

City of Bend, Oregon

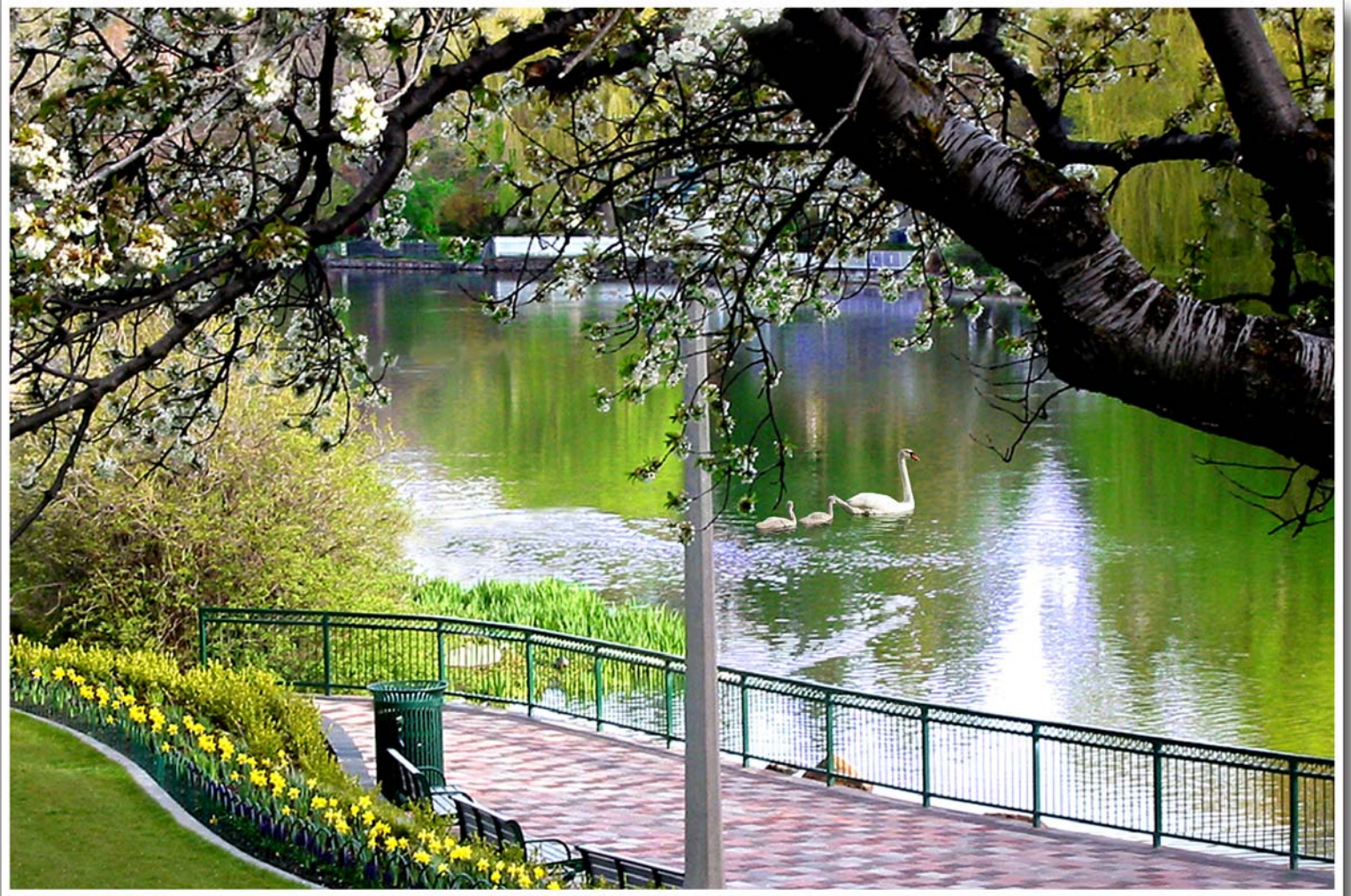


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Bend Photography



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2009



CITY OF BEND, OREGON

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2009

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, 2009

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INTRODUCTORY SECTION



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December 23, 2009

KATHIE ECKMAN
Mayor

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

MARK CAPELL
Mayor Pro Tem

The Comprehensive Annual Financial Report (CAFR) of the City of Bend, Oregon (City) for the fiscal year ended June 30, 2009 is hereby submitted.

JODIE BARRAM
City Councilor

This report presents the City's financial position as of June 30, 2009 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 standard 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.

JIM CLINTON
City Councilor

JEFF EAGER
City Councilor

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.

TOM GREENE
City Councilor

ORAN TEATER
City Councilor

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, 2009. The independent auditor's opinion is located at page 1 in the Financial Section of this report.

ERIC KING
City Manager

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.

SONIA ANDREWS
Finance Director

City Profile

SANDRA L BAXTER
Police Chief

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 hub of economic activity in a three-county region including Deschutes, Jefferson and Crook counties.

LARRY HUHN
Fire Chief

PATRICIA STELL
City Recorder

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 City Council employs a City Manger who administers the affairs of the City for the Council and supervises a staff of eight department heads and approximately 428 full-time employees.

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

In addition to the above general government activities, the City has a Bend Urban Renewal Agency (BURA). BURA, formerly known as the Bend Development Board, was 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.

A budget is prepared for each fund requiring appropriations, except the agency funds, on the modified or full accrual basis of accounting. Expenditure budgets are appropriated by program or department. Budgeted expenditures at the appropriation level may not legally be overspent.

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.

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 laypersons. 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.

Economic Conditions and Outlook

In this time of global economic recession and a struggling local economy, the City, like many other communities has been confronted with serious budget shortfalls driven by the downturn in real estate development and deep recession. In response, the City Council and management have taken aggressive proactive steps to limit new funding requests and reduce expenditures. To date, multiple expenditure reductions have been made, including 58 staff layoffs and elimination of approximately 49 vacant positions for a total reduction of 18% of current and planned personnel. The City continues to work on cost efficiencies, program consolidations and other cost reduction efforts while maintaining basic services and minimizing impact on citizens. As a result of these efforts, the City has maintained a General Fund balance of \$6.8 million and avoided layoffs in Public Safety. In addition, the City established a General Fund Stabilization Fund to start setting aside reserves for future economic downturns. The General Fund Stabilization Fund is expected to exceed \$1.0 million by the end of the 2009-11 biennium. The City has established a policy that requires that the General Fund Stabilization Fund resources only be used to provide temporary support for critical basic services and operations meeting the criteria established by the policy.

The June 2009 unemployment rate for Bend Metropolitan Statistical Area (Deschutes County) was 14.8%, more than double the June 2008 rate of 6.1% and exceeds unemployment rate of 12.1% for the State of Oregon and 9.7% for the United States. Central Oregon has a diverse economy with no one sector dominating the region. Government, retail trade and the leisure and hospitality industry are the top three sectors, followed closely by manufacturing and natural resources, mining and construction. Diversification and economic restructuring have been the ongoing focus of elected leaders and the business community for the past decade and a half. Numerous companies have relocated or expanded to Bend to escape escalating costs, electricity shortages and tight labor markets. Many of the firms are small, but innovative, producing products from semiconductors to software and medical instruments to recreational equipment.

Recent Major Accomplishments and Major Initiatives

Long Term Financial Plan – In FY08-09, the City Council established financial stability as one of its top goals. The City embarked on 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 as the current financial structure is not sustainable into the future due to increasing and competing demands for limited resources. To date, two financial strategy work sessions have been conducted with City Council to identify long term funding needs. 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.

Juniper Ridge – The City continues to focus on the development of the first 200 acres of Juniper Ridge to provide land for light industrial use. During FY08-09, the City completed construction of the Cooley/18th extension, roundabout and pump station in Juniper Ridge and Les Schwab completed construction of its corporate headquarters. During FY08-09, the City also entered into lease/purchase agreements with Suterra and Pacific Power. Suterra, a bio chemical company started constructing its research and development facility and Pacific Power is expected to construct its service center within a few years.

Highway 97 and Cooley Intersection – The City is working with the Oregon Department of Transportation to identify traffic mitigation solutions for the Highway 97 and Cooley intersection. A Northeast Traffic Study evaluating traffic patterns and identifying possible solutions was completed. During fiscal year 2008-09, the City started a study to consider a System Development Charge Overlay Zone for Highway 97 and Cooley. Work on identifying traffic solutions and developing funding strategies will continue into the following year.

Murphy Crossing Urban Renewal Area - On August 6, 2008, the City Council adopted the Murphy Crossing Urban Renewal Plan. The area consists of approximately 230 acres along the Bend Parkway. The goals of the urban renewal area include transportation, public utility improvements and an enhanced environment for pedestrians and bicyclists. Implementation of the plan will require a partnership between the private property owners, the Bend Urban Renewal Agency, the City and the Oregon Department of Transportation.

Water Reclamation System - A Facilities Master Plan and Collection System Master Plan were recently completed that detail the upgrade and expansion requirements of the Water Reclamation Facility (WRF) and collection system. Upgrades to the Digester were substantially complete in 2009. A secondary system upgrade and SE Interceptor entered the development and design stage in 2009 for planned construction in 2010. Capital improvements over the next five years are expected to total approximately \$79 million.

Water - During FY08-09 the City started developing a financial plan for its surface water treatment and replacement of an 80 year old transmission main which carries the City's surface water from Bridge Creek to the Outback well. Completion of a treatment facility is required by 2012 to comply with EPA's LT2 rule. The financial plan also considers development of a hydro-electric facility. In addition to these major initiatives, in July 2009, the City received \$5.6 million in low interest and forgivable loan funds from the Oregon Business Development Department through its Safe Drinking Water Revolving Loan Fund program and the American Recovery and Reinvestment Act. These loans fund four projects: Shiloh Well Rehabilitation; Pilot Butte Well No. 4 Control Building; Fixed Base Meter Reading System; and Timber Ridge Water Line Replacement. All of these projects will break ground in 2010 with projected completion dates in 2010-11. Capital improvements over the next five years are expected to total approximately \$88 million.

Airport Development - The City received grant funding from the Federal Aviation Administration in the amount of \$6.1 million for Phases II and III of the runway relocation project, which was completed in FY2008-09. The construction of the new 5,200 ft. runway was the most extensive construction project ever undertaken at the Bend airport. This project addressed the needs of existing users of the airport, replaced a runway originally built in the 1940's, and offers many safety and operational enhancements. That project is now complete and the new runway, approach lights and lighted taxiway signs are fully operational.

Facilities - In July 2009, Bend Area Transit moved into the newly constructed Transit Operations Center that will provide an operations and maintenance center for the fixed route and Dial-A-Ride system. The new operations center was funded, in part, by a \$4.0 million dollar grant from the Oregon Department of Transportation. In addition, work has been completed on the expansion of the Police Facility which includes space for Municipal Court.

Stimulus Funds – The City has been awarded the following stimulus funds through the American Recovery and Reinvestment Act (ARRA):

- \$1.2 million for street maintenance
- \$937,612 for buses and bus stop improvements
- \$745,500 for energy conservation projects
- \$1.058 million in New Clean Renewable Energy Bond allocation for the hydro-electric project
- \$2.8 million in ARRA forgivable loans for water projects

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, 2009. 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 Audit Comments and Government Auditing Standards 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, 2008. 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 16 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 2007-2009 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 - This report was prepared on a timely basis by the dedicated efforts of the City's Finance Department staff. Each member of the Finance Department has our sincere appreciation for the contributions made in the preparation of this report. Special thanks go to Brooks Slyter and Heidi Faller for their expertise, dedication, enthusiasm and many hours devoted to the preparation of this report. We would also like to express our appreciation to the City Council and the Budget Committee for their support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Sonia Andrews
Finance Director



Eric King
City Manager

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, 2008

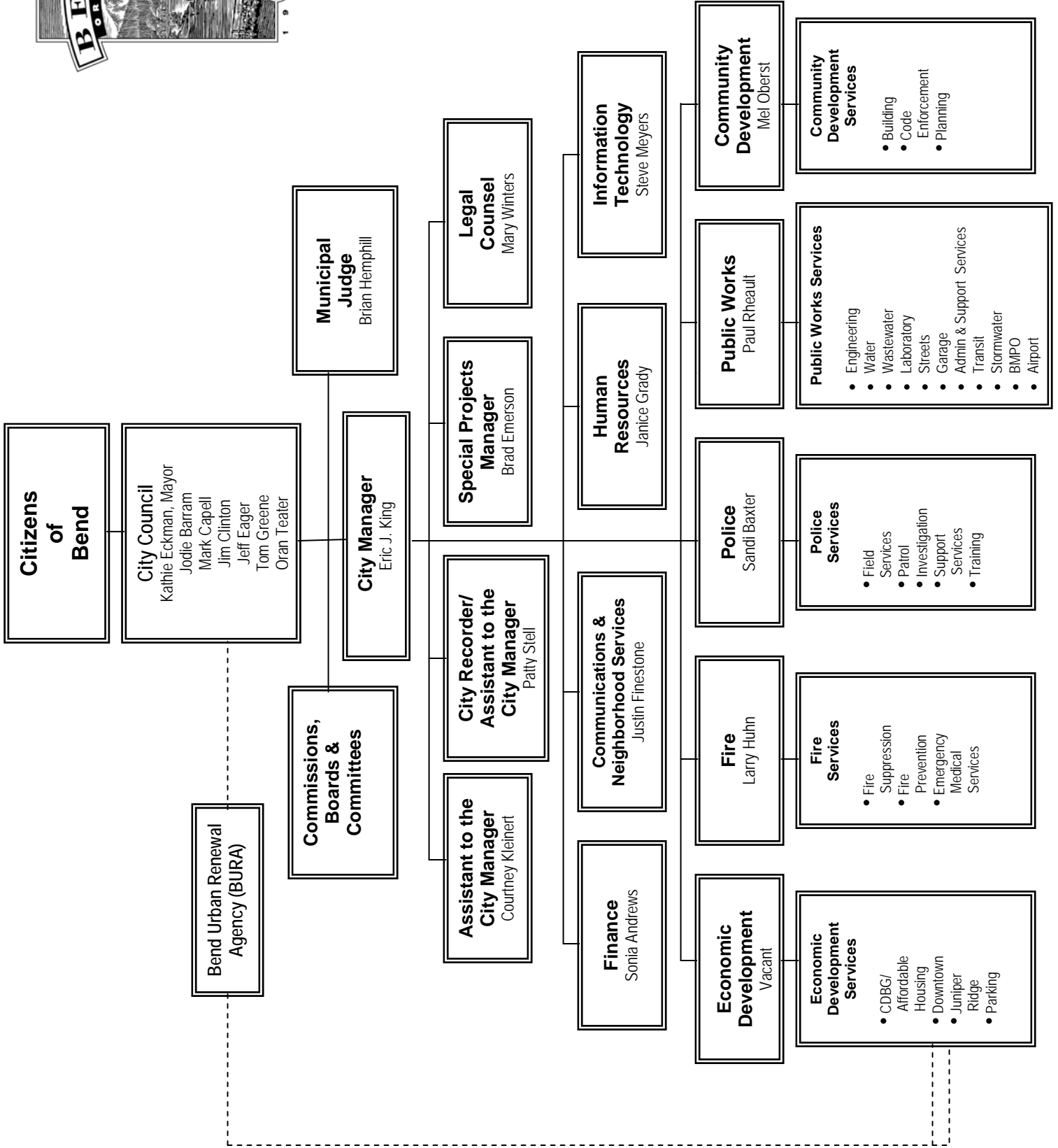
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

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THE CITY OF BEND, OREGON

City Officials as of June 30, 2009

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 22, 2009

Honorable Mayor and City Council
City of Bend
Bend, Oregon

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

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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, 2009, 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, 2009, and the respective changes in financial position and 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 22, 2009, 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)

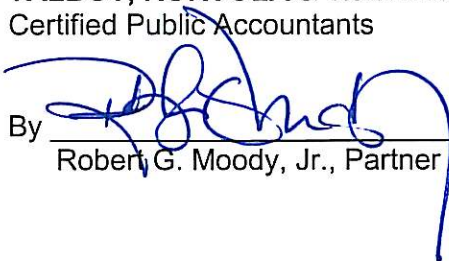
Honorable Mayor and City Council
City of Bend
December 22, 2009
Page 2

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, as well as 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, 2009

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, 2009. 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 \$903.1 million at fiscal year-end consisting of \$812.4 million in capital assets, \$59.7 million in unrestricted cash and investments, and \$31.0 million in prepaid expenses and other assets. Total assets increased by \$21.3 million due mainly to investments in capital assets of \$14.1million and an increase in cash and investments of \$6.1 million.
- The City's liabilities totaled \$116.7 million at fiscal year-end consisting of \$94.0 million in long-term debt and \$22.7 million in accounts payable and other liabilities. Total liabilities increased by \$9.3 million from the prior year due mainly to long-term debt issuance.
- The assets of the City exceeded its liabilities by \$786.4 million at fiscal year-end. Net assets consisted of capital assets net of related debt of \$730.9 million, unrestricted net assets of \$41.5 million, and \$14.0 million of restricted net assets for debt service, capital projects and the building program.
- Expenses for governmental activities totaled \$74.9 million. These activities were funded by \$19.0 million in charges for services, \$20.4 million in grants and contributions and \$34.5 million of general revenues from property taxes, franchise fees, investments and transfers. This resulted in a reduction of net assets of \$1.0 million.
- Expenses for business-type activities totaled \$25.0 million. These activities were funded by \$28.2 million of charges for services, \$9.3 million in grants and contributions and \$0.5 million of general revenues from investment income and transfers. This resulted in an increase in net assets of \$13.0 million.
- The City's general revenues of \$35.0 million for the year consisted of \$24.1 million in property taxes, \$6.4 million in franchise fees, \$2.9 million of transient room taxes, and \$1.6 million of investment income.
- Unreserved fund balance in the General Fund was \$6.8 million at June 30, 2009, an increase of \$0.4 million from June 30, 2008. The net increase resulted from a combination of increased property tax and franchise fee revenues along with reduced expenditures in the General Fund. These increases were largely offset by lower revenues from transient room taxes, fines and other revenues, and proceeds from the sale of assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Management's Discussion and Analysis (Continued)

III. Statistical Section

IV. Audit Comments and Government Auditing Standards 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, facility management, public works administration, information technology, administration and financial services, economic development administration, community development administration, risk management and other general functions not separately identified as a program.
- Public safety – includes police, fire and emergency medical services.
- Public ways and facilities – includes the City's street maintenance operations, street and local improvement construction and the City's engineering activities.
- Community and economic development – includes the City's community development, building inspection, planning, community development block grant program, affordable housing and tourist promotion.
- Urban renewal – consists of the activities of the Bend Urban Renewal Agency.
- Transit – consists of the City's bus operations.

Management's Discussion and Analysis (Continued)

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 income. 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 24 governmental funds. The governmental fund statements present three major funds separately: General Fund, Street Operations Fund, and Fire/Emergency Medical Services Fund. The other 21 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 net income. 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, risk management, administration and financial services, economic development administration, 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 \$786.4 million at June 30, 2009. The vast majority of the net assets (93%) 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)

	Governmental Activities		Business-Type Activities		Total City Net Assets	
	2009	2008	2009	2008	2009	2008
Capital assets, net	\$ 546.5	\$ 543.4	\$ 265.9	\$ 255.0	\$ 812.4	\$ 798.4
Current and other assets	58.9	62.2	31.8	21.2	90.7	83.4
Total assets	605.4	605.6	297.7	276.2	903.1	881.8
Long-term debt	66.4	66.7	27.6	18.8	94.0	85.5
Other liabilities	11.8	10.7	10.9	11.2	22.7	21.9
Total liabilities	78.2	77.4	38.5	30.0	116.7	107.4
Net assets						
Invested in capital, net of related debt	493.2	491.5	237.7	237.0	730.9	728.5
Restricted	13.2	6.8	0.9	0.9	14.1	7.7
Unrestricted	20.8	29.9	20.6	8.3	41.4	38.2
Total net assets	\$ 527.2	\$ 528.2	\$ 259.2	\$ 246.2	\$ 786.4	\$ 774.4

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 \$12.0 million from the prior year due mainly to an increase in the City's capital assets in water and water reclamation infrastructure. Current and other assets increased by \$7.1 million mainly due to an increase in cash and investments.

Long-term debt increased by \$8.5 million. The City reduced its debt by \$4.2 million through scheduled debt service payments. New debt issuances totaled \$12.7 million including \$10.0 million in sewer revenue bonds to finance water reclamation infrastructure improvements and a \$2.7 million draw on a line of credit for development of Juniper Ridge.

Management's Discussion and Analysis (Continued)

Analysis of Changes in Net Assets

Changes in Net Assets
(in millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY08-09</u>	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY07-08</u>	<u>FY08-09</u>	<u>FY07-08</u>
Revenues						
Program revenues:						
Charges for services	\$ 18.9	\$ 22.6	\$ 28.2	\$ 25.1	47.1	\$ 47.7
Operating grants & contributions	9.2	9.4	\$ -	-	9.2	9.4
Capital grants & contributions	11.2	16.6	9.3	16.4	20.5	33.0
General revenues:						
Taxes	27.1	26.1	-	-	27.1	26.1
Franchise fees	6.4	6.1	-	0.6	6.4	6.7
Investment earnings	1.0	2.2	0.6	0.9	1.6	3.1
Other revenues	-	4.0	-	-	-	4.0
Total revenues	73.8	87.0	38.1	43.0	111.9	130.0
Expenses						
Government Activities						
General government	17.2	15.2	-	-	17.2	15.2
Public safety	27.8	26.2	-	-	27.8	26.2
Public ways and facilities	15.7	16.9	-	-	15.7	16.9
Community & economic development	8.1	8.7	-	-	8.1	8.7
Urban renewal	1.8	0.6	-	-	1.8	0.6
Transit	1.9	1.9	-	-	1.9	1.9
Interest on long-term debt	2.4	2.9	-	-	2.4	2.9
Business-type Activities						
Water	-	-	10.7	9.8	10.7	9.8
Water Reclamation	-	-	10.9	10.2	10.9	10.2
Airport	-	-	0.7	0.7	0.7	0.7
Cemetery	-	-	0.1	0.2	0.1	0.2
Downtown parking	-	-	0.9	0.8	0.9	0.8
Stormwater	-	-	1.7	1.4	1.7	1.4
Total expenses	74.9	72.4	25.0	23.1	99.9	95.5
Revenues over expenses	(1.1)	14.6	13.1	19.9	12.0	34.5
Transfers	0.1	(29.2)	(0.1)	29.2	-	-
Change in net assets	(1.0)	(14.6)	13.0	49.1	12.0	34.5
Net assets, beginning	528.2	542.8	246.2	197.1	774.4	739.9
Net assets, ending	\$ 527.2	\$ 528.2	\$ 259.2	\$ 246.2	\$ 786.4	\$ 774.4

Management's Discussion and Analysis (Continued)

Total revenues from governmental activities decreased by \$13.2 million over the prior year. Capital grants and contributions decreased by \$5.4 million from the prior year mainly due to a reduction in the street infrastructure contributed by developers and a lower volume of system development charges. Charges for services decreased by \$3.6 million primarily due to lower community development fees. Both of these changes were due to the severe downturn in both residential and commercial construction. Other revenues decreased by \$4.2 million due to prior year gains from the sale of land in the Juniper Ridge area.

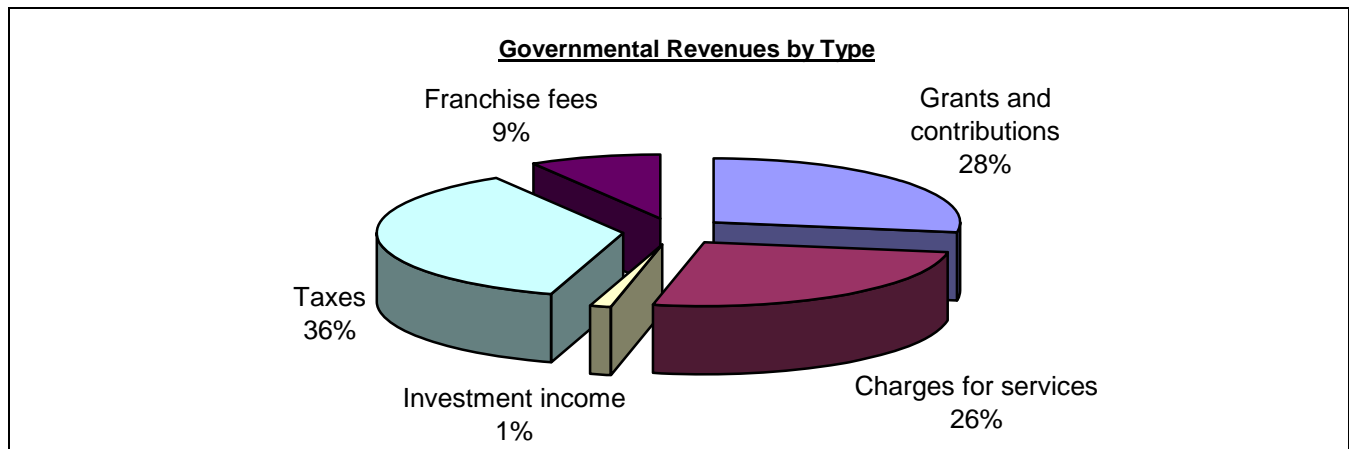
Governmental expenses increased by \$2.5 million mainly due to the recognition of \$2.2 million of other post-employment benefits (retiree medical expenses) and increased expenses for public safety and urban renewal. These increases were largely offset by expense reductions due to deferred street maintenance projects, community development staffing reductions and reduced interest on long-term debt.

