	<b>\$ 16,585,084</b>	<b>\$ 178,036</b>	<b>\$ 840,409</b>	<b>\$ 443,447</b>

City of Bend, Oregon  
**Combining Statement of Net Assets (Continued)**  
Internal Service Fund  
June 30, 2010

	<u>Risk Management Division</u>	<u>Administration &amp; Financial Services Division</u>	<u>City Attorney's Office Division</u>	<u>Community Development Administration Division</u>	<u>Total</u>
<b>Assets</b>					
Current assets:					
Pooled cash and investments	\$ 2,628,285	\$ 949,389	\$ 311,699	\$ -	\$ 8,825,798
Accounts receivable, net	-	275	-	-	275
Inventories	-	-	-	-	30,631
Prepays and deposits	-	13,895	-	-	20,453
Bond issue costs, net	-	-	-	-	21,957
<b>Total Current Assets</b>	<b>2,628,285</b>	<b>963,559</b>	<b>311,699</b>	<b>-</b>	<b>8,899,114</b>
Noncurrent assets:					
Bond issue costs, net	-	-	-	-	140,642
Capital assets, net	-	6,476	-	-	28,463,210
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>6,476</b>	<b>-</b>	<b>-</b>	<b>28,603,852</b>
<b>Total Assets</b>	<b>2,628,285</b>	<b>970,036</b>	<b>311,699</b>	<b>-</b>	<b>37,502,966</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	80,036	65,057	347	-	352,168
Salaries and benefits payable	-	50,693	4,711	-	122,623
Other accrued liabilities:					
Compensated absences	-	180,171	14,902	-	455,968
Interest	-	-	-	-	43,808
Insurance claims	242,899	-	-	-	242,899
Deposits	627,937	75	-	-	628,012
Current portion of long-term debt, net	-	-	-	-	417,515
<b>Total Current Liabilities</b>	<b>950,872</b>	<b>295,996</b>	<b>19,960</b>	<b>-</b>	<b>2,262,994</b>
Noncurrent liabilities:					
Other post-retirement benefits payable	-	396,762	13,127	-	889,179
Long-term debt, net	-	-	-	-	12,070,054
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>396,762</b>	<b>13,127</b>	<b>-</b>	<b>12,959,233</b>
<b>Total Liabilities</b>	<b>950,872</b>	<b>692,758</b>	<b>33,086</b>	<b>-</b>	<b>15,222,227</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt					
	-	6,476	-	-	15,975,640
Unrestricted	1,677,412	270,801	278,613	-	6,305,099
<b>Total Net Assets</b>	<b>\$ 1,677,412</b>	<b>\$ 277,277</b>	<b>\$ 278,613</b>	<b>\$ -</b>	<b>\$ 22,280,739</b>



City of Bend, Oregon

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

Internal Service Fund

For the fiscal year ended June 30, 2010

	<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>Public Works Laboratory Division</u>
<b><u>Operating Revenues</u></b>						
Charges for services	\$ 2,171,387	\$ 1,929,696	\$ 25,797	\$ 570,363	\$ 1,965,200	\$ 914,919
Rental income						
Rental income from others	-	-	48,743	-	-	-
Rental income from other City funds	-	-	2,434,700	-	-	-
Insurance settlement and refunds	-	-	-	-	-	-
Miscellaneous	4,749	2,529	11,103	12	173	-
<b>Total Operating Revenues</b>	<b>2,176,136</b>	<b>1,932,225</b>	<b>2,520,343</b>	<b>570,374</b>	<b>1,965,373</b>	<b>914,919</b>
<b><u>Operating Expenses</u></b>						
Salaries and benefits	724,231	657,118	470,421	923,446	1,362,539	423,581
Materials and supplies	1,181,356	832,837	962,895	71,386	196,297	97,064
Internal services	393,903	121,461	171,890	245,177	313,714	125,016
Insurance premiums and claims	-	-	-	-	-	-
Depreciation	4,998	317,410	632,883	5,353	8,799	47,432
<b>Total Operating Expenses</b>	<b>2,304,487</b>	<b>1,928,826</b>	<b>2,238,088</b>	<b>1,245,361</b>	<b>1,881,349</b>	<b>693,093</b>
<b>Operating income (loss)</b>	<b>(128,351)</b>	<b>3,399</b>	<b>282,255</b>	<b>(674,987)</b>	<b>84,024</b>	<b>221,826</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>						
Investment income	3,746	9,777	32,481	2,676	11,533	2,203
Interest expense	-	-	(559,303)	-	-	-
Amortization of bond issue costs	-	-	(9,566)	-	-	-
Gain (loss) on disposal of assets	-	(1,236)	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>3,746</b>	<b>8,541</b>	<b>(536,389)</b>	<b>2,676</b>	<b>11,533</b>	<b>2,203</b>
<b>Income (loss) before contributions and transfers</b>	<b>(124,605)</b>	<b>11,940</b>	<b>(254,134)</b>	<b>(672,310)</b>	<b>95,557</b>	<b>224,028</b>
<b><u>Contributions and Transfers</u></b>						
Capital contributions	-	-	16,364	-	-	105,113
Transfers in	-	-	285,600	600,000	20,000	115,000
Transfers out	(70,362)	(3,803)	(140,135)	(1,015)	(119,749)	(694)
<b>Total Contributions and Transfers</b>	<b>(70,362)</b>	<b>(3,803)</b>	<b>161,829</b>	<b>598,985</b>	<b>(99,749)</b>	<b>219,419</b>
Change in net assets	(194,968)	8,137	(92,305)	(73,326)	(4,192)	443,447
Net Assets, July 1, 2009	252,126	1,935,164	16,677,390	251,362	844,601	-
<b>Net Assets, June 30, 2010</b>	<b>\$ 57,159</b>	<b>\$ 1,943,301</b>	<b>\$ 16,585,084</b>	<b>\$ 178,036</b>	<b>\$ 840,409</b>	<b>\$ 443,447</b>

City of Bend, Oregon

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

Internal Service Fund

For the fiscal year ended June 30, 2010

	<u>Risk Management Division</u>	<u>Administration &amp; Financial Services Division</u>	<u>City Attorney's Office Division</u>	<u>Community Development Administration Division</u>	<u>Total</u>
<b><u>Operating Revenues</u></b>					
Charges for services	\$ 9,445,404	\$ 4,482,437	\$ 325,700	\$ -	\$ 21,830,903
Rental income					
Rental income from others	-	-	-	-	48,743
Rental income from other City funds	-	-	-	-	2,434,700
Insurance settlement and refunds	147,790	-	-	-	147,790
Miscellaneous	-	10,250	11	-	28,827
<b>Total Operating Revenues</b>	<b>9,593,194</b>	<b>4,492,687</b>	<b>325,711</b>	<b>-</b>	<b>24,490,962</b>
<b><u>Operating Expenses</u></b>					
Salaries and benefits	-	3,459,313	329,547	-	8,350,196
Materials and supplies	-	752,801	13,726	-	4,108,361
Internal services	-	572,177	1,417	-	1,944,756
Insurance premiums and claims	9,435,973	-	-	-	9,435,973
Depreciation	-	5,181	-	-	1,022,055
<b>Total Operating Expenses</b>	<b>9,435,973</b>	<b>4,789,471</b>	<b>344,691</b>	<b>-</b>	<b>24,861,340</b>
<b>Operating income (loss)</b>	<b>157,221</b>	<b>(296,785)</b>	<b>(18,980)</b>	<b>-</b>	<b>(370,378)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment income	24,615	11,112	781	-	98,924
Interest expense	-	-	-	-	(559,303)
Amortization of bond issue costs	-	-	-	-	(9,566)
Gain (loss) on disposal of assets	-	-	-	-	(1,236)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>24,615</b>	<b>11,112</b>	<b>781</b>	<b>-</b>	<b>(471,182)</b>
<b>Income (loss) before contributions and transfers</b>	<b>181,836</b>	<b>(285,672)</b>	<b>(18,199)</b>	<b>-</b>	<b>(841,560)</b>
<b><u>Contributions and Transfers</u></b>					
Capital contributions	-	-	-	-	121,477
Transfers in	-	97,000	296,904	-	1,414,504
Transfers out	(9,791)	(301,584)	(92)	(196,639)	(843,863)
<b>Total Contributions and Transfers</b>	<b>(9,791)</b>	<b>(204,584)</b>	<b>296,812</b>	<b>(196,639)</b>	<b>692,117</b>
Change in net assets	172,045	(490,256)	278,613	(196,639)	(149,443)
Net Assets, July 1, 2009	1,505,368	767,534	-	196,639	22,430,182
<b>Net Assets, June 30, 2010</b>	<b>\$ 1,677,412</b>	<b>\$ 277,277</b>	<b>\$ 278,613</b>	<b>\$ -</b>	<b>\$ 22,280,739</b>

City of Bend, Oregon  
**Combining Statement of Cash Flows**  
Internal Service Fund  
For the fiscal year ended June 30, 2010

	<u>Garage</u> <u>Division</u>	<u>Information</u> <u>Technology</u> <u>Division</u>	<u>Facility</u> <u>Management</u> <u>Division</u>	<u>Engineering</u> <u>Division</u>
<b><u>Cash Flows from Operating Activities</u></b>				
Cash received from customers	\$ 4,749	\$ 2,529	\$ 59,846	\$ 23,183
Cash received from interfund services provided	2,171,387	1,929,696	2,460,497	547,192
Cash paid to employees for services	(680,540)	(617,578)	(436,678)	(851,713)
Cash paid to suppliers for goods and services	(1,186,823)	(838,591)	(943,437)	(32,584)
Cash paid for interfund services used	(393,903)	(121,461)	(171,890)	(245,177)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>(85,129)</b>	<b>354,594</b>	<b>968,338</b>	<b>(559,099)</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers from other funds	-	-	285,600	600,000
Transfers to other funds	(70,362)	(3,803)	(140,135)	(1,015)
<b>Net Cash Provided (Used) By Noncapital Financing Activities</b>	<b>(70,362)</b>	<b>(3,803)</b>	<b>145,465</b>	<b>598,985</b>
<b><u>Cash Flows from Capital and Related</u></b>				
<b><u>Financing Activities</u></b>				
Short-term loan repayment	-	-	(560,000)	-
Issuance of debt	-	-	3,600,000	-
Payment of bond issuance costs	-	-	(9,845)	-
Principal payments on notes, bonds, and certificates	-	-	(5,085,000)	-
Interest payments on notes, bonds, and certificates	-	-	(562,897)	-
Capital grants and contributions	-	-	828,590	-
Acquisition and construction of capital assets	(10,229)	(251,162)	(483,616)	-
<b>Net Cash Provided (Used) By Capital and Related</b>				
<b>Financing Activities</b>	<b>(10,229)</b>	<b>(251,162)</b>	<b>(2,272,768)</b>	<b>-</b>
<b><u>Cash Flows from Investing Activities</u></b>				
Investment income	3,746	9,777	32,481	2,676
<b>Net Cash Provided By Investing Activities</b>	<b>3,746</b>	<b>9,777</b>	<b>32,481</b>	<b>2,676</b>
Net change in pooled cash and investments	(161,974)	109,406	(1,126,485)	42,562
Pooled Cash and Investments, July 1, 2009	382,073	1,024,620	2,882,435	294,516
<b>Pooled Cash and Investments, June 30, 2010</b>	<b>\$ 220,099</b>	<b>\$ 1,134,026</b>	<b>\$ 1,755,951</b>	<b>\$ 337,078</b>

City of Bend, Oregon

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

Internal Service Fund

For the fiscal year ended June 30, 2010

	Public Works Administration Division	Public Works Laboratory Division	Risk Management Division	Administration & Financial Services Division
<b><u>Cash Flows from Operating Activities</u></b>				
Cash received from customers	\$ 173	\$ -	\$ 767,755	\$ 87,524
Cash received from interfund services provided	1,965,200	914,919	8,867,973	4,444,297
Cash paid to employees for services	(1,313,716)	(362,422)	-	(3,195,971)
Cash paid to suppliers for goods and services	(108,261)	(90,031)	(9,293,055)	(745,890)
Cash paid for interfund services used	(313,714)	(125,016)	-	(572,177)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>229,682</b>	<b>337,450</b>	<b>342,673</b>	<b>17,783</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers from other funds	20,000	115,000	-	97,000
Transfers to other funds	(119,749)	(694)	(9,791)	(301,584)
<b>Net Cash Provided (Used) By Noncapital Financing Activities</b>	<b>(99,749)</b>	<b>114,306</b>	<b>(9,791)</b>	<b>(204,584)</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Short-term loan repayment	-	-	-	-
Issuance of debt	-	-	-	-
Payment of bond issuance costs	-	-	-	-
Principal payments on notes, bonds, and certificates	-	-	-	-
Interest payments on notes, bonds, and certificates	-	-	-	-
Capital grants and contributions	-	-	-	-
Acquisition and construction of capital assets	-	(28,054)	-	-
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<b>-</b>	<b>(28,054)</b>	<b>-</b>	<b>-</b>
<b><u>Cash Flows from Investing Activities</u></b>				
Investment income	11,533	2,203	24,615	11,112
<b>Net Cash Provided By Investing Activities</b>	<b>11,533</b>	<b>2,203</b>	<b>24,615</b>	<b>11,112</b>
Net change in pooled cash and investments	141,467	425,905	357,497	(175,689)
Pooled Cash and Investments, July 1, 2009	921,900	-	2,270,788	1,125,078
<b>Pooled Cash and Investments, June 30, 2010</b>	<b>\$ 1,063,366</b>	<b>\$ 425,905</b>	<b>\$ 2,628,285</b>	<b>\$ 949,389</b>

City of Bend, Oregon

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

Internal Service Fund

For the fiscal year ended June 30, 2010

	City Attorney's Office <u>Division</u>	Economic Development Administration <u>Division</u>	Community Development Administration <u>Division</u>	<u>Total</u>
<b><u>Cash Flows from Operating Activities</u></b>				
Cash received from customers	\$ 11	\$ -	\$ -	\$ 945,770
Cash received from interfund services provided	325,700	-	-	23,626,861
Cash paid to employees for services	(296,809)	-	(41,785)	(7,797,213)
Cash paid to suppliers for goods and services	(13,378)	(68)	(1,681)	(13,253,799)
Cash paid for interfund services used	(1,417)	-	-	(1,944,756)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>14,106</b>	<b>(68)</b>	<b>(43,467)</b>	<b>1,576,864</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers from other funds	296,904	-	-	1,414,504
Transfers to other funds	(92)	-	(196,639)	(843,863)
<b>Net Cash Provided (Used) By Noncapital Financing Activities</b>	<b>296,812</b>	<b>-</b>	<b>(196,639)</b>	<b>570,641</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Short-term loan repayment	-	-	-	(560,000)
Issuance of debt	-	-	-	3,600,000
Payment of bond issuance costs	-	-	-	(9,845)
Principal payments on notes, bonds, and certificates	-	-	-	(5,085,000)
Interest payments on notes, bonds, and certificates	-	-	-	(562,897)
Capital grants and contributions	-	-	-	828,590
Acquisition and construction of capital assets	-	-	-	(773,061)
<b>Net Cash Provided (Used) By Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,562,213)</b>
<b><u>Cash Flows from Investing Activities</u></b>				
Investment income	781	-	-	98,924
<b>Net Cash Provided By Investing Activities</b>	<b>781</b>	<b>-</b>	<b>-</b>	<b>98,924</b>
 Net change in pooled cash and investments	 311,699	 (68)	 (240,105)	 (315,786)
Pooled Cash and Investments, July 1, 2009	-	68	240,105	9,141,584
<b>Pooled Cash and Investments, June 30, 2010</b>	<b>\$ 311,699</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,825,798</b>