Total revenues from business-type activities decreased by \$4.9 million over the prior year. Increases in charges for services of \$3.1 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 \$7.1 million. Capital grants and contributions decreased as water and water reclamation infrastructure contributed by developers and system development charges were considerably lower in the current year due to the economic recession and greatly reduced development activity.

Overall, total net assets for the City increased by \$12.0 million due to increases in capital assets in the water and water reclamation infrastructure.

Governmental Activities

Governmental activities decreased the City's net assets by \$1.0 million with revenues totaling \$73.8 million, expenses totaling \$74.9 million, and transfers from business-type activities totaling \$0.1 million. Revenues consisted of taxes of \$27.1 million, operating and capital grants and contributions of \$20.4 million, charges for services of \$19.0 million, franchise fees of \$6.4 million and \$0.9 million of investment income.

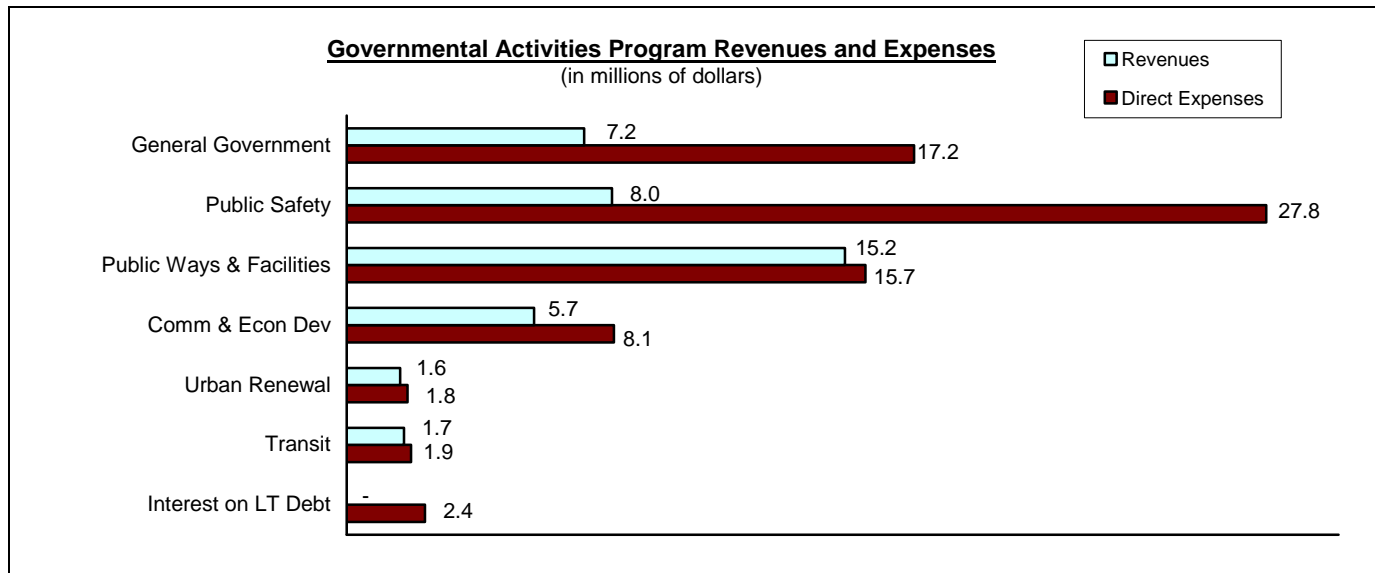


Property taxes increased by \$1.5 million (6.5%) from the prior year due to new construction and growth in property tax assessed values. Capital grants and contributions decreased by \$5.4 million (33%) from the prior year due to reduced transportation infrastructure contributions from developers and lower revenue from system development charges. Other revenues were down due to gains from the sale of land in the prior year.

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

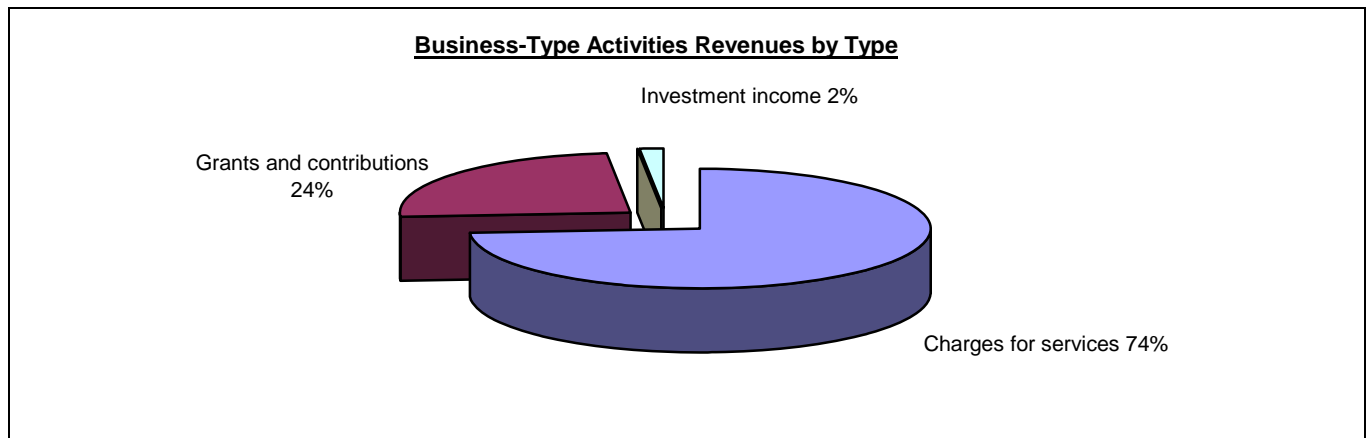
All governmental programs utilize general revenues to support their functions. Some programs such as public safety are dependent on general revenues to fund operations. The following chart compares the revenues and expenditures for each of the City's programs and shows the extent of each program's dependence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

Management’s Discussion and Analysis (Continued)



Business-Type Activities

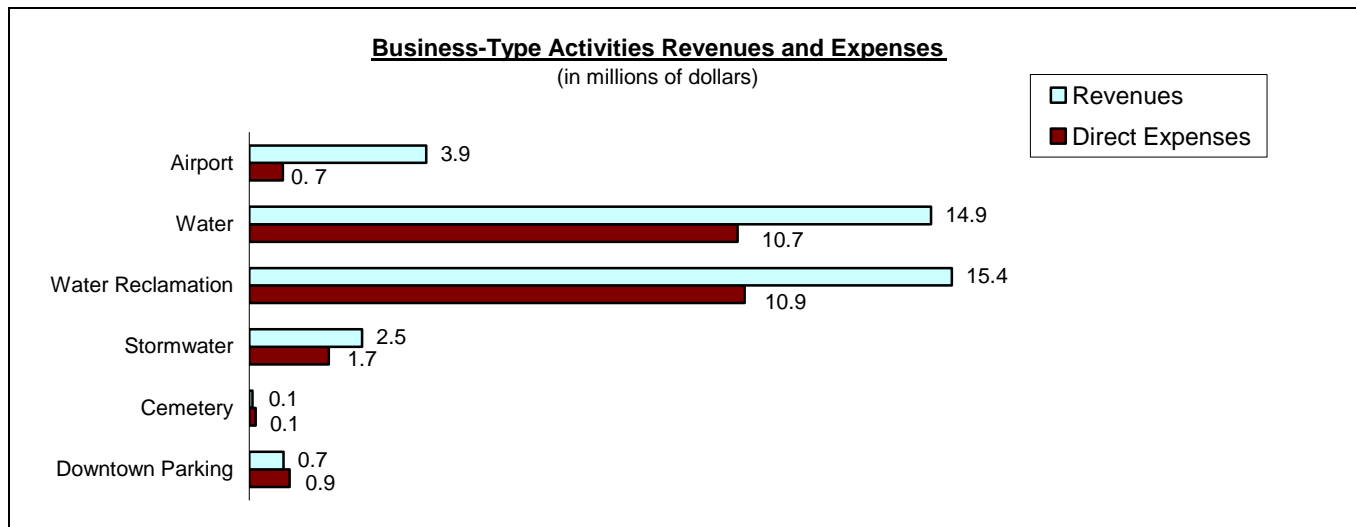
Business-type revenues consisted of charges for services of \$28.2 million, capital grants and contributions of \$9.3 million and \$0.6 million of investment income.



Charges for services accounted for 74% of total business-type revenue in fiscal year 2008-09 compared to 59% in fiscal year 2007-08. This shift resulted from a combination of increased rates for water and sewer services and a decrease in the capital grants and contributions of \$7.1 million primarily due to decreased developer contributions of water and water reclamation infrastructure and lower system development charges revenues.

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 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 reconstruction of the runway. 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 \$26.0 million which is equal to the previous year’s balance.

Of the combined ending fund balance of \$26.0 million, \$7.9 million was reserved to fund debt service. An additional \$6.2 million was reserved for capital projects, notes payable and the building program. \$11.9 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 \$6.8 million, up \$0.4 million (5.5%) from the previous year. The unreserved fund balance represents 40% of total General Fund requirements.

Other major governmental funds include the Street Operations Fund and the Fire/Emergency Medical Services (EMS) Fund. The fund balance increased by \$0.4 million in the Fire/EMS Fund and \$0.8 million in the Street Operation Fund. Both increases were primarily due to lower capital outlays.

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 net income.

Unrestricted net assets of the Water Fund and Water Reclamation Fund at the end of the year amounted to \$6.6 million and \$9.6 million, respectively. The growth in net assets of the Water Fund and the Water Reclamation Fund was \$4.6 million and \$5.1 million respectively, reflecting the implementation of recent rate increases to fund needed improvements in infrastructure. In the Water Fund, system development charges generated \$0.4 million of revenue and developer contributed infrastructure totaled \$2.9 million. In the Water Reclamation Fund, system development charges generated \$0.7 million and developer contributed infrastructure totaled \$3.0 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 decreased in both the Water and Water Reclamation Funds by 74% and 60% respectively in fiscal year 2008-09 due to the dramatic slowdown in the construction industry.

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

Due to the significant changes in the national, state and local economy, a complete review of the General Fund budget was conducted and changes were made during the year to reflect the revised outlook for the second year of the biennium. During the biennium, budgeted expenditures were reduced for police and non-departmental expenses. The budgeted contingency was reduced from \$5.1 million to \$4.5 million.

The General Fund revenues for the two years ended June 30, 2009 were \$0.8 million less than the biennium budget primarily due to property and transient room tax collections and lower fines and forfeitures revenues. Total expenditures for the biennium were underbudget by \$6.5 million including the contingency.

CAPITAL ASSETS

As of June 30, 2009 the City had invested \$812.5 million in capital assets, net of depreciation, as reflected in the following table. This represents a net increase (additions, disposals and depreciation) of \$14.1 million. Governmental capital assets totaled \$546.6 million while business-type capital assets totaled \$265.9 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land including right-of-way	\$ 152.0	\$ 152.0	\$ 6.7	\$ 5.2	\$ 158.7	\$ 157.2
Artwork	0.7	0.7	-	-	0.7	0.7
Buildings and improvements	30.1	26.0	17.4	18.2	47.5	44.2
Infrastructure	333.2	331.8	209.7	205.3	542.9	537.1
Vehicles and equipment	8.7	9.3	2.8	3.2	11.5	12.5
Construction in progress	21.9	23.6	29.3	23.1	51.2	46.6
	<u>\$ 546.6</u>	<u>\$ 543.4</u>	<u>\$ 265.9</u>	<u>\$ 255.0</u>	<u>\$ 812.5</u>	<u>\$ 798.4</u>

Management's Discussion and Analysis (Continued)

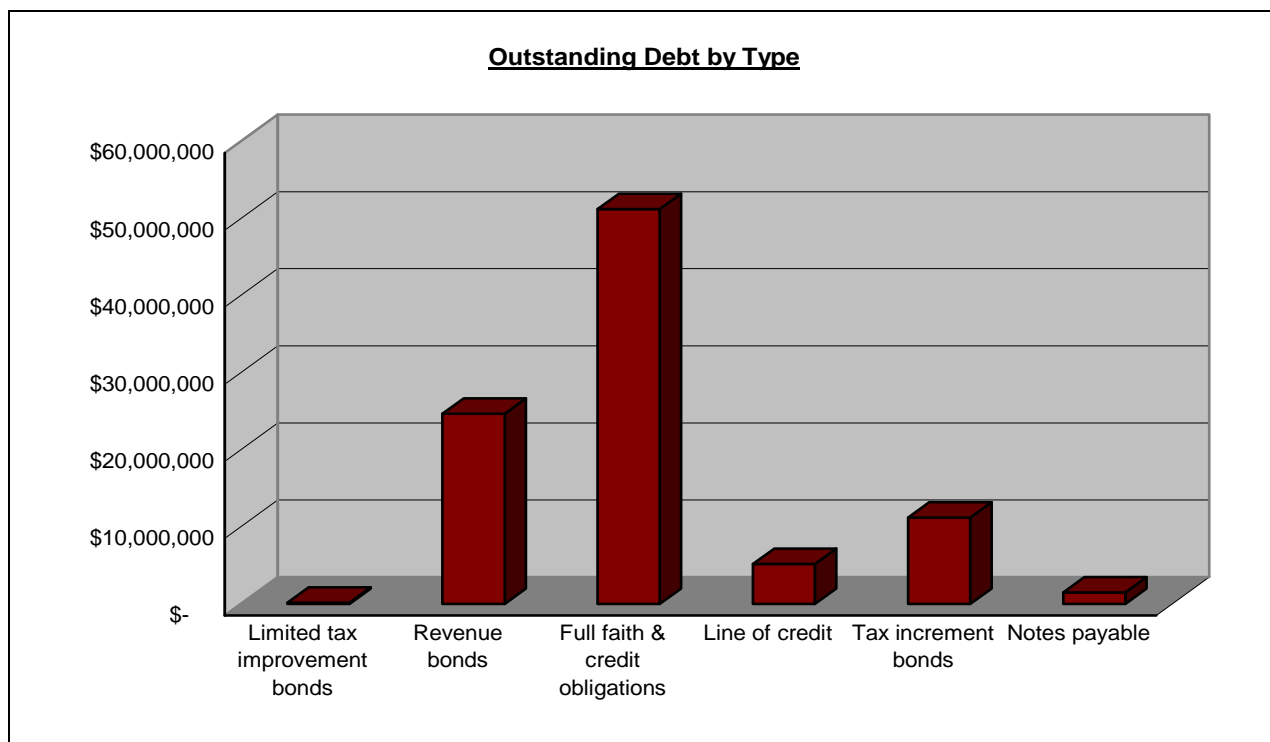
Major construction projects affecting capital assets for fiscal year 2008-09 are as follows:

- Street Construction - Construction of various street improvements added \$3.0 million to capital assets. Major projects included street overlays (\$0.8 million), accessibility improvements (\$0.5 million), and other street construction and safety projects (\$1.7 million). Developer constructed infrastructure totaled \$2.8 million.
- Airport Improvements – The City spent \$3.2 million on the runway relocation project that was funded primarily by federal grants.
- Water Improvements - Improvements to the City's water system added \$3.0 million to capital assets. Major projects included Pilot Butte Wells (\$0.9 million), the airport waterline (\$0.5 million), acquisitions of water rights (\$0.4 million) and watershed improvements (\$0.3 million). Developer constructed infrastructure contributed to the City totaled \$2.9 million in the current year.
- Water Reclamation Improvements - Improvements to the water reclamation system added \$4.4 million to capital assets. Major projects included continuation of the primary and digester modifications (\$1.6) and expansion of the Headworks facility (\$1.3 million). Developer constructed infrastructure totaled \$2.9 million.

Please refer to Note 4 of the basic financial statements for further detailed information on capital assets.

DEBT ADMINISTRATION

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



Change in debt outstanding is as follows:

As of June 30, 2009, the City had \$94.0 million in long-term debt, an increase of \$8.5 million from the prior year. The significant changes include the issuance of \$10 million of revenue bonds to fund major improvements to the City's water reclamation systems and a \$2.7 million increase in the Juniper Ridge line of credit. These increases were partially offset by \$4.2 million in principal payments.

Management's Discussion and Analysis (Continued)

Outstanding Debt as of June 30th
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Full faith & credit obligations	\$ 49.8	\$ 51.3	\$ 1.4	\$ 1.5	\$ 51.2	\$ 52.8
Revenue bonds	-	-	24.7	15.7	24.7	15.7
Tax increment bonds	11.2	12.6	-	-	11.2	12.6
Notes payable	-	-	1.5	1.6	1.5	1.6
Limited tax improvement bonds	0.2	0.3	-	-	0.2	0.3
	<u>\$ 61.2</u>	<u>\$ 64.2</u>	<u>\$ 27.6</u>	<u>\$ 18.8</u>	<u>\$ 88.8</u>	<u>\$ 83.0</u>
Line of credit	<u>\$ 5.2</u>	<u>\$ 2.5</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5.2</u>	<u>\$ 2.5</u>

The City has \$51.2 million of full faith & credit obligations outstanding for airport improvements (\$1.2 million), land acquired (\$4.8 million), street improvements (\$16.8 million), fire and police stations (\$13.0 million), equipment (\$1.7 million) and pension obligation (\$13.7 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.

Revenue bonds outstanding total \$24.7 million and are for water infrastructure (\$2.8 million) and water reclamation infrastructure (\$21.9 million). These bonds are repaid from water and water reclamation service charges and system development charges.

The City has \$11.2 million in urban renewal tax increment bonds outstanding that are repaid from tax increment revenues generated from the City's urban renewal district.

The City's has \$1.5 million of notes payable issued for various capital improvement projects.

The City has \$0.2 million of limited tax improvement bonds outstanding at year-end. These bonds are secured by the full faith and credit of the City and were issued for public improvements that benefit private properties. While these bonds are backed by the City's full faith and credit, their repayment source is derived from assessments to the benefited property owners.

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

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 2008-09 value, the City's debt limitation is \$512.5 million. The City is well within its debt limitation with an amount of outstanding debt subject to this limitation of \$49.5 million.

Sewer revenue bonds issued in fiscal year 2008-09 are rated A1. The City's most recent general obligation debt rating is Aa3 and its full faith and credit obligation and water revenue bond ratings are A1. Urban renewal tax increment bonds have an underlying rating of A3.

Please refer to Note 10 of the basic financial statements for further detailed information on long-term debt.

Management's Discussion and Analysis (Continued)

ECONOMIC FACTORS

The population of the City of Bend as of July 1, 2008, was 80,995, which is 48% of Deschutes County's population of 167,015. Between July 1, 2002 and July 1, 2008, the non-annexation population increased by 40%. 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 during fiscal year 2008-09. The recession has lowered many of the City's revenues sources including system development charges, developer contributed infrastructure, community development fees, franchise fees and transient room taxes. The recession has also significantly slowed the growth rate in property taxes and has increased delinquent property taxes.

In response to the downward economic trends nationwide during fiscal year 2008-09, the City of Bend laid off 43 employees, primarily in the community development related services. In addition to layoffs, the City delayed hiring or eliminated many vacant positions. The City has implemented 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. Since December 2007, the City has made five rounds of budget cuts eliminating more than 100 positions.

The City is dependent on property taxes, charges for services, and grants and contributions to support its operations. Property taxes make up approximately 22% 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 6.6% for fiscal year 2008-09. The gap between current real market values and taxable assessed values under the growth limitations of Measure 50 should still allow the taxable values of most properties to continue to grow by at least the allowed 3%. However, 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.

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, 2009

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Pooled cash and investments	\$ 33,771,042	\$ 25,964,273	\$ 59,735,315
Receivables, net	5,937,008	2,760,853	8,697,860
Internal balances	(303,127)	303,127	-
Due from other governments	1,525,011	363,127	1,888,138
Restricted cash and investments	4,330,125	843,980	5,174,105
Other assets	63,086	287,140	350,226
Prepaid pension obligation	10,322,608	-	10,322,608
Assessments receivable	240,708	-	240,708
Loans and notes receivable	2,273,067	329,308	2,602,375
Bond issue costs, net	718,352	945,142	1,663,494
Non-depreciable capital assets	174,619,031	36,004,201	210,623,232
Depreciable capital assets, net	371,935,517	229,867,906	601,803,423
Total Assets	605,432,429	297,669,056	903,101,485
<u>Liabilities</u>			
Accounts payable	2,044,515	1,824,281	3,868,796
Note payable	1,000,000	500,000	1,500,000
Accrued liabilities	4,589,876	7,828,797	12,418,673
Due to developers	384,013	-	384,013
Deposits	1,703,067	335,495	2,038,562
Other post-employment benefits payable	2,238,790	354,536	2,593,326
Long-term debt			
Portion due or payable within one year	13,927,300	1,563,672	15,490,972
Portion due or payable after one year	52,458,200	26,074,344	78,532,544
Total Liabilities	78,260,761	38,481,124	116,741,885
<u>Net Assets</u>			
Invested in capital assets, net of related debt	493,229,719	237,705,624	730,935,344
Restricted for:			
Debt service	7,893,496	843,980	8,737,476
Capital projects	4,271,191	-	4,271,191
Building program	954,670	-	954,670
Unrestricted	20,822,591	20,638,327	41,460,918
Total Net Assets	\$ 527,171,668	\$ 259,187,932	\$ 786,359,599

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, 2009

	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
Functions/ Programs							
Governmental Activities:							
General government	\$ 17,159,270	\$ 7,064,324	\$ 120,880	\$ -	\$ (9,974,066)	\$ -	\$ (9,974,066)
Public safety	27,811,532	3,395,804	4,626,868	-	(19,788,860)	-	(19,788,860)
Public ways and facilities	15,691,499	1,368,010	2,988,908	10,801,750	(532,831)	-	(532,831)
Community and economic development	8,087,224	5,281,653	382,389	-	(2,423,182)	-	(2,423,182)
Urban renewal	1,840,789	1,610,881	-	-	(229,908)	-	(229,908)
Transit	1,940,959	234,219	1,090,320	406,610	(209,810)	-	(209,810)
Interest on long-term debt	2,372,849	-	-	-	(2,372,849)	-	(2,372,849)
Total Governmental Activities	74,904,122	18,954,893	9,209,365	11,208,360	(35,531,505)	-	(35,531,505)
Business-Type Activities:							
Water	10,689,556	12,019,973	-	2,911,070	-	4,241,487	4,241,487
Water reclamation	10,844,436	12,393,190	-	2,990,507	-	4,539,261	4,539,261
Airport	731,090	699,774	-	3,177,837	-	3,146,521	3,146,521
Cemetery	141,271	69,025	-	-	-	(72,246)	(72,246)
Downtown parking	881,144	606,395	-	140,566	-	(134,183)	(134,183)
Stormwater	1,744,264	2,404,578	-	62,331	-	722,645	722,645
Total Business-Type Activities	25,031,761	28,192,935	-	9,282,310	-	12,443,485	12,443,485
Total Activities	\$ 99,935,883	\$ 47,147,828	\$ 9,209,365	\$ 20,490,671	(35,531,505)	12,443,485	(23,088,020)
General Revenues:							
Taxes:							
Property taxes, levied for general purposes					21,036,290	-	21,036,290
Property taxes, levied for debt service					3,103,527	-	3,103,527
Transient room taxes					2,938,282	-	2,938,282
Franchise fees					6,385,749	-	6,385,749
Unrestricted investment income					967,975	626,134	1,594,109
Gain on sale of capital assets					-	5,350	5,350
Transfers					90,678	(90,678)	-
Total General Revenues and Transfers					34,522,500	540,806	35,063,306
Change in Net Assets					(1,009,004)	12,984,291	11,975,287
Net Assets, July 1, 2008					528,180,672	246,203,641	774,384,313
Net Assets, June 30, 2009					\$ 527,171,668	\$ 259,187,932	\$ 786,359,599

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

City of Bend, Oregon
Balance Sheet
 Governmental Funds
 June 30, 2009

	<u>General</u>	<u>Street Operations</u>	<u>Fire / Emergency Medical Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Pooled cash and investments	\$ 5,323,981	\$ 1,329,537	\$ 1,694,160	\$ 16,281,780	\$ 24,629,458
Restricted cash and investments	-	-	-	4,330,099	4,330,099
Receivables:					
Property taxes	1,870,926	-	-	273,701	2,144,627
Accounts, net	2,540,680	44,282	712,515	207,723	3,505,200
Assessments	-	-	-	240,708	240,708
Loans and notes, net	-	-	-	2,273,067	2,273,067
Interest	242,345	-	-	-	242,345
Due from other governments	373,596	265,777	-	73,413	712,786
Due from other funds	36,000	-	-	-	36,000
Interfund advances receivable	-	-	-	967,082	967,082
Total Assets	\$ 10,387,527	\$ 1,639,596	\$ 2,406,675	\$ 24,647,574	\$ 39,081,372
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 180,358	\$ 156,256	\$ 138,403	\$ 1,043,753	\$ 1,518,770
Salaries and benefits payable	153,841	30,840	131,834	80,126	396,642
Retainage payable	-	-	-	51,059	51,059
Notes payable	-	-	-	440,000	440,000
Due to developers	-	-	-	384,013	384,013
Other accrued liabilities	773,968	-	722	189,879	964,569
Deposits	70,893	-	-	1,042,242	1,113,135
Deferred revenues	2,406,788	5,941	676,813	3,767,527	6,857,069
Due to other funds	-	-	-	339,127	339,127
Interfund advances payable	-	-	-	1,005,766	1,005,766
Total Liabilities	3,585,847	193,037	947,772	8,343,493	13,070,149
Fund Balances (Deficit):					
Reserved for:					
Debt service	-	-	-	7,893,496	7,893,496
Notes Receivable	36,000	-	-	967,082	1,003,082
Construction	-	-	-	4,271,191	4,271,191
Building Program	-	-	-	954,670	954,670
Unreserved	6,765,680	-	-	-	6,765,680
Unreserved reported in:					
Special revenue funds	-	1,446,559	1,458,902	2,217,641	5,123,102
Total Fund Balances	6,801,680	1,446,559	1,458,902	16,304,081	26,011,223
Total Liabilities and Fund Balances	\$ 10,387,527	\$ 1,639,596	\$ 2,406,675	\$ 24,647,574	\$ 39,081,372

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

City of Bend, Oregon

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

June 30, 2009

Total Fund Balances		\$ 26,011,223
Interest income is reported in governmental funds when received, but is accrued in the Statement of Net Assets when earned.		39,656
Capital assets are not financial resources and thus not reported in governmental funds, but are reported in the Statement of Net Assets at their net depreciable value.		
Cost	661,672,572	
Accumulated depreciation	<u>(144,291,173)</u>	517,381,399
Bond issuance costs are not financial resources in governmental funds, but are reported in the the Statement of Net Assets at their net unamortized value.		613,601
Prepaid pension obligations are not financial resources in governmental funds, but are reported in the Statement of Net Assets at their net unamortized value.		10,322,635
All liabilities are reported in the Statement of Net Assets, whereas in governmental funds, liabilities not due and payable in the current period are not reported.		
Interest payable		(248,373)
Accrued compensated absences		(2,034,013)
Other post-employment benefits		(1,816,211)
Long-term debt		(52,470,500)
Property taxes collected after year end, but not available soon enough to pay for current obligations, are deferred in governmental funds, but are recognized as revenue in the Statement of Activities.		1,764,175
Other revenues collected after year end, but not available soon enough to pay for current obligations, are deferred in governmental funds, but are recognized as revenue in the Statement of Activities.		2,322,196
Assessment and other loans not available to pay for current obligations are deferred in governmental funds, but are recognized as revenue in the Statement of Activities when the loan receivable is recorded.		2,855,697
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.		<u>22,430,182</u>
Total Net Assets		<u><u>\$ 527,171,668</u></u>

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, 2009

	<u>General</u>	<u>Street Operations</u>	<u>Fire / Emergency Medical Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Taxes	\$ 22,591,719	\$ -	\$ -	\$ 3,908,160	\$ 26,499,879
Franchise fees	5,790,473	481,403	-	113,873	6,385,749
Intergovernmental	2,071,500	3,667,362	2,296,377	2,135,828	10,171,067
Assessments	-	-	-	204,242	204,242
Licenses and permits	317,397	56,240	-	2,023,378	2,397,015
Charges for services	208,288	168,500	2,071,426	3,810,553	6,258,767
System development charges	-	-	-	2,725,669	2,725,669
Contributions	-	-	-	325,337	325,337
Fines and forfeitures	1,041,219	-	-	-	1,041,219
Loan repayments	-	-	-	180,387	180,387
Investment income	202,328	2,892	4,074	520,555	729,849
Miscellaneous	38,074	38,777	6,109	62,986	145,946
Total Revenues	32,260,998	4,415,174	4,377,986	16,010,968	57,065,126
<u>Expenditures</u>					
Current operating:					
General government	634,197	-	-	16,700	650,897
Public safety	15,932,291	-	12,852,286	5,900	28,790,477
Public ways and facilities	-	5,309,064	-	905,408	6,214,472
Community and economic development	-	-	-	9,043,535	9,043,535
Urban renewal	-	-	-	1,590,149	1,590,149
Transit	-	-	-	2,483,256	2,483,256
Debt service:					
Principal	-	91,000	254,600	2,347,500	2,693,100
Interest	-	1,820	115,849	2,311,255	2,428,924
Capital outlay	380,104	937,591	10,249	5,765,934	7,093,878
Total Expenditures	16,946,592	6,339,475	13,232,984	24,469,637	60,988,688
Excess (deficiency) of revenues over expenditures	15,314,406	(1,924,301)	(8,854,998)	(8,458,668)	(3,923,561)
<u>Other Financing Sources (Uses)</u>					
Proceeds from sale of assets	-	-	3,700	16,751	20,451
Proceeds from leases	1,550,000	-	-	-	1,550,000
Issuance of long-term debt	-	-	-	2,700,000	2,700,000
Transfers in	464,422	2,750,000	9,237,622	7,105,532	19,557,576
Transfers out	(16,975,743)	-	(6,000)	(2,940,793)	(19,922,536)
Total Other Financing Sources (Uses)	(14,961,321)	2,750,000	9,235,322	6,881,490	3,905,491
Net change in fund balances	353,085	825,699	380,324	(1,577,179)	(18,070)
Fund Balances, July 1, 2008	6,448,595	620,860	1,078,578	17,881,260	26,029,293
Fund Balances, June 30, 2009	\$ 6,801,680	\$ 1,446,559	\$ 1,458,902	\$ 16,304,081	\$ 26,011,223

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

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, 2009

Net Change in Fund Balances \$ (18,070)

The change in net assets reported in the Statement of Activities is different because:

Capital asset additions are reported as capital outlay expenditures in governmental funds. However, the Statement of Activities allocates the cost of those assets over their estimated useful lives as depreciation expense.

Capital assets additions	7,093,878	
Depreciation	<u>(11,659,412)</u>	(4,565,534)

Donated capital assets are not a current financial resource and are not reported as revenue in the governmental funds. In the Statement of Activities, such assets are reported as contribution revenue. 2,732,273

Proceeds from the sale of capital assets are reported in governmental funds when collected. In the Statement of Activities, the sale or disposal of capital assets is reported as a reduction in capital assets and any resulting gains and losses are reported when earned or incurred. (171,749)

Transfers of capital assets are not recorded in the governmental funds as they do not require the use of current financial resources. However, the Statement of Activities reports such expenses as transfers when made to business type activities. (561,901)

Property taxes and other revenues that do not meet the measurable and available criteria do not provide current financial resources and are recorded as deferred revenue in governmental funds. In the Statement of Activities, these revenues are recognized as revenue when they are earned (or levied in the case of property taxes). 420,754

Assessment and other loan repayments collected are reported as revenue in the governmental funds when they are collected. In the Statement of Activities, revenues are recognized when the loan receivables are recorded and principle repayments collected reduce the loan receivable balance. 1,916,654

Interest income is recorded when available in governmental funds. In the Statement of Activities, interest is accrued. (29,794)

Interest expenditures are recorded when due in governmental funds, whereas in the Statement of Activities, interest is accrued. 56,075

Issuance of long-term debt is reported as revenue in governmental funds, but is reported as an increase in liabilities in the Statement of Net Assets. (2,700,000)

Repayments of bond principal are reported as expenditures in governmental funds, whereas they are reported as changes in bonds payable in the Statement of Net Assets. 2,693,100

Bond issuance costs, premiums and discounts incurred are reported by governmental funds as expenditures and/or netted with bond proceeds when the debt is first issued. These amounts are deferred and amortized in the Statement of Activities. (32,351)

Prepaid pension obligations are not reported in governmental funds, but are deferred and amortized in the Statement of Activities. (570,848)

City of Bend, Oregon

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities (continued)**

For the fiscal year ended June 30, 2009

Unpaid compensated absences are not reported in governmental funds as they do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred regardless of when settlement ultimately occurs.	\$ (57,297)
Other post-employment benefits are not reported in governmental funds as they do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred regardless of when settlement ultimately occurs.	(1,816,211)
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.	<u>1,695,893</u>
Change in Net Assets	<u><u>\$ (1,009,004)</u></u>

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

City of Bend, Oregon
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds	Total	Internal Service Fund
Assets					
Current assets:					
Pooled cash and investments	\$ 10,574,909	\$ 11,074,136	\$ 4,315,228	\$ 25,964,273	\$ 9,141,584
Receivables:					
Accounts, net	1,380,917	1,090,549	250,169	2,721,635	5,180
Interest	231	38,986	-	39,217	-
Due from other governments	19,786	-	343,341	363,127	812,226
Due from other funds	-	303,127	-	303,127	-
Inventories	256,397	-	-	256,397	27,409
Prepays and deposits	25,300	5,442	-	30,742	35,677
Bond issue costs, net	6,057	80,342	3,418	89,818	19,438
Total Current Assets	12,263,598	12,592,583	4,912,156	29,768,337	10,041,514
Noncurrent assets:					
Restricted cash and investments	322,725	521,255	-	843,980	-
Loans and notes receivable	5,232	324,076	-	329,308	-
Interfund advances receivable	-	-	-	-	38,683
Bond issue costs, net	62,163	758,366	34,796	855,324	85,313
Capital assets, net	84,175,959	122,785,380	58,910,767	265,872,107	29,173,149
Total Noncurrent Assets	84,566,079	124,389,077	58,945,563	267,900,719	29,297,145
Total Assets	96,829,677	136,981,660	63,857,719	297,669,056	39,338,659
Liabilities					
Current liabilities:					
Accounts payable	873,275	647,821	303,184	1,824,281	525,745
Salaries and benefits payable	35,082	38,929	8,543	82,554	119,842
Retainage payable	55,171	70,215	59,087	184,472	205,610
Notes payable	-	-	500,000	500,000	560,000
Other accrued liabilities:					
Compensated absences	138,091	160,934	30,282	329,307	372,366
Interest	37,100	151,528	34,975	223,604	47,402
Insurance claims	-	-	-	-	150,000
Other	4,092,386	2,888,860	27,614	7,008,861	-
Deposits	272,761	-	62,734	335,495	589,932
Current portion of long-term debt	175,000	1,172,150	216,522	1,563,672	5,085,000
Total Current Liabilities	5,678,867	5,130,437	1,242,941	12,052,245	7,655,897
Noncurrent liabilities:					
Other post-retirement benefits payable	155,754	158,391	40,391	354,536	422,580
Long-term debt, net	2,665,000	20,894,743	2,514,601	26,074,344	8,830,000
Total Noncurrent Liabilities	2,820,754	21,053,134	2,554,992	26,428,880	9,252,580
Total Liabilities	8,499,621	26,183,570	3,797,933	38,481,124	16,908,477
Net Assets					
Invested in capital assets, net of related debt	81,365,448	100,656,105	55,684,071	237,705,624	14,638,064
Restricted for:					
Debt service	322,725	521,255	-	843,980	-
Unrestricted	6,641,883	9,620,729	4,375,715	20,638,327	7,792,118
Total Net Assets	\$ 88,330,057	\$ 110,798,089	\$ 60,059,786	\$ 259,187,932	\$ 22,430,182

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, 2009

	Business-Type Activities				Governmental
	Enterprise Funds			Total	Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds		Internal Service Fund
<u>Operating Revenues</u>					
Franchise fees	\$ 342,176	\$ 336,977	\$ -	\$ 679,153	\$ -
Charges for services	11,583,973	11,646,687	3,678,991	26,909,651	23,815,258
Loan repayments	-	317,834	-	317,834	-
Miscellaneous	93,824	91,692	80,304	265,820	70,023
Total Operating Revenues	12,019,973	12,393,190	3,759,295	28,172,458	23,885,281
<u>Operating Expenses</u>					
Salaries and benefits	3,062,530	3,242,292	830,680	7,135,502	9,109,366
Materials and supplies	3,346,395	1,848,870	657,770	5,853,035	4,097,430
Internal services	2,062,242	1,971,792	653,715	4,687,749	1,979,767
Insurance premiums and claims	-	-	-	-	9,336,596
Depreciation	2,061,954	2,867,234	1,217,114	6,146,302	917,334
Total Operating Expenses	10,533,121	9,930,188	3,359,279	23,822,588	25,440,493
Operating income (loss)	1,486,852	2,463,002	400,016	4,349,870	(1,555,213)
<u>Nonoperating Revenues (Expenses)</u>					
Intergovernmental	-	-	3,177,837	3,177,837	3,123,690
Investment income	280,066	266,306	79,762	626,134	267,920
Interest expense	(150,378)	(833,906)	(135,072)	(1,119,356)	(578,048)
Parking improvement fees	-	-	140,566	140,566	-
Permanent maintenance fees	-	-	20,477	20,477	-
Amortization of bond issue costs	(6,057)	(80,342)	(3,418)	(89,817)	(19,438)
Gain on disposal of assets	3,450	1,150	750	5,350	1,182
Total Nonoperating Revenues (Expenses)	127,081	(646,792)	3,280,902	2,761,191	2,795,306
Income (loss) before contributions and transfers	1,613,933	1,816,210	3,680,918	7,111,061	1,240,093
<u>Contributions and Transfers</u>					
Capital grants and contributions	2,911,070	2,990,507	62,331	5,963,907	162
Transfers in	404,573	740,477	53,200	1,198,249	860,000
Transfers out	(340,910)	(470,917)	(477,100)	(1,288,927)	(404,362)
Total Contributions and Transfers	2,974,733	3,260,066	(361,569)	5,873,230	455,800
Change in net assets	4,588,666	5,076,276	3,319,349	12,984,291	1,695,893
Net Assets, July 1, 2008	83,741,391	105,721,813	56,740,437	246,203,641	20,734,289
Net Assets, June 30, 2009	\$ 88,330,057	\$ 110,798,089	\$ 60,059,786	\$ 259,187,932	\$ 22,430,182

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, 2009

	Business-Type Activities				Governmental
	Enterprise Funds			Total	Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds		Internal Service Fund
<u>Cash Flows from Operating Activities</u>					
Cash received from customers	\$ 11,996,096	\$ 12,154,456	\$ 3,743,059	\$ 27,893,612	\$ 176,588
Cash received from interfund services provided	-	-	-	-	23,146,378
Cash paid to employees for services	(2,936,109)	(3,032,339)	(791,874)	(6,760,322)	(8,787,209)
Cash paid to suppliers for goods and services	(3,393,883)	(1,966,550)	(618,303)	(5,978,736)	(13,474,074)
Cash paid for interfund services used	(2,062,242)	(1,971,792)	(653,715)	(4,687,749)	(1,979,767)
Net Cash Provided (Used) By Operating Activities	3,603,862	5,183,776	1,679,167	10,466,805	(918,084)
<u>Cash Flows from Noncapital Financing Activities</u>					
Advances to other funds	-	(303,127)	-	(303,127)	-
Interfund loan repayments	-	300,000	(152,000)	148,000	-
Transfers from other funds	404,573	740,477	53,200	1,198,249	860,000
Transfers to other funds	(340,910)	(470,917)	(477,100)	(1,288,927)	(404,362)
Net Cash Provided (Used) By Noncapital Financing Activities	63,663	266,432	(575,900)	(245,805)	455,638
<u>Cash Flows from Capital and Related Financing Activities</u>					
Issuance of debt	-	10,000,000	500,000	10,500,000	560,000
Principal payments on capital debt	(170,000)	(802,068)	(200,292)	(1,172,360)	(294,000)
Interest payments on capital debt	(152,355)	(772,630)	(137,375)	(1,062,359)	(579,892)
Capital grants and contributions	-	-	3,686,330	3,686,330	2,532,528
Proceeds from sale of assets	3,450	1,150	750	5,350	3,392
Permanent maintenance fees	-	-	20,477	20,477	-
Parking improvement fees	-	-	140,566	140,566	-
Acquisition and construction of capital assets	(2,783,141)	(5,661,449)	(3,945,168)	(12,389,758)	(6,759,642)
Net Cash Provided (Used) By Capital and Related Financing Activities	(3,102,046)	2,765,004	65,288	(271,754)	(4,537,614)
<u>Cash Flows from Investing Activities</u>					
Investment income	280,066	266,305	79,761	626,133	267,918
Net Cash Provided (Used) By Investing Activities	280,066	266,305	79,761	626,133	267,918
Net change in pooled cash and investments	845,545	8,481,518	1,248,316	10,575,379	(4,732,142)
Pooled Cash and Investments, July 1, 2008	10,052,089	3,113,873	3,066,912	16,232,874	13,873,726
Pooled Cash and Investments, June 30, 2009	\$ 10,897,634	\$ 11,595,391	\$ 4,315,228	\$ 26,808,253	\$ 9,141,584
<u>Reconciliation to Statement of Net Assets</u>					
Pooled cash and investments	\$ 10,574,909	\$ 11,074,136	\$ 4,315,228	\$ 25,964,273	\$ 9,141,584
Restricted cash and investments	322,725	521,255	-	843,980	-
Pooled Cash and Investments, June 30, 2009	\$ 10,897,634	\$ 11,595,391	\$ 4,315,228	\$ 26,808,253	\$ 9,141,584

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, 2009

	Business-Type Activities				Governmental
	Enterprise Funds			Total	Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds		Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ 1,486,852	\$ 2,463,002	\$ 400,016	\$ 4,349,870	\$ (1,555,213)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	2,061,954	2,867,234	1,217,114	6,146,302	917,334
Change in:					
Accounts receivable	(16,060)	(90,024)	27,275	(78,810)	12,689
Loans and notes receivable	6,960	(148,709)	-	(141,749)	-
Due from other funds	-	-	-	-	34,263
Inventories	-	-	-	-	6,576
Prepays and deposits	(5,510)	1,715	2,480	(1,315)	(3,419)
Accounts payable	(45,765)	(185,596)	11,852	(219,509)	(145,936)
Salaries and benefits payable	(13,219)	2,251	(2,259)	(13,227)	(6,489)
Other post-employment benefits	155,754	158,391	40,392	354,536	422,580
Compensated absences payable	(16,114)	49,312	674	33,872	(93,934)
Insurance claims payable	-	-	-	-	102,732
Other accrued liabilities	3,787	66,201	27,614	97,603	-
Prepays and deposits payable	(14,777)	-	(45,991)	(60,768)	(609,266)
Net Cash Provided (Used) By Operating Activities	\$ 3,603,862	\$ 5,183,776	\$ 1,679,167	\$ 10,466,805	\$ (918,084)

Noncash Capital and Related Financing Activities

The City received donated Water, Water Reclamation, and Nonmajor Enterprise Funds infrastructure totaling \$2,875,714, \$2,298,623, and \$60,100, respectively, in the current year.

Acquisition of capital assets financed through accounts payable for the current year totaled \$472,644 in the Water Fund, \$384,214 in the Water Reclamation Fund, and \$254,863 in the Nonmajor Enterprise Funds, and \$246,870 in the Internal Service Fund.

The net book value of capital assets contributed from other funds in the current year totaled \$15,029 in the Water Fund, \$691,884 in the Water Reclamation Fund, \$2,231 in the Nonmajor Enterprise Funds, and \$162 in the Public Works Administration Division

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, 2009

Agency Fund

Assets

Cash and investments	\$	61,352
Accounts receivable, net		5
Total Assets		61,357

Liabilities

Amounts held for others		61,357
Total Liabilities		61,357

Net Assets	\$	-
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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, 2009

Note 1 - Summary of Significant Accounting Policies

The accounting and reporting policies of the City of Bend (the City) and its component unit included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The significant accounting policies of the City are described below.

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.

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, 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

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

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. Nonexchange transactions, in which the City receives value without giving equal value in exchange, include 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 eliminated.

The City has elected not to apply private-sector standards of accounting and financial reporting issued after November 30, 1989, unless specifically adopted by Governmental Accounting Standards Board pronouncements.

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 acquisition or construction of capital assets (capital projects funds), and the servicing of general long-term debt (debt service 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 net assets. 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.

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.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Street Operations Fund - This fund accounts for the City's street operations, including street repair, maintenance and lighting. Resources consist primarily of state highway fund apportionment and support from the General Fund.

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

Proprietary Funds

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

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

The following are the City's major enterprise funds:

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

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

Additionally, the City reports the following fund types:

Internal Service Fund - The Internal Service Fund accounts for those activities and services furnished internally to other departments within the City on a cost reimbursement basis. Charges are made to the various departments to support these activities. The City has one internal service fund comprised of the following divisions: Garage, Information Technology, Facility Management, Engineering, Public Works Administration, Risk Management, Administration and Financial Services, Economic Development Administration, and Community Development Administration. The Engineering division performs construction plan reviews for other City departments and external customers, thus revenues of the Engineering division include fees charged to other departments and external customers. The Community Development Administration division is partially funded by an administrative fee, building and planning permits. The aggregate of all these divisions is reflected as the Internal Service Fund in the fund financial statements.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2009, the City had \$5,174,105 of cash and investments restricted for debt service, construction and the building program.

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.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

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 cost or average cost on the first-in, first-out method. Inventory is capitalized and charged to operations when consumed.

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-way, 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 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.

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, 2009.

Compensated Absences

Liabilities for vacation pay are recorded in the Statement of Net Assets and proprietary fund financial statements when vested or earned by employees. Compensated absences liability accrued at the end of each year is used within one year and is reported with other accrued liabilities.

In governmental funds, compensated absences are reported only if they have matured, i.e., a governmental fund liability and expenditure is recognized only as payments come due each period when relevant events such as employee resignations and retirements occur. Sick leave pay does not vest and is recorded as leave when taken.

Other Post Employment Benefits Obligation

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for the Post Employment Benefits Other Than Pensions (OPEB)* for fiscal year ended June 30, 2009. 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.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2009, unreserved fund balances were designated as follows:

- \$1,446,559 – designated for street and right-of-way maintenance
- 1,458,902 – designated for fire protection and emergency medical service operations
- 2,217,641 – designated for transit and community and economic development activities

Appropriation and Budgetary Controls

The City is subject to provisions of the Oregon Revised Statutes which set forth local budget procedures. A resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations for the biennium. Appropriations are established by program or activity.

The City Council may, however, approve additional appropriations for necessary expenditures which could not be reasonably estimated at the time the budget was adopted. Additionally, budgets may be modified during the biennium by the use of appropriation transfers between legal categories or appropriation transfers from one fund to another.

Such transfers must be authorized by official resolution or ordinance of the City Council. The resolution or ordinance must state the need for the transfer, the purpose of the authorized expenditures and the amount of the appropriation transferred.

Transfers of operating contingency appropriations which in aggregate during a fiscal year exceed 15% of the total appropriations of the fund may only be made after adoption of a supplemental budget prepared for that purpose. A supplemental budget less than 10% of the fund's original budget may be adopted at a regular meeting of the governing body. A supplemental budget greater than 10% of the fund's original budget requires public hearings, publication in newspapers and approval by the Council. Budget amounts shown in the financial statements include the original budget and final budget as modified by supplemental budgets and budget transfers. Supplemental appropriations were approved by the City Council for the 2007-09 biennium. All appropriations terminate on June 30, 2009.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

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, 2009, the City's cash and investments are comprised of the following:

Cash on hand	\$ 6,510
Deposits with financial institutions	2,771,943
Investments:	
Money market account	3,258,998
State of Oregon Local Government Investment Pool	33,098,654
Corporate notes	3,114,680
U.S. agency obligations	20,571,110
Obligations of the States of Oregon, California, Idaho and Washington	2,148,877
Total pooled cash and investments	<u>\$ 64,970,772</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	\$ 36,669,222	\$ 25,964,273	\$ 61,352	\$ 62,694,847
Restricted cash and investments	1,431,945	843,980	-	2,275,925
	<u>\$ 38,101,167</u>	<u>\$ 26,808,253</u>	<u>\$ 61,352</u>	<u>\$ 64,970,772</u>

Deposits with Financial Institutions

The City's cash deposits with financial institutions are in a low interest bearing NOW account that is fully insured by the Federal Depository Insurance Corporation (FDIC). The money market deposits are insured up to \$250,000 by the FDIC and the balance is 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 providing 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. The total cash in bank is \$6,030,941, of these deposits \$3,008,998 was not insured by the FDIC as of June 30, 2009.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 2 – Cash and Investments (Continued)

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, 2009</u>
Less than 30 days	10%	59%
Less than 12 months	50%	72%
Less than 18 months	65%	81%
Less than 7 years	100%	100%

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, 2009, the City was in compliance with the above policy requirements with commercial paper and corporate bonds totaling less than 2% 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 less than 4% in such obligations at June 30, 2009.