City of Bend, Oregon

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

Internal Service Fund

For the fiscal year ended June 30, 2010

	<u>Garage Division</u>	<u>Information Technology Division</u>	<u>Facility Management Division</u>	<u>Engineering Division</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities</b>				
Operating income (loss)	\$ (128,351)	\$ 3,399	\$ 282,255	\$ (674,987)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	4,998	317,410	632,883	5,353
Change in:				
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Inventories	(3,222)	-	-	-
Prepays and deposits	-	12,129	-	-
Accounts payable	(2,244)	(17,884)	19,458	38,802
Salaries and benefits payable	2,893	1,849	2,017	(7,352)
Other post-employment benefits	43,326	32,707	29,683	46,316
Compensated absences payable	(2,528)	4,984	2,043	32,769
Insurance claims payable	-	-	-	-
Prepays and deposits payable	-	-	-	-
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ (85,129)</b>	<b>\$ 354,594</b>	<b>\$ 968,338</b>	<b>\$ (559,099)</b>

City of Bend, Oregon

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

Internal Service Fund

For the fiscal year ended June 30, 2010

	<b>Public Works Administration Division</b>	<b>Public Works Laboratory Division</b>	<b>Risk Management Division</b>	<b>Administration &amp; Financial Services Division</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities</b>				
Operating income (loss)	\$ 84,024	\$ 221,826	\$ 157,221	\$ (296,785)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	8,799	47,432	-	5,181
Change in:				
Accounts receivable	-	-	4,529	376
Due from other funds	-	-	-	38,683
Inventories	-	-	-	-
Prepays and deposits	(1,144)	-	-	4,239
Accounts payable	89,180	7,033	50,019	2,671
Salaries and benefits payable	(223)	6,072	-	9,807
Other post-employment benefits	79,266	23,865	-	223,083
Compensated absences payable	(30,220)	31,222	-	30,452
Insurance claims payable	-	-	92,899	-
Prepays and deposits payable	-	-	38,005	75
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 229,682</b>	<b>\$ 337,450</b>	<b>\$ 342,673</b>	<b>\$ 17,783</b>

City of Bend, Oregon  
**Combining Statement of Cash Flows (Continued)**  
Internal Service Fund  
For the fiscal year ended June 30, 2010

	City Attorney's Office <u>Division</u>	Economic Development Administration <u>Division</u>	Community Development Administration <u>Division</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities</b>				
Operating income (loss)	\$ (18,980)	\$ -	\$ -	\$ (370,378)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	-	1,022,055
Change in:				
Accounts receivable	-	-	-	4,905
Due from other funds	-	-	-	38,683
Inventories	-	-	-	(3,222)
Prepays and deposits	-	-	-	15,224
Accounts payable	347	(68)	(1,681)	185,634
Salaries and benefits payable	4,711	-	(16,992)	2,782
Other post-employment benefits	13,127	-	(24,774)	466,599
Compensated absences payable	14,902	-	(20)	83,602
Insurance claims payable	-	-	-	92,899
Prepays and deposits payable	-	-	-	38,080
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 14,106</b>	<b>\$ (68)</b>	<b>\$ (43,467)</b>	<b>\$ 1,576,864</b>

Noncash Capital and Related Financing Activities

Acquisition of capital assets financed through accounts payable for the current year totaled \$3,059 in the Facility Management Division and \$21,415 in the Information Technology Division.

The net book value of capital assets contributed from other funds in the current year totaled \$105,113 in the Public Works Laboratory Division.



City of Bend, Oregon

**Garage Division**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Charges for services:						
Charges to other City funds	\$ 4,658,800	\$ 4,658,800	\$ 2,171,387	\$ -	\$ 2,171,387	\$ (2,487,413)
Investment income	5,700	5,700	3,746	-	3,746	(1,954)
Miscellaneous	18,500	18,500	4,749	-	4,749	(13,751)
<b>Total Revenues</b>	<b>4,683,000</b>	<b>4,683,000</b>	<b>2,179,882</b>	<b>-</b>	<b>2,179,882</b>	<b>(2,503,118)</b>
<b>Expenditures</b>						
Current:						
Personal services	1,407,349	1,407,349	680,905	-	680,905	726,444
Materials and services	2,352,700	2,421,700	1,181,356	-	1,181,356	1,240,344
Interfund charges	803,200	803,200	393,903	-	393,903	409,298
Capital outlay	5,000	5,000	10,229	-	10,229	(5,229)
Contingency	218,951	218,951	-	-	-	218,951
<b>Total Expenditures</b>	<b>4,787,200</b>	<b>4,856,200</b>	<b>2,266,393</b>	<b>-</b>	<b>2,266,393</b>	<b>2,589,807</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(104,200)</b>	<b>(173,200)</b>	<b>(86,511)</b>	<b>-</b>	<b>(86,511)</b>	<b>86,689</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	-	(76,000)	(70,362)	-	(70,362)	5,638
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(76,000)</b>	<b>(70,362)</b>	<b>-</b>	<b>(70,362)</b>	<b>5,638</b>
Net change in fund balance	(104,200)	(249,200)	(156,873)	-	(156,873)	92,327
Beginning Fund Balance	104,200	249,200	293,746	-	293,746	44,546
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 136,873</b>	<b>\$ -</b>	<b>\$ 136,873</b>	<b>\$ 136,873</b>

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 2,266,393
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	43,326
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(10,229)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	4,998
<b>Expenses - GAAP Basis</b>	<b>\$ 2,304,487</b>

City of Bend, Oregon

**Information Technology Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Charges to other City funds	\$ 3,985,600	\$ 3,985,600	\$ 1,955,435	\$ -	\$ 1,955,435	\$ (2,030,165)
Investment income	31,100	31,100	9,777	-	9,777	(21,323)
Miscellaneous	-	-	2,529	-	2,529	2,529
<b>Total Revenues</b>	<b>4,016,700</b>	<b>4,016,700</b>	<b>1,967,741</b>	<b>-</b>	<b>1,967,741</b>	<b>(2,048,959)</b>
<b>Expenditures</b>						
Current:						
Personal services	1,330,295	1,330,295	624,411	-	624,411	705,884
Materials and services	1,614,130	1,636,530	832,837	-	832,837	803,693
Interfund charges	252,800	252,800	121,461	-	121,461	131,339
Capital outlay	728,500	699,800	266,362	-	266,362	433,438
Contingency	326,775	326,775	-	-	-	326,775
Replacement reserve	500,000	500,000	-	-	-	500,000
<b>Total Expenditures</b>	<b>4,752,500</b>	<b>4,746,200</b>	<b>1,845,070</b>	<b>-</b>	<b>1,845,070</b>	<b>2,901,130</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(735,800)</b>	<b>(729,500)</b>	<b>122,670</b>	<b>-</b>	<b>122,670</b>	<b>852,170</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	-	(6,300)	(3,803)	-	(3,803)	2,497
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(6,300)</b>	<b>(3,803)</b>	<b>-</b>	<b>(3,803)</b>	<b>2,497</b>
Net change in fund balance	(735,800)	(735,800)	118,867	-	118,867	854,667
Beginning Fund Balance	735,800	735,800	906,190	-	906,190	170,390
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,025,058</b>	<b>\$ -</b>	<b>\$ 1,025,058</b>	<b>\$ 1,025,058</b>

**Reconciliation of Budgetary basis to GAAP basis**

Revenues - Budgetary Basis	\$ 1,967,741
Transfers of capital assets reported as revenues on the budgetary basis are reported as assets on the GAAP basis	(25,738)
<b>Revenues - GAAP Basis</b>	<b>\$ 1,942,002</b>
Expenditures - Budgetary Basis	\$ 1,845,070
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	32,707
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(266,362)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	317,410
<b>Expenses - GAAP Basis</b>	<b>\$ 1,928,826</b>
Other Financing Sources (Uses)- Budgetary Basis	\$ (3,803)
Loss on disposal of asset reported as an expense on the GAAP basis	(1,236)
<b>Other Financing Sources (Uses) - GAAP Basis</b>	<b>\$ (5,039)</b>

City of Bend, Oregon

**Facility Management Division**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	\$ 16,400	\$ 16,364	\$ -	\$ 16,364	\$ (36)
Charges to other City funds	720,000	720,000	25,797	-	25,797	(694,203)
Rental income						
Rental income from others	132,300	132,300	48,743	-	48,743	(83,557)
Rental income from other City funds	4,982,100	5,010,300	2,434,700	-	2,434,700	(2,575,600)
Investment income	66,100	66,100	32,481	-	32,481	(33,619)
Contributions	-	11,100	11,025	-	11,025	(75)
Miscellaneous	-	-	78	-	78	78
<b>Total Revenues</b>	<b>5,900,500</b>	<b>5,956,200</b>	<b>2,569,188</b>	<b>-</b>	<b>2,569,188</b>	<b>(3,387,012)</b>
<b>Expenditures</b>						
Current:						
Personal services	922,983	922,983	440,738	-	440,738	482,245
Materials and services	2,396,445	2,301,745	972,740	-	972,740	1,329,005
Interfund charges	279,300	293,600	171,890	-	171,890	121,710
Debt service	6,621,400	6,621,400	5,644,303	-	5,644,303	977,097
Capital outlay	1,200,000	1,218,900	66,149	-	66,149	1,152,751
Contingency	782,172	782,172	-	-	-	782,172
Construction reserves	330,000	330,000	-	-	-	330,000
Major maintenance reserves	430,000	430,000	-	-	-	430,000
<b>Total Expenditures</b>	<b>12,962,300</b>	<b>12,900,800</b>	<b>7,295,820</b>	<b>-</b>	<b>7,295,820</b>	<b>5,604,980</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(7,061,800)</b>	<b>(6,944,600)</b>	<b>(4,726,632)</b>	<b>-</b>	<b>(4,726,632)</b>	<b>2,217,968</b>
<b>Other Financing Sources (Uses)</b>						
Repayment of short-term notes payable	-	(560,000)	(560,000)	-	(560,000)	-
Issuance of long-term debt	3,600,000	3,600,000	3,600,000	-	3,600,000	-
Transfers in	432,600	569,900	285,600	-	285,600	(284,300)
Transfers out	-	(184,500)	(140,135)	-	(140,135)	44,365
<b>Total Other Financing Sources (Uses)</b>	<b>4,032,600</b>	<b>3,425,400</b>	<b>3,185,465</b>	<b>-</b>	<b>3,185,465</b>	<b>(239,935)</b>
Net change in fund balance	(3,029,200)	(3,519,200)	(1,541,167)	-	(1,541,167)	1,978,033
Beginning Fund Balance	3,029,200	3,519,200	3,192,826	-	3,192,826	(326,374)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,651,658</b>	<b>\$ -</b>	<b>\$ 1,651,658</b>	<b>\$ 1,651,658</b>

City of Bend, Oregon

**Facility Management Division**

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

For the fiscal year ended June 30, 2010

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 7,295,820
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	29,683
Bond issue costs reported as expenditures on the budgetary basis are reported as an asset on the GAAP basis	(9,845)
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(66,149)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(5,085,000)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	632,883
Amortization of bond issue costs is not reported on the budgetary basis but is reported as an expense on the GAAP basis	9,566
<b>Expenses - GAAP Basis</b>	<u><u>\$ 2,806,958</u></u>
Other Financing Sources (Uses)- Budgetary Basis	\$ 3,185,465
Repayment of short-term loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis	560,000
Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis	(3,600,000)
<b>Other Financing Sources (Uses) - GAAP Basis</b>	<u><u>\$ 145,465</u></u>

City of Bend, Oregon  
**Engineering Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Charges for services:						
Charges to others	\$ 61,000	\$ 54,500	\$ 23,171	\$ -	\$ 23,171	\$ (31,329)
Charges to other City funds	1,099,000	1,069,400	547,192	-	547,192	(522,208)
Investment income	8,500	8,500	2,676	-	2,676	(5,824)
Miscellaneous	-	-	12	-	12	12
<b>Total Revenues</b>	<b>1,168,500</b>	<b>1,132,400</b>	<b>573,051</b>	<b>-</b>	<b>573,051</b>	<b>(559,349)</b>
<b>Expenditures</b>						
Current:						
Personal services	1,460,197	1,541,279	877,129	-	877,129	664,150
Materials and services	98,946	87,890	31,172	-	31,172	56,718
Interfund charges	474,800	465,800	245,177	-	245,177	220,623
Contingency	232,657	316,531	-	-	-	316,531
<b>Total Expenditures</b>	<b>2,266,600</b>	<b>2,411,500</b>	<b>1,153,478</b>	<b>-</b>	<b>1,153,478</b>	<b>1,258,022</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,098,100)</b>	<b>(1,279,100)</b>	<b>(580,427)</b>	<b>-</b>	<b>(580,427)</b>	<b>698,673</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,000,000	1,000,000	600,000	-	600,000	(400,000)
Transfers out	-	-	(1,015)	-	(1,015)	(1,015)
<b>Total Other Financing Sources (Uses)</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>598,985</b>	<b>-</b>	<b>598,985</b>	<b>(401,015)</b>
Net change in fund balance	(98,100)	(279,100)	18,557	-	18,557	297,657
Beginning Fund Balance	98,100	279,100	279,075	-	279,075	(25)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 297,632</b>	<b>\$ -</b>	<b>\$ 297,632</b>	<b>\$ 297,632</b>

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 1,153,478
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	46,316
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	40,214
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	5,353
<b>Expenses - GAAP Basis</b>	<b>\$ 1,245,361</b>

City of Bend, Oregon

**Public Works Administration Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		<u>FY2009-10 Actual</u>	<u>FY2010-11 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Charges to other City funds	\$ 3,986,700	\$ 3,986,700	\$ 1,965,200	\$ -	\$ 1,965,200	\$ (2,021,500)
Investment income	29,000	29,000	11,533	-	11,533	(17,467)
Miscellaneous	-	-	173	-	173	173
<b>Total Revenues</b>	<b>4,015,700</b>	<b>4,015,700</b>	<b>1,976,906</b>	<b>-</b>	<b>1,976,906</b>	<b>(2,038,794)</b>
<b>Expenditures</b>						
Current:						
Personal services	3,270,923	3,264,323	1,283,273	-	1,283,273	1,981,050
Materials and services	409,996	409,996	100,267	-	100,267	309,729
Interfund charges	653,500	660,100	313,714	-	313,714	346,386
Capital outlay	25,000	25,000	-	-	-	25,000
Contingency	514,181	514,181	-	-	-	514,181
<b>Total Expenditures</b>	<b>4,873,600</b>	<b>4,873,600</b>	<b>1,697,255</b>	<b>-</b>	<b>1,697,255</b>	<b>3,176,345</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(857,900)</b>	<b>(857,900)</b>	<b>279,652</b>	<b>-</b>	<b>279,652</b>	<b>1,137,552</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	20,000	-	20,000	20,000
Transfers out	(115,000)	(115,000)	(119,749)	-	(119,749)	(4,749)
<b>Total Other Financing Sources (Uses)</b>	<b>(115,000)</b>	<b>(115,000)</b>	<b>(99,749)</b>	<b>-</b>	<b>(99,749)</b>	<b>15,251</b>
Net change in fund balance	(972,900)	(972,900)	179,903	-	179,903	1,152,803
Beginning Fund Balance	972,900	972,900	873,031	-	873,031	(99,870)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,052,934</b>	<b>\$ -</b>	<b>\$ 1,052,934</b>	<b>\$ 1,052,934</b>

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 1,697,255
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	79,266
Capital assets contributed to another fund are not reported on the budgetary basis but are reported as contribution expense on the GAAP basis	96,029
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	8,799
<b>Expenses - GAAP Basis</b>	<b>\$ 1,881,349</b>

City of Bend, Oregon

**Public Works Laboratory Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Charges for services:						
Charges to others	\$ -	\$ -	\$ 9,819	\$ -	\$ 9,819	\$ 9,819
Charges to other City funds	1,873,600	1,873,600	905,100	-	905,100	(968,500)
Investment income	6,700	6,700	2,203	-	2,203	(4,497)
<b>Total Revenues</b>	<b>1,880,300</b>	<b>1,880,300</b>	<b>917,122</b>	<b>-</b>	<b>917,122</b>	<b>(963,178)</b>
<b>Expenditures</b>						
Current:						
Personal services	972,444	972,444	399,716	-	399,716	572,728
Materials and services	494,800	494,800	97,064	-	97,064	397,736
Interfund charges	244,600	244,600	125,016	-	125,016	119,584
Capital outlay	103,000	103,000	28,054	-	28,054	74,946
Contingency	180,456	180,456	-	-	-	180,456
<b>Total Expenditures</b>	<b>1,995,300</b>	<b>1,995,300</b>	<b>649,850</b>	<b>-</b>	<b>649,850</b>	<b>1,345,450</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(115,000)</b>	<b>(115,000)</b>	<b>267,271</b>	<b>-</b>	<b>267,271</b>	<b>382,271</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	115,000	115,000	115,000	-	115,000	-
Transfers out	-	-	(694)	-	(694)	(694)
<b>Total Other Financing Sources (Uses)</b>	<b>115,000</b>	<b>115,000</b>	<b>114,306</b>	<b>-</b>	<b>114,306</b>	<b>(694)</b>
Net change in fund balance	-	-	381,578	-	381,578	381,578
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 381,578</b>	<b>\$ -</b>	<b>\$ 381,578</b>	<b>\$ 381,578</b>

**Reconciliation of Budgetary basis to GAAP basis**

Revenues - Budgetary Basis	\$ 917,122
Contributed vehicles & equipment not reported on the budgetary basis are reported as contribution revenue on the GAAP basis	105,113
<b>Revenues - GAAP Basis</b>	<b>\$ 1,022,234</b>
Expenditures - Budgetary Basis	\$ 649,850
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	23,865
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(28,054)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	47,432
<b>Expenses - GAAP Basis</b>	<b>\$ 693,093</b>

City of Bend, Oregon

**Risk Management Division**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Charges for services:						
Charges to others	\$ 1,428,100	\$ 1,428,100	\$ 577,431	\$ -	\$ 577,431	\$ (850,669)
Charges to other City funds	20,032,700	20,032,700	8,867,973	-	8,867,973	(11,164,727)
Insurance settlements and refunds	32,000	32,000	147,790	-	147,790	115,790
Investment income	94,800	94,800	24,615	-	24,615	(70,185)
<b>Total Revenues</b>	<b>21,587,600</b>	<b>21,587,600</b>	<b>9,617,808</b>	<b>-</b>	<b>9,617,808</b>	<b>(11,969,792)</b>
<b>Expenditures</b>						
Current:						
Materials and services	21,250,100	21,235,100	9,435,973	-	9,435,973	11,799,127
Contingency	100,000	100,000	-	-	-	100,000
Insurance reserves	2,444,500	2,444,500	-	-	-	2,444,500
<b>Total Expenditures</b>	<b>23,794,600</b>	<b>23,779,600</b>	<b>9,435,973</b>	<b>-</b>	<b>9,435,973</b>	<b>14,343,627</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,207,000)</b>	<b>(2,192,000)</b>	<b>181,836</b>	<b>-</b>	<b>181,836</b>	<b>2,373,836</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	-	(15,000)	(9,791)	-	(9,791)	5,209
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(15,000)</b>	<b>(9,791)</b>	<b>-</b>	<b>(9,791)</b>	<b>5,209</b>
Net change in fund balance	(2,207,000)	(2,207,000)	172,045	-	172,045	2,379,045
Beginning Fund Balance	2,207,000	2,207,000	2,093,889	-	2,093,889	(113,111)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,265,933</b>	<b>\$ -</b>	<b>\$ 2,265,933</b>	<b>\$ 2,265,933</b>



City of Bend, Oregon

**Administration and Financial Services Division**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>				Positive <u>(Negative)</u>
<b>Revenues</b>						
Charges for services:						
Charges to others	\$ 16,800	\$ 16,800	\$ 38,140	\$ -	\$ 38,140	\$ 21,340
Charges to other City funds	9,129,300	9,129,300	4,444,297	-	4,444,297	(4,685,003)
Contributions	-	-	4,000	-	4,000	4,000
Investment income	15,400	15,400	11,112	-	11,112	(4,288)
Miscellaneous	2,000	2,000	6,250	-	6,250	4,250
<b>Total Revenues</b>	<b>9,163,500</b>	<b>9,163,500</b>	<b>4,503,799</b>	<b>-</b>	<b>4,503,799</b>	<b>(4,659,701)</b>
<b>Expenditures</b>						
Current:						
Personal services	6,834,859	6,733,659	3,236,230	-	3,236,230	3,497,429
Materials and services	1,849,842	1,849,842	752,801	-	752,801	1,097,041
Interfund charges	1,118,400	1,183,400	572,177	-	572,177	611,223
Contingency	56,499	56,499	-	-	-	56,499
<b>Total Expenditures</b>	<b>9,859,600</b>	<b>9,823,400</b>	<b>4,561,208</b>	<b>-</b>	<b>4,561,208</b>	<b>5,262,192</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(696,100)</b>	<b>(659,900)</b>	<b>(57,409)</b>	<b>-</b>	<b>(57,409)</b>	<b>602,491</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	43,200	43,200	97,000	-	97,000	53,800
Transfers out	(227,000)	(263,200)	(301,584)	-	(301,584)	(38,384)
<b>Total Other Financing Sources (Uses)</b>	<b>(183,800)</b>	<b>(220,000)</b>	<b>(204,584)</b>	<b>-</b>	<b>(204,584)</b>	<b>15,416</b>
Net change in fund balance	(879,900)	(879,900)	(261,993)	-	(261,993)	617,907
Beginning Fund Balance	879,900	879,900	993,054	-	993,054	113,154
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 731,061</b>	<b>\$ -</b>	<b>\$ 731,061</b>	<b>\$ 731,061</b>

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 4,561,208
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	223,083
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	5,181
<b>Expenses - GAAP Basis</b>	<b>\$ 4,789,471</b>

City of Bend, Oregon

**City Attorney's Office Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Charges for services:						
Charges to other City funds	\$ 674,300	\$ 674,300	\$ 325,700	\$ -	\$ 325,700	\$ (348,600)
Investment income	4,300	4,300	781	-	781	(3,519)
Miscellaneous	-	-	11	-	11	11
<b>Total Revenues</b>	<b>678,600</b>	<b>678,600</b>	<b>326,491</b>	<b>-</b>	<b>326,491</b>	<b>(352,109)</b>
<b>Expenditures</b>						
Current:						
Personal services	711,751	711,751	316,421	-	316,421	395,330
Materials and services	83,908	83,908	13,726	-	13,726	70,182
Interfund charges	3,900	3,900	1,417	-	1,417	2,483
Contingency	106,041	106,041	-	-	-	106,041
<b>Total Expenditures</b>	<b>905,600</b>	<b>905,600</b>	<b>331,564</b>	<b>-</b>	<b>331,564</b>	<b>574,036</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(227,000)</b>	<b>(227,000)</b>	<b>(5,073)</b>	<b>-</b>	<b>(5,073)</b>	<b>221,927</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	227,000	227,000	296,904	-	296,904	69,904
Transfers out	-	-	(92)	-	(92)	(92)
<b>Total Other Financing Sources (Uses)</b>	<b>227,000</b>	<b>227,000</b>	<b>296,812</b>	<b>-</b>	<b>296,812</b>	<b>69,812</b>
Net change in fund balance	-	-	291,739	-	291,739	291,739
Beginning Fund Balance	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 291,739</b>	<b>\$ -</b>	<b>\$ 291,739</b>	<b>\$ 291,739</b>

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 331,564
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	13,127
<b>Expenses - GAAP Basis</b>	<b>\$ 344,691</b>

City of Bend, Oregon

**Community Development Administration Division**

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

For the fiscal year ended June 30, 2010

	<u>Biennium Budget</u>		<u>FY2009-10 Actual</u>	<u>FY2010-11 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b><u>Other Financing Sources (Uses)</u></b>						
Transfers out	\$ (242,200)	\$ (242,200)	\$ (221,413)	\$ -	\$ (221,413)	\$ 20,787
<b>Total Other Financing Sources (Uses)</b>	<b>(242,200)</b>	<b>(242,200)</b>	<b>(221,413)</b>	<b>-</b>	<b>(221,413)</b>	<b>20,787</b>
Net change in fund balance	(242,200)	(242,200)	(221,413)	-	(221,413)	20,787
Beginning Fund Balance	242,200	242,200	221,413	-	221,413	(20,787)
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Reconciliation of Budgetary basis to GAAP basis**

Other Financing Sources (Uses)- Budgetary Basis	\$ (221,413)
Reduction of other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	<u>24,774</u>
<b>Other Financing Sources (Uses) - GAAP Basis</b>	<b><u>\$ (196,639)</u></b>

City of Bend, Oregon

**Internal Service Fund**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the fiscal year ended June 30, 2010

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
Garage division	\$ 4,713,249	\$ 2,336,756	\$ 2,376,493
Information technology division	3,925,725	1,848,873	2,076,852
Facility management division	12,103,128	7,995,955	4,107,173
Engineering division	2,094,969	1,154,494	940,475
Public works administration division	4,474,419	1,817,003	2,657,416
Public works laboratory division	1,814,844	650,544	1,164,300
Risk management division	21,250,100	9,445,764	11,804,336
Administration and financial services division	10,030,101	4,862,792	5,167,309
City attorney's office division	799,559	331,656	467,903
Community development administration division	242,200	221,413	20,787
Contingency	2,601,606	-	2,601,606
Other requirements	3,704,500	-	3,704,500
	<b>\$ 67,754,400</b>	<b>\$ 30,665,249</b>	<b>\$ 37,089,151</b>

## **AGENCY FUND**

### Agency Fund

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



City of Bend, Oregon

## Statement of Changes in Assets and Liabilities

Agency Fund

For the fiscal year ended June 30, 2010

	<b>Balance</b>				<b>Balance</b>	
	<b>July 1, 2009</b>		<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2010</b>	
<b>Assets</b>						
Cash and investments	\$ 61,352	\$	668,307	\$ (681,437)	\$	48,223
Accounts receivable, net	5		3,585	(3,585)		5
<b>Total Assets</b>	<b>\$ 61,357</b>	<b>\$</b>	<b>671,893</b>	<b>\$ (685,022)</b>	<b>\$</b>	<b>48,227</b>
<b>Liabilities</b>						
Amounts held for others	\$ 61,357	\$	659,731	\$ (672,860)	\$	48,227
<b>Total Liabilities</b>	<b>\$ 61,357</b>	<b>\$</b>	<b>659,731</b>	<b>\$ (672,860)</b>	<b>\$</b>	<b>48,227</b>

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OTHER FINANCIAL SCHEDULES



City of Bend, Oregon  
**Schedule of Property Tax Transactions**  
For the fiscal year ended June 30, 2010

<u>Fiscal Year</u>	<u>Uncollected Balances June 30, 2009</u>	<u>Current Year's Levy</u>	<u>Adjustments, Interest and Discounts</u>	<u>Net Collections</u>	<u>Uncollected Balances June 30, 2010</u>
Prior	\$ 392	\$ -	\$ (9)	\$ (47)	337
1999-00	183	-	(37)	(6)	140
2000-01	1,128	-	(212)	(6)	910
2001-02	1,400	-	(117)	(6)	1,277
2002-03	2,214	-	(298)	(47)	1,870
2003-04	1,039	-	(635)	(455)	(52)
2004-05	5,207	-	(1,426)	(1,233)	2,548
2005-06	29,794	-	2,791	(28,745)	3,840
2006-07	84,880	-	11,448	(72,366)	23,962
2007-08	405,259	-	21,563	(224,099)	202,722
2008-09	1,613,133	-	33,944	(1,082,920)	564,157
2009-10	-	26,039,616	(684,320)	(23,896,291)	1,459,005
<b>Totals</b>	<b>\$ 2,144,627</b>	<b>\$ 26,039,616</b>	<b>\$ (617,308)</b>	<b>\$ (25,306,220)</b>	<b>\$ 2,260,716</b>

Reconciliation to revenues:

Collections	\$ 25,306,220
60 day accrual adjustments	67,026
Change in deferred revenue	54,643
<b>Total Property Tax Revenues</b>	<b>\$ 25,427,888</b>

Summary by fund:

	<u>Revenues</u>	<u>Property Tax Receivable</u>
General Fund	\$ 21,923,120	\$ 1,957,287
Urban Renewal Debt Service Fund	2,979,169	267,374
Juniper Ridge Urban Renewal Debt Service Fund	474,357	33,107
Murphy Crossing Urban Renewal Debt Service Fund	51,242	2,949
<b>Totals</b>	<b>\$ 25,427,888</b>	<b>\$ 2,260,716</b>