The State of Oregon Local Government Pool and money market account are unrated. Commercial paper investments are rated A-1 and other investments held at June 30, 2009 are categorized by rating as follows:

<u>Investor Service Rating</u>	<u>U.S. Agency Obligations</u>	<u>State Obligations</u>	<u>Corporate Notes</u>
Aaa	\$ 20,571,110	\$ 2,148,877	\$ 3,114,680

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, 2009, 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, 2009

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, 2009:

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
Promissory notes receivable for system development charges and improvement fees, 1 to 10 year terms with 6% to 7.5% interest	\$ 550,243	\$ 58,051
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	68,252	-
Sewer connection charges, 10 year terms with 5% to 7.25% interest	-	271,257
Assessments receivable for local improvements, 10 year terms with 5% to 7.25% interest	303,775	-
Assessments receivable for downtown economic improvements	21,933	-
Community development block grant loans to qualified individuals or organizations, various terms with zero to 2% interest	729,680	-
Affordable Housing Loans to qualified organizations	890,431	-
Low interest deferred loans to downtown businesses for urban renewal	34,461	-
Allowance for uncollectible assessments	(85,000)	-
	<u>\$ 2,513,775</u>	<u>\$ 329,308</u>

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 4 – Capital Assets

Governmental capital asset activity for the year ended June 30, 2009 was as follows:

<u>Governmental activities</u>	Balance July 1, 2008	Increases	Decreases	Transfers/ Adjustments	Balance June 30, 2009
Capital assets not depreciated:					
Land including right-of-way	\$ 151,999,803	\$ -	\$ -	\$ -	\$ 151,999,803
Artwork	719,215	-	-	-	719,215
Construction in progress	23,581,468	12,507,417	(14,188,626)	(246)	21,900,013
Total capital assets not being depreciated	176,300,486	12,507,417	(14,188,626)	(246)	174,619,031
Capital assets being depreciated:					
Buildings and improvements	29,840,611	4,645,275	-	-	34,485,886
Infrastructure	456,093,354	11,816,121	-	(129,983)	467,779,492
Vehicles and equipment	19,304,489	1,185,524	(318,439)	122,680	20,294,254
Total capital assets being depreciated	505,238,454	17,646,920	(318,439)	(7,303)	522,559,632
Less accumulated depreciation for:					
Buildings and improvements	3,809,814	622,053	-	-	4,431,867
Infrastructure	124,328,438	10,289,127	-	(90)	134,617,475
Vehicles and equipment	10,028,591	1,665,564	(284,193)	164,811	11,574,773
Total accumulated depreciation	138,166,843	12,576,744	(284,193)	164,721	150,624,115
Total capital assets being depreciated, net	367,071,611	5,070,176	(34,246)	(172,024)	371,935,517
Governmental activities capital assets, net	<u>\$ 543,372,097</u>	<u>\$ 17,577,593</u>	<u>\$ (14,222,872)</u>	<u>\$ (172,270)</u>	<u>\$ 546,554,548</u>

Depreciation expense was charged to governmental activities as follows:

<u>Governmental activities</u>	
General government	\$ 917,334
Public safety	744,114
Public ways and facilities	10,593,995
Community and economic development	73,402
Urban Renewal	89,934
Transit	157,965
Governmental activities depreciation expense	<u>\$ 12,576,744</u>

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 4 – Capital Assets (Continued)

Business-type capital asset activity for the year ended June 30, 2009 was as follows:

<u>Business-type activities</u>	Balance July 1, 2008	Increases	Decreases	Transfers/ Adjustments	Balance June 30, 2009
Capital assets not depreciated:					
Land including right-of-way	\$ 5,190,609	\$ 1,527,973	\$ -	\$ -	\$ 6,718,582
Construction in progress	23,058,516	9,917,930	(3,689,775)	(1,052)	29,285,619
Total capital assets not being depreciated	28,249,125	11,445,903	(3,689,775)	(1,052)	36,004,201
Capital assets being depreciated:					
Buildings and improvements	23,731,212	53,530	-	-	23,784,742
Vehicles and equipment	10,023,879	1,122,227	(113,789)	(155,480)	10,876,837
Water infrastructure	91,199,904	3,709,521	-	-	94,909,425
Water reclamation infrastructure	129,414,400	4,295,207	-	-	133,709,607
Stormwater infrastructure	35,275,375	60,100	-	-	35,335,475
Other infrastructure	2,781,847	18,500	-	-	2,800,347
Total capital assets being depreciated	292,426,617	9,259,085	(113,789)	(155,480)	301,416,433
Less accumulated depreciation for:					
Buildings and improvements	5,553,516	851,683	-	-	6,405,199
Vehicles and equipment	6,774,810	1,613,070	(113,789)	(164,811)	8,109,280
Water infrastructure	15,846,021	1,791,507	-	-	17,637,528
Water reclamation infrastructure	27,776,928	1,172,908	-	-	28,949,836
Stormwater infrastructure	9,329,908	668,626	-	-	9,998,534
Other infrastructure	399,642	48,508	-	-	448,150
Total accumulated depreciation	65,680,825	6,146,302	(113,789)	(164,811)	71,548,527
Total capital assets being depreciated, net	226,745,792	3,112,783	-	9,331	229,867,906
Business-type activities capital assets, net	\$ 254,994,917	\$ 14,558,686	\$ (3,689,775)	\$ 8,279	\$ 265,872,107

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 4 – Capital Assets (Continued)

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

Business-type activities

Airport	\$ 195,035
Water	2,061,954
Water reclamation	2,867,234
Parking	306,416
Stormwater	698,452
Other business activities	17,211
Business-type activities depreciation expense	<u>\$ 6,146,302</u>

Note 5 – Operating Leases

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, 2009 totaled \$243,991. Minimum future lease payments not including annual consumer price index adjustments are \$244,064 each fiscal year from 2010 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, 2009 totaled \$245,653. Minimum future lease payments not including annual consumer price index adjustments are \$252,783 each fiscal year from 2010 through 2012.

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 2029. 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, 2009 is \$582,491. Cost of leased assets totaled \$1,912,660 at June 30, 2009 and current year depreciation on those leased assets was \$30,679.

Note 6 – Due To / From Other Funds

The City's Water Reclamation Fund advanced \$303,127 to the Improvement District Construction Fund (a nonmajor Capital Projects Fund) to provide interim financing on sewer local improvement projects. The General Fund also advanced \$36,000 to the Tourism/Economic Development Fund (a nonmajor Special Revenue Fund). These advances are non-interest bearing and are repaid in the ensuing year.

Note 7 – Short-Term Note Payable

On June 30, 2009 the City obtained an unsecured single pay bank loan in the amount of \$1,500,000 to provide interim financing for accessibility construction, airport, and public transit facility projects. The note carried an interest rate of 5.0% and was repaid on July 1, 2009.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 8 – Interfund Transfers

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. During fiscal year 2008-09, the City made the following interfund transfers between its governmental activities and business-type activities:

<u>Amount</u>	<u>Description</u>
\$ 401,073	From the Nonmajor Governmental Funds to the Water Fund for SDC projects
734,877	From the Nonmajor Governmental Funds to the Water Reclamation Fund for SDC projects
53,200	From the General Fund to the Nonmajor Enterprise Funds for general operations
135,570	From the Water Reclamation Fund to the Nonmajor Governmental Funds for the Piper Drive Local Improvement District
676,256	From the Water and Water Reclamation Funds to the Nonmajor Governmental Funds for construction
130,000	From the Nonmajor Enterprise Funds to the Nonmajor Governmental Funds for construction
338,000	From the Nonmajor Enterprise Funds to the General Fund for the repayment of startup costs

Note 9 – Compensated Absences

Change in compensated absences during the fiscal year ended June 30, 2009 was as follows:

	<u>Liability at</u>		<u>Liability at</u>	
	<u>July 1, 2008</u>	<u>Earned</u>	<u>Used</u>	<u>June 30, 2009</u>
Governmental activities	\$ 2,443,016	\$ 2,475,158	\$ (2,586,717)	\$ 2,331,457
Business-type activities	295,435	410,510	(298,788)	407,157
	<u>\$ 2,738,451</u>	<u>\$ 2,885,668</u>	<u>\$ (2,885,505)</u>	<u>\$ 2,738,614</u>

During fiscal year 2008-09, the compensated absences used was close to the amount of the compensated absences earned and was greater than the prior year liability, indicating the liability is typically used within one year. Thus, the liability at June 30, 2009 is reported with other accrued liabilities that mature within one year.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 10 - Long-Term Debt

During the fiscal year ended June 30, 2009, the following long-term debt transactions occurred:

	Balance at July 1, 2008	Additions	Reductions	Balance at June 30, 2009
<u>Governmental activities:</u>				
Limited tax improvement bonds	\$ 261,000	\$ -	\$ (97,000)	\$ 164,000
Full faith & credit obligations	51,316,600	-	(1,535,100)	49,781,500
Tax increment bonds	12,595,000	-	(1,355,000)	11,240,000
	<u>64,172,600</u>	<u>-</u>	<u>(2,987,100)</u>	<u>61,185,500</u>
<u>Business-type activities:</u>				
Full faith & credit obligations	1,573,400	-	(139,900)	1,433,500
Revenue bonds	15,650,000	10,000,000	(960,000)	24,690,000
Notes payable	1,586,976	-	(72,460)	1,514,516
	<u>18,810,376</u>	<u>10,000,000</u>	<u>(1,172,360)</u>	<u>27,638,016</u>
 Total long-term debt	 <u>\$ 82,982,976</u>	 <u>\$ 10,000,000</u>	 <u>\$ (4,159,460)</u>	 <u>\$ 88,823,516</u>
 Line of credit	 <u>\$ 2,500,000</u>	 <u>\$ 2,700,000</u>	 <u>\$ -</u>	 <u>\$ 5,200,000</u>

Limited Tax Improvement Bonds

The City issued limited tax improvement bonds under the Oregon Bancroft Bonding Act to finance public improvements that benefited private parties. Limited tax improvement bonds are secured by the benefited properties and are repaid in installments from property owners. Additionally, the outstanding improvement bonds are general obligations of the City and the full faith and credit of the City has been pledged for the payment of principal and interest on the bonds. The outstanding bonds have an interest rate of 5.00% and will fully paid in fiscal year 2011 in advance of the original maturity date.

<u>Governmental activities</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Original Maturity</u>	<u>Balance at June 30, 2009</u>
Series 2003	5.00%	\$ 1,322,000	12/01/12	\$ 164,000

Annual debt service requirements to maturity for limited tax improvement bonds are as follows:

<u>Year ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 103,000	\$ 6,950
2011	61,000	1,725
	<u>\$ 164,000</u>	<u>\$ 8,675</u>

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 10 - Long-Term Debt (Continued)

Full Faith & Credit Obligations

The City issued full faith & credit obligations to provide financing for the construction of police and fire facilities, airport 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 interest rates ranging from 2.0% to 6.095% and maturities through fiscal year 2032.

<u>Governmental activities</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity</u>	<u>Balance at June 30, 2009</u>
Fire stations, series 1999	3.80% to 4.85%	\$ 4,275,000	06/01/24	\$ 3,225,000
Transportation system, series 2000	4.35% to 5.30%	6,000,000	09/01/20	4,275,000
Police facility and street equipment, series 2002	4.00% to 5.00%	7,130,000	12/01/26	5,560,000
Transportation, street and fire, series 2003	2.00% to 4.50%	13,050,800	12/01/22	9,156,500
Pension obligation bonds, series 2004	2.13% to 6.095%	13,725,000	06/01/28	13,675,000
City hall land, series 2005	3.59%	4,780,000	06/01/10	4,780,000
Police expansion and ambulance 2006	3.75% to 6.00%	4,950,000	12/01/31	4,725,000
Cooley road, police expansion, fire, series 2008	3.00% to 4.25%	4,425,000	12/01/27	4,385,000
		<u>\$ 58,335,800</u>		<u>\$ 49,781,500</u>
<u>Business-type activities</u>				
Airport, series 1999A	5.25% to 5.30%	\$ 840,000	06/01/19	\$ 840,000
Airport, series 1999B	5.38%	260,000	06/01/13	230,000
Airport, series 2003	2.00% to 3.70%	279,200	12/01/13	138,500
Stormwater, series 2008	3.00%	275,000	12/01/12	225,000
		<u>\$ 1,654,200</u>		<u>\$ 1,433,500</u>
Total full faith & credit obligations		<u>\$ 59,990,000</u>		<u>\$ 51,215,000</u>

Annual debt service requirements to maturity for the full faith & credit obligations are as follows:

<u>Year ending June 30</u>	<u>Governmental activities</u>		<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 6,314,300	\$ 2,309,419	\$ 150,700	\$ 67,060
2011	1,803,400	2,080,070	151,600	60,730
2012	1,912,400	2,005,649	157,600	54,338
2013	2,041,400	1,928,162	173,600	47,632
2014	2,090,000	1,843,962	115,000	41,195
2015-2019	12,195,000	7,687,132	685,000	112,168
2020-2024	14,075,000	4,447,436	-	-
2025-2029	8,765,000	1,203,740	-	-
2030-2032	585,000	37,022		
	<u>\$ 49,781,500</u>	<u>\$ 23,542,592</u>	<u>\$ 1,433,500</u>	<u>\$ 383,123</u>

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 10 - Long-Term Debt (Continued)

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.

<u>Governmental activities</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity</u>	<u>Balance at June 30, 2009</u>
Tax Increment Bonds:				
Series 1998	3.75% to 4.85%	\$ 7,485,000	06/01/18	\$ 4,155,000
Series 2004A	5.00%	3,600,000	11/30/13	185,000
Series 2004B	4.25%	6,900,000	12/01/13	6,900,000
Total tax increment bonds		<u>\$ 17,985,000</u>		<u>\$ 11,240,000</u>

Annual debt service requirements to maturity for tax increment bonds are as follows:

<u>Year ending June 30</u>	<u>Governmental activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 1,510,000	\$ 469,588
2011	1,650,000	402,063
2012	1,820,000	328,350
2013	2,010,000	246,651
2014	2,190,000	156,739
2015-2018	2,060,000	254,615
	<u>\$ 11,240,000</u>	<u>\$ 1,858,006</u>

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, 2009. The outstanding bonds have interest rates ranging from 1.77% to 5.38% and maturities through fiscal year 2029.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 10 - Long-Term Debt (Continued)

On August 14, 2008 the City issued \$10,000,000 in sewer revenue bonds with interest rates ranging from 3.50% to 4.50% and maturities through fiscal year 2029. The proceeds of the bonds were used to finance sewer facility and infrastructure improvements.

<u>Business-type activities</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity</u>	<u>Balance at June 30, 2009</u>
Water, series 2000	4.40% to 5.38%	\$ 4,000,000	10/01/20	\$ 2,840,000
Sewer, series 2000	4.40% to 5.38%	7,000,000	10/01/10	635,000
Sewer, series 2002	1.77% to 5.04%	5,500,000	11/01/22	4,265,000
Sewer, series 2005	3.00% to 4.00%	7,585,000	11/01/20	6,950,000
Sewer, series 2008	3.50% to 4.50%	10,000,000	10/31/28	10,000,000
Total revenue bonds		<u>\$ 34,085,000</u>		<u>\$ 24,690,000</u>

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

<u>Year ending June 30</u>	<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 1,335,000	\$ 985,719
2011	1,385,000	931,236
2012	1,425,000	877,191
2013	1,480,000	824,213
2014	1,540,000	767,414
2015-2019	8,390,000	2,840,037
2020-2024	5,840,000	1,177,230
2025-2029	3,295,000	354,538
	<u>\$ 24,690,000</u>	<u>\$ 8,757,578</u>

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.

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 interest rates of 3.00% to 5.01%. Revenues from the airport and sewer operations are utilized to repay the respective notes.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 10 - Long-Term Debt (Continued)

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.

<u>Business-type activities</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity</u>	<u>Balance at June 30, 2009</u>
Notes Payable to OECDD:				
Pacific Aviation	5.01%	\$ 655,000	12/01/17	\$ 471,587
Woodriver Village	3.00% to 5.00%	300,000	01/01/22	216,893
Airport Eastside Improvement	4.00% to 4.375%	<u>867,335</u>	12/01/31	<u>826,036</u>
Total notes payable		<u>\$ 1,822,335</u>		<u>\$ 1,514,516</u>

Annual debt service requirements to maturity for the notes payable are as follows:

<u>Year ending June 30</u>	<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 77,972	\$ 68,773
2011	78,526	65,222
2012	79,108	61,628
2013	84,717	57,995
2014	96,329	54,070
2015-2019	481,945	197,974
2020-2024	236,212	112,311
2025-2029	222,813	64,363
2030-2032	<u>156,894</u>	<u>13,981</u>
	<u>\$ 1,514,516</u>	<u>\$ 696,317</u>

Line of Credit

On June 30, 2009 the City drew an additional \$2,700,000 on a line of credit with Bank of America to provide funding for Juniper Ridge development for an ending balance of \$5,200,000. The line of credit is available up to \$6,000,000. The line of credit matures June 19, 2010 with interest paid periodically on the outstanding balance at an interest rate equal to 63.5% of the prime rate less 0.64%.

Refunded Debt

In prior years 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, 2009, \$4,345,000 of revenue bonds outstanding are considered defeased.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 11 - 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			
	<u>Liability at June 30, 2008</u>	<u>and Changes in Estimate</u>	<u>Claims Paid</u>	<u>Liability at June 30, 2009</u>
2006-2007	\$ 68,994	\$ 167,552	\$ (151,260)	\$ 85,286
2007-2008	85,286	97,671	(135,689)	47,268
2008-2009	47,268	385,000	(282,268)	150,000

Note 12 - Participation in Public Employees' Retirement System

Plan Description

Substantially all City employees are participants in the Oregon Public Employees' Retirement Fund (OPERF); an agent multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statutes Chapter 238. ORS Chapter 238.620 establishes the Public Employees' Retirement Board as the governing body of PERS. The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature. PERS issues a publicly available financial report that includes financial and required supplemental information. That report may be obtained by writing to PERS, PO Box 23700, Tigard, Oregon 97281-3700 or by calling 1-503-598-7377.

Funding Policy

In 2003, PERS created a new Oregon Public Service Retirement Plan (OPSRP) for employees hired on or after August 29, 2003. Employees hired prior to August 29, 2003 continue to participate in the OPERF plan. For the 2008-09 fiscal year, the City was required by the rules applicable to PERS to contribute 9.40% of covered employees' salaries to the existing PERS plan and contribute 10.89% of covered police and fire salaries and 7.62% of covered general service salaries to the new OPSRP. The contribution rate is determined based on actuarial valuations, which are performed by PERS periodically. Pursuant to collective bargaining agreements, the required employee contribution of 6% of covered compensation is paid by the City for all PERS eligible employees. The Retirement Board has statutory authority to revise employer contributions as necessary to ensure the promised benefits will be funded on a sound basis.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 12 - Participation in Public Employees' Retirement System (Continued)

Annual Pension Cost

For fiscal year 2008-09, the City's annual pension cost for PERS was equal to the City's required and actual contributions and consisted of \$2,915,687 for the City's required share. The City also paid the employees' contribution of \$1,848,787. Employer contributions are calculated in conformance with the provisions of GASB Statement 27 as a percentage of covered payroll. Therefore, the contributions transmitted to PERS are equal to the Annual Required Contribution (ARC) and there is no Net Pension Obligation (NPO) necessary to amortize any unmade contributions. The fiscal year 2008-09 required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method.

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 9.0% in 2007 to 5.0% in 2013, declining by 0.50% per year.
- An investment rate of return of 8.0% net of administration expenses and 8.5% for the variable program.
- Projected general wage inflation of 3.75% per year
- Future interest credits on member contributions of 8.0% compounded annually.

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 tables present the three-year trend information and the schedule of funding progress for the City:

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>
2006-07	\$ 3,262,127	\$ 3,262,127	100%	-
2007-08	2,831,921	2,831,921	100%	-
2008-09	2,915,687	2,915,687	100%	-

Schedule of Funding Progress for PERS

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/05	\$ 105,122,684	\$ 100,434,284	\$ (4,688,400)	105%	\$ 24,947,421	-19%
12/31/06	116,975,172	105,993,155	(10,982,017)	110%	28,228,013	-39%
12/31/07	123,895,049	110,585,933	(13,309,116)	112%	31,627,544	-42%

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 \$16,186,025 on December 31, 2007. 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 4.05% effective July 1, 2007.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 13 – Other Post Employment Benefits (OPEB)

Effective for the year ended June 30, 2009, the City 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.

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 City has chosen to amortize the unfunded liability over 15 years. 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.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 13 – Other Post Employment Benefits (OPEB) (Continued)

	<u>For the Year Ended June 30, 2009</u>
<u>Determination of Annual Required Contribution</u>	
Normal cost at year end	\$ 1,694,715
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	1,435,463
Annual required contribution (ARC)	<u>\$ 3,130,178</u>
 <u>Determination of Net OPEB Obligation</u>	
Annual required contribution	\$ 3,130,178
Interest on prior year net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB expense	<u>3,130,178</u>
Benefit payments	<u>536,852</u>
Increase in net OPEB obligation	2,593,326
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	<u>\$ 2,593,326</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 2008-09 were as follows. The information is not available for the two preceding years:

Year ending	Annual	Percentage of	Net OPEB
<u>June 30</u>	<u>OPEB Cost</u>	<u>Cost Contributed</u>	<u>Obligation</u>
2009	\$ 3,130,178	17%	\$ 2,593,326

Funded Status and Funding Progress

As of June 30, 2007, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$18,757,092 and the value of the assets was \$0, resulting in an unfunded actuarial liability of \$18,757,092.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAAL as of Percentage of Covered Payroll
7/1/2007	-	\$ 18,757,092	\$ 18,757,092	0.0%	\$ 31,627,544	59.3%

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 13 – 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 June 30, 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% is assumed in the 1st year, 7.0% in the 2nd year, 6.5% in the 3rd year, 6% for the 4th through 24th year, 5.5% for the 25th through 36th year, and 5% thereafter. 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 0.37% of annual covered payroll for Tier 1 & 2 and .26% 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 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 year ended June 30, 2008 were \$109,120 which equaled the required contributions for that year.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2009

Note 14 - 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 15 - Commitment and Contingencies

At June 30, 2009 the City was committed on outstanding construction, engineering, consulting, service and equipment purchase contracts totaling \$3,015,611 in the governmental activities, and \$3,740,137 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, 2009, amounts collected and potentially due to developers totaled \$384,013 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 16 - Subsequent Events

On July 8, 2009, the City was awarded \$5.6 million in low interest and forgivable loan funds from the Oregon Business Development Department through its Safe Drinking Water Revolving Loan Fund program and the American Recovery and Reinvestment Act of 2009 (ARRA). This loan will reimburse following projects:

- \$0.7 million for Shiloh Well Rehabilitation
- \$1.6 million for Pilot Butte Well No. 4 Control Building
- \$1.2 million for Timber Ridge Water Line Replacement
- \$2.1 million for the Fixed Base Automation Meter Reading System and Meter Replacement

On October 21, 2009, the City Council authorized the City to issue up to \$4.0 million in full faith and credit bonds. These bonds will be used to finance accessibility, airport, and other capital construction improvements. The City Council also authorized current or advance refunding of other full faith and credit obligations to achieve debt service savings.

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REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS

General Fund

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

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.