City of Bend, Oregon

**Schedule of Long-Term Debt Transactions - Principal**

For the fiscal year ended June 30, 2010

<u>Series</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Unmatured and Outstanding June 30, 2009</u>	<u>Bonds Issued</u>	<u>Bonds Called and Matured</u>	<u>Unmatured and Outstanding June 30, 2010</u>
<b>Limited Tax Improvement Bonds:</b>							
Series 2003	01/10/03	12/01/12	\$ 1,322,000	\$ 164,000	\$ -	\$ (164,000)	\$ -
<b>Total Limited Tax Improvement</b>				<b>164,000</b>	<b>-</b>	<b>(164,000)</b>	<b>-</b>
<b>Full Faith &amp; Credit Obligation Bonds:</b>							
Fire stations, series 1999	05/01/99	06/01/24	4,275,000	3,225,000	-	(3,225,000)	-
Airport, series 1999A	06/01/99	06/01/19	840,000	840,000	-	(840,000)	-
Airport, series 1999B	06/01/99	06/01/13	260,000	230,000	-	(230,000)	-
Transportation system, series 2000	09/01/00	09/01/20	6,000,000	4,275,000	-	(4,275,000)	-
Police facility and street equipment, series 2002	06/01/02	12/01/26	7,130,000	5,560,000	-	(200,000)	5,360,000
Transportation system and fire, series 2003	04/01/03	12/01/22	13,050,800	9,156,500	-	(559,300)	8,597,200
Airport, series 2003	04/01/03	12/01/13	279,200	138,500	-	(25,700)	112,800
Pension obligation bonds, series 2004	05/27/04	06/01/28	13,725,000	13,675,000	-	(85,000)	13,590,000
City Hall land, series 2005	10/19/05	06/01/10	4,780,000	4,780,000	-	(4,780,000)	-
Police expansion/ambulance, series 2006	12/21/06	12/01/31	4,950,000	4,725,000	-	(235,000)	4,490,000
Police, Cooley Rd, and fire equipment, series 2008	02/14/08	12/01/27	4,425,000	4,385,000	-	(45,000)	4,340,000
Stormwater equipment, series 2008	02/14/08	12/01/12	275,000	225,000	-	(55,000)	170,000
Fire stations 1999 refinance, series 2010	02/18/10	06/01/24	3,225,000	-	3,225,000	(170,000)	3,055,000
Accessibility, series 2010	02/18/10	06/30/24	3,265,000	-	3,265,000	(80,000)	3,185,000
Transportation system 2000 refinance, series 2010	02/18/10	06/01/21	4,103,000	-	4,103,000	(65,000)	4,038,000
Airport 1999 refinance, series 2010	02/18/10	06/01/19	1,057,000	-	1,057,000	(80,000)	977,000
City Hall land 2005 refinance, series 2010	05/28/10	06/01/15	3,600,000	-	3,600,000	-	3,600,000
<b>Total Full Faith &amp; Credit Obligation Bonds</b>				<b>51,215,000</b>	<b>15,250,000</b>	<b>(14,950,000)</b>	<b>51,515,000</b>
<b>Tax Increment Bonds</b>							
Urban renewal advance refunding bonds series 1998	11/01/98	06/01/18	7,485,000	4,155,000	-	(4,155,000)	-
Series 2004A	06/21/04	11/30/13	3,600,000	185,000	-	(185,000)	-
Series 2004B	06/21/04	12/01/13	6,900,000	6,900,000	-	(940,000)	5,960,000
<b>Total Tax Increment Bonds</b>				<b>11,240,000</b>	<b>-</b>	<b>(5,280,000)</b>	<b>5,960,000</b>
<b>Revenue Bonds:</b>							
Water, series 2000	10/01/00	10/01/20	4,000,000	2,840,000	-	(175,000)	2,665,000
Water reclamation, Series 2000	10/01/00	10/01/10	7,000,000	635,000	-	(310,000)	325,000
Water reclamation, Series 2002	11/15/02	11/01/22	5,500,000	4,265,000	-	(230,000)	4,035,000
Water reclamation, Series 2005	09/29/05	11/01/20	7,585,000	6,950,000	-	(285,000)	6,665,000
Water reclamation, Series 2008	08/14/08	10/31/28	10,000,000	10,000,000	-	(335,000)	9,665,000
<b>Total Revenue Bonds</b>				<b>24,690,000</b>	<b>-</b>	<b>(1,335,000)</b>	<b>23,355,000</b>
<b>Notes Payable:</b>							
<b>Oregon Economic &amp; Community Development Department:</b>							
Pacific Aviation composites	10/15/97	12/01/17	655,000	471,587	-	(42,016)	429,571
Woodrider Village sewer	01/23/02	01/01/22	300,000	216,893	-	(12,150)	204,743
Airport eastside improvements	05/01/07	12/01/31	867,335	826,036	-	(23,806)	802,230
Safe drinking water loan	09/03/09	tbd	n/a	-	166,852	-	166,852
ARRA forgivable loan	09/03/09	tbd	n/a	-	2,806,500	-	2,806,500
<b>Total Notes Payable</b>				<b>1,514,516</b>	<b>2,973,352</b>	<b>(77,972)</b>	<b>4,409,896</b>
<b>Lines of Credit</b>							
<b>Bank of America</b>							
Juniper Ridge	06/19/08	06/19/13	n/a	5,200,000	8,850	-	5,208,850
<b>Total Lines of Credit</b>				<b>5,200,000</b>	<b>8,850</b>	<b>-</b>	<b>5,208,850</b>
<b>Total Long-Term Debt</b>				<b>\$ 94,023,516</b>	<b>\$ 18,232,202</b>	<b>\$ (21,806,972)</b>	<b>\$ 90,448,746</b>

City of Bend, Oregon

## Schedule of Long-Term Debt Transactions - Interest

For the fiscal year ended June 30, 2010

<u>Series</u>	<u>Interest Rates on Outstanding Balances</u>	<u>Unmatured and Outstanding June 30, 2009</u>	<u>Bonds Issued</u>	<u>Coupons Called and Matured</u>	<u>Unmatured and Outstanding June 30, 2010</u>
<u>Limited Tax Improvement Bonds:</u>					
Series 2003	5.00%	\$ 8,675	\$ -	\$ (8,675)	\$ -
<b>Total Limited Tax Improvement</b>		<b>8,675</b>	<b>-</b>	<b>(8,675)</b>	<b>-</b>
<u>Full Faith &amp; Credit Obligation Bonds:</u>					
Fire stations, series 1999	3.80% - 4.85%	1,389,204	-	(1,389,204)	-
Airport, series 1999A	5.25% - 5.30%	330,069	-	(330,069)	-
Airport, series 1999B	5.38%	26,606	-	(26,606)	-
Transportation system, series 2000	4.35% - 5.30%	1,482,403	-	(1,482,403)	-
Police facility and street equipment, series 2002	4.00% - 5.00%	2,802,150	-	(258,916)	2,543,234
Transportation system, and fire, series 2003	2.00% - 4.50%	2,865,366	-	(355,615)	2,509,751
Airport, series 2003	2.00% - 3.70%	12,723	-	(4,458)	8,265
Pension obligation bonds, series 2004	2.13% - 6.095%	11,042,207	-	(818,444)	10,223,762
City Hall land, series 2005	3.59%	162,520	-	(162,520)	-
Police expansion/ambulance, series 2006	3.75% - 6.00%	2,037,599	-	(190,441)	1,847,158
Police, Cooley Rd, and fire equipment, series 2008	3.00% - 4.25%	1,761,143	-	(155,239)	1,605,904
Stormwater equipment, series 2008	3.00%	13,725	-	(5,925)	7,800
Fire stations 1999 refinance, series 2010	3.23%	-	889,862	(28,743)	861,119
Accessibility, series 2010	2.62%	-	1,147,843	(34,183)	1,113,660
Transportation system 2000 refinance, series 2010	2.84%	-	888,683	(35,115)	853,568
Airport 1999 refinance, series 2010	2.60%	-	182,076	(8,606)	173,470
City Hall land 2005 refinance, series 2010	3.65%	-	547,500	-	547,500
<b>Total Full Faith &amp; Credit Obligation Bonds</b>		<b>23,925,715</b>	<b>3,655,964</b>	<b>(5,286,488)</b>	<b>22,295,191</b>
<u>Tax Increment Bonds</u>					
Urban renewal advance refunding bonds series 1998	3.75% - 4.85%	1,038,868	-	(1,038,868)	-
Series 2004A	5.00%	55,398	-	(55,398)	-
Series 2004B	4.25%	763,741	-	(222,503)	541,238
<b>Total Tax Increment Bonds</b>		<b>1,858,006</b>	<b>-</b>	<b>(1,316,769)</b>	<b>541,238</b>
<u>Revenue Bonds:</u>					
Water, series 2000	4.40% - 5.38%	1,000,330	-	(144,247)	856,083
Water reclamation, Series 2000	4.40% - 5.38%	30,763	-	(22,963)	7,800
Water reclamation, Series 2002	1.77% - 5.04%	1,522,845	-	(183,219)	1,339,626
Water reclamation, Series 2005	3.00% - 4.00%	1,600,131	-	(237,453)	1,362,678
Water reclamation, Series 2008	3.50% - 4.50%	4,603,509	-	(397,840)	4,205,669
<b>Total Revenue Bonds</b>		<b>8,757,578</b>	<b>-</b>	<b>(985,722)</b>	<b>7,771,856</b>
<u>Notes Payable:</u>					
Oregon Economic & Community Development Department:					
Pacific Aviation Composites	5.01%	128,726	-	(23,704)	105,022
Woodriver Village sewer	3.00% - 5.00%	80,212	-	(10,201)	70,011
Airport Eastside Improvements	4.00% - 4.375%	487,379	-	(34,869)	452,510
Safe drinking water loan	3.83%	-	-	-	-
ARRA forgivable loan	3.00%	-	-	-	-
<b>Total Notes Payable</b>		<b>696,317</b>	<b>-</b>	<b>(68,774)</b>	<b>627,543</b>
<u>Lines of Credit</u>					
Bank of America Juniper Ridge	variable	73,233	348,997	(73,233)	348,997
<b>Total Lines of Credit</b>		<b>73,233</b>	<b>348,997</b>	<b>(73,233)</b>	<b>348,997</b>
<b>Total Long-Term Debt</b>		<b>\$ 35,319,523</b>	<b>\$ 4,004,961</b>	<b>\$ (7,739,660)</b>	<b>\$ 31,584,825</b>

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

For the fiscal year ended June 30, 2010

<u>Fiscal Year</u>	<u>Total Requirements</u>			<u>Police Facility and Street Equipment Series 2002</u>		<u>Transportation System, Fire, Airport and Street Equipment Series 2003</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010-11	\$ 2,320,000	\$ 2,238,031	\$ 4,558,031	\$ 210,000	\$ 250,713	\$ 610,000	\$ 339,093
2011-12	2,620,000	2,165,276	4,785,276	220,000	241,976	630,000	316,656
2012-13	2,960,000	2,080,727	5,040,727	230,000	232,695	655,000	294,956
2013-14	3,130,000	1,983,091	5,113,091	240,000	222,701	595,000	272,486
2014-15	4,545,000	1,873,817	6,418,817	250,000	211,982	580,000	250,603
2015-16	2,670,000	1,704,011	4,374,011	260,000	200,663	605,000	228,006
2016-17	2,820,000	1,594,619	4,414,619	275,000	188,454	620,000	203,885
2017-18	2,835,000	1,479,176	4,314,176	290,000	175,207	650,000	178,160
2018-19	3,015,000	1,352,186	4,367,186	305,000	161,000	680,000	150,555
2019-20	3,080,000	1,213,920	4,293,920	320,000	145,840	720,000	120,975
2020-21	3,280,000	1,068,932	4,348,932	335,000	129,625	750,000	89,175
2021-22	3,075,000	915,267	3,990,267	355,000	112,375	790,000	54,900
2022-23	3,225,000	763,973	3,988,973	370,000	94,250	825,000	18,566
2023-24	2,590,000	621,409	3,211,409	390,000	75,250	-	-
2024-25	2,200,000	485,598	2,685,598	415,000	55,125	-	-
2025-26	2,395,000	363,776	2,758,776	435,000	33,875	-	-
2026-27	2,610,000	230,213	2,840,213	460,000	11,503	-	-
2027-28	1,380,000	96,306	1,476,306	-	-	-	-
2028-29	180,000	27,844	207,844	-	-	-	-
2029-30	185,000	20,316	205,316	-	-	-	-
2030-31	195,000	12,478	207,478	-	-	-	-
2031-32	205,000	4,227	209,227	-	-	-	-
	<b>\$ 51,515,000</b>	<b>\$ 22,295,191</b>	<b>\$ 73,810,191</b>	<b>\$ 5,360,000</b>	<b>\$ 2,543,234</b>	<b>\$ 8,710,000</b>	<b>\$ 2,518,016</b>

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

For the fiscal year ended June 30, 2010

<u>Fiscal Year</u>	<u>Pension Obligation Bonds</u> <u>Series 2004</u>		<u>Police Facility</u> <u>Expansion/Ambulance</u> <u>Series 2006</u>		<u>Police Facility, Cooley Rd, Water</u> <u>and Stormwater Equipment</u> <u>Series 2008</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010-11	\$ 130,000	\$ 814,270	\$ 240,000	\$ 180,940	\$ 260,000	\$ 155,764
2011-12	175,000	807,514	250,000	171,140	265,000	147,889
2012-13	230,000	798,326	265,000	160,840	275,000	139,789
2013-14	285,000	786,021	275,000	150,040	220,000	132,364
2014-15	345,000	770,144	280,000	138,940	225,000	125,689
2015-16	410,000	750,579	295,000	127,440	200,000	119,314
2016-17	485,000	726,918	310,000	112,240	210,000	113,164
2017-18	565,000	698,443	160,000	99,940	215,000	106,789
2018-19	650,000	664,877	170,000	93,668	220,000	99,988
2019-20	750,000	625,779	175,000	87,026	230,000	92,389
2020-21	850,000	580,667	185,000	80,050	235,000	84,104
2021-22	965,000	529,539	190,000	72,738	250,000	75,001
2022-23	1,085,000	471,495	140,000	66,268	260,000	64,957
2023-24	1,215,000	406,232	145,000	60,639	265,000	54,457
2024-25	1,360,000	332,178	150,000	54,775	275,000	43,520
2025-26	1,515,000	249,286	160,000	48,575	285,000	32,040
2026-27	1,680,000	156,946	165,000	41,972	305,000	19,792
2027-28	895,000	54,550	170,000	35,062	315,000	6,694
2028-29	-	-	180,000	27,844	-	-
2029-30	-	-	185,000	20,316	-	-
2030-31	-	-	195,000	12,478	-	-
2031-32	-	-	205,000	4,227	-	-
	<b>\$ 13,590,000</b>	<b>\$ 10,223,762</b>	<b>\$ 4,490,000</b>	<b>\$ 1,847,158</b>	<b>\$ 4,510,000</b>	<b>\$ 1,613,704</b>

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

For the fiscal year ended June 30, 2010

<u>Fiscal Year</u>	<u>Fire Stations</u> <u>Series 2010</u>		<u>Accessibility</u> <u>Series 2010</u>		<u>Transportation System</u> <u>Series 2010</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010-11	\$ 175,000	\$ 97,063	\$ 190,000	\$ 118,875	\$ 325,000	\$ 121,433
2011-12	180,000	93,563	190,000	116,975	325,000	114,933
2012-13	185,000	89,963	195,000	113,745	335,000	108,433
2013-14	190,000	86,263	195,000	109,553	340,000	101,733
2014-15	190,000	82,463	200,000	104,483	355,000	94,933
2015-16	200,000	76,763	210,000	98,983	365,000	84,283
2016-17	210,000	70,763	215,000	91,633	370,000	73,332
2017-18	215,000	64,462	225,000	83,463	385,000	62,232
2018-19	225,000	55,862	235,000	74,124	398,000	46,832
2019-20	235,000	46,862	240,000	64,137	410,000	30,912
2020-21	240,000	37,462	255,000	53,337	430,000	14,512
2021-22	260,000	29,362	265,000	41,352	-	-
2022-23	265,000	19,937	280,000	28,500	-	-
2023-24	285,000	10,331	290,000	14,500	-	-
2024-25	-	-	-	-	-	-
2025-26	-	-	-	-	-	-
2026-27	-	-	-	-	-	-
2027-28	-	-	-	-	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
	<b>\$ 3,055,000</b>	<b>\$ 861,119</b>	<b>\$ 3,185,000</b>	<b>\$ 1,113,660</b>	<b>\$ 4,038,000</b>	<b>\$ 853,568</b>



City of Bend, Oregon

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

For the fiscal year ended June 30, 2010

<u>Fiscal Year</u>	<u>Airport</u>		<u>Land</u>	
	<u>Series 2010</u>		<u>Series 2010</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010-11	\$ 80,000	\$ 28,480	\$ 100,000	\$ 131,400
2011-12	85,000	26,880	300,000	127,750
2012-13	90,000	25,180	500,000	116,800
2013-14	90,000	23,380	700,000	98,550
2014-15	120,000	21,580	2,000,000	73,000
2015-16	125,000	17,980	-	-
2016-17	125,000	14,230	-	-
2017-18	130,000	10,480	-	-
2018-19	132,000	5,280	-	-
2019-20	-	-	-	-
2020-21	-	-	-	-
2021-22	-	-	-	-
2022-23	-	-	-	-
2023-24	-	-	-	-
2024-25	-	-	-	-
2025-26	-	-	-	-
2026-27	-	-	-	-
2027-28	-	-	-	-
2028-29	-	-	-	-
2029-30	-	-	-	-
2030-31	-	-	-	-
2031-32	-	-	-	-
	<b>\$ 977,000</b>	<b>\$ 173,470</b>	<b>\$ 3,600,000</b>	<b>\$ 547,500</b>