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, 2009

	<u>Biennium Budget</u>		<u>FY2007-08 Actual</u>	<u>FY2008-09 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Property taxes:						
Current year's property tax levy	\$ 39,108,100	\$ 38,787,000	\$ 19,087,943	\$ 19,645,746	\$ 38,733,689	\$ (53,311)
Delinquent property taxes	1,382,100	1,318,700	293,635	889,175	1,182,810	(135,890)
Transient room taxes	5,535,800	5,158,700	2,399,161	2,056,798	4,455,959	(702,741)
Franchise fees	12,248,700	11,413,100	5,543,496	5,790,473	11,333,969	(79,131)
Intergovernmental	3,755,000	3,811,600	1,896,641	2,071,500	3,968,141	156,541
Assessments	-	-	18,624	-	18,624	18,624
Licenses and permits	512,500	542,900	319,123	317,397	636,520	93,620
Charges for services:						
Charges to others	331,600	361,200	205,310	197,288	402,598	41,398
Charges to other City funds	21,000	21,000	16,840	11,000	27,840	6,840
Fines and forfeitures	2,816,700	2,509,500	1,235,467	1,041,219	2,276,686	(232,814)
Investment income	629,900	532,800	401,777	202,328	604,105	71,305
Miscellaneous	31,300	21,200	6,847	38,074	44,921	23,721
Total Revenues	66,372,700	64,477,700	31,424,864	32,260,998	63,685,862	(791,838)
Expenditures						
Municipal court	1,158,887	1,126,087	485,685	550,341	1,036,026	90,061
Police	37,236,224	34,707,624	16,696,440	16,312,395	33,008,835	1,698,789
Nondepartmental	436,000	525,600	159,762	83,856	243,618	281,982
Contingency	5,151,289	4,458,389	-	-	-	4,458,389
Total Expenditures	43,982,400	40,817,700	17,341,887	16,946,592	34,288,479	6,529,221
Excess (deficiency) of revenues over expenditures	22,390,300	23,660,000	14,082,977	15,314,406	29,397,383	5,737,383
Other Financing Sources (Uses)						
Proceeds from sale of assets	485,000	4,145,500	3,897,931	-	3,897,931	(247,569)
Proceeds from leases	-	2,300,000	-	1,550,000	1,550,000	(750,000)
Advances to other governments	(80,000)	(80,000)	(25,000)	(32,000)	(57,000)	23,000
Repayments from other governments	95,000	-	50,000	25,000	75,000	75,000
Advances to other funds	-	(1,077,000)	(292,000)	(36,000)	(328,000)	749,000
Interfund loan repayments	80,000	652,000	510,000	274,079	784,079	132,079
Transfers in	-	338,000	-	464,422	464,422	126,422
Transfers out	(31,438,700)	(38,406,900)	(20,254,501)	(16,975,743)	(37,230,244)	1,176,656
Total Other Financing Sources (Uses)	(30,858,700)	(32,128,400)	(16,113,570)	(14,730,242)	(30,843,812)	1,284,588
Net change in fund balance	(8,468,400)	(8,468,400)	(2,030,593)	584,164	(1,446,429)	7,021,971
Beginning Fund Balance	8,468,400	8,468,400	8,180,109	6,149,516	8,180,109	(288,291)
Ending Fund Balance	\$ -	\$ -	\$ 6,149,516	\$ 6,733,680	\$ 6,733,680	\$ 6,733,680

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, 2009

Reconciliation of Budgetary basis to GAAP basis

Other Financing Sources (Uses) - Budgetary Basis	\$ (14,730,242)
Advances to other governments reported as other financing uses on the budgetary basis are reported as receivables on the GAAP basis	32,000
Repayments from other governments reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis	(25,000)
Advances to other funds reported as other financing uses on the budgetary basis are reported as assets on the GAAP basis	36,000
Repayments from other funds reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis	(274,079)
Other Financing Sources (Uses) - GAAP Basis	<u><u>\$ (14,961,321)</u></u>

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
Revenues						
Franchise fees	\$ 1,059,300	\$ 1,032,900	\$ 502,819	\$ 481,403	\$ 984,222	\$ (48,678)
Intergovernmental:						
State highway fund apportionment	7,285,900	7,025,400	3,327,844	3,062,626	6,390,470	(634,930)
Grants and agreements	1,022,100	1,083,200	498,595	604,736	1,103,331	20,131
Licenses and permits	428,500	273,800	68,767	56,240	125,007	(148,793)
Charges to other City funds	283,000	283,000	171,231	168,500	339,731	56,731
Investment income	107,200	80,200	32,665	2,892	35,557	(44,643)
Miscellaneous	21,700	21,700	40,208	38,777	78,985	57,285
Total Revenues	10,207,700	9,800,200	4,642,129	4,415,174	9,057,303	(742,897)
Expenditures						
Current:						
Personal services	5,085,376	5,092,033	2,471,867	2,548,002	5,019,869	72,164
Materials and services	3,643,100	3,639,143	1,903,763	1,502,865	3,406,628	232,515
Interfund charges	3,027,900	2,848,000	1,413,210	1,258,197	2,671,407	176,593
Debt service	496,900	369,600	262,565	92,820	355,385	14,215
Capital outlay	4,225,000	3,295,000	1,838,126	937,591	2,775,717	519,283
Contingency	1,213,424	1,160,424	-	-	-	1,160,424
Total Expenditures	17,691,700	16,404,200	7,889,531	6,339,475	14,229,006	2,175,194
Excess (deficiency) of revenues over expenditures	(7,484,000)	(6,604,000)	(3,247,402)	(1,924,301)	(5,171,703)	1,432,297
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	-	2,450	-	2,450	2,450
Issuance of long-term debt	560,000	560,000	-	-	-	(560,000)
Interfund loan repayments	-	(500,000)	-	-	-	500,000
Transfers in	5,400,000	5,020,000	2,270,000	2,750,000	5,020,000	-
Total Other Financing Sources (Uses)	5,960,000	5,080,000	2,272,450	2,750,000	5,022,450	(57,550)
Net change in fund balance	(1,524,000)	(1,524,000)	(974,952)	825,699	(149,253)	1,374,747
Beginning Fund Balance	1,524,000	1,524,000	1,595,812	620,860	1,595,812	71,812
Ending Fund Balance	\$ -	\$ -	\$ 620,860	\$ 1,446,559	\$ 1,446,559	\$ 1,446,559

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, 2009

	<u>Biennium Budget</u>		<u>FY2007-08 Actual</u>	<u>FY2008-09 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Intergovernmental	\$ 4,547,100	\$ 4,485,300	\$ 2,216,454	\$ 2,296,377	\$ 4,512,831	\$ 27,531
Charges for services:						
Charges to others	4,104,800	3,867,300	1,872,427	1,932,676	3,805,103	(62,197)
Charges to other City funds	715,000	605,000	357,500	138,750	496,250	(108,750)
Investment income	81,180	82,380	91,599	4,074	95,673	13,293
Miscellaneous	39,100	39,100	25,711	6,109	31,820	(7,280)
Total Revenues	9,487,180	9,079,080	4,563,691	4,377,986	8,941,677	(137,403)
Expenditures						
Current:						
Personal services	22,472,865	21,815,369	10,183,446	10,547,447	20,730,893	1,084,476
Materials and services	2,631,950	2,515,446	1,150,806	1,131,722	2,282,528	232,918
Interfund charges	2,881,100	2,686,900	1,311,427	1,173,117	2,484,544	202,356
Debt service	1,034,800	938,400	562,985	370,449	933,434	4,966
Capital outlay	2,192,300	2,217,800	2,150,747	10,249	2,160,996	56,804
Contingency	142,465	15,665	-	-	-	15,665
Maintenance reserves	50,000	75,000	-	-	-	75,000
Total Expenditures	31,405,480	30,264,580	15,359,411	13,232,984	28,592,395	1,672,185
Excess (deficiency) of revenues over expenditures	(21,918,300)	(21,185,500)	(10,795,720)	(8,854,998)	(19,650,718)	1,534,782
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	-	-	3,700	3,700	3,700
Issuance of long-term debt	200,000	200,000	200,000	-	200,000	-
Premium on debt issuance	-	-	751	-	751	-
Transfers in	19,255,400	18,109,100	8,891,100	9,237,622	18,128,722	19,622
Transfers out	(11,700)	(11,700)	(5,700)	(6,000)	(11,700)	-
Total Other Financing Sources (Uses)	19,443,700	18,297,400	9,086,151	9,235,322	18,321,473	23,322
Net change in fund balance	(2,474,600)	(2,888,100)	(1,709,569)	380,324	(1,329,245)	1,558,855
Beginning Fund Balance	2,474,600	2,888,100	2,788,147	1,078,578	2,788,147	(99,953)
Ending Fund Balance	\$ -	\$ -	\$ 1,078,578	\$ 1,458,902	\$ 1,458,902	\$ 1,458,902

OTHER SUPPLEMENTARY INFORMATION

City of Bend, Oregon
General Fund and Major Special Revenue Funds
 Schedule of Expenditures by Appropriation Levels
 For the fiscal year ended June 30, 2009

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<u>General Fund</u>			
Municipal court	\$ 1,126,087	\$ 1,036,026	\$ 90,061
Police	34,707,624	33,008,835	1,698,789
Nondepartmental	40,089,500	37,858,862	2,230,638
Contingency	4,458,389	-	4,458,389
	\$ 80,381,600	\$ 71,903,723	\$ 8,477,877
<u>Street Operations Fund</u>			
Expenditures	\$ 15,743,776	\$ 14,229,006	\$ 1,514,770
Contingency	1,160,424	-	1,160,424
	\$ 16,904,200	\$ 14,229,006	\$ 2,675,194
<u>Fire/ Emergency Medical Services Fund</u>			
Expenditures	\$ 30,185,615	\$ 28,604,095	\$ 1,581,520
Contingency	15,665	-	15,665
Other requirements	75,000	-	75,000
	\$ 30,276,280	\$ 28,604,095	\$ 1,672,185

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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, 2009

	<u>Biennium Budget</u>		<u>FY2007-08 Actual</u>	<u>FY2008-09 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget Positive (Negative)</u>
<u>Revenues</u>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 19,786	\$ 19,786	\$ 19,786
Franchise fees	681,800	666,300	314,590	342,176	656,766	(9,534)
Charges for services:						
Charges to others	24,554,800	24,041,000	10,944,357	11,583,973	22,528,330	(1,512,670)
Charges to other City funds	-	-	799	-	799	799
Contributions	-	-	-	541	541	541
Investment income	316,500	217,000	449,608	280,066	729,674	512,674
Miscellaneous	116,800	115,700	67,029	93,824	160,853	45,153
Total Revenues	25,669,900	25,040,000	11,776,383	12,320,366	24,096,749	(943,251)
<u>Expenditures</u>						
Current:						
Personal services	6,170,590	5,854,939	2,676,675	2,906,776	5,583,451	271,488
Materials and services	9,778,895	8,888,646	2,847,122	3,302,172	6,149,294	2,739,352
Interfund charges	5,674,600	5,610,300	2,265,883	2,261,319	4,527,202	1,083,098
Debt service	2,406,400	1,081,500	318,146	320,378	638,524	442,976
Capital outlay	26,549,000	19,290,100	2,525,411	2,792,220	5,317,631	13,972,469
Contingency	4,910,815	5,740,715	-	-	-	5,740,715
Debt service reserved	323,000	323,000	-	-	-	323,000
Total Expenditures	55,813,300	46,789,200	10,633,237	11,582,865	22,216,102	24,573,098
Excess (deficiency) of revenues over expenditures	(30,143,400)	(21,749,200)	1,143,146	737,501	1,880,647	23,629,847
<u>Other Financing Sources (Uses)</u>						
Proceeds from sale of assets	-	-	2,400	3,450	5,850	5,850
Issuance of long-term debt	22,000,000	15,000,000	-	-	-	(15,000,000)
Transfers in	6,815,000	5,420,800	1,534,164	404,573	1,938,737	(3,482,063)
Transfers out	-	-	(313,654)	(340,910)	(654,564)	(654,564)
Total Other Financing Sources (Uses)	28,815,000	20,420,800	1,222,910	67,113	1,290,023	(19,130,777)
Net change in fund balance	(1,328,400)	(1,328,400)	2,366,056	804,614	3,170,670	4,499,070
Beginning Fund Balance	1,328,400	1,328,400	4,021,961	6,388,017	4,021,961	2,693,561
Ending Fund Balance	\$ -	\$ -	\$ 6,388,017	\$ 7,192,631	\$ 7,192,631	\$ 7,192,631

City of Bend, Oregon

Water Fund

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

For the fiscal year ended June 30, 2009

Reconciliation of Budgetary basis to GAAP basis

Total Revenues - Budgetary Basis	\$ 12,320,366
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>2,890,743</u>
Total Revenues - GAAP Basis	<u>\$ 15,211,109</u>
Total Expenditures - Budgetary Basis	\$ 11,582,865
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	155,754
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(2,947,074)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(170,000)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	2,061,954
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>
Total Expenses - GAAP Basis	<u>\$ 10,689,556</u>

City of Bend, Oregon
Water Reclamation Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
 For the fiscal year ended June 30, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Intergovernmental	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ -
Franchise fees	604,200	601,500	289,552	336,977	626,529	25,029
Charges for services:						
Charges to others	20,306,300	20,668,600	10,188,671	11,551,452	21,740,123	1,071,523
Charges to other City funds	-	-	-	95,235	95,235	95,235
Loan repayments	75,000	40,000	-	317,834	317,834	277,834
Contributions	-	-	265	-	265	265
Investment income	340,900	185,500	339,048	266,306	605,354	419,854
Miscellaneous	83,200	83,200	17,538	91,692	109,230	26,030
Total Revenues	21,409,600	21,828,800	11,085,074	12,659,496	23,744,570	1,915,770
Expenditures						
Current:						
Personal services	6,132,746	5,938,769	2,696,631	3,083,901	5,780,532	158,237
Materials and services	4,482,966	4,631,543	1,898,158	2,037,591	3,935,749	695,794
Interfund charges	5,749,500	5,465,300	2,389,232	2,170,869	4,560,101	905,199
Debt service	3,862,700	3,455,800	1,288,458	1,635,974	2,924,432	531,368
Capital outlay	22,834,900	23,049,900	10,995,769	4,208,172	15,203,941	7,845,959
Contingency	4,589,288	9,593,888	-	-	-	9,593,888
Debt service reserves	521,500	521,500	-	-	-	521,500
Total Expenditures	48,173,600	52,656,700	19,268,248	13,136,507	32,404,755	20,251,945
Excess (deficiency) of revenues over expenditures	(26,764,000)	(30,827,900)	(8,183,174)	(477,011)	(8,660,185)	22,167,715
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	-	24,150	1,150	25,300	25,300
Issuance of long-term debt	15,000,000	22,000,000	-	10,000,000	10,000,000	(12,000,000)
Advances to other funds	(822,700)	(745,500)	(300,000)	(303,127)	(603,127)	142,373
Interfund loan repayments	735,500	700,000	200,000	300,000	500,000	(200,000)
Transfers in	10,218,700	7,000,900	1,864,396	740,477	2,604,873	(4,396,027)
Transfers out	(600,000)	(360,000)	(288,419)	(470,917)	(759,336)	(399,336)
Total Other Financing Sources (Uses)	24,531,500	28,595,400	1,500,127	10,267,583	11,767,710	(16,827,690)
Net change in fund balance	(2,232,500)	(2,232,500)	(6,683,047)	9,790,572	3,107,524	5,340,024
Beginning Fund Balance (Deficit)	2,232,500	2,232,500	6,141,907	(541,140)	6,141,907	3,909,407
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ (541,140)	\$ 9,249,431	\$ 9,249,431	\$ 9,249,431

City of Bend, Oregon

Water Reclamation Fund

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

For the fiscal year ended June 30, 2009

Reconciliation of Budgetary basis to GAAP basis

Total Revenues - Budgetary Basis	\$ 12,659,496
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>2,990,507</u>
Total Revenues - GAAP Basis	<u>\$ 15,650,003</u>
Total Expenditures - Budgetary Basis	\$ 13,136,507
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	158,391
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(4,595,970)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(802,068)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	2,867,234
Amortization of bond issue costs is not reported on the budgetary basis but is reported as an expense on the GAAP basis	<u>80,342</u>
Total Expenses - GAAP Basis	<u>\$ 10,844,436</u>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ 10,267,583
Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis	\$ (10,000,000)
Advances to other funds reported as other financing uses on the budgetary basis are reported as receivables on the GAAP basis	303,127
Interfund loan repayments reported as other financing sources on the budgetary basis are reported as reduction of the related receivable on the GAAP basis	<u>(300,000)</u>
Total Other Financing Sources (Uses) - GAAP Basis	<u>\$ 270,710</u>

City of Bend, Oregon
Other Major Funds

Schedule of Expenditures by Appropriation Levels
 For the fiscal year ended June 30, 2009

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<u>Water Fund</u>			
Expenditures	\$ 40,725,485	\$ 22,870,666	\$ 17,854,819
Contingency	5,740,715	-	5,740,715
Other requirements	323,000	-	323,000
	\$ 46,789,200	\$ 22,870,666	\$ 23,918,534
<u>Water Reclamation Fund</u>			
Expenditures	\$ 43,646,812	\$ 33,767,218	\$ 9,879,594
Contingency	9,593,888	-	9,593,888
Other requirements	521,500	-	521,500
	\$ 53,762,200	\$ 33,767,218	\$ 19,994,982

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**NONMAJOR GOVERNMENTAL AND
ENTERPRISE FUNDS**

City of Bend, Oregon
Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<u>Assets</u>				
Pooled cash and investments	\$ 2,818,353	\$ 6,413,082	\$ 7,050,345	\$ 16,281,780
Restricted cash and investments	2,898,181	1,431,918	-	4,330,099
Receivables:				
Property taxes	-	273,701	-	273,701
Accounts, net	113,911	5,629	88,183	207,723
Assessments	21,933	218,775	-	240,708
Loans and notes	2,238,606	-	34,461	2,273,067
Due from other governments	73,413	-	-	73,413
Due from other funds	967,082	-	-	967,082
Total Assets	\$ 9,131,479	\$ 8,343,106	\$ 7,172,988	\$ 24,647,574
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 233,106	\$ -	\$ 810,647	\$ 1,043,753
Salaries and benefits payable	78,722	-	1,405	80,126
Retainage payable	-	-	51,059	51,059
Notes payable	-	-	440,000	440,000
Due to developers	384,013	-	-	384,013
Other accrued liabilities	-	-	189,879	189,879
Deposits	718,555	-	323,687	1,042,242
Deferred revenues	3,242,448	449,610	75,469	3,767,527
Due to other funds	36,000	-	303,127	339,127
Interfund advances payable	-	-	1,005,766	1,005,766
Total Liabilities	4,692,844	449,610	3,201,039	8,343,493
Fund balances:				
Reserved for:				
Debt Service	-	7,893,496	-	7,893,496
Notes Receivable	967,082	-	-	967,082
Construction	299,241	-	3,971,950	4,271,191
Building Program	954,670	-	-	954,670
Unreserved:				
Designated	2,069,787	-	-	2,069,787
Undesignated	147,854	-	-	147,854
Total Fund Balances	4,438,635	7,893,496	3,971,950	16,304,081
Total Liabilities and Fund Balances	\$ 9,131,479	\$ 8,343,106	\$ 7,172,988	\$ 24,647,574

City of Bend, Oregon

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

Nonmajor Governmental Funds

For the fiscal year ended June 30, 2009

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Revenues				
Property taxes	\$ -	\$ 3,026,676	\$ -	\$ 3,026,676
Transient room taxes	881,484	-	-	881,484
Franchise fees	-	-	113,873	113,873
Intergovernmental	1,749,336	258,992	127,500	2,135,828
Assessments	121,822	82,420	-	204,242
Licenses and permits	2,023,378	-	-	2,023,378
Charges for services	2,927,537	883,016	-	3,810,553
System development charges	2,725,669	-	-	2,725,669
Contributions	-	-	325,337	325,337
Loan repayments	163,441	-	16,946	180,387
Investment income	246,528	200,035	73,992	520,555
Miscellaneous	28,129	-	34,857	62,986
Total Revenues	10,867,324	4,451,139	692,505	16,010,968
Expenditures				
Current:				
General government	-	16,700	-	16,700
Public safety	-	5,900	-	5,900
Public ways and facilities	524,780	23,400	357,228	905,408
Community and economic development	9,043,535	-	-	9,043,535
Urban renewal	87,606	-	1,502,543	1,590,149
Transit	2,483,256	-	-	2,483,256
Debt service:				
Principal	-	1,627,000	720,500	2,347,500
Interest	-	1,672,561	638,694	2,311,255
Capital outlay	492,177	-	5,273,757	5,765,934
Total Expenditures	12,631,354	3,345,561	8,492,722	24,469,637
Excess (deficiency) of revenues over expenditures	(1,764,030)	1,105,578	(7,800,217)	(8,458,668)
Other Financing Sources (Uses)				
Proceeds from sale of assets	16,751	-	-	16,751
Issuance of long-term debt	-	-	2,700,000	2,700,000
Transfers in	3,167,000	6,000	3,932,532	7,105,532
Transfers out	(2,940,793)	-	-	(2,940,793)
Total Other Financing Sources (Uses)	242,958	6,000	6,632,532	6,881,490
Net change in fund balances	(1,521,072)	1,111,578	(1,167,685)	(1,577,179)
Fund Balances, July 1, 2008	5,959,707	6,781,918	5,139,635	17,881,260
Fund Balances, June 30, 2009	\$ 4,438,635	\$ 7,893,496	\$ 3,971,950	\$ 16,304,081

NONMAJOR SPECIAL REVENUE FUNDS

BURA General Fund

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

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.

Accessibility Fund

This fund accounts for the operations of the City's accessibility program. Funding is provided from a portion of the community development administrative surcharge.

Tourist Promotion / Economic Development Fund

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

Economic Improvement District Fund

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

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City of Bend, Oregon
Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2009

	BURA	System			Private	Community
	General	Development	Building	Planning	Development	Development
	Fund	Charges (SDC)	Fund	Fund	Engineering	Block Grant
	Fund	Fund	Fund	Fund	Fund	Fund
<u>Assets</u>						
Pooled cash and investments	\$ 1,992	\$ 1,851,491	\$ 1,046,689	\$ 982,375	\$ 439,579	\$ 79,942
Receivables:						
Accounts, net	-	-	1,214	-	1,700	-
Assessments	-	-	-	-	-	-
Loans and notes receivable	-	618,496	-	-	-	729,680
Due from other governments	-	-	-	10,500	-	-
Interfund advances receivable	-	967,082	-	-	-	-
Total Assets	\$ 1,992	\$ 3,437,069	\$ 1,047,904	\$ 992,875	\$ 441,279	\$ 809,622
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 280	\$ 19,730	\$ 1,103	\$ 18,285	\$ 14,545	\$ -
Salaries and benefits payable	227	-	34,828	26,801	13,889	756
Due to developers	-	384,013	-	-	-	-
Deposits	3,575	181,425	57,063	214,392	262,101	-
Deferred revenues	-	1,585,578	239	-	800	729,680
Due to other funds	-	-	-	-	-	-
Total Liabilities	4,082	2,170,746	93,233	259,478	291,335	730,436
Fund balances:						
Reserved	-	967,082	-	-	-	-
Unreserved - designated	-	299,241	954,670	733,397	-	79,186
Unreserved - undesignated	(2,090)	-	-	-	149,944	-
Total Fund Balances (Deficit)	(2,090)	1,266,324	954,670	733,397	149,944	79,186
Total Liabilities and Fund Balances	\$ 1,992	\$ 3,437,069	\$ 1,047,904	\$ 992,875	\$ 441,279	\$ 809,622

City of Bend, Oregon
Combining Balance Sheet (Continued)
 Nonmajor Special Revenue Funds
 June 30, 2009

	Affordable Housing <u>Fund</u>	Public Transit Operations <u>Fund</u>	Accessibility <u>Fund</u>	Tourist Promotion/ Economic Development <u>Fund</u>	Economic Improvement District <u>Fund</u>	<u>Total</u>
<u>Assets</u>						
Pooled cash and investments	\$ 985,965	\$ 265,788	\$ 426	\$ 160	\$ 62,127	\$ 5,716,534
Receivables:						
Accounts, net	-	19,320	-	91,677	-	113,911
Assessments	-	-	-	-	21,933	21,933
Loans and notes receivable	890,431	-	-	-	-	2,238,606
Due from other governments	-	62,913	-	-	-	73,413
Interfund advances receivable	-	-	-	-	-	967,082
Total Assets	\$ 1,876,396	\$ 348,020	\$ 426	\$ 91,837	\$ 84,060	\$ 9,131,479
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ -	\$ 141,492	\$ 426	\$ -	\$ 37,245	\$ 233,106
Salaries and benefits payable	786	1,435	-	-	-	78,722
Due to developers	-	-	-	-	-	384,013
Deposits	-	-	-	-	-	718,555
Deferred revenues	890,431	14,320	-	-	21,400	3,242,448
Due to other funds	-	-	-	36,000	-	36,000
Total Liabilities	891,217	157,247	426	36,000	58,646	4,692,844
Fund balances:						
Reserved	-	-	-	-	-	967,082
Unreserved - designated	985,179	190,773	-	55,837	25,415	3,323,699
Unreserved - undesignated	-	-	-	-	-	147,854
Total Fund Balances (Deficit)	985,179	190,773	-	55,837	25,415	4,438,635
Total Liabilities and Fund Balances	\$ 1,876,396	\$ 348,020	\$ 426	\$ 91,837	\$ 84,060	\$ 9,131,479

City of Bend, Oregon

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

Nonmajor Special Revenue Funds

For the fiscal year ended June 30, 2009

	BURA General Fund	System Development Charges (SDC) Fund	Building Fund	Planning Fund	Private Development Engineering Fund	Community Development Block Grant Fund
Revenues						
Transient room taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	18,300	-	234,106
Assessments	-	-	-	-	-	-
Licenses and permits	-	-	2,023,378	-	-	-
Charges for services	79,838	-	112,733	1,475,537	433,563	-
System development charges	-	2,725,669	-	-	-	-
Loan repayments	-	131,894	-	-	-	31,547
Investment income	(171)	151,387	43,600	18,352	1,037	843
Miscellaneous	5,849	-	129	5,651	34	-
Total Revenues	85,516	3,008,950	2,179,840	1,517,840	434,634	266,496
Expenditures						
Current:						
Public ways and facilities	-	290,108	-	-	-	-
Community and economic development	-	-	3,471,683	2,557,187	994,690	257,228
Urban renewal	87,606	-	-	-	-	-
Transit	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Expenditures	87,606	290,108	3,471,683	2,557,187	994,690	257,228
Excess (deficiency) of revenues over expenditures	(2,090)	2,718,842	(1,291,843)	(1,039,347)	(560,056)	9,268
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	-	-	-	-	-
Transfers in	-	-	-	990,000	710,000	22,000
Transfers out	-	(2,861,654)	-	-	-	-
Total Other Financing Sources (Uses)	-	(2,861,654)	-	990,000	710,000	22,000
Net change in fund balance	(2,090)	(142,812)	(1,291,843)	(49,347)	149,944	31,268
Fund Balances (Deficit), July 1, 2008	-	1,409,136	2,246,513	782,744	-	47,918
Fund Balances (Deficit), June 30, 2009	\$ (2,090)	\$ 1,266,324	\$ 954,670	\$ 733,397	\$ 149,944	\$ 79,186

City of Bend, Oregon

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

Nonmajor Special Revenue Funds

For the fiscal year ended June 30, 2009

	Affordable Housing Fund	Public Transit Operations Fund	Accessibility Fund	Tourist Promotion/ Economic Development Fund	Economic Improvement District Fund	Total
Revenues						
Transient room taxes	\$ -	\$ -	\$ -	\$ 881,484	\$ -	\$ 881,484
Intergovernmental	-	1,496,930	-	-	-	1,749,336
Assessments	-	-	-	-	121,822	121,822
Licenses and permits	-	-	-	-	-	2,023,378
Charges for services	400,557	215,086	210,223	-	-	2,927,537
System development charges	-	-	-	-	-	2,725,669
Loan repayments	-	-	-	-	-	163,441
Investment income	31,902	(849)	615	(805)	617	246,528
Miscellaneous	-	5,492	10,973	-	-	28,129
Total Revenues	432,459	1,716,659	221,811	880,679	122,439	10,867,324
Expenditures						
Current:						
Public ways and facilities	-	-	234,672	-	-	524,780
Community and economic development	847,369	-	-	799,683	115,695	9,043,535
Urban renewal	-	-	-	-	-	87,606
Transit	-	2,483,256	-	-	-	2,483,256
Capital outlay	-	492,177	-	-	-	492,177
Total Expenditures	847,369	2,975,433	234,672	799,683	115,695	12,631,354
Excess (deficiency) of revenues over expenditures	(414,910)	(1,258,774)	(12,861)	80,996	6,745	(1,764,030)
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	16,751	-	-	-	16,751
Transfers in	-	1,375,000	70,000	-	-	3,167,000
Transfers out	(22,000)	-	(57,139)	-	-	(2,940,793)
Total Other Financing Sources (Uses)	(22,000)	1,391,751	12,861	-	-	242,958
Net change in fund balance	(436,910)	132,977	-	80,996	6,745	(1,521,072)
Fund Balances (Deficit), July 1, 2008	1,422,089	57,796	-	(25,159)	18,670	5,959,707
Fund Balances (Deficit), June 30, 2009	\$ 985,179	\$ 190,773	\$ -	\$ 55,837	\$ 25,415	\$ 4,438,635

City of Bend, Oregon

Bend Urban Renewal Agency (BURA) General Fund

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

For the fiscal year ended June 30, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<u>Revenues</u>						
Rental income:						
Rent from others	\$ -	\$ 51,900	\$ -	\$ 37,138	\$ 37,138	\$ (14,762)
Rent from other City funds	-	42,700	-	42,700	42,700	-
Investment income	-	-	-	(171)	(171)	(171)
Miscellaneous	-	-	-	5,849	5,849	5,849
Total Revenues	-	94,600	-	85,516	85,516	(9,084)
<u>Expenditures</u>						
Current:						
Personal services	-	17,773	-	17,849	17,849	(76)
Materials and services	-	15,510	-	22,957	22,957	(7,447)
Interfund charges	-	57,100	-	46,800	46,800	10,300
Contingency	-	4,217	-	-	-	4,217
Total Expenditures	-	94,600	-	87,606	87,606	6,994
Excess (deficiency) of revenues over expenditures	-	-	-	(2,090)	(2,090)	(2,090)
Beginning Fund Balance	-	-	-	-	-	-
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ -	\$ (2,090)	\$ (2,090)	\$ (2,090)

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, 2009

	<u>Biennium Budget</u>		<u>FY2007-08</u> <u>Actual</u>	<u>FY2008-09</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<u>Revenues</u>						
System development charges	\$ 30,437,300	\$ 22,293,800	\$ 8,126,497	\$ 2,725,669	\$ 10,852,166	\$ (11,441,634)
Loan repayments	-	29,500	24,845	131,894	156,739	127,239
Investment income	56,000	173,100	247,768	151,387	399,155	226,055
Total Revenues	30,493,300	22,496,400	8,399,110	3,008,950	11,408,060	(11,088,340)
<u>Expenditures</u>						
Current:						
Materials and services	79,000	137,000	897	52,108	53,005	83,995
Interfund charges	-	308,600	70,600	238,000	308,600	-
Contingency	1,409,700	10,253,300	-	-	-	10,253,300
Total Expenditures	1,488,700	10,698,900	71,497	290,108	361,605	10,337,295
Excess (deficiency) of revenues over expenditures	29,004,600	11,797,500	8,327,613	2,718,842	11,046,455	(751,045)
<u>Other Financing Sources (Uses)</u>						
Transfers in	-	6,305,800	-	-	-	(6,305,800)
Transfers out	(30,425,100)	(19,523,800)	(13,553,758)	(2,861,654)	(16,415,412)	3,108,388
Total Other Financing Sources (Uses)	(30,425,100)	(13,218,000)	(13,553,758)	(2,861,654)	(16,415,412)	(3,197,412)
Net change in fund balance	(1,420,500)	(1,420,500)	(5,226,145)	(142,812)	(5,368,957)	(3,948,457)
Beginning Fund Balance	1,420,500	1,420,500	6,635,281	1,409,136	6,635,281	5,214,781
Ending Fund Balance	\$ -	\$ -	\$ 1,409,136	\$ 1,266,324	\$ 1,266,324	\$ 1,266,324

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, 2009

	<u>Biennium Budget</u>		<u>FY2007-08</u> <u>Actual</u>	<u>FY2008-09</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<u>Revenues</u>						
Licenses and permits	\$ 10,689,800	\$ 6,044,100	\$ 4,200,910	\$ 2,023,378	\$ 6,224,288	\$ 180,188
Charges for services:						
Charges to others	463,100	385,300	210,088	87,338	297,426	(87,874)
Charges to other City funds	-	-	44,037	25,395	69,432	69,432
Investment income	172,200	125,400	146,900	43,600	190,500	65,100
Miscellaneous	2,500	2,500	2,858	129	2,987	487
Total Revenues	11,327,600	6,557,300	4,604,793	2,179,840	6,784,633	227,333
<u>Expenditures</u>						
Current:						
Personal services	8,713,463	6,679,763	3,775,790	2,684,706	6,460,496	219,267
Materials and services	659,218	443,618	143,428	72,736	216,164	227,454
Interfund charges	4,003,100	2,886,000	1,877,123	714,241	2,591,364	294,636
Capital outlay	178,000	51,900	40,154	-	40,154	11,746
Contingency	1,066,819	22,619	-	-	-	22,619
Total Expenditures	14,620,600	10,083,900	5,836,495	3,471,683	9,308,178	775,722
Excess (deficiency) of revenues over expenditures	(3,293,000)	(3,526,600)	(1,231,702)	(1,291,843)	(2,523,545)	1,003,055
<u>Other Financing Sources</u>						
Proceeds from sale of assets	-	-	1,600	-	1,600	1,600
Transfers in	583,800	-	-	-	-	-
Total Other Financing Sources	583,800	-	1,600	-	1,600	1,600
Net change in fund balance	(2,709,200)	(3,526,600)	(1,230,102)	(1,291,843)	(2,521,945)	1,004,655
Beginning Fund Balance	2,709,200	3,526,600	3,476,615	2,246,513	3,476,615	(49,985)
Ending Fund Balance	\$ -	\$ -	\$ 2,246,513	\$ 954,670	\$ 954,670	\$ 954,670

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
Revenues						
Intergovernmental	\$ 95,900	\$ 55,600	\$ 48,314	\$ 18,300	\$ 66,614	\$ 11,014
Charges for services:						
Charges to others	9,382,600	2,535,700	2,329,564	1,349,537	3,679,101	1,143,401
Charges to other City funds	8,000	200,600	70,600	126,000	196,600	(4,000)
Investment income	42,400	40,200	21,009	18,352	39,361	(839)
Miscellaneous	2,900	2,900	253	5,651	5,904	3,004
Total Revenues	9,531,800	2,835,000	2,469,740	1,517,840	3,987,580	1,152,580
Expenditures						
Current:						
Personal services	5,553,157	4,264,267	2,321,379	1,915,150	4,236,529	27,738
Materials and services	1,512,034	829,624	426,393	217,295	643,688	185,936
Interfund charges	2,516,100	1,444,400	1,037,674	424,742	1,462,416	(18,016)
Capital outlay	50,000	-	-	-	-	-
Contingency	645,709	31,909	-	-	-	31,909
Total Expenditures	10,277,000	6,570,200	3,785,446	2,557,187	6,342,633	227,567
Excess (deficiency) of revenues over expenditures	(745,200)	(3,735,200)	(1,315,706)	(1,039,347)	(2,355,053)	1,380,147
Other Financing Sources						
Transfers in	-	2,640,000	1,650,000	990,000	2,640,000	-
Total Other Financing Sources	-	2,640,000	1,650,000	990,000	2,640,000	-
Net change in fund balance	-	(1,095,200)	334,294	(49,347)	284,947	1,380,147
Beginning Fund Balance	745,200	1,095,200	448,450	782,744	448,450	(646,750)
Ending Fund Balance	\$ -	\$ -	\$ 782,744	\$ 733,397	\$ 733,397	\$ 733,397

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Charges for services	\$ -	\$ 365,600	\$ -	\$ 433,563	\$ 433,563	\$ 67,963
Investment income	-	2,000	-	1,037	1,037	(963)
Miscellaneous	-	-	-	34	34	34
Total Revenues	-	367,600	-	434,634	434,634	67,034
Expenditures						
Current:						
Personal services	-	702,481	-	677,723	677,723	24,758
Materials and services	-	80,319	-	50,517	50,517	29,802
Interfund charges	-	294,300	-	266,450	266,450	27,850
Contingency	-	500	-	-	-	500
Total Expenditures	-	1,077,600	-	994,690	994,690	82,910
Excess (deficiency) of revenues over expenditures	-	(710,000)	-	(560,056)	(560,056)	149,944
Other Financing Sources						
Transfers in	-	710,000	-	710,000	710,000	-
Total Other Financing Sources	-	710,000	-	710,000	710,000	-
Net change in fund balance	-	-	-	149,944	149,944	149,944
Beginning Fund Balance	-	-	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ 149,944	\$ 149,944	\$ 149,944

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<u>Revenues</u>						
Intergovernmental	\$ 859,800	\$ 1,502,883	\$ 389,676	\$ 234,106	\$ 623,782	\$ (879,101)
Loan repayments	50,000	50,200	27,955	31,547	59,502	9,302
Investment income	1,300	7,417	1,314	843	2,157	(5,260)
Total Revenues	911,100	1,560,500	418,945	266,496	685,441	(875,059)
<u>Expenditures</u>						
Current:						
Personal services	117,745	127,833	57,058	68,442	125,500	2,333
Materials and services	700,399	1,323,811	531,246	150,454	681,700	642,111
Interfund charges	72,000	73,900	36,276	38,332	74,608	(708)
Contingency	26,256	5,256	-	-	-	5,256
Total Expenditures	916,400	1,530,800	624,580	257,228	881,808	648,992
Excess (deficiency) of revenues over expenditures	(5,300)	29,700	(205,635)	9,268	(196,367)	(226,067)
<u>Other Financing Sources (Uses)</u>						
Transfers in	-	-	-	22,000	22,000	22,000
Transfers out	-	(35,000)	-	-	-	35,000
Total Other Financing Sources (Uses)	-	(35,000)	-	22,000	22,000	57,000
Net change in fund balance	(5,300)	(5,300)	(205,635)	31,268	(174,367)	(169,067)
Beginning Fund Balance	5,300	5,300	253,553	47,918	253,553	248,253
Ending Fund Balance	\$ -	\$ -	\$ 47,918	\$ 79,186	\$ 79,186	\$ 79,186

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, 2009

	<u>Biennium Budget</u>		<u>FY2007-08</u> <u>Actual</u>	<u>FY2008-09</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Charges for services	\$ 3,753,400	\$ 2,753,400	\$ 1,012,465	\$ 400,557	\$ 1,413,022	\$ (1,340,378)
Investment income	107,500	71,400	51,623	31,902	83,525	12,125
Total Revenues	3,860,900	2,824,800	1,064,088	432,459	1,496,547	(1,328,253)
Expenditures						
Current:						
Personal services	117,745	122,635	57,033	58,773	115,806	6,829
Materials and services	3,071,369	2,039,979	155,833	748,996	904,829	1,135,150
Interfund charges	104,300	100,200	51,800	39,600	91,400	8,800
Contingency	1,263,186	1,235,686	-	-	-	1,235,686
Total Expenditures	4,556,600	3,498,500	264,666	847,369	1,112,035	2,386,465
Excess (deficiency) of revenues over expenditures	(695,700)	(673,700)	799,422	(414,910)	384,512	1,058,212
Other Financing Sources (Uses)						
Transfers out	-	(22,000)	-	(22,000)	(22,000)	-
Total Other Financing Sources (Uses)	-	(22,000)	-	(22,000)	(22,000)	-
Net change in fund balance	(695,700)	(695,700)	799,422	(436,910)	362,512	1,058,212
Beginning Fund Balance	695,700	695,700	622,667	1,422,089	622,667	(73,033)
Ending Fund Balance	\$ -	\$ -	\$ 1,422,089	\$ 985,179	\$ 985,179	\$ 985,179

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Intergovernmental	\$ 3,267,800	\$ 2,822,000	\$ 1,109,630	\$ 1,496,930	\$ 2,606,560	\$ (215,440)
Charges for services	510,500	441,900	195,900	215,086	410,986	(30,914)
Investment income	17,500	5,700	(4,690)	(849)	(5,539)	(11,239)
Miscellaneous	1,600	1,600	10,173	5,492	15,665	14,065
Total Revenues	3,797,400	3,271,200	1,311,013	1,716,659	3,027,672	(243,528)
Expenditures						
Current:						
Personal services	220,851	218,696	105,699	111,479	217,178	1,518
Materials and services	3,448,638	3,357,593	1,652,277	1,669,206	3,321,483	36,110
Interfund charges	1,963,700	1,638,200	842,500	702,571	1,545,071	93,129
Capital outlay	1,158,900	695,000	129,526	492,177	621,703	73,297
Contingency	272,211	263,611	-	-	-	263,611
Total Expenditures	7,064,300	6,173,100	2,730,002	2,975,433	5,705,435	467,665
Excess (deficiency) of revenues over expenditures	(3,266,900)	(2,901,900)	(1,418,989)	(1,258,774)	(2,677,763)	224,137
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	-	3,350	16,751	20,101	20,101
Interfund loan repayment	-	(385,000)	(385,000)	-	(385,000)	-
Transfers in	3,260,000	2,895,000	1,510,000	1,375,000	2,885,000	(10,000)
Total Other Financing Sources (Uses)	3,260,000	2,510,000	1,128,350	1,391,751	2,520,101	10,101
Net change in fund balance	(6,900)	(391,900)	(290,639)	132,977	(157,662)	234,238
Beginning Fund Balance	6,900	391,900	348,435	57,796	348,435	(43,465)
Ending Fund Balance	\$ -	\$ -	\$ 57,796	\$ 190,773	\$ 190,773	\$ 190,773

City of Bend, Oregon
Accessibility Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the fiscal year ended June 30, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
Revenues						
Charges for services						
Charges to others	\$ -	\$ 186,700	\$ -	\$ 207,623	\$ 207,623	\$ 20,923
Charges to other City funds	-	-	-	2,600	2,600	2,600
Investment income	-	-	-	615	615	615
Miscellaneous	-	-	-	10,973	10,973	10,973
Total Revenues	-	186,700	-	221,811	221,811	35,111
Expenditures						
Current:						
Personal services	-	138,705	-	143,801	143,801	(5,096)
Materials and services	-	45,795	-	27,144	27,144	18,651
Interfund charges	-	61,900	-	63,727	63,727	(1,827)
Contingency	-	10,300	-	-	-	10,300
Total Expenditures	-	256,700	-	234,672	234,672	22,028
Excess (deficiency) of revenues over expenditures	-	(70,000)	-	(12,861)	(12,861)	57,139
Other Financing Sources (Uses)						
Transfers in	-	70,000	-	70,000	70,000	-
Transfers out	-	-	-	(57,139)	(57,139)	(57,139)
Total Other Financing Sources (Uses)	-	70,000	-	12,861	12,861	(57,139)
Net change in fund balance	-	-	-	-	-	-
Beginning Fund Balance	-	-	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of Bend, Oregon

Tourist Promotion / Economic Development Fund

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

For the fiscal year ended June 30, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
Revenues						
Transient room taxes	\$ 2,356,700	\$ 2,195,600	\$ 1,028,211	\$ 881,484	\$ 1,909,695	\$ (285,905)
Investment income	11,900	5,100	(1,592)	(805)	(2,397)	(7,497)
Total Revenues	2,368,600	2,200,700	1,026,619	880,679	1,907,298	(293,402)
Expenditures						
Current:						
Materials and services	2,170,600	1,991,900	1,022,591	781,383	1,803,974	187,926
Interfund charges	42,800	39,100	20,800	18,300	39,100	-
Contingency	185,000	134,500	-	-	-	134,500
Total Expenditures	2,398,400	2,165,500	1,043,391	799,683	1,843,074	322,426
Excess (deficiency) of revenues over expenditures	(29,800)	35,200	(16,772)	80,996	64,224	29,024
Other Financing Sources (Uses)						
Advances from other funds	-	80,000	140,000	36,000	176,000	96,000
Interfund loan repayments	(80,000)	(225,000)	(125,000)	(140,000)	(265,000)	(40,000)
Total Other Financing Sources (Uses)	(80,000)	(145,000)	15,000	(104,000)	(89,000)	56,000
Net change in fund balance	(109,800)	(109,800)	(1,772)	(23,004)	(24,776)	85,024
Beginning Fund Balance	109,800	109,800	116,613	114,841	116,613	6,813
Ending Fund Balance	\$ -	\$ -	\$ 114,841	\$ 91,837	\$ 91,837	\$ 91,837

Reconciliation of Budgetary basis to GAAP basis

Total Other Financing Sources (Uses) - Budgetary Basis	\$ (104,000)
Advance from other funds reported as other financing source on the budgetary basis is reported as a liability on the GAAP 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	140,000
Total Other Financing Sources (Uses) - GAAP Basis	\$ -

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
Revenues						
Assessments	\$ 200,000	\$ 220,160	\$ 84,149	\$ 121,822	\$ 205,971	\$ (14,189)
Investment income	260	100	1,764	617	2,381	2,281
Total Revenues	200,260	220,260	85,913	122,439	208,352	(11,908)
Expenditures						
Current:						
Materials and services	205,160	269,060	119,793	115,139	234,932	34,129
Interfund charges	10,200	9,800	5,200	556	5,756	4,044
Contingency	-	17,200	-	-	-	17,200
Total Expenditures	215,360	296,060	124,993	115,695	240,688	55,373
Excess (deficiency) of revenues over expenditures	(15,100)	(75,800)	(39,080)	6,745	(32,336)	43,465
Beginning Fund Balance	15,100	75,800	57,750	18,670	57,750	(18,050)
Ending Fund Balance	\$ -	\$ -	\$ 18,670	\$ 25,415	\$ 25,415	\$ 25,415

City of Bend, Oregon
Nonmajor Special Revenue Funds
 Schedule of Expenditures by Appropriation Levels
 For the fiscal year ended June 30, 2009

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<u>BURA General Fund</u>			
Expenditures	\$ 90,383	\$ 87,606	\$ 2,777
Contingency	4,217	-	4,217
	\$ 94,600	\$ 87,606	\$ 6,994
<u>System Development Charges Fund</u>			
Expenditures	\$ 19,969,400	\$ 16,777,017	\$ 3,192,383
Contingency	10,253,300	-	10,253,300
	\$ 30,222,700	\$ 16,777,017	\$ 13,445,683
<u>Building Fund</u>			
Expenditures	\$ 10,061,281	\$ 9,308,178	\$ 753,103
Contingency	22,619	-	22,619
Other requirements	-	-	-
	\$ 10,083,900	\$ 9,308,178	\$ 775,722
<u>Planning Fund</u>			
Expenditures	\$ 6,538,291	\$ 6,342,633	\$ 195,658
Contingency	31,909	-	31,909
	\$ 6,570,200	\$ 6,342,633	\$ 227,567
<u>Private Development Engineering</u>			
Expenditures	\$ 1,077,100	\$ 994,690	\$ 82,410
Contingency	500	-	500
	\$ 1,077,600	\$ 994,690	\$ 82,910
<u>Community Development Block Grant</u>			
Expenditures	\$ 1,560,544	\$ 881,808	\$ 678,736
Contingency	5,256	-	5,256
	\$ 1,565,800	\$ 881,808	\$ 683,992
<u>Affordable Housing</u>			
Expenditures	\$ 2,284,814	\$ 1,134,035	\$ 1,150,779
Contingency	1,235,686	-	1,235,686
	\$ 3,520,500	\$ 1,134,035	\$ 2,386,465
<u>Public Transit Operations</u>			
Expenditures	\$ 6,294,489	\$ 6,090,435	\$ 204,054
Contingency	263,611	-	263,611
	\$ 6,558,100	\$ 6,090,435	\$ 467,665
<u>Accessibility</u>			
Expenditures	\$ 246,400	\$ 234,672	\$ 11,728
Contingency	10,300	-	10,300
	\$ 256,700	\$ 234,672	\$ 22,028
<u>Tourism Promotion/Economic Development</u>			
Expenditures	\$ 2,256,000	\$ 2,108,074	\$ 147,926
Contingency	134,500	-	134,500
	\$ 2,390,500	\$ 2,108,074	\$ 282,426
<u>Economic Improvement District</u>			
Expenditures	\$ 278,860	\$ 240,688	\$ 38,173
Contingency	17,200	-	17,200
	\$ 296,060	\$ 240,688	\$ 55,373

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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.