City of Bend, Oregon

## Schedule of Future Debt Service Requirements of Tax Increment Bonds

For the fiscal year ended June 30, 2010

### Bend Urban Renewal Agency

<u>Fiscal Year</u>	<u>Series 2004</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010-11	\$ 1,250,000	\$ 226,738	\$ 1,476,738
2011-12	1,400,000	170,425	1,570,425
2012-13	1,575,000	107,206	1,682,206
2013-14	1,735,000	36,869	1,771,869
	<u>\$ 5,960,000</u>	<u>\$ 541,238</u>	<u>\$ 6,501,238</u>

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

For the fiscal year ended June 30, 2010

<u>Fiscal Year</u>	<u>Total Requirements</u>			<u>Water Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Series 2000</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2010-11	\$ 1,385,000	\$ 931,236	\$ 2,316,236	\$ 185,000	\$ 135,648
2011-12	1,425,000	877,191	2,302,191	195,000	126,480
2012-13	1,480,000	824,213	2,304,213	205,000	116,626
2013-14	1,540,000	767,414	2,307,414	215,000	105,750
2014-15	1,600,000	706,627	2,306,627	225,000	93,980
2015-16	1,670,000	640,994	2,310,994	240,000	81,541
2016-17	1,735,000	570,622	2,305,622	250,000	68,433
2017-18	1,810,000	496,914	2,306,914	265,000	54,657
2018-19	1,575,000	424,880	1,999,880	280,000	40,044
2019-20	1,645,000	353,023	1,998,023	295,000	24,591
2020-21	1,720,000	277,648	1,997,648	310,000	8,333
2021-22	925,000	220,041	1,145,041	-	-
2022-23	965,000	179,517	1,144,517	-	-
2023-24	585,000	147,000	732,000	-	-
2024-25	605,000	123,200	728,200	-	-
2025-26	630,000	98,500	728,500	-	-
2026-27	660,000	72,700	732,700	-	-
2027-28	685,000	44,944	729,944	-	-
2028-29	715,000	15,192	730,192	-	-
	<b>\$ 23,355,000</b>	<b>\$ 7,771,856</b>	<b>\$ 31,126,856</b>	<b>\$ 2,665,000</b>	<b>\$ 856,083</b>

<u>Fiscal Year</u>	<u>Sewer Revenue Bonds</u>							
	<u>Series 2000</u>		<u>Series 2002</u>		<u>Series 2005</u>		<u>Series 2008</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010-11	\$ 325,000	\$ 7,800	\$ 235,000	\$ 175,658	\$ 295,000	\$ 228,755	\$ 345,000	\$ 383,375
2011-12	-	-	245,000	167,344	625,000	214,955	360,000	368,412
2012-13	-	-	255,000	158,373	645,000	195,502	375,000	353,712
2013-14	-	-	265,000	148,716	670,000	174,536	390,000	338,412
2014-15	-	-	280,000	137,031	690,000	152,091	405,000	323,525
2015-16	-	-	290,000	123,494	715,000	128,021	425,000	307,938
2016-17	-	-	305,000	109,363	740,000	102,188	440,000	290,638
2017-18	-	-	320,000	94,519	770,000	74,431	455,000	273,307
2018-19	-	-	335,000	78,963	485,000	50,597	475,000	255,276
2019-20	-	-	350,000	62,694	505,000	31,100	495,000	234,638
2020-21	-	-	365,000	45,713	525,000	10,502	520,000	213,100
2021-22	-	-	385,000	28,141	-	-	540,000	191,900
2022-23	-	-	405,000	9,617	-	-	560,000	169,900
2023-24	-	-	-	-	-	-	585,000	147,000
2024-25	-	-	-	-	-	-	605,000	123,200
2025-26	-	-	-	-	-	-	630,000	98,500
2026-27	-	-	-	-	-	-	660,000	72,700
2027-28	-	-	-	-	-	-	685,000	44,944
2028-29	-	-	-	-	-	-	715,000	15,192
	<b>\$ 325,000</b>	<b>\$ 7,800</b>	<b>\$ 4,035,000</b>	<b>\$ 1,339,626</b>	<b>\$ 6,665,000</b>	<b>\$ 1,362,678</b>	<b>\$ 9,665,000</b>	<b>\$ 4,205,669</b>

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

For the fiscal year ended June 30, 2010

**Oregon Economic & Community Development Department**

Fiscal Year	Total Requirements			Pacific Aviation Composites 1998		Woodriver Village Sewer 2002		Airport Eastside Improvements 2007	
	Principal	Interest	Total	Principal	Interest	Principal	Interest	Principal	Interest
	2010-11	\$ 78,526	\$ 65,222	\$ 143,748	\$ 42,330	\$ 21,605	\$ 12,238	\$ 9,703	\$ 23,958
2011-12	79,108	61,628	140,736	42,657	19,489	12,334	9,183	24,117	32,956
2012-13	84,717	57,995	142,712	48,000	17,357	12,435	8,647	24,282	31,991
2013-14	96,329	54,070	150,399	54,333	14,957	17,543	8,093	24,453	31,020
2014-15	102,090	49,578	151,668	54,800	12,241	17,659	7,295	29,631	30,042
2015-16	107,888	44,832	152,720	60,289	9,501	17,783	6,474	29,816	28,857
2016-17	108,729	39,780	148,509	60,805	6,487	17,915	5,629	30,009	27,664
2017-18	114,619	34,627	149,246	66,357	3,385	18,053	4,778	30,209	26,464
2018-19	48,619	29,158	77,777	-	-	18,202	3,903	30,417	25,255
2019-20	48,993	27,050	76,043	-	-	18,359	3,011	30,634	24,039
2020-21	54,390	24,886	79,276	-	-	18,523	2,111	35,867	22,775
2021-22	59,812	22,453	82,265	-	-	23,699	1,184	36,113	21,269
2022-23	36,373	19,734	56,107	-	-	-	-	36,373	19,734
2023-24	36,644	18,188	54,832	-	-	-	-	36,644	18,188
2024-25	41,929	16,612	58,541	-	-	-	-	41,929	16,612
2025-26	42,232	14,778	57,010	-	-	-	-	42,232	14,778
2026-27	42,549	12,930	55,479	-	-	-	-	42,549	12,930
2027-28	47,879	11,069	58,948	-	-	-	-	47,879	11,069
2028-29	48,224	8,974	57,198	-	-	-	-	48,224	8,974
2029-30	48,584	6,864	55,448	-	-	-	-	48,584	6,864
2030-31	53,959	4,739	58,698	-	-	-	-	53,959	4,739
2031-32	54,351	2,376	56,727	-	-	-	-	54,351	2,376
	<b>\$ 1,436,544</b>	<b>\$ 627,543</b>	<b>\$ 2,064,087</b>	<b>\$ 429,571</b>	<b>\$ 105,022</b>	<b>\$ 204,743</b>	<b>\$ 70,011</b>	<b>\$ 802,230</b>	<b>\$ 452,510</b>

Note: Debt service requirements for the Safe Water Drinking Loan (\$166,852) and the ARRA Forgivable Loan (\$2,806,500) are not included in the schedule above. The debt service schedules for those obligations will be determined when the project is complete.

City of Bend, Oregon

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

For the fiscal year ended June 30, 2010

<u>Fiscal Year</u>	<u>Bank of America</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2010-11	\$ -	\$ 108,997	\$ 108,997
2011-12	-	120,000	120,000
2012-13	5,208,850	120,000	5,328,850
	<u>\$ 5,208,850</u>	<u>\$ 348,997</u>	<u>\$ 5,557,847</u>

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## STATISTICAL SECTION





## STATISTICAL SECTION

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

### Financial Trends (pages 163 to 172)

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 173 to 176)

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

### Debt Capacity (pages 177 to 182)

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 183 to 185)

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 186 to 188)

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 Assets by Component

Last eight fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b><u>Governmental activities</u></b>				
Invested in capital assets, net of related debt	\$ 173,115	\$ 199,118	\$ 201,948	\$ 228,481
Restricted	3,818	3,006	4,031	4,405
Unrestricted	28,834	13,632	29,622	28,248
<b>Total Governmental Activities Net Assets</b>	<b>205,767</b>	<b>215,756</b>	<b>235,601</b>	<b>261,134</b>
<b><u>Business-type activities</u></b>				
Invested in capital assets, net of related debt	104,973	113,133	131,031	155,014
Restricted	1,732	1,381	1,207	844
Unrestricted	10,360	12,082	16,400	11,905
<b>Total Business-type Activities Net Assets</b>	<b>117,065</b>	<b>126,596</b>	<b>148,638</b>	<b>167,763</b>
<b><u>Primary government</u></b>				
Invested in capital assets, net of related debt	278,088	312,251	332,979	383,495
Restricted	5,550	4,387	5,238	5,249
Unrestricted	39,194	25,714	46,022	40,153
<b>Total Primary Government Net Assets</b>	<b>\$ 322,832</b>	<b>\$ 342,352</b>	<b>\$ 384,239</b>	<b>\$ 428,897</b>

City of Bend, Oregon

**Net Assets by Component (Continued)**

Last eight fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><u>Governmental activities</u></b>				
Invested in capital assets, net of related debt	\$ 501,420	\$ 491,487	\$ 493,230	\$ 485,325
Restricted	5,522	6,782	13,119	15,370
Unrestricted	35,884	29,912	20,823	24,295
<b>Total Governmental Activities Net Assets</b>	<b>542,826</b>	<b>528,181</b>	<b>527,172</b>	<b>524,991</b>
<b><u>Business-type activities</u></b>				
Invested in capital assets, net of related debt	186,218	237,030	237,706	242,003
Restricted	844	844	844	936
Unrestricted	10,028	8,329	20,638	23,049
<b>Total Business-type Activities Net Assets</b>	<b>197,090</b>	<b>246,203</b>	<b>259,188</b>	<b>265,988</b>
<b><u>Primary government</u></b>				
Invested in capital assets, net of related debt	687,638	728,517	730,935	727,328
Restricted	6,366	7,626	13,963	16,306
Unrestricted	45,912	38,241	41,461	47,345
<b>Total Primary Government Net Assets</b>	<b>\$ 739,916</b>	<b>\$ 774,384</b>	<b>\$ 786,360</b>	<b>\$ 790,979</b>

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

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 9,020	\$ 10,305	\$ 10,706	\$ 12,177
Public safety	16,989	18,646	20,007	22,447
Public ways and facilities	5,498	7,716	7,624	9,030
Community and economic development	4,143	5,061	6,527	7,854
Urban renewal	747	797	578	640
Transit	921	1,245	1,622	1,513
Interest on long-term debt	1,408	1,729	2,875	2,864
<b>Total Governmental Activities Expenses</b>	<b>38,726</b>	<b>45,499</b>	<b>49,939</b>	<b>56,525</b>
Business-type activities:				
Water	7,291	8,811	8,082	8,960
Water reclamation	6,864	7,390	7,580	8,380
Airport	419	428	516	675
Cemetery	131	135	140	167
Downtown parking	226	267	348	502
Stormwater	-	-	-	178
Other business activities	357	-	-	-
<b>Total Business-type Activities Expenses</b>	<b>15,288</b>	<b>17,032</b>	<b>16,666</b>	<b>18,862</b>
<b>Total Primary Government Expenses</b>	<b>\$ 54,014</b>	<b>\$ 62,531</b>	<b>\$ 66,605</b>	<b>\$ 75,387</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 3,681	\$ 4,683	\$ 5,032	\$ 5,678
Public safety	1,939	2,130	2,713	3,265
Public ways and facilities	2,460	2,724	2,607	3,204
Community and economic development	4,276	4,997	6,896	8,110
Urban renewal	106	108	67	71
Transit	78	76	257	110
Operating grants and contributions	6,223	7,897	8,019	8,966
Capital grants and contributions	15,472	10,098	19,179	22,513
<b>Total Governmental Activities Program Revenues</b>	<b>34,235</b>	<b>32,713</b>	<b>44,770</b>	<b>51,917</b>
Business-type activities:				
Charges for services:				
Water	6,818	8,079	8,767	10,405
Water reclamation	5,928	6,594	7,824	8,718
Airport	318	449	467	557
Cemetery	135	114	153	92
Downtown parking	222	313	325	328
Stormwater	-	-	-	-
Other business activities	357	-	-	-
Capital grants and contributions	6,051	10,847	20,758	17,867
<b>Total Business-type Activities Program Revenues</b>	<b>19,829</b>	<b>26,397</b>	<b>38,294</b>	<b>37,967</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 54,064</b>	<b>\$ 59,110</b>	<b>\$ 83,064</b>	<b>\$ 89,884</b>
<b>Net Revenues (Expenses)</b>				
Governmental activities	\$ (4,491)	\$ (12,786)	\$ (5,169)	\$ (4,608)
Business-type activities	4,540	9,365	21,628	19,105
<b>Total Primary Government Net Revenues (Expenses)</b>	<b>\$ 49</b>	<b>\$ (3,421)</b>	<b>\$ 16,459</b>	<b>\$ 14,497</b>

City of Bend, Oregon

**Changes in Net Assets (Continued)**

Last eight fiscal years

(accrual basis of accounting; amounts expressed in thousands)

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

**Program Revenues**

Governmental activities:

Charges for services:

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

Business-type activities:

Charges for services:

Water	10,676	11,012	12,020	12,689
Water reclamation	9,099	10,206	12,393	13,257
Airport	702	684	700	773
Cemetery	111	102	69	50
Downtown parking	387	610	606	551
Stormwater	-	2,458	2,405	2,465
Other business activities	-	-	-	-
Capital grants and contributions	20,148	16,373	9,282	3,914
<b>Total Business-type Activities Program Revenues</b>	<b>41,123</b>	<b>41,446</b>	<b>37,475</b>	<b>33,699</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 90,148</b>	<b>\$ 90,015</b>	<b>\$ 76,848</b>	<b>\$ 65,359</b>

**Net Revenues (Expenses)**

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

City of Bend, Oregon

**Changes in Net Assets (Continued)**

Last eight fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 13,760	\$ 15,079	\$ 16,701	\$ 18,563
Transient room taxes	2,120	2,502	2,799	3,107
Franchise fees	3,635	3,735	4,283	5,018
Unrestricted investment income	657	367	1,169	1,799
Other revenues	720	1,092	107	688
Transfers	(2,158)	-	(45)	966
<b>Total Governmental Activities</b>	<b>18,734</b>	<b>22,775</b>	<b>25,014</b>	<b>30,141</b>
Business-type activities:				
Franchise fees	-	-	-	175
Unrestricted investment income	445	166	368	811
Other revenues	-	-	-	-
Transfers	2,158	-	45	(966)
<b>Total Business-type Activities</b>	<b>2,603</b>	<b>166</b>	<b>413</b>	<b>20</b>
<b>Total Primary Government</b>	<b>\$ 21,337</b>	<b>\$ 22,941</b>	<b>\$ 25,427</b>	<b>\$ 30,161</b>
<b>Change in Net Assets</b>				
Governmental activities	\$ 14,243	\$ 9,989	\$ 19,845	\$ 25,533
Business-type activities	7,143	9,531	22,041	19,125
<b>Total Primary Government</b>	<b>\$ 21,386</b>	<b>\$ 19,520</b>	<b>\$ 41,886</b>	<b>\$ 44,658</b>

City of Bend, Oregon

**Changes in Net Assets (Continued)**

Last eight fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 20,752	\$ 22,656	\$ 24,140	\$ 25,428
Transient room taxes	3,303	3,427	2,938	2,966
Franchise fees	5,644	6,158	6,386	7,447
Unrestricted investment income	2,245	2,204	968	412
Other revenues	1,029	3,976	-	2,293
Transfers	(9,980)	(29,253)	91	(1,220)
<b>Total Governmental Activities</b>	<b>22,993</b>	<b>9,168</b>	<b>34,523</b>	<b>37,327</b>
Business-type activities:				
Franchise fees	556	604	-	-
Unrestricted investment income	1,243	853	626	304
Other revenues	-	27	5	-
Transfers	9,980	29,253	(91)	1,220
<b>Total Business-type Activities</b>	<b>11,779</b>	<b>30,737</b>	<b>541</b>	<b>1,524</b>
<b>Total Primary Government</b>	<b>\$ 34,772</b>	<b>\$ 39,905</b>	<b>\$ 35,063</b>	<b>\$ 38,850</b>
<b>Change in Net Assets</b>				
Governmental activities	\$ 8,386	\$ (14,646)	\$ (1,009)	\$ (2,181)
Business-type activities	29,327	49,114	12,984	6,800
<b>Total Primary Government</b>	<b>\$ 41,368</b>	<b>\$ 34,469</b>	<b>\$ 11,975</b>	<b>\$ 4,619</b>



City of Bend, Oregon

## Fund Balance, Governmental Funds

Last ten fiscal years

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b><u>General Fund</u></b>					
Reserved	\$ 250	\$ 560	\$ 220	\$ 270	\$ 80
Unreserved	4,364	3,976	4,906	6,240	7,132
<b>Total General Fund</b>	<b>\$ 4,614</b>	<b>\$ 4,536</b>	<b>\$ 5,126</b>	<b>\$ 6,510</b>	<b>\$ 7,212</b>

### **All Other Governmental Funds**

Reserved for:					
Debt service	\$ 106	\$ 90	\$ 3,818	\$ 3,006	\$ 4,031
Long-term loans and advances	-	-	2,013	119	119
Construction	-	-	-	-	-
Building Program	-	-	-	-	-
Designations reported in:					
Special revenue funds	13,851	8,374	11,535	12,786	15,077
Capital projects funds	(1,518)	(1,173)	6	10,599	7,535
<b>Total All Other Governmental Funds</b>	<b>\$ 12,439</b>	<b>\$ 7,291</b>	<b>\$ 17,372</b>	<b>\$ 26,510</b>	<b>\$ 26,762</b>

City of Bend, Oregon

**Fund Balance, 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>	
<b>General Fund</b>										
Reserved	\$	-	\$	-	\$	-	\$	36	\$	4,469
Unreserved		9,012		8,722		6,449		6,766		8,033
<b>Total General Fund</b>	<b>\$</b>	<b>9,012</b>	<b>\$</b>	<b>8,722</b>	<b>\$</b>	<b>6,449</b>	<b>\$</b>	<b>6,802</b>	<b>\$</b>	<b>12,502</b>

**All Other Governmental Funds**

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)
<b>Total All Other Governmental Funds</b>	<b>\$</b>	<b>18,971</b>	<b>\$</b>	<b>20,043</b>	<b>\$</b>	<b>19,580</b>	<b>\$</b>	<b>19,210</b>	<b>\$</b>	<b>23,062</b>

City of Bend, Oregon

**Changes in Fund Balance, Governmental Funds**

Last ten fiscal years

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Revenues</b>					
Taxes	\$ 13,171	\$ 14,461	\$ 15,888	\$ 17,635	\$ 19,519
Franchise fees	3,625	3,561	3,635	3,735	4,283
Intergovernmental	7,068	7,013	7,156	8,308	8,819
Assessments	119	117	3,856	669	678
Licenses and permits	2,155	2,440	2,929	3,796	5,059
Charges for services	3,900	4,776	3,215	3,174	4,668
System development charges	3,489	3,472	4,202	5,388	6,415
Contributions	-	-	-	-	-
Fines and forfeitures	475	508	492	616	685
Loan repayments	-	-	-	-	-
Investment income	1,212	763	518	317	995
Issuance of short-term debt	1,450	-	-	2,000	-
Miscellaneous	505	547	830	641	218
<b>Total Revenues</b>	<b>37,169</b>	<b>37,658</b>	<b>42,721</b>	<b>46,279</b>	<b>51,339</b>
<b>Expenditures</b>					
General government	477	201	902	362	428
Public safety	14,957	16,636	18,191	19,758	21,472
Public ways and facilities	4,325	4,725	5,256	4,988	5,866
Community and economic development	4,998	5,031	4,894	5,974	7,407
Urban renewal	420	653	432	535	380
Transit	804	914	1,075	1,372	1,946
Debt service:					
Principal	2,082	1,024	1,404	4,311	2,442
Interest	750	924	972	1,468	1,744
Capital outlay	10,599	12,965	16,313	8,512	8,662
<b>Total Expenditures</b>	<b>39,412</b>	<b>43,073</b>	<b>49,439</b>	<b>47,280</b>	<b>50,347</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of assets	26	161	720	1,171	7
Proceeds from leases	-	-	-	-	-
Insurance proceeds	-	-	-	-	-
Issuance of long-term debt	6,542	493	15,509	10,500	-
Premium on issuance of long-term debt	-	-	-	-	-
Discount on issuance of long-term debt	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Transfers in	-	800	2,082	213	795
Transfers out	(300)	(800)	(4,390)	(361)	(840)
<b>Total Other Financing Sources (Uses)</b>	<b>6,268</b>	<b>654</b>	<b>13,921</b>	<b>11,523</b>	<b>(38)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 4,025</b>	<b>\$ (4,761)</b>	<b>\$ 7,203</b>	<b>\$ 10,522</b>	<b>\$ 954</b>

Debt service as a percentage of noncapital expenditures	9.8%	6.5%	7.2%	14.9%	10.0%
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City of Bend, Oregon

**Changes in Fund Balance, 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>
<b>Revenues</b>					
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
Investment income	1,610	1,723	1,547	730	313
Issuance of short-term debt	1,043	-	-	-	-
Miscellaneous	197	167	323	146	99
<b>Total Revenues</b>	<b>63,344</b>	<b>63,090</b>	<b>65,097</b>	<b>57,065</b>	<b>60,152</b>
<b>Expenditures</b>					
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
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
<b>Total Expenditures</b>	<b>71,632</b>	<b>64,112</b>	<b>74,555</b>	<b>60,989</b>	<b>63,735</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of assets	1,231	1,029	4,145	20	2,293
Proceeds from leases	-	-	-	1,550	-
Insurance proceeds	-	-	-	-	55
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)
Transfers in	12,040	13,827	29,951	19,558	23,754
Transfers out	(10,973)	(14,864)	(33,814)	(19,923)	(25,520)
<b>Total Other Financing Sources (Uses)</b>	<b>2,298</b>	<b>1,803</b>	<b>6,722</b>	<b>3,905</b>	<b>7,211</b>
<b>Net Change in Fund Balance</b>	<b>\$ (5,990)</b>	<b>\$ 781</b>	<b>\$ (2,736)</b>	<b>\$ (18)</b>	<b>\$ 3,628</b>

Debt service as a percentage of noncapital expenditures	12.4%	9.9%	9.4%	9.5%	21%
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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		
2001	\$ 4,336,458	\$ 3,459,697	\$ 147,270	\$ 146,295	\$ 77,243	\$ 71,166	\$ 4,560,971	\$ 3,677,158	\$ 2.94	80.6%
2002	4,931,847	3,796,869	163,145	162,721	80,169	79,471	5,175,161	4,039,061	2.97	78.0%
2003	5,742,199	4,184,189	173,871	173,705	93,422	93,288	6,009,492	4,451,182	2.99	74.1%
2004	6,572,581	4,602,246	177,321	177,310	95,810	95,722	6,845,712	4,875,278	3.00	71.2%
2005	7,426,197	5,103,393	185,854	185,850	104,835	104,619	7,716,886	5,393,862	3.04	69.9%
2006	8,946,076	5,712,230	213,276	210,382	92,809	92,621	9,252,161	6,015,233	3.02	65.0%
2007	12,525,855	6,369,945	244,131	237,308	97,149	95,837	12,867,135	6,703,090	3.03	52.1%
2008	16,406,331	6,919,574	262,202	261,192	116,469	113,748	16,785,002	7,294,514	3.06	43.5%
2009	16,681,314	7,363,016	278,212	277,511	124,738	123,844	17,084,264	7,764,371	3.07	45.4%
2010	14,609,907	7,713,718	264,817	264,789	130,071	129,652	15,004,795	8,108,159	3.07	54.0%

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)

Fiscal Year	City Direct Rates			Overlapping Rates						Total
	City of Bend	Bend Urban Renewal District	Total Direct	Bend Metro Parks and Recreation District	Deschutes County	Education Service District	Central Oregon Community College	Bend La-Pine Administrative School District #1		
2001	\$ 2.79	\$ 0.15	\$ 2.94	\$ 1.46	\$ 3.24	\$ 0.09	\$ 0.69	\$ 6.02	\$ 14.44	
2002	2.80	0.17	2.97	1.46	3.34	0.09	0.69	5.64	14.19	
2003	2.80	0.19	2.99	1.46	3.29	0.09	0.69	6.14	14.66	
2004	2.80	0.20	3.00	1.46	4.47	0.09	0.68	6.10	15.80	
2005	2.80	0.24	3.04	1.46	4.94	0.09	0.68	6.10	16.31	
2006	2.80	0.22	3.02	1.46	3.34	0.09	0.67	5.98	14.57	
2007	2.80	0.23	3.03	1.46	3.29	0.09	0.66	5.97	14.50	
2008	2.80	0.26	3.06	1.46	3.31	0.09	0.66	5.91	14.49	
2009	2.80	0.27	3.07	1.46	3.56	0.09	0.65	5.94	14.77	
2010	2.80	0.27	3.07	1.46	3.56	0.10	0.62	6.52	15.33	

Source:

Deschutes County Assessor's Office

Notes:

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

City of Bend, Oregon  
**Principal Taxpayers**

For the fiscal years ended June 30, 2010 and June 30, 2001  
(amounts expressed in thousands)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2010</u>			<u>2001</u>		
		<u>Rank</u>	<u>Net Assessed Valuation</u>	<u>Percentage of Total Net Assessed Valuation (1)</u>	<u>Rank</u>	<u>Net Assessed Valuation</u>	<u>Percentage of Total Net Assessed Valuation (1)</u>
Pacificorp ( PP& L )	Electric utility	1	\$ 71,084	0.9%	2	\$ 22,898	0.6%
Gas Transmission Northwest Corporation	Natural gas transporter	2	69,078	0.9%	-	-	-
Qwest Corporation	Telephone utility	3	52,701	0.6%	1	25,638	-
Cascade Natural Gas Corporation	Gas utility	4	49,835	0.6%	-	-	-
Eagle Crest, Inc	Destination resort	5	38,847	0.5%	-	-	-
Sunriver Resort Limited Partnership	Destination resort	6	39,758	0.5%	-	-	-
Pronghorn Investors LLC	Destination resort	7	35,374	0.4%	-	-	-
CVSC LLC	Shopping center	8	34,816	0.4%	-	-	-
TD Cascade Highlands LLC	Real estate developer	9	38,979	0.5%	-	-	-
Bend Cable Communications LLC	Cable utility	10	34,673	0.4%	-	-	-
River Bend Limited Partnership	Real estate developer	-	-	-	3	22,868	0.6%
Brooks Resources Corporation	Real estate developer	-	-	-	4	21,197	0.6%
Sima Mountain View LLC	Shopping center	-	-	-	5	20,442	0.6%
Bonnett Properties Limited Partnership	Real estate developer	-	-	-	6	20,252	0.6%
Bend River Mall, LLC	Shopping Center	-	-	-	7	18,421	0.5%
Bend Millwork Systems, Inc.	Construction products	-	-	-	8	18,188	0.5%
Willamette Industries	Construction products	-	-	-	9	16,286	0.4%
Rivers Edge Investments, LLC	Real estate developer	-	-	-	10	16,269	0.4%
<b>Total</b>			<u>\$ 465,145</u>	<u>5.7%</u>		<u>\$ 202,459</u>	<u>5.5%</u>

Source:

Deschutes County Assessor's Office

Notes:

(1) Percent of total net assessed valuation represents percent of taxpayer's net assessed value to City's total net assessed value of \$8,108,159 for 2010 and \$3,677,158 for 2001.

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>
2001	\$ 11,517	\$ 10,696	92.9%	\$ 516	\$ 11,213	97.4%
2002	12,781	11,999	93.9%	543	12,542	98.1%
2003	14,093	13,177	93.5%	485	13,662	96.9%
2004	15,411	14,610	94.8%	545	15,155	98.3%
2005	17,154	16,164	94.2%	515	16,679	97.2%
2006	18,939	17,941	94.7%	523	18,464	97.5%
2007	21,198	19,973	94.2%	758	20,731	97.8%
2008	23,200	21,443	92.4%	995	22,438	96.7%
2009	24,715	22,491	91.0%	1,083	23,574	95.4%
2010	26,040	23,896	91.8%	-	23,896	91.8%

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					Urban Renewal					Full Faith & Credit							
	Bonds	Certificates of Participation	Limited Tax Improvement	Increment	Tax	Bonds	Payable	Notes	Line of Credit	General Obligation	Bonds	Participation	Certificates	Revenue	Notes Payable	Government	Primary	Total Debt Percentage of Personal Income (1)
2001	\$ 10,175	\$ 2,140	\$ 460	\$ 6,720	\$ 540	\$ -	\$ -	\$ 395	\$ 1,490	\$ 320	\$ 16,230	\$ 1,304	\$ 39,774	\$ 15,665	\$ 1,469	\$ 44,970	2.72%	\$ 753
2002	17,020	1,845	320	6,440	461	-	-	-	1,445	305	15,665	1,469	44,970	15,665	1,469	44,970	2.84%	816
2003	29,776	1,535	2,605	6,150	-	-	-	-	1,679	285	20,580	905	63,515	20,580	905	63,515	3.75%	1,100
2004	42,358	1,210	1,836	16,350	-	-	-	-	1,612	-	19,765	875	84,006	19,765	875	84,006	4.40%	1,336
2005	41,110	925	1,413	15,690	-	-	-	-	1,540	-	17,655	845	79,178	17,655	845	79,178	3.83%	1,214
2006	44,609	625	904	14,865	-	-	-	-	1,461	-	17,475	809	80,748	17,475	809	80,748	3.47%	1,148
2007	48,242	325	552	13,800	-	-	-	-	1,383	-	16,580	1,641	82,523	16,580	1,641	82,523	3.08%	1,096
2008	51,317	-	261	12,595	-	2,500	-	-	1,573	-	15,650	1,587	85,483	15,650	1,587	85,483	3.03%	1,099
2009	49,781	-	164	11,240	-	5,200	-	-	1,434	-	24,690	1,515	94,024	24,690	1,515	94,024	3.25%	1,161
2010	50,255	-	-	5,960	-	5,209	-	-	1,260	-	23,355	4,324	90,363	23,355	4,324	90,363	3.17%	1,098

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.

City of Bend, Oregon

**Ratios of General Bonded Debt Outstanding**

Last ten fiscal years

(amounts expressed in thousands, except per capita amounts)

Fiscal Year	<u>General Bonded Debt Outstanding</u>				Total	Amounts		Ratio of Bonded Debt to Assessed Value (1)	General Bonded Debt Per Capita (2)
	General Obligation Bonds	Full Faith & Credit Obligation Bonds	Limited Tax Improvement Bonds			Restricted for Debt Service	Net General Bonded Debt Outstanding		
2001	\$ 395	\$ 11,665	\$ 460	\$	12,520	\$ 106	\$ 12,414	0.34%	\$ 237
2002	-	18,465	320		18,785	90	18,695	0.47%	341
2003	-	31,455	2,605		34,060	947	33,113	0.77%	590
2004	-	43,970	1,836		45,806	824	44,982	0.94%	728
2005	-	42,650	1,413		44,063	1,031	43,032	0.82%	676
2006	-	46,070	904		46,974	1,656	45,318	0.78%	668
2007	-	49,625	552		50,177	1,846	48,331	0.75%	666
2008	-	52,890	261		53,151	1,878	51,273	0.73%	683
2009	-	51,215	164		51,379	1,878	49,501	0.66%	634
2010	-	51,515	-		51,515	1,918	49,597	0.64%	626

Notes:

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

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

(2) Population and personal income data can be found in the Demographic and Economic Statistics schedule.