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, 2009

	Improvement District Debt Service <u>Fund</u>	Urban Renewal Debt Service <u>Fund</u>	Fire Station Debt Service <u>Fund</u>	PERS Debt Service <u>Fund</u>	Juniper Ridge Urban Renewal Debt Service <u>Fund</u>	<u>Total</u>
<u>Assets</u>						
Pooled cash and investments	\$ 816,113	\$ 4,246,436	\$ 7,067	\$ 1,054,506	\$ 288,960	\$ 6,413,082
Restricted cash and investments	-	1,431,918	-	-	-	1,431,918
Receivables:						
Property taxes	-	258,001	-	-	15,700	273,701
Accounts, net	5,629	-	-	-	-	5,629
Assessments	218,775	-	-	-	-	218,775
Total Assets	\$ 1,040,517	\$ 5,936,355	\$ 7,067	\$ 1,054,506	\$ 304,661	\$ 8,343,106
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Deferred revenues	\$ 224,404	\$ 212,223	\$ -	\$ -	\$ 12,982	\$ 449,610
Total Liabilities	224,404	212,223	-	-	12,982	449,610
Fund balances:						
Reserved - debt service	816,113	5,724,132	7,067	1,054,506	291,678	7,893,496
Total Fund Balances	816,113	5,724,132	7,067	1,054,506	291,678	7,893,496
Total Liabilities and Fund Balances	\$ 1,040,517	\$ 5,936,355	\$ 7,067	\$ 1,054,506	\$ 304,661	\$ 8,343,106

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, 2009

	Improvement District Debt Service <u>Fund</u>	Urban Renewal Debt Service <u>Fund</u>	Fire Station Debt Service <u>Fund</u>	PERS Debt Service <u>Fund</u>	Juniper Ridge Urban Renewal Debt Service <u>Fund</u>	<u>Total</u>
Revenues						
Property taxes	\$ -	\$ 2,844,673	\$ -	\$ -	\$ 182,003	\$ 3,026,676
Intergovernmental	-	-	258,992	-	-	258,992
Assessments	82,420	-	-	-	-	82,420
Charges for services	48,939	-	-	834,077	-	883,016
Investment income	21,485	138,779	797	31,103	7,871	200,035
Total Revenues	152,844	2,983,452	259,789	865,179	189,874	4,451,139
Expenditures						
Current:						
General government	-	-	-	16,700	-	16,700
Public safety	-	-	5,900	-	-	5,900
Public ways and facilities	23,400	-	-	-	-	23,400
Debt service:						
Principal	97,000	1,355,000	125,000	50,000	-	1,627,000
Interest	11,842	533,398	133,993	820,291	173,037	1,672,561
Total Expenditures	132,242	1,888,398	264,893	886,991	173,037	3,345,561
Excess (deficiency) of revenues over expenditures	20,602	1,095,054	(5,103)	(21,812)	16,837	1,105,578
Other Financing Sources						
Transfers in	-	-	6,000	-	-	6,000
Total Other Financing Sources	-	-	6,000	-	-	6,000
Net change in fund balances	20,602	1,095,054	897	(21,812)	16,837	1,111,578
Fund Balance, July 1, 2008	795,511	4,629,078	6,170	1,076,318	274,841	6,781,918
Fund Balance, June 30, 2009	\$ 816,113	\$ 5,724,132	\$ 7,067	\$ 1,054,506	\$ 291,678	\$ 7,893,496

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
Revenues						
Assessments	\$ 435,000	\$ 435,000	\$ 160,326	\$ 82,420	\$ 242,746	\$ (192,254)
Charges for services	135,000	79,000	5,275	48,939	54,214	(24,786)
Investment income	91,000	64,700	43,440	21,485	64,925	225
Total Revenues	661,000	578,700	209,041	152,844	361,885	(216,815)
Expenditures						
Current:						
Interfund charges	89,000	66,800	43,400	23,400	66,800	-
Debt service	481,000	526,100	317,014	108,842	425,856	100,244
Debt service reserve	1,047,100	941,900	-	-	-	941,900
Total Expenditures	1,617,100	1,534,800	360,414	132,242	492,656	1,042,144
Excess (deficiency) of revenues over expenditures	(956,100)	(956,100)	(151,373)	20,602	(130,771)	825,329
Beginning Fund Balance	956,100	956,100	946,884	795,511	946,884	(9,216)
Ending Fund Balance	\$ -	\$ -	\$ 795,511	\$ 816,113	\$ 816,113	\$ 816,113

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
Revenues						
Property taxes	\$ 5,328,000	\$ 5,359,400	\$ 2,663,202	\$ 2,844,673	\$ 5,507,875	\$ 148,475
Investment income	427,000	292,200	207,786	138,779	346,565	54,365
Total Revenues	5,755,000	5,651,600	2,870,988	2,983,452	5,854,440	202,840
Expenditures						
Debt service	3,689,200	3,689,200	1,799,699	1,888,398	3,688,097	1,103
Debt service reserve	5,647,000	5,543,600	-	-	-	5,543,600
Total Expenditures	9,336,200	9,232,800	1,799,699	1,888,398	3,688,097	5,544,703
Excess (deficiency) of revenues over expenditures	(3,581,200)	(3,581,200)	1,071,289	1,095,054	2,166,343	5,747,543
Beginning Fund Balance	3,581,200	3,581,200	3,557,789	4,629,078	3,557,789	(23,411)
Ending Fund Balance	\$ -	\$ -	\$ 4,629,078	\$ 5,724,132	\$ 5,724,132	\$ 5,724,132

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, 2009

	<u>Biennium Budget</u>		<u>FY2007-08</u> <u>Actual</u>	<u>FY2008-09</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>				<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues						
Intergovernmental	\$ 518,000	\$ 517,700	\$ 258,971	\$ 258,992	\$ 517,963	\$ 263
Investment income	600	900	672	797	1,469	569
Total Revenues	518,600	518,600	259,643	259,789	519,432	832
Expenditures						
Current:						
Materials and services	1,400	1,400	600	600	1,200	200
Interfund charges	10,300	10,300	5,000	5,300	10,300	-
Debt service	518,000	518,000	258,973	258,993	517,966	35
Debt service reserve	6,500	6,500	-	-	-	6,500
Total Expenditures	536,200	536,200	264,573	264,893	529,466	6,735
Excess (deficiency) of revenues over expenditures	(17,600)	(17,600)	(4,930)	(5,103)	(10,033)	7,567
Other Financing Sources						
Transfers in	11,700	11,700	5,700	6,000	11,700	-
Total Other Financing Sources	11,700	11,700	5,700	6,000	11,700	-
Net change in fund balance	(5,900)	(5,900)	770	897	1,667	7,567
Beginning Fund Balance	5,900	5,900	5,400	6,170	5,400	(500)
Ending Fund Balance	\$ -	\$ -	\$ 6,170	\$ 7,067	\$ 7,067	\$ 7,067

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, 2009

	<u>Biennium Budget</u>		<u>FY2007-08</u> <u>Actual</u>	<u>FY2008-09</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Charges to other City funds	\$ 2,072,500	\$ 1,951,100	\$ 928,557	\$ 834,077	\$ 1,762,634	\$ (188,466)
Investment income	114,000	80,500	52,146	31,103	83,249	2,749
Miscellaneous	-	-	1,160	-	1,160	1,160
Total Revenues	2,186,500	2,031,600	981,863	865,179	1,847,042	(184,558)
Expenditures						
Current:						
Interfund charges	32,600	32,600	15,900	16,700	32,600	-
Debt service	1,656,800	1,656,800	783,205	870,291	1,653,496	3,304
Debt service reserve	1,448,900	1,294,000	-	-	-	1,294,000
Total Expenditures	3,138,300	2,983,400	799,105	886,991	1,686,096	1,297,304
Excess (deficiency) of revenues over expenditures	(951,800)	(951,800)	182,758	(21,812)	160,946	1,112,746
Beginning Fund Balance	951,800	951,800	893,560	1,076,318	893,560	(58,240)
Ending Fund Balance	\$ -	\$ -	\$ 1,076,318	\$ 1,054,506	\$ 1,054,506	\$ 1,054,506

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<u>Revenues</u>						
Property taxes	\$ 765,200	\$ 481,400	\$ 146,793	\$ 182,003	\$ 328,796	\$ (152,604)
Investment income	20,400	15,400	9,570	7,871	17,441	2,041
Total Revenues	785,600	496,800	156,363	189,874	346,237	(150,563)
<u>Expenditures</u>						
Debt service	712,800	357,100	-	173,037	173,037	184,063
Debt service reserve	196,100	263,000	-	-	-	263,000
Total Expenditures	908,900	620,100	-	173,037	173,037	447,063
Excess (deficiency) of revenues over expenditures	(123,300)	(123,300)	156,363	16,837	173,200	296,500
Beginning Fund Balance	123,300	123,300	118,478	274,841	118,478	(4,822)
Ending Fund Balance	\$ -	\$ -	\$ 274,841	\$ 291,678	\$ 291,678	\$ 291,678

City of Bend, Oregon
Nonmajor Debt Service Funds
 Schedule of Expenditures by Appropriation Levels
 For the fiscal year ended June 30, 2009

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<u>Improvement District Debt Service Fund</u>			
Expenditures	\$ 592,900	\$ 492,656	\$ 100,244
Reserves	941,900	-	941,900
	\$ 1,534,800	\$ 492,656	\$ 1,042,144
<u>Urban Renewal Debt Service Fund</u>			
Expenditures	\$ 3,689,200	\$ 3,688,097	\$ 1,103
Reserves	5,543,600	-	5,543,600
	\$ 9,232,800	\$ 3,688,097	\$ 5,544,703
<u>Fire Station Debt Service Fund</u>			
Expenditures	\$ 529,700	\$ 529,466	\$ 235
Reserve	6,500	-	6,500
	\$ 536,200	\$ 529,466	\$ 6,735
<u>PERS Debt Service Fund</u>			
Expenditures	\$ 1,689,400	\$ 1,686,096	\$ 3,304
Reserves	1,294,000	-	1,294,000
	\$ 2,983,400	\$ 1,686,096	\$ 1,297,304
<u>Juniper Ridge Urban Renewal Debt Service Fund</u>			
Expenditures	\$ 357,100	\$ 173,037	\$ 184,063
Reserves	263,000	-	263,000
	\$ 620,100	\$ 173,037	\$ 447,063

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 land sales.

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 system development charges and grants.

City of Bend, Oregon
Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2009

	Improvement District Construction <u>Fund</u>	Urban Renewal Construction <u>Fund</u>	Juniper Ridge Urban Renwal Construction <u>Fund</u>	Accessibility Construction <u>Fund</u>	Transportation Construction <u>Fund</u>	<u>Total</u>
Assets						
Pooled cash and investments	\$ -	\$ 576,910	\$ 135,786	\$ 179,284	\$ 6,158,365	\$ 7,050,345
Receivables:						
Accounts, net	-	-	-	-	88,183	88,183
Loans and notes	-	34,461	-	-	-	34,461
Total Assets	\$ -	\$ 611,371	\$ 135,786	\$ 179,284	\$ 6,246,548	\$ 7,172,988

Liabilities and Fund Balances (Deficit)

Liabilities:						
Accounts payable	\$ -	\$ 23	\$ 663,151	\$ 64,401	\$ 83,073	\$ 810,647
Salaries and benefits payable	-	-	1,405	-	-	1,405
Retainage payable	-	1,149	49,910	-	-	51,059
Notes payable	-	-	-	440,000	-	440,000
Other accrued liabilities	-	-	-	-	189,879	189,879
Deposits	-	-	321,462	-	2,225	323,687
Deferred Revenue	-	-	-	-	75,469	75,469
Due to other funds	303,127	-	-	-	-	303,127
Interfund advances payable	-	-	1,005,766	-	-	1,005,766
Total Liabilities	303,127	1,171	2,041,694	504,401	350,646	3,201,039

Fund balances (deficits):

Unreserved:						
Designated	-	-	-	-	3,000,000	3,000,000
Undesignated	(303,127)	610,199	(1,905,907)	(325,117)	2,895,902	971,950
Total Fund Balances (Deficits)	(303,127)	610,199	(1,905,907)	(325,117)	5,895,902	3,971,950
Total Liabilities and Fund Balances	\$ -	\$ 611,371	\$ 135,786	\$ 179,284	\$ 6,246,548	\$ 7,172,988

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, 2009

	Improvement District Construction <u>Fund</u>	Urban Renewal Construction <u>Fund</u>	Juniper Ridge Urban Renwal Construction <u>Fund</u>	Accessibility Construction <u>Fund</u>	Transportation Construction <u>Fund</u>	<u>Total</u>
Revenues						
Franchise fees	\$ -	\$ -	\$ -	\$ -	\$ 113,873	\$ 113,873
Intergovernmental	-	-	-	-	127,500	127,500
Rent from others	-	-	-	-	16,960	16,960
Contributions	-	-	-	-	325,337	325,337
Loan repayments	-	-	-	-	16,946	16,946
Investment income	(11,815)	13,225	(31,730)	1,524	102,788	73,992
Miscellaneous	-	-	17,895	-	2	17,897
Total Revenues	(11,815)	13,225	(13,835)	1,524	703,406	692,505
Expenditures						
Current:						
Public ways and facilities	44,600	-	-	20,200	292,428	357,228
Urban renewal	-	6,057	1,496,486	-	-	1,502,543
Debt service:						
Principal	-	-	-	-	720,500	720,500
Interest	-	-	48,586	-	590,108	638,694
Capital outlay	4,329	-	3,173,554	452,250	1,643,624	5,273,757
Total Expenditures	48,929	6,057	4,718,626	472,450	3,246,660	8,492,722
Excess (deficiency) of revenues over expenditures	(60,744)	7,168	(4,732,461)	(470,926)	(2,543,254)	(7,800,217)
Other Financing Sources						
Issuance of long-term debt	-	-	2,700,000	-	-	2,700,000
Transfers in	135,571	130,000	1,200,000	65,000	2,401,961	3,932,532
Total Other Financing Sources	135,571	130,000	3,900,000	65,000	2,401,961	6,632,532
Net change in fund balance	74,827	137,168	(832,461)	(405,926)	(141,293)	(1,167,685)
Fund Balances (Deficits), July 1, 2008	(377,954)	473,031	(1,073,446)	80,809	6,037,195	5,139,635
Fund Balances (Deficits), June 30, 2009	\$ (303,127)	\$ 610,199	\$ (1,905,907)	\$ (325,117)	\$ 5,895,902	\$ 3,971,950

City of Bend, Oregon

Improvement District Construction Fund

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

For the fiscal year ended June 30, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
Revenues						
Investment income	\$ -	\$ -	\$ (9,839)	\$ (11,815)	\$ (21,654)	\$ (21,654)
Total Revenues	-	-	(9,839)	(11,815)	(21,654)	(21,654)
Expenditures						
Current:						
Materials and services	-	100,000	-	-	-	100,000
Interfund charges	54,500	70,900	26,300	44,600	70,900	-
Capital outlay	641,000	2,149,800	182,860	4,329	187,189	1,962,611
Contingencies	4,600	27,700	-	-	-	27,700
Total Expenditures	700,100	2,348,400	209,160	48,929	258,089	2,090,311
Excess (deficiency) of revenues over expenditures	(700,100)	(2,348,400)	(218,999)	(60,744)	(279,743)	2,068,657
Other Financing Sources (Uses)						
Issuance of long-term debt	-	2,400,000	-	-	-	(2,400,000)
Advances from other funds	822,700	435,500	300,000	303,127	603,127	167,627
Interfund loan repayments	(735,500)	(700,000)	(200,000)	(300,000)	(500,000)	200,000
Transfers in	600,000	200,000	-	135,571	135,571	(64,429)
Total Other Financing Sources (Uses)	687,200	2,335,500	100,000	138,698	238,698	(2,096,802)
Net change in fund balance	(12,900)	(12,900)	(118,999)	77,954	(41,045)	(28,145)
Beginning Fund Balance (Deficit)	12,900	12,900	41,045	(77,954)	41,045	28,145
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ (77,954)	\$ -	\$ -	\$ -

Reconciliation of Budgetary basis to GAAP basis

Total Other Financing Sources (Uses) - Budgetary Basis	\$ 138,698
Advance from other funds reported as other financing source on the budgetary basis is reported as a liability on the GAAP basis	(303,127)
Repayment of interfund loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis	300,000
Total Other Financing Sources (Uses) - GAAP Basis	\$ 135,571

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
Revenues						
Rental income:						
Rent from others	\$ 103,900	\$ 51,200	\$ 55,385	\$ -	\$ 55,385	\$ 4,185
Rent from other City funds	85,400	42,700	42,700	-	42,700	-
Loan repayments	-	-	14,510	-	14,510	14,510
Investment income	178,900	16,400	28,782	13,225	42,007	25,607
Total Revenues	368,200	110,300	141,377	13,225	154,602	44,302
Expenditures						
Current:						
Personal services	35,402	17,326	17,462	-	17,462	(136)
Materials and services	48,261	215,004	41,745	6,057	47,802	167,202
Interfund charges	127,100	69,400	68,231	-	68,231	1,169
Capital outlay	-	5,500	892	-	892	4,608
Contingency	7,671,637	317,270	-	-	-	317,270
Total Expenditures	7,882,400	624,500	128,330	6,057	134,387	490,113
Excess (deficiency) of revenues over expenditures	(7,514,200)	(514,200)	13,047	7,168	20,215	534,415
Other Financing Sources						
Proceeds from sale of assets	7,176,000	176,000	165,136	-	165,136	(10,864)
Transfers in	330,000	330,000	200,000	130,000	330,000	-
Total Other Financing Sources	7,506,000	506,000	365,136	130,000	495,136	(10,864)
Net change in fund balance	(8,200)	(8,200)	378,183	137,168	515,351	523,551
Beginning Fund Balance	8,200	8,200	60,387	438,570	60,387	52,187
Ending Fund Balance	\$ -	\$ -	\$ 438,570	\$ 575,738	\$ 575,738	\$ 575,738

City of Bend, Oregon

Juniper Ridge Urban Renewal Construction Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
 For the fiscal year ended June 30, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>				
Revenues						
Contributions	\$ 620,000	\$ 470,000	\$ -	\$ -	\$ -	\$ (470,000)
Investment income	230,700	57,000.00	(43,531)	(31,730)	(75,261)	(132,261)
Miscellaneous	-	-	-	17,895	17,895	17,895
Total Revenues	850,700	527,000	(43,531)	(13,835)	(57,366)	(584,366)
Expenditures						
Current:						
Personal services	240,627	314,408	183,213	132,670	315,883	(1,475)
Materials and services	559,138	446,057	354,793	38,350	393,143	52,914
Interfund charges	449,300	541,000	220,403	319,700	540,103	897
Debt service	2,050,000	1,764,000	1,300,561	48,586	1,349,147	414,853
Capital outlay	7,635,000	12,163,402	8,905,666	3,173,554	12,079,220	84,182
Contingency	1,681,535	4,725,033	-	-	-	4,725,033
Total Expenditures	12,615,600	19,953,900	10,964,636	3,712,860	14,677,496	5,276,404
Excess (deficiency) of revenues over expenditures	(11,764,900)	(19,426,900)	(11,008,167)	(3,726,695)	(14,734,862)	4,692,038
Other Financing Sources						
Proceeds from sale of assets	3,200,000	3,200,000	-	-	-	(3,200,000)
Advances from other funds	-	200,000	-	-	-	(200,000)
Issuance of long-term debt	7,650,000	12,812,000	6,225,000	2,700,000	8,925,000	(3,887,000)
Premium on debt issuance	-	-	13,988	-	13,988	13,988
Transfers in	-	2,300,000	3,660,501	1,200,000	4,860,501	2,560,501
Total Other Financing Sources	10,850,000	18,512,000	9,899,489	3,900,000	13,799,489	(4,712,511)
Net change in fund balance	(914,900)	(914,900)	(1,108,678)	173,305	(935,373)	(20,473)
Beginning Fund Balance (Deficit)	914,900	914,900	35,232	(1,073,446)	35,232	(879,668)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ (1,073,446)	\$ (900,141)	\$ (900,141)	\$ (900,141)

Reconciliation of Budgetary basis to GAAP basis

Total Expenditures - Budgetary Basis	\$ 3,712,860
Long-term interfund advances payable are not reported as expenditures on the budgetary basis but are reported as an increase in payable on the GAAP basis	1,005,766
Total Expenditures - GAAP Basis	\$ 4,718,626

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
Revenues						
Investment income	\$ -	\$ -	\$ 12,440	\$ 1,524	\$ 13,964	\$ 13,964
Total Revenues	-	-	12,440	1,524	13,964	13,964
Expenditures						
Current:						
Materials and services	-	-	13,958	-	13,958	(13,958)
Interfund charges	36,400	37,900	17,700	20,200	37,900	-
Debt service	-	100,000	-	-	-	100,000
Capital outlay	1,950,000	2,209,800	899,762	452,250	1,352,012	857,788
Contingency	-	100,000	-	-	-	100,000
Total Expenditures	1,986,400	2,447,700	931,420	472,450	1,403,870	1,043,830
Excess (deficiency) of revenues over expenditures	(1,986,400)	(2,447,700)	(918,980)	(470,926)	(1,389,906)	1,057,794
Other Financing Sources						
Proceeds from short-term notes pay:	-	-	-	440,000	440,000	(440,000)
Issuance of long-term debt	-	1,250,000	-	-	-	(1,250,000)
Transfers in	1,886,400	1,097,700	997,700	65,000	1,062,700	(35,000)
Total Other Financing Sources	1,886,400	2,347,700	997,700	505,000	1,502,700	(1,725,000)
Net change in fund balance	(100,000)	(100,000)	78,720	34,074	112,794	(667,206)
Beginning Fund Balance	100,000	100,000	2,089	80,809	2,089	(97,911)
Ending Fund Balance	\$ -	\$ -	\$ 80,809	\$ 114,883	\$ 114,883	\$ (765,117)

Reconciliation of Budgetary basis to GAAP basis

Total Other Financing Sources - Budgetary Basis	\$ 505,000
Proceeds from short term debt reported as a liability on the GAAP basis	(440,000)
Total Other Financing Sources - GAAP Basis	\$ 65,000

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>				
Revenues						
Franchise fees	\$ 1,590,100	\$ 1,533,700	\$ 111,254	\$ 113,873	\$ 225,127	\$ (1,308,573)
Intergovernmental	225,000	429,700	-	127,500	127,500	(302,200)
Rental income	40,800	40,200	18,200	16,960	35,160	(5,040)
Contributions	-	-	71,932	325,337	397,269	397,269
Loan repayments	67,800	67,800	19,030	16,946	35,976	(31,824)
Investment income	393,400	247,000	254,912	102,788	357,700	110,700
Miscellaneous	2,500	2,700	47,259	2	47,261	44,561
Total Revenues	2,319,600	2,321,100	522,587	703,406	1,225,993	(1,095,107)
Expenditures						
Current:						
Materials and services	295,600	435,900	86,722	34,688	121,410	314,490
Interfund charges	776,800	746,200	387,593	257,740	645,333	100,867
Debt service	4,101,100	3,245,600	1,318,898	1,310,608	2,629,506	616,094
Capital outlay	28,125,700	23,009,200	3,533,435	1,643,624	5,177,059	17,832,141
Contingency	491,700	4,049,200	-	-	-	4,049,200
Reserved for construction	-	3,000,000	-	-	-	3,000,000
Total Expenditures	33,790,900	34,486,100	5,326,648	3,246,660	8,573,308	25,912,792
Excess (deficiency) of revenues over expenditures	(31,471,300)	(32,165,000)	(4,804,061)	(2,543,254)	(7,347,315)	24,817,685
Other Financing Sources						
Proceeds from sale of assets	420,000	1,055,000	74,885	-	74,885	(980,115)
Issuance of long-term debt	15,785,000	21,785,000	-	-	-	(21,785,000)
Transfers in	15,266,300	9,325,000	10,766,371	2,401,961	13,168,332	3,843,332
Total Other Financing Sources	31,471,300	32,165,000	10,841,256	2,401,961	13,243,217	(18,921,783)
Net change in fund balance	-	-	6,037,195	(141,293)	5,895,902	5,895,902
Beginning Fund Balance	-	-	-	6,037,195	-	-
Ending Fund Balance	\$ -	\$ -	\$ 6,037,195	\$ 5,895,902	\$ 5,895,902	\$ 5,895,902

City of Bend, Oregon
Nonmajor Capital Projects Funds
 Schedule of Expenditures by Appropriation Levels
 For the fiscal year ended June 30, 2009

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<u>Improvement District Construction Fund</u>			
Expenditures	\$ 3,020,700	\$ 758,089	\$ 2,262,611
Contingency	27,700	-	27,700
	\$ 3,048,400	\$ 758,089	\$ 2,290,311
<u>Urban Renewal Construction Fund</u>			
Expenditures	\$ 307,230	\$ 134,387	\$ 172,843
Contingency	317,270	-	317,270
	\$ 624,500	\$ 134,387	\$ 490,113
<u>Accessibility Construction Fund</u>			
Expenditures	\$ 2,347,700	\$ 1,403,870	\$ 943,830
Contingency	100,000	-	100,000
	\$ 2,447,700	\$ 1,403,870	\$ 1,043,830
<u>Juniper Ridge Urban Renewal Construction Fund</u>			
Expenditures	\$ 15,228,867	\$ 14,677,496	\$ 551,371
Contingency	4,725,033	-	4,725,033
	\$ 19,953,900	\$ 14,677,496	\$ 5,276,404
<u>Transportation Construction Fund</u>			
Expenditures	\$ 27,436,900	\$ 8,573,308	\$ 18,863,592
Contingency	4,049,200	-	4,049,200
Reserves	3,000,000	-	3,000,000
	\$ 34,486,100	\$ 8,573,308	\$ 25,912,792

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, 2009

	<u>Airport Fund</u>	<u>Cemetery Fund</u>	<u>Downtown Parking Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<u>Assets</u>					
Current assets:					
Pooled cash and investments	\$ 384,632	\$ 383,434	\$ 958,971	\$ 2,588,191	\$ 4,315,228
Accounts receivable, net	15,905	-	14,932	219,332	250,169
Due from other governments	343,341	-	-	-	343,341
Bond issue costs, net	3,031	-	-	387	3,418
Total Current Assets	746,909	383,434	973,904	2,807,910	4,912,156
Noncurrent assets:					
Bond issue costs, net	27,823	-	-	6,973	34,796
Capital assets, net	18,184,435	186,902	14,435,895	26,103,535	58,910,767
Total Noncurrent Assets	18,212,258	186,902	14,435,895	26,110,508	58,945,563
Total Assets	18,959,166	570,336	15,409,799	28,918,418	63,857,719
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	228,881	325	7,169	66,809	303,184
Salaries and benefits payable	1,518	998	1,286	4,742	8,543
Retainage payable	59,087	-	-	-	59,087
Notes payable	500,000	-	-	-	500,000
Compensated absences	1,438	9,736	11,361	7,747	30,282
Interest payable	34,413	-	-	563	34,975
Other accrued liabilities	27,614	-	-	-	27,614
Deposits	62,734	-	-	-	62,734
Current portion of long-term debt	161,522	-	-	55,000	216,522
Total Current Liabilities	1,077,205	11,059	19,816	134,861	1,242,941
Noncurrent liabilities:					
Other post-retirement benefits payable	4,279	4,722	4,015	27,375	40,391
Long-term debt, net	2,344,601	-	-	170,000	2,514,601
Total Noncurrent Liabilities	2,348,880	4,722	4,015	197,375	2,554,992
Total Liabilities	3,426,086	15,781	23,830	332,236	3,797,933
<u>Net Assets</u>					
Invested in capital assets, net of related debt	15,183,701	186,902	14,435,895	25,877,573	55,684,071
Unrestricted	349,380	367,653	950,073	2,708,610	4,375,715
Total Net Assets	\$ 15,533,081	\$ 554,555	\$ 15,385,968	\$ 28,586,182	\$ 60,059,786