City of Bend, Oregon

## Computation of Direct and Overlapping Debt

For the fiscal year ended June 30, 2010

<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	\$ -	100.0%	\$ -
Overlapping Debt			
Deschutes County	16,148,220	44.9%	7,247,499
Bend Library District	2,565,669	82.1%	2,106,450
Bend-LaPine Administrative School District No. 1	107,201,862	64.6%	69,224,102
Central Oregon Community College	<u>15,459,527</u>	<u>37.2%</u>	<u>5,747,883</u>
Total Overlapping Debt	<u>141,375,278</u>	<u>59.6%</u>	<u>84,325,935</u>
Total Direct and Overlapping Debt	<u>\$ 141,375,278</u>	<u>59.6%</u>	<u>\$ 84,325,935</u>

Source:

State of Oregon, Treasury Department

Notes:

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

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

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

**June 30, 2010**

Real market value	\$ 15,004,795,761
	x <u>3%</u>
General obligation debt limit at 3% of real market value	450,143,873
General obligation debt subject to limit per ORS 287.001(1)	51,515,000
Less: Funds applicable to the payment of principal thereof per ORS 287.004(2) General obligation debt service fund	<u>(1,918,150)</u>
Net debt subject to 3% limitation	<u>49,596,850</u>
Legal debt margin	<u><u>\$ 400,547,023</u></u>
Debt capacity percent	89%

<u>Fiscal Year</u>		<b>Net Debt</b>			<b>Debt Capacity Percent</b>
		<b>3% Debt Limit (1)</b>	<b>Subject to 3% Limit (1)</b>	<b>Legal Debt Margin (1)</b>	
2001	\$	136,829	\$ 12,414	\$ 124,415	91%
2002		155,255	18,695	136,560	88%
2003		180,285	33,113	147,172	82%
2004		205,371	44,982	160,389	78%
2005		231,506	43,957	187,549	81%
2006		277,565	45,943	231,622	83%
2007		386,014	48,656	337,358	87%
2008		503,550	51,273	452,277	90%
2009		512,528	49,501	463,027	90%
2010		450,144	49,597	400,547	89%

Source:

Real Market Value obtained from Deschutes County Assessor's Office

Notes:

(1) Amounts expressed in thousands.

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

City of Bend, Oregon

**Rate Covenant - Water Revenue Bonds**

Last ten fiscal years

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Annual Debt Service (3)</u>			<u>Coverage Ratio</u>	<u>Monthly Metered Rate (4)</u>	<u>Monthly Flat Rate (5)</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>			
2001	\$ 5,875	\$ 4,137	\$ 1,738	\$ 35	\$ 149	\$ 184	9.4	\$ 10.34	\$ 11.20
2002	6,086	4,550	1,536	165	245	410	3.7	11.06	11.98
2003	7,058	6,002	1,056	170	237	407	2.6	11.92	12.91
2004	8,162	7,346	816	180	228	408	2.0	12.84	13.91
2005	8,953	6,499	2,454	820	189	1,009	2.4	13.84	14.98
2006	10,865	7,029	3,836	145	172	317	12.1	14.48	15.67
2007	11,578	7,483	4,095	155	167	322	12.7	15.20	16.45
2008	11,776	7,790	3,986	160	158	318	12.5	16.04	17.35
2009	11,958	8,246	3,712	170	150	320	11.6	15.87	18.78
2010	12,819	9,670	3,149	175	142	317	9.9	17.18	20.33

Notes:

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

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

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

(4) 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.

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

City of Bend, Oregon

**Rate Covenant - Sewer Revenue Bonds**

Last ten fiscal years

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Annual Debt Service (3)</u>			<u>Coverage Ratio</u>	<u>Monthly Sewer Rate (4)</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2001	\$ 6,819	\$ 3,984	\$ 2,835	\$ 175	\$ 402	\$ 577	4.9	\$ 17.95
2002	6,726	4,462	2,264	400	564	964	2.3	18.76
2003	7,466	4,489	2,977	415	650	1,065	2.8	19.38
2004	8,252	4,737	3,515	635	749	1,384	2.5	20.54
2005	9,788	4,763	5,025	1,290	699	1,989	2.5	21.77
2006	11,146	5,675	5,471	630	443	1,073	5.1	22.41
2007	11,389	5,759	5,630	740	534	1,274	4.4	23.75
2008	11,933	6,984	4,949	782	506	1,288	3.8	25.18
2009	12,396	7,043	5,353	802	834	1,636	3.3	28.83
2010	13,213	7,634	5,579	1,172	843	2,015	2.8	33.01

Notes:

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

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

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

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

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Area (Square Miles)</b>	<b>Average Density (person / square miles)</b>	<b>Personal Income (2) (expressed in thousands)</b>	<b>Per Capita Income (2)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (3)</b>
2001	52,800	32.5	1,625	\$ 1,464,672	\$ 27,740	13,200	5.6%
2002	55,080	32.5	1,695	1,585,368	28,783	13,473	7.1%
2003	57,750	32.5	1,777	1,692,826	29,313	13,729	7.8%
2004	62,900	32.5	1,935	1,909,330	30,355	13,729	6.5%
2005	65,210	32.5	2,006	2,068,526	31,721	14,888	5.2%
2006	70,330	32.5	2,164	2,326,798	33,084	15,482	4.2%
2007	75,290	32.5	2,317	2,676,108	35,544	15,837	4.4%
2008	77,780	32.5	2,393	2,822,014	36,282	16,025	6.1%
2009	80,995	32.5	2,492	2,893,789	35,728	15,834	14.8%
2010	82,280	32.5	2,532	2,854,129	34,688 *	16,161	13.3%

\* = preliminary data

Source:

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

(2) Per capita income figures are for the Bend Metropolitan Statistical Area and are obtained from the US. Department of Commerce, Bureau of Economic Analysis

(3) Unemployment rates represent June non-seasonally adjusted unemployment rates for the Bend Metropolitan Statistical Area obtained from the US Department of Labor, Bureau of Labor Statistics.

(4) School enrollment figures obtained from Bend-LaPine Administrative School District No. 1 and does not include alternative schools.

City of Bend, Oregon  
**Principal Employers**

For the fiscal years ended June 30, 2010 and June 30, 2001

<b>Employer</b>	<b>Product or Service</b>	<b>2010</b>			<b>2001</b>		
		<b>Rank</b>	<b>Employees</b>	<b>Percent of Total City Employment (1)</b>	<b>Rank</b>	<b>Employees</b>	<b>Percent of Total City Employment (1)</b>
St. Charles Medical Center	Health care	1	3,028	4.3%	1	1,470	2.4%
Bend-LaPine School Dist. No. 1	Education	2	1,783	2.6%	2	1,450	2.4%
Les Schwab	Tire Manufacturer	3	1,500	2.2%	3	1,184	2.0%
Deschutes County	Government	4	950	1.4%	4	890	1.5%
Sunriver Resort	Resort	5	850	1.2%	6	700	1.2%
T-Mobile	Call center	6	850	1.2%	-	-	0.0%
Mt. Bachelor Ski Resort	Recreation	7	750	1.1%	5	825	1.4%
Walmart	Retailer	8	700	1.0%	8	530	0.9%
TRG Customer Solutions	Call center	9	650	0.9%	-	-	0.0%
Safeway	Grocery Retailer	10	578	0.8%	-	-	0.0%
Eagle Crest Partners Ltd	Resort	-	-	0.0%	7	550	0.9%
Fred Meyer	Retailer	-	-	0.0%	9	525	0.9%
Beaver Motor Coaches	Recreation manufacturer	-	-	0.0%	10	509	0.8%
	<b>Total</b>		<b>11,639</b>	<b>16.7%</b>		<b>8,633</b>	<b>14.2%</b>

Source:

Economic Development for Central Oregon, Central Oregon Profile.

Note:

The above listing of principal employers represents major employers in Central Oregon

(1) Percent of total city employment represents percent of employer's employees to total employment for the Bend Metropolitan Statistical Area of 69,655 for June 2010 and 60,625 for June 2001 (obtained from the US Department of Labor, Bureau of Labor Statistics).



City of Bend, Oregon

## Construction Activity and Bank Deposits

Last ten fiscal years

(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>	
2001	300	\$ 52,241	1,209	\$ 144,166	\$ 763,488
2002	275	51,151	1,289	176,119	804,126
2003	239	48,519	1,682	221,370	1,023,168
2004	280	94,257	2,003	301,037	1,239,042
2005	160	95,727	2,465	480,649	1,469,066
2006	98	38,732	2,485	541,157	1,702,870
2007	337	140,259	1,364	241,724	1,657,194
2008	381	185,715	495	127,012	1,623,137
2009	277	107,294	594	116,999	2,716,450
2010	213	64,690	397	52,481	2,635,087

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.

**Full Time Equivalent City Employees by Program**

Last ten fiscal years

<b>Program</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>General Government</b>										
Administration, finance & legal	25.8	24.8	26.8	30.1	27.4	31.4	35.7	33.8	36.3	36.3
Information technology	5.0	6.0	6.5	7.0	8.0	8.5	11.0	11.0	12.5	12.5
Public works administration/laboratory	21.8	20.5	22.0	28.0	27.0	23.5	25.5	16.0	16.0	18.0
Facility management	-	-	-	-	-	3.0	4.0	5.0	5.0	5.0
Garage	7.0	7.0	7.0	7.0	7.0	7.0	7.0	9.0	8.0	8.0
Accessibility program	-	-	-	-	-	-	-	4.0	1.0	1.0
Economic development administration	-	-	-	-	2.0	3.0	3.5	3.5	2.5	2.0
<b>Public Safety</b>										
Police	89.0	92.0	94.0	96.0	95.0	105.5	111.5	110.0	110.0	110.0
Fire/EMS	67.5	67.0	72.0	76.0	74.0	79.0	84.0	87.8	85.8	85.8
Municipal court	3.0	3.0	3.0	3.0	3.0	3.0	4.0	5.0	5.0	4.0
<b>Public Ways and Facilities</b>										
Street operations	30.0	27.0	28.0	28.0	30.0	29.0	32.0	31.0	32.0	31.0
Engineering	21.0	23.0	22.0	25.0	25.0	33.0	36.0	36.0	15.0	8.0
<b>Community and Economic Development</b>										
Community development administration	5.5	5.0	4.5	5.0	4.0	5.0	8.0	6.0	4.0	1.0
Planning	14.3	15.0	16.5	19.0	20.0	23.0	28.0	33.0	16.0	13.0
Building	16.0	16.0	20.5	25.5	32.5	45.5	57.5	42.0	24.0	17.0
Private development engineering	-	-	-	-	-	-	-	-	-	2.0
Code enforcement	-	-	-	-	-	-	-	-	-	1.0
Community development block grant program	-	-	1.0	1.0	-	1.0	1.0	1.0	1.0	1.0
<b>Other</b>										
Urban renewal	2.0	2.0	2.0	2.0	1.0	1.0	1.0	2.0	1.0	-
Transit	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Airport	-	-	-	-	0.5	1.0	1.0	1.0	1.0	1.5
Water	20.5	20.0	22.0	21.0	21.0	24.0	26.0	30.0	31.0	26.5
Water reclamation	19.0	19.0	21.0	20.0	21.0	23.0	27.0	37.5	32.0	21.5
Stormwater	-	-	-	-	-	-	-	5.0	4.0	3.0
Utility support division	-	-	-	-	-	-	-	-	12.5	30.5
Other business-type	-	1.0	1.0	2.0	2.0	3.0	3.0	1.0	1.0	1.0
<b>Total</b>	<b>347.3</b>	<b>349.3</b>	<b>370.8</b>	<b>396.6</b>	<b>401.4</b>	<b>453.4</b>	<b>507.7</b>	<b>511.5</b>	<b>457.5</b>	<b>441.5</b>

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

<b>Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Public Safety</b>								
Police:								
Physical arrest	3,778	3,778	4,009	unavailable	2,050	4,302	3,841	3,616
Traffic violations	12,406	15,339	16,000	unavailable	8,472	12,324	9,355	9,563
Calls for service	53,610	56,957	57,249	57,079	57,184	58,010	56,168	51,336
Fire/EMS:								
Fire responses	359	334	324	454	1,954	1,880	1,787	1,380
Ambulance responses	4,144	4,249	4,614	5,570	5,764	5,842	5,785	6,096
Inspections conducted	1,000	1,321	2,995	2,940	3,229	3,382	3,473	2,919
<b>Public Ways and Facilities</b>								
Streets resurfaced (lane miles)	6.50	7.60	10.70	13.56	20.07	15.05	11.87	12.90
Streets cleaned (lane miles)	34,689	35,369	33,688	32,467	34,573	34,628	36,058	35,850
Street signs repaired/replaced	2,620	2,290	2,297	2,479	2,502	2,531	2,426	1,850
<b>Community and Economic Development</b>								
Permits issued	11,726	13,388	16,985	17,897	12,174	8,968	5,651	4,443
Buildings inspections performed	35,172	55,051	72,891	79,567	59,407	41,137	22,869	16,262
<b>Transit</b>								
Total miles	305,589	306,600	303,776	352,637	412,596	365,213	317,871	414,283
Total service hours	31,583	31,800	unavailable	32,616	39,768	40,270	34,774	34,876
Total rides	92,418	96,900	unavailable	107,573	300,530	325,607	354,021	377,033
<b>Water</b>								
New connections	4672	2,647	1,295	565	998	515	122	111
Average daily consumption (million gallons):								
Winter	5.07	5.20	6.00	6.00	5.50	6.46	6.55	5.18
Summer	19.67	19.70	16.00	16.00	18.40	18.80	20.20	19.43
Peak consumption (million gallons)	25.73	26.00	27.00	26.00	27.00	29.25	29.43	39.20
<b>Water Reclamation</b>								
New connections	2,057	2,757	681	1,825	1,006	483	208	216
Daily average treatment (million gallons)	4.60	4.96	5.40	5.40	5.80	6.20	5.80	5.55
Sewerlines cleaned (miles)	54	63.60	57.00	34.30	70.00	75.00	108.50	122.00
<b>Downtown Parking</b>								
Tickets issued	9,312	11,390	11,790	10,658	7,243	13,611	13,713	14,506
Permits issued	4,857	4,982	5,219	4,689	4,808	5,142	4,823	4,596

City of Bend, Oregon  
**Capital Asset Statistics by Program**  
 Last eight fiscal years

<b>Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Public Safety</b>								
Police:								
Main station	1	1	1	1	1	1	1	1
Patrol units	18	20	21	29	29	29	31	32
Fire/EMS stations	5	5	5	5	5	5	5	5
<b>Public Ways and Facilities</b>								
Street (miles)	302	344	350	384	435	435	435	414
Street (lane miles)	623	667	704	729	736	748	783	825
Streetlights	1,925	1,925	2,020	2,040	2,051	2,102	2,051	2,051
Traffic signals	n/a	44	48	57	57	59	60	65
<b>Transit</b>								
Buses	21	25	25	31	27	27	28	27
<b>Airport</b>								
Runway (feet)	5,005	5,005	5,005	5,005	5,005	5,200	5,200	5,200
Hangars	13	14	14	14	14	14	14	15
<b>Water</b>								
Water mains (miles)	310	330	400	450	410	445	475	475
Reservoirs	13	13	13	13	13	15	15	18
Wells	16	16	16	16	16	16	16	16
Fire hydrants	3,700	3,879	4,345	5,200	4,900	4,945	4,984	5,074
Maximum daily capacity of plant (million gallons)	29.50	33.35	34.00	34.00	34.00	34.00	34.00	31.00
Service connections	17,474	20,121	21,416	21,981	22,979	23,494	23,616	23,727
<b>Water Reclamation</b>								
Treatment plant	1	1	1	1	1	1	1	1
Sewerlines (miles)	280	400	450	450	450	450	432	424
Large pump stations	62	80	86	82	92	93	93	88
Small pump stations	271	271	271	271	271	271	271	324
Maximum daily capacity of plant (million gallons)	11.00	11.00	12.00	12.00	12.00	12.00	12.00	12.00
Service connections	20,104	22,861	23,542	25,367	26,373	26,856	27,064	27,280
<b>Downtown Parking</b>								
Parking Garages	-	-	-	-	1	1	1	1

## COMPLIANCE SECTION



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



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

December 14, 2010

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

4800 SW Macadam Ave, Suite 400  
Portland, Oregon 97239-3973

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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, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Minimum Standards for Audits of Oregon Municipal Corporations*.

**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 statements 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).



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

Page 2

**COMPLIANCE (Continued)**

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.

**OAR 162-10-0230 INTERNAL CONTROL**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with *Government Auditing Standards* is presented elsewhere in this report as indicated in the Table of Contents.

\* \* \* \* \*

This report is intended solely for the information and use of the City Council, management, the Oregon Secretary of State Audits Division, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Talbot, Korvola & Warwick, LLP*

Certified Public Accountants

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## SINGLE AUDIT COMPLIANCE





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**INDEPENDENT AUDITOR'S 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**

December 14, 2010

City Council  
City of Bend  
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, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 14, 2010. 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.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs as item 2010-01 we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

**INDEPENDENT AUDITOR'S 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)**

Page 2

**COMPLIANCE AND OTHER MATTERS**

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 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*.

\* \* \* \* \*

This report is intended solely for the information and use of the City Council, management, others within the City, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.



Certified Public Accountants



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

December 14, 2010

City Council  
City of Bend  
Bend, Oregon

**COMPLIANCE**

We have audited the compliance of the City of Bend, Oregon (the City) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The City's major federal programs are identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that 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 2010-02.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (Continued)**

Page 2

**INTERNAL CONTROL OVER COMPLIANCE**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2010-02 to be a significant deficiency.

**SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the remaining fund information of the City, which collectively comprise the basic financial statements as of and for the year ended June 30, 2010, and have issued our report thereon dated December 14, 2010. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (Continued)

Page 3

\* \* \* \* \*

This report is intended solely for the information and use of City Council, others within the City, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.



Certified Public Accountants

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City of Bend, Oregon  
**Schedule of Expenditures of Federal Awards**  
For the fiscal year ended June 30, 2010

<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>			
Transit Service Programs Cluster			
Oregon Department of Transportation			
Capital Assistance Program for Elderly Persons			
& Persons with Disabilities	20.513	IGA #26049	\$ 89,072
Job Access Reverse Commute	20.516	IGA #25884	106,854
Total Transit Service Programs Cluster			<u>195,926</u>
Highway Safety Cluster			
Oregon Association of Chiefs of Police			
State and Community Highway Safety	20.600	SC-10-35-14	3,528
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	K8-08-12-38	6,170
Occupant Protection Incentive Grants	20.602	K2-09-46-08	960
Total Highway Safety Cluster			<u>10,658</u>
Highway Planning and Construction Cluster			
Oregon Department of Transportation			
Highway Planning and Construction	20.205	IGA #24294	436
Total Highway Planning and Construction Cluster			<u>436</u>
Federal Transit Cluster			
Federal Transit Administration			
Federal Transit Formula Grants (Recovery Act Funded)	20.507	n/a	538,554
Federal Transit Formula Grants	20.507	n/a	706,460
Total Federal Transit Cluster			<u>1,245,014</u>
Federal Aviation Administration			
Airport Improvement Program	20.106	n/a	1,719,855
<b>Total Department of Transportation</b>			<b>3,171,889</b>
<u>Department of Justice</u>			
Edward Byrne Memorial Justice Assistance Grant Program			
(Recovery Act Funded)	16.803	n/a	143,625
Edward Byrne Memorial Justice Assistance Grant Program	16.738	n/a	28,722
Oregon Department of Justice/Deschutes County			
Office of National Drug Crime Prevention - High Intensity			
Drug Traffic Area Grant	16.XXX	LOA #2007-98	46,304
<b>Total Department of Justice</b>			<b>218,651</b>
<u>Department of Energy</u>			
Energy Efficiency and Conservation Block Grant			
Program (EECBG) (Recovery Act Funded)	81.128	n/a	12,107
<b>Total Department of Energy</b>			<b>12,107</b>

City of Bend, Oregon  
**Schedule of Expenditures of Federal Awards (Continued)**  
For the fiscal year ended June 30, 2010

<u>Federal Grantor/ Pass-through Agency/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Number</u>	<u>Total Expenditures</u>
<u>Department of Homeland Security</u>			
Assistance to Firefighters Grant	97.044	n/a	\$ 551
Oregon State Fire Fire Management Assistance Grant	97.046	NFS 09-FI-11060120-033	32,034
USDA - Forest Service Fire Management Assistance Grant	97.046	n/a	7,469
Oregon Military Department State Homeland Security Program	97.073	09-208	34,825
<b>Total Department of Homeland Security</b>			<b>74,880</b>
<u>Environmental Protection Agency</u>			
Oregon Business Development Department Capitalization Grants for Drinking Water State Revolving Funds (Recovery Act Funded)	66.468	SZ9003	2,806,500 *
Capitalization Grants for Drinking Water State Revolving Funds	66.468	SZ9003	166,852 *
<b>Total Environmental Protection Agency</b>			<b>2,973,352</b>
<u>Department of Housing and Urban Development</u>			
CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants	14.218	n/a	353,820
Community Development Block Grants ARRA Entitlement Grants Grants (Recovery Act Funded)	14.253	n/a	6,000
Oregon Housing and Community Services Community Development Block Grants/Entitlement Grants	14.218	#1096	402,386
<b>Total CDBG - Entitlement Grants Cluster</b>			<b>762,206</b>
Oregon Housing and Community Services Neighborhood Stabilization Program (Recovery Act Funded)	14.256	n/a	54,359
<b>Total Department of Housing and Urban Development</b>			<b>816,565</b>
<b>Total Federal Expenditures</b>			<b>\$ 7,267,444</b>

Notes:

The schedule above is prepared on the accrual basis of accounting. Grant revenues are recorded when the City has met the qualifications for the respective grants. Expenditures are recorded when the liability is incurred.

\* Amount shown reflects outstanding balance of loan.

CITY OF BEND, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2010

**SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statements:**

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
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:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of <i>Circular A-133</i> ?	Yes

Identification of major programs:

<u>CFDA NUMBER(S)</u>	<u>NAME OF PROGRAM OR CLUSTER</u>
20.507	Federal Transit Cluster
16.803	Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories - ARRA
66.468	Capitalization Grants for Drinking Water State Revolving Funds Cluster - ARRA
14.218 & 14.253	Community Development Block Grants – Entitlement Grants Cluster

CITY OF BEND, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2010

**SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS (Continued)**

Dollar threshold used to distinguish between type A and B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding 2010-01**

Criteria: Restatement of prior year financial statements to correct errors in those statements indicates the existence of a deficiency in internal control over financial reporting, which allowed the errors to be reported initially.

Condition: The City's financial statements for the year ended June 30, 2010 were restated with respect to two transactions. Beginning net assets of the governmental activities and beginning fund balance in the General Fund were restated to reclassify amounts from capital assets to assets held for resale, and to properly report those amounts in the governmental funds Balance Sheet and the governmental activities within the Statement of Net Assets. Additionally, an inter-fund loan initiated in a prior year between two of the City's nonmajor funds was determined in the current year to lack proper authorization by the component units Board, resulting in restatement of beginning fund balance in one of the nonmajor governmental funds.

Context: The original basis in the land held for resale was nominal. Subsequent redevelopment costs (additions to basis) totaled approximately \$4.9 million. The current year sale of a portion of the land resulted in proceeds of approximately \$2.4 million.

The amount of the initial loan between the two nonmajor governmental funds was approximately \$1 million. The loan was offset in one fund by expenditures, thus affecting fund balance. The loan receivable in the second fund was offset completely by deferred revenue, thus having no effect on fund balance.

Effect: Prior to the restatement of the current year financial statements of the City, capital assets and net assets invested in capital assets, net of related debt in the governmental activities were overstated by approximately \$4.9 million in the Statement of Net Assets, and assets as well as fund balance of the General Fund were understated by a like amount.

**CITY OF BEND, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**YEAR ENDED JUNE 30, 2010**

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**Finding 2010-01 (Continued)**

Effect (continued): Also prior to restatement, fund balance in a nonmajor governmental fund was understated by approximately \$1 million, and liabilities were overstated in that same fund.

Cause: The City originally miscoded the transaction in their financial systems such that the costs of the land and subsequent improvements were not properly classified in accordance with GAAP. The lack of authorization for the loan was an oversight.

Recommendation: We recommend that the City further evaluate complex transactions involving land held for resale and interfund loans for proper basis and reporting/presentation in accordance with GAAP.

Views of responsible official: The City understands and we concur with the finding.

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

**Finding 2010-02**

Federal Program: Community Development Block Grants - Entitlement Grants Cluster (CFDA 14.218 &14.253)

Federal Agency: Department of Housing and Urban Development

Award Year: 2009-10

Criteria: In accordance with OMB Circular A-133, Subpart D, Section 400(d)(4) the City is required to ensure that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements for that fiscal year.

Condition: The City did not effectively monitor activity of subrecipients, including the request and receipt of information relating to the subrecipients' single audits as applicable, and subsequent follow up where necessary.

Questioned Costs: None noted, as there were no findings reported on the subrecipient's audit.

CITY OF BEND, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2010

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)**

**Finding 2010-02 (Continued)**

Context: The City made sub-awards to six subrecipients in the award year. Of the two subrecipients selected for testing one had received an audit in the prior award year per review of the Federal Audit Clearinghouse, however the audit was not obtained or reviewed by the City.

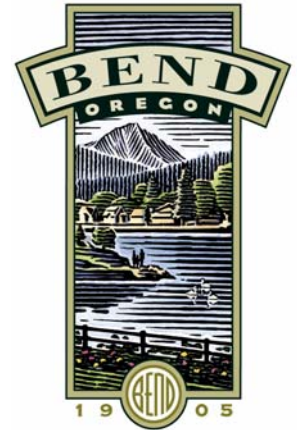
Cause: The City's procedures for monitoring of subrecipients did not include measures to ensure that subrecipients comply with requirements to obtain a single audit.

Effect: While there appears to have been no direct effect of the condition, failure to comply with subrecipient monitoring requirements may result in failure on part of the City to recognize and act on noncompliance on the part of the subrecipient.

Recommendation: We recommend the City add specific measures to their subrecipient monitoring procedures related to the requirements for subrecipient single audits and subsequent follow up by the City.

Views of responsible official: The City understands and we concur with the finding.





December 17, 2010

**Management's Views and Corrective Action Plan Regarding Audit Findings for the Year Ended June 30, 2010**

The following is provided in response to the Audit Findings for the Year Ended June 30, 2010

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BEND, OR 97701  
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**Financial Statement Findings**

**Finding 2010-01**

Auditor Recommendation:

The City should evaluate complex accounting transactions involving land held for resale and interfund loans for proper basis and reporting/presentation in accordance with GAAP.

Corrective Action Plan:

The City concurs with the recommendation. Accounting staff has researched the accounting issues and fully understands the proper accounting for land held for resale and interfund loans. Account balances have been restated and will be maintained in accordance with generally accepted accounting principles going forward.

In the future, complex transactions will be thoroughly researched by staff and reviewed by the Accounting and Financial Reporting Manager and the Finance Director prior to recording. Also, the accounting treatment of complex transactions will be discussed with the City's external auditors in advance when deemed prudent.

**Federal Award Findings and Questioned Costs**

**Finding 2010-02**

Federal Program:

CFDA 14.218 & 14.253 – Community Development Block Grant - Entitlement Grants Cluster

Recommendation:

The City should add specific measures to their subrecipient monitoring procedures related to the requirements for subrecipient single audits and subsequent follow up by the City.

Corrective Action Plan:

The City concurs with the recommendation and will enhance procedures to ensure that subrecipient single audit reports are obtained and reviewed on a timely basis. In accordance with OMB Circular A-133, Subpart D, Section 400(d)(4), the City will obtain the single audit report for all subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year. The monitoring will include a review of audit findings to ensure that the subrecipient takes appropriate and timely corrective action. The City will document the monitoring activities and results.

KATHIE ECKMAN  
*Mayor*

MARK CAPELL  
*Mayor Pro Tem*

JIM CLINTON  
*City Councilor*

JODIE BARRAM  
*City Councilor*

JEFF EAGER  
*City Councilor*

TOM GREENE  
*City Councilor*

ORAN TEATER  
*City Councilor*

ERIC KING  
*City Manager*

SONIA ANDREWS  
*Finance Director*

**Management's Views and Corrective Action Plan Regarding Audit Findings for the Year Ended June 30, 2010 (Continued)**

**Prior Year Federal Award Findings**

**Finding 2009-01**

Federal Program:

Airport Improvement Program (CFDA 20.106) Department of Transportation

Audit Finding: Two (2) workers of a contractor utilized by a subcontractor to the City on a project funded through the Airport Improvement Program Grant were underpaid in violation of prevailing wage requirements.

Corrective Action Taken:

Upon discovery of the underpayment of the two workers, the City of Bend notified the subcontractor. Both workers were paid the differential between the original wage rates and the prevailing wages required under Davis Bacon.

In addition, the City has contracted with Central Oregon Intergovernmental Council (COIC) to perform labor standards monitoring services for almost all construction projects with federal prevailing wage requirements. The City's Purchasing Manager works closely with the COIC to ensure the monitoring is performed on a timely basis and receives frequent communication regarding the results of the monitoring along with formal monthly reporting. COIC oversees routine enforcement actions and the Purchasing Manager ensures that all necessary corrective actions are implemented.

**Finding 09-02**

Federal Program:

Airport Improvement Program (CFDA 20.106) Department of Transportation

Audit Finding:


The City failed to review one relevant contractor for potential suspension or debarment with respect to the contractor or its principals, and failed to obtain a certification from the entity or add a clause or condition to the contract with the entity.

Corrective Action Taken:

The Finance Department implemented a policy in May 2009 addressing this finding. After the opening of bids or receipt of proposals for projects utilizing federal funding, the Purchasing Manager reviews the Excluded Parties Listing Systems (EPLS) to determine whether any of the bidders have been debarred from receiving federal contracts.

Proposals, quotations, or offers received from any listed contractor are not evaluated for award or included in the competitive range, nor will discussions be conducted with a listed offeror during a period of ineligibility. If the period of ineligibility expires or is terminated prior to award, the Purchasing Manager may, but is not required to, consider such proposals, quotations, or offers. Immediately prior to award, the Purchasing Manager again reviews the EPLS to ensure that no award is made to a listed contractor.

City of Bend



Sonja Andrews  
Finance Director