City of Bend, Oregon

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

Nonmajor Enterprise Funds

For the fiscal year ended June 30, 2009

	Airport Fund	Cemetery Fund	Downtown Parking Fund	Stormwater Fund	Total
<u>Operating Revenues</u>					
Charges for services	\$ 623,394	\$ 48,548	\$ 603,300	\$ 2,403,749	\$ 3,678,991
Miscellaneous	76,380	-	3,095	829	80,304
Total Operating Revenues	699,774	48,548	606,395	2,404,578	3,759,295
<u>Operating Expenses</u>					
Salaries and benefits	105,927	91,181	105,645	527,927	830,680
Materials and supplies	78,787	5,168	340,017	233,798	657,770
Internal services	222,657	27,711	129,066	274,281	653,715
Depreciation	195,035	17,211	306,416	698,452	1,217,114
Total Operating Expenses	602,406	141,271	881,144	1,734,458	3,359,279
Operating income (loss)	97,368	(92,723)	(274,749)	670,120	400,016
<u>Nonoperating Revenues (Expenses)</u>					
Intergovernmental	3,177,837	-	-	-	3,177,837
Investment income	(5,703)	10,365	26,643	48,457	79,762
Interest expense	(125,653)	-	-	(9,419)	(135,072)
Parking improvement fees	-	-	140,566	-	140,566
Permanent maintenance fees	-	20,477	-	-	20,477
Amortization of bond issue costs	(3,031)	-	-	(387)	(3,418)
Gain on disposal of assets	-	-	-	750	750
Total Nonoperating Revenues (Expenses)	3,043,450	30,842	167,209	39,401	3,280,902
Income (loss) before contributions and transfers	3,140,818	(61,881)	(107,540)	709,521	3,680,918
<u>Contributions and Transfers</u>					
Capital contributions	-	-	-	62,331	62,331
Transfers in	53,200	-	-	-	53,200
Transfers out	(9,100)	-	(130,000)	(338,000)	(477,100)
Total Contributions and Transfers	44,100	-	(130,000)	(275,669)	(361,569)
Change in net assets	3,184,918	(61,881)	(237,540)	433,852	3,319,349
Net Assets, July 1, 2008	12,348,163	616,436	15,623,508	28,152,330	56,740,437
Net Assets, June 30, 2009	\$ 15,533,081	\$ 554,555	\$ 15,385,968	\$ 28,586,182	\$ 60,059,786

City of Bend, Oregon

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the fiscal year ended June 30, 2009

	Airport Fund	Cemetery Fund	Downtown Parking Fund	Stormwater Fund	Total
<u>Cash Flows from Operating Activities</u>					
Cash received from customers	\$ 647,146	\$ 48,548	\$ 613,313	\$ 2,434,052	\$ 3,743,059
Cash paid to employees for services	(103,470)	(84,997)	(99,188)	(504,219)	(791,874)
Cash paid to suppliers for goods and services	(56,822)	(7,675)	(341,439)	(212,368)	(618,303)
Cash paid for interfund services used	(222,657)	(27,711)	(129,066)	(274,281)	(653,715)
Net Cash Provided (Used) By Operating Activities	264,197	(71,835)	43,620	1,443,185	1,679,167
<u>Cash Flows from Noncapital Financing Activities</u>					
Interfund loan repayments	(152,000)	-	-	-	(152,000)
Transfers from other funds	53,200	-	-	-	53,200
Transfers to other funds	(9,100)	-	(130,000)	(338,000)	(477,100)
Net Cash Provided (Used) By Noncapital Financing Activities	(107,900)	-	(130,000)	(338,000)	(575,900)
<u>Cash Flows from Capital and Related Financing Activities</u>					
Issuance of debt	500,000	-	-	-	500,000
Principal payments on capital debt	(150,292)	-	-	(50,000)	(200,292)
Interest payments on capital debt	(127,422)	-	-	(9,953)	(137,375)
Capital grants and contributions	3,686,330	-	-	-	3,686,330
Proceeds from sale of assets	-	-	-	750	750
Permanent maintenance fees	-	20,477	-	-	20,477
Parking improvement fees	-	-	140,566	-	140,566
Acquisition and construction of capital assets	(3,714,922)	-	(32,317)	(197,929)	(3,945,168)
Net Cash Provided (Used) By Capital and Related Financing Activities	193,693	20,477	108,249	(257,132)	65,288
<u>Cash Flows from Investing Activities</u>					
Investment income	(5,703)	10,365	26,643	48,457	79,761
Net Cash Provided By Investing Activities	(5,703)	10,365	26,643	48,457	79,761
 Net change in pooled cash and investments	 344,288	 (40,993)	 48,511	 896,510	 1,248,316
 Pooled Cash and Investments, July 1, 2008	 40,344	 424,427	 910,460	 1,691,681	 3,066,912
Pooled Cash and Investments, June 30, 2009	\$ 384,632	\$ 383,434	\$ 958,971	\$ 2,588,191	\$ 4,315,228

City of Bend, Oregon

Combining Statement of Cash Flows (Continued)

Nonmajor Enterprise Funds

For the fiscal year ended June 30, 2009

	<u>Airport</u> <u>Fund</u>	<u>Cemetery</u> <u>Fund</u>	<u>Downtown</u> <u>Parking</u> <u>Fund</u>	<u>Stormwater</u> <u>Fund</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ 97,368	\$ (92,723)	\$ (274,749)	\$ 670,120	\$ 400,016
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	195,035	17,211	306,416	698,452	1,217,114
Change in:					
Accounts receivable	(6,637)	-	6,918	26,994	27,275
Prepays and deposits	-	-	-	2,480	2,480
Accounts payable	(5,649)	(2,507)	(1,422)	21,430	11,852
Salaries and benefits payable	121	17	(31)	(2,365)	(2,259)
Other post-employment benefits	4,279	4,722	4,015	27,375	40,392
Compensated absences payable	(1,942)	1,445	2,473	(1,302)	674
Other accrued liabilities	27,614	-	-	-	27,614
Prepays and deposits payable	(45,991)	-	-	-	(45,991)
Net Cash Provided (Used) By Operating Activities	\$ 264,197	\$ (71,835)	\$ 43,620	\$ 1,443,185	\$ 1,679,167

Noncash Capital and Related Financing Activities

The City received donated stormwater infrastructure totaling \$60,100 in the current year.

Acquisition of capital assets financed through accounts payable for the current year totaled \$25,236 in the Stormwater Fund

The net book value of capital assets contributed from other funds in the current year totaled \$2,231 in the Stormwater Fund

City of Bend, Oregon

Airport Fund

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

For the fiscal year ended June 30, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>				
Revenues						
Intergovernmental	\$ 6,087,400	\$ 6,538,300	\$ 4,473,023	\$ 3,177,837	\$ 7,650,860	\$ 1,112,560
Charges for services	1,140,400	1,204,100	602,993	623,394	1,226,387	22,287
Investment income	12,600	6,400	(25,959)	(5,703)	(31,662)	(38,062)
Miscellaneous	162,100	161,300	80,731	76,380	157,111	(4,189)
Total Revenues	7,402,500	7,910,100	5,130,788	3,871,908	9,002,696	1,092,596
Expenditures						
Current:						
Personal services	305,519	253,750	82,555	101,648	184,203	69,547
Materials and services	140,088	200,557	62,348	78,787	141,135	59,422
Interfund charges	435,900	468,500	231,574	222,657	454,231	14,269
Capital outlay	7,061,000	8,943,800	4,285,684	3,470,516	7,756,200	1,187,600
Debt service	2,522,200	1,545,700	1,252,876	275,945	1,528,821	16,879
Contingency	175,793	1,298,493	-	-	-	1,298,493
Total Expenditures	10,640,500	12,710,800	5,915,037	4,149,553	10,064,590	2,646,210
Excess (deficiency) of revenues over expenditures	(3,238,000)	(4,800,700)	(784,249)	(277,645)	(1,061,894)	3,738,806
Other Financing Sources (Uses)						
Proceeds from short-term notes payable	1,000,000	2,402,700	-	500,000	500,000	(1,902,700)
Advance from other funds	-	152,000	152,000	-	152,000	-
Interfund loan repayment	-	(152,000)	-	(152,000)	(152,000)	-
Transfers in	180,000	340,000	90,000	53,200	143,200	(196,800)
Transfers out	(18,200)	(18,200)	(9,100)	(9,100)	(18,200)	-
Total Other Financing Sources (Uses)	1,161,800	2,724,500	232,900	392,100	625,000	(2,099,500)
Net change in fund balance	(2,076,200)	(2,076,200)	(551,349)	114,455	(436,894)	1,639,306
Beginning Fund Balance	2,076,200	2,076,200	790,634	239,285	790,634	(1,285,566)
Ending Fund Balance	\$ -	\$ -	\$ 239,285	\$ 353,740	\$ 353,740	\$ 353,740

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, 2009

Reconciliation of Budgetary basis to GAAP basis

Total Expenditures - Budgetary Basis	\$ 4,149,553
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	4,279
Capital expenditures reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(3,470,516)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	195,035
Amortization of bond issue costs is not reported on the budgetary basis but is reported as an expense on the GAAP basis	3,031
Principal payments on bonds reported as expenditures on the budgetary basis are reported as reduction of bonds payable on the GAAP basis	(150,292)
Total Expenses - GAAP Basis	<u>\$ 731,090</u>
Total Other Financing Sources - Budgetary Basis	\$ 392,100
Proceeds from short term debt reported as as a liability on the GAAP basis	(500,000)
Interfund loan repayment	152,000
Total Other Financing Sources - GAAP Basis	<u>\$ 44,100</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, 2009

	<u>Biennium Budget</u>		<u>FY2007-08 Actual</u>	<u>FY2008-09 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Burial and lot fees	\$ 191,900	\$ 156,100	\$ 76,038	\$ 48,548	\$ 124,586	\$ (31,514)
Permanent maintenance fees	80,200	53,900	26,415	20,477	46,892	(7,008)
Investment income	40,500	29,500	20,627	10,365	30,992	1,492
Miscellaneous	200	200	-	-	-	(200)
Total Revenues	312,800	239,700	123,080	79,390	202,470	(37,230)
Expenditures						
Current:						
Personal services	168,290	165,952	84,766	86,459	171,225	(5,273)
Materials and services	93,500	65,138	40,747	5,168	45,915	19,223
Interfund charges	52,800	50,500	27,197	27,711	54,908	(4,408)
Capital outlay	8,000	-	-	-	-	-
Contingency	29,510	34,510	-	-	-	34,510
Permanent maintenance reserve	400,000	362,900	-	-	-	362,900
Total Expenditures	752,100	679,000	152,710	119,338	272,048	406,952
Excess (deficiency) of revenues over expenditures	(439,300)	(439,300)	(29,630)	(39,948)	(69,578)	369,722
Beginning Fund Balance	439,300	439,300	441,949	412,319	441,949	2,649
Ending Fund Balance	\$ -	\$ -	\$ 412,319	\$ 372,371	\$ 372,371	\$ 372,371

Reconciliation of Budgetary basis to GAAP basis

Total Expenditures - Budgetary Basis	\$ 119,338
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	4,722
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	17,211
Total Expenses - GAAP Basis	\$ 141,271

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>				
Revenues						
Fines and lot rental fees	\$ 1,391,500	\$ 1,360,300	\$ 610,069	\$ 603,300	\$ 1,213,369	\$ (146,931)
Parking improvement fees	300,000	300,000	682,926	140,566	823,492	523,492
Investment income	73,800	54,100	26,354	26,643	52,997	(1,103)
Miscellaneous	-	-	313	3,095	3,408	3,408
Total Revenues	1,765,300	1,714,400	1,319,662	773,604	2,093,266	378,866
Expenditures						
Current:						
Personal services	200,626	198,904	107,857	101,630	209,487	(10,583)
Materials and services	761,922	724,644	340,779	340,017	680,796	43,848
Interfund charges	145,800	201,100	78,415	129,066	207,481	(6,381)
Capital outlay	145,000	690,000	331,041	28,878	359,919	330,081
Contingency	682,952	320,752	-	-	-	320,752
Construction reserves	-	150,000	-	-	-	150,000
Total Expenditures	1,936,300	2,285,400	858,092	599,591	1,457,683	827,717
Excess (deficiency) of revenues over expenditures	(171,000)	(571,000)	461,570	174,013	635,583	1,206,583
Other Financing Sources (Uses)						
Contributions	-	400,000	401,394	-	401,394	1,394
Transfers out	(330,000)	(330,000)	(200,000)	(130,000)	(330,000)	-
Total Other Financing Sources (Uses)	(330,000)	70,000	201,394	(130,000)	71,394	1,394
Net change in fund balance	(501,000)	(501,000)	662,964	44,013	706,977	1,207,977
Beginning Fund Balance	501,000	501,000	248,505	911,469	248,505	(252,495)
Ending Fund Balance	\$ -	\$ -	\$ 911,469	\$ 955,482	\$ 955,482	\$ 955,482

Reconciliation of Budgetary basis to GAAP basis

Total Expenditures - Budgetary Basis	\$ 599,591
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	4,015
Capital outlay reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(28,878)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	306,416
Total Expenses - GAAP Basis	\$ 881,144

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
Revenues						
Charges for services	\$ 2,700,000	\$ 4,029,700	\$ 2,458,364	\$ 2,403,749	\$ 4,862,113	\$ (832,413)
Investment income	20,700	46,500	43,442	48,457	91,899	(45,399)
Miscellaneous	200	200	200	829	1,029	(829)
Total Revenues	2,720,900	4,076,400	2,502,006	2,453,035	4,955,041	(878,641)
Expenditures						
Current:						
Personal services	662,324	838,796	333,648	500,552	834,200	4,596
Materials and services	413,838	700,466	122,227	242,727	364,954	335,512
Interfund charges	415,000	958,900	232,648	274,281	506,929	451,971
Debt service	81,800	70,000	1,096	59,419	60,515	9,485
Capital outlay	1,252,000	1,410,700	521,362	190,955	712,317	698,383
Contingency	468,838	670,438	-	-	-	670,438
Total Expenditures	3,293,800	4,649,300	1,210,981	1,267,934	2,478,915	2,170,385
Excess (deficiency) of revenues over expenditures	(572,900)	(572,900)	1,291,025	1,185,101	2,476,126	3,049,026
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	-	-	750	750	(750)
Issuance of long-term debt	305,500	305,500	276,033	-	276,033	29,467
Transfers out	-	-	-	(338,000)	(338,000)	(338,000)
Total Other Financing Sources (Uses)	305,500	305,500	276,033	(337,250)	(61,217)	(309,283)
Net change in fund balance	(267,400)	(267,400)	1,567,058	847,851	2,414,909	2,739,743
Beginning Fund Balance	267,400	267,400	312,751	1,879,809	312,751	45,351
Ending Fund Balance	\$ -	\$ -	\$ 1,879,809	\$ 2,727,660	\$ 2,727,660	\$ 2,785,094

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, 2009

Reconciliation of Budgetary basis to GAAP basis

Total Revenues - Budgetary Basis	\$ 2,453,035
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>62,331</u>
Total Revenues - GAAP Basis	<u>\$ 2,515,366</u>
Total Expenditures - Budgetary Basis	\$ 1,267,934
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	27,375
Bond issue costs not reported on the budgetary basis are reported as an expense on the GAAP basis	(8,929)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(50,000)
Capital outlay reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(190,955)
Amortization of bond issue costs not reported on the budgetary basis are reported as an expense on the GAAP basis	387
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	<u>698,452</u>
Total Expenses - GAAP Basis	<u>\$ 1,744,264</u>

City of Bend, Oregon
Nonmajor Enterprise Funds
 Schedule of Expenditures by Appropriation Levels
 For the fiscal year ended June 30, 2009

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<u>Airport Fund</u>			
Expenditures	\$ 11,582,507	\$ 10,234,790	\$ 1,347,717
Contingency	1,298,493	-	1,298,493
	\$ 12,881,000	\$ 10,234,790	\$ 2,646,210
<u>Cemetery Fund</u>			
Expenditures	\$ 281,590	\$ 272,048	\$ 9,542
Contingency	34,510	-	34,510
Other requirements	362,900	-	362,900
	\$ 679,000	\$ 272,048	\$ 406,952
<u>Downtown Parking Fund</u>			
Expenditures	\$ 2,144,648	\$ 1,787,683	\$ 356,965
Contingency	320,752	-	320,752
Other requirements	150,000	-	150,000
	\$ 2,615,400	\$ 1,787,683	\$ 827,717
<u>Stormwater Fund</u>			
Expenditures	\$ 3,978,862	\$ 2,816,915	\$ 1,161,947
Contingency	670,438	-	670,438
	\$ 4,649,300	\$ 2,816,915	\$ 1,832,385

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INTERNAL SERVICE FUND

Garage Division

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

Information Technology Division

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

Facility Management Division

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

Engineering Division

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

Public Works Administration Division

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

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.

Economic Development Administration Division

To account for the administration of the City's economic development activities. User charges are generated for personnel and materials and services costs.

Community Development Administration Division

To account for the administration of the City's Planning and Building departments. User charges are generated for personnel and materials and services costs.

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City of Bend, Oregon
Combining Statement of Net Assets
Internal Service Fund
June 30, 2009

	<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>	<u>Public Works</u> <u>Administration</u> <u>Division</u>
Assets					
Current assets:					
Pooled cash and investments	\$ 382,073	\$ 1,024,620	\$ 2,882,435	\$ 294,516	\$ 921,900
Accounts receivable, net	-	-	-	-	-
Due from other governments	-	-	812,226	-	-
Inventories	27,409	-	-	-	-
Prepays and deposits	-	12,129	-	-	5,414
Bond issue costs, net	-	-	19,438	-	-
Total Current Assets	409,482	1,036,748	3,714,099	294,516	927,314
Noncurrent assets:					
Interfund advances receivable	-	-	-	-	-
Bond issue costs, net	-	-	85,313	-	-
Capital assets, net	19,854	1,079,454	27,903,798	50,290	108,097
Total Noncurrent Assets	19,854	1,079,454	27,989,111	50,290	108,097
Total Assets	429,336	2,116,202	31,703,210	344,806	1,035,410
Liabilities					
Current liabilities:					
Accounts payable	90,002	91,480	236,253	1,986	11,872
Salaries and benefits payable	7,831	7,846	5,050	20,327	20,910
Retainage payable	-	-	205,610	-	-
Notes payable	-	-	560,000	-	-
Other accrued liabilities:					
Compensated absences	41,837	56,496	32,665	13,779	77,850
Interest	-	-	47,402	-	-
Insurance claims	-	-	-	-	-
Deposits	-	-	-	-	-
Current portion of long-term debt	-	-	5,085,000	-	-
Total Current Liabilities	139,670	155,822	6,171,980	36,092	110,632
Noncurrent liabilities:					
Other post-retirement benefits payable	37,540	25,216	23,840	57,353	80,178
Long-term debt, net	-	-	8,830,000	-	-
Total Noncurrent Liabilities	37,540	25,216	8,853,840	57,353	80,178
Total Liabilities	177,210	181,038	15,025,820	93,444	190,810
Net Assets					
Invested in capital assets,					
net of related debt	19,854	1,079,454	13,368,714	50,290	108,097
Unrestricted	232,272	855,711	3,308,676	201,072	736,504
Total Net Assets	\$ 252,126	\$ 1,935,164	\$ 16,677,390	\$ 251,362	\$ 844,601

City of Bend, Oregon
Combining Statement of Net Assets (Continued)
Internal Service Fund
June 30, 2009

	Risk Management Division	Administration & Financial Services Division	Economic Development Administration Division	Community Development Administration Division	Total
Assets					
Current assets:					
Pooled cash and investments	\$ 2,270,788	\$ 1,125,078	\$ 68	\$ 240,105	\$ 9,141,584
Accounts receivable, net	4,529	651	-	-	5,180
Due from other governments	-	-	-	-	812,226
Inventories	-	-	-	-	27,409
Prepays and deposits	-	18,134	-	-	35,677
Bond issue costs, net	-	-	-	-	19,438
Total Current Assets	2,275,317	1,143,864	68	240,105	10,041,514
Noncurrent assets:					
Interfund advances receivable	-	38,683	-	-	38,683
Bond issue costs, net	-	-	-	-	85,313
Capital assets, net	-	11,657	-	-	29,173,149
Total Noncurrent Assets	-	50,340	-	-	29,297,145
Total Assets	2,275,317	1,194,204	68	240,105	39,338,659
Liabilities					
Current liabilities:					
Accounts payable	30,017	62,385	68	1,681	525,745
Salaries and benefits payable	-	40,886	-	16,992	119,842
Retainage payable	-	-	-	-	205,610
Notes payable	-	-	-	-	560,000
Other accrued liabilities:					
Compensated absences	-	149,719	-	20	372,366
Interest	-	-	-	-	47,402
Insurance claims	150,000	-	-	-	150,000
Deposits	589,932	-	-	-	589,932
Current portion of long-term debt	-	-	-	-	5,085,000
Total Current Liabilities	769,949	252,991	68	18,693	7,655,897
Noncurrent liabilities:					
Other post-retirement benefits payable	-	173,680	-	24,774	422,580
Long-term debt, net	-	-	-	-	8,830,000
Total Noncurrent Liabilities	-	173,680	-	24,774	9,252,580
Total Liabilities	769,949	426,670	68	43,467	16,908,477
Net Assets					
Invested in capital assets,					
net of related debt	-	11,657	-	-	14,638,064
Unrestricted	1,505,368	755,877	-	196,639	7,792,118
Total Net Assets	\$ 1,505,368	\$ 767,534	\$ -	\$ 196,639	\$ 22,430,182

City of Bend, Oregon

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

Internal Service Fund

For the fiscal year ended June 30, 2009

	<u>Garage Division</u>	<u>Information Technology Division</u>	<u>Facility Management Division</u>	<u>Engineering Division</u>	<u>Public Works Administration Division</u>
<u>Operating Revenues</u>					
Charges for services	\$ 2,227,213	\$ 1,817,422	\$ 93,189	\$ 1,131,002	\$ 1,902,476
Rental income					
Rental income from others	-	-	72,658	-	-
Rental income from other City funds	-	-	1,864,700	-	-
Insurance settlement and refunds	-	-	-	-	-
Miscellaneous	9,294	678	766	40	937
Total Operating Revenues	2,236,507	1,818,100	2,031,313	1,131,042	1,903,413
<u>Operating Expenses</u>					
Salaries and benefits	741,612	648,014	456,006	1,328,805	1,668,300
Materials and supplies	1,138,956	809,550	668,059	67,140	249,152
Internal services	352,900	118,863	183,286	264,590	370,801
Insurance premiums and claims	-	-	-	-	-
Depreciation	4,338	279,820	546,265	33,464	48,266
Total Operating Expenses	2,237,806	1,856,247	1,853,616	1,693,999	2,336,519
Operating income (loss)	(1,299)	(38,147)	177,697	(562,957)	(433,107)
<u>Nonoperating Revenues (Expenses)</u>					
Intergovernmental	-	-	3,122,701	-	-
Investment income	9,419	20,485	102,643	14,101	31,394
Interest expense	-	-	(578,048)	-	-
Amortization of bond issue costs	-	-	(19,438)	-	-
Gain (loss) on disposal of assets	-	-	(1,918)	2,050	1,050
Total Nonoperating Revenues (Expenses)	9,419	20,485	2,625,940	16,151	32,444
Income (loss) before contributions and transfers	8,120	(17,662)	2,803,637	(546,806)	(400,663)
<u>Contributions and Transfers</u>					
Capital contributions	-	-	-	-	162
Transfers in	-	-	155,000	485,000	-
Transfers out	-	(5,079)	(330,000)	-	-
Total Contributions and Transfers	-	(5,079)	(175,000)	485,000	162
Change in net assets	8,120	(22,741)	2,628,637	(61,806)	(400,501)
Net Assets, July 1, 2008	244,006	1,957,905	14,048,753	313,168	1,245,101
Net Assets, June 30, 2009	\$ 252,126	\$ 1,935,164	\$ 16,677,390	\$ 251,362	\$ 844,601

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, 2009

	Risk Management Division	Administration & Financial Services Division	Economic Development Administration Division	Community Development Administration Division	Total
<u>Operating Revenues</u>					
Charges for services	\$ 9,402,449	\$ 4,790,487	\$ 271,900	\$ 241,762	\$ 21,877,900
Rental income					
Rental income from others	-	-	-	-	72,658
Rental income from other City funds	-	-	-	-	1,864,700
Insurance settlement and refunds	18,470	-	-	-	18,470
Miscellaneous	-	39,605	52	182	51,553
Total Operating Revenues	9,420,919	4,830,092	271,952	241,944	23,885,281
<u>Operating Expenses</u>					
Salaries and benefits	-	3,425,327	264,349	576,953	9,109,366
Materials and supplies	-	1,071,256	67,288	26,029	4,097,430
Internal services	-	536,417	80,869	72,041	1,979,767
Insurance premiums and claims	9,336,596	-	-	-	9,336,596
Depreciation	-	5,181	-	-	917,334
Total Operating Expenses	9,336,596	5,038,181	412,506	675,023	25,440,493
Operating income (loss)	84,323	(208,089)	(140,554)	(433,079)	(1,555,213)
<u>Nonoperating Revenues (Expenses)</u>					
Intergovernmental	-	989	-	-	3,123,690
Investment income	50,280	25,864	2,056	11,678	267,920
Interest expense	-	-	-	-	(578,048)
Amortization of bond issue costs	-	-	-	-	(19,438)
Gain (loss) on disposal of assets	-	-	-	-	1,182
Total Nonoperating Revenues (Expenses)	50,280	26,853	2,056	11,678	2,795,306
Income (loss) before contributions and transfers	134,603	(181,236)	(138,498)	(421,401)	1,240,093
<u>Contributions and Transfers</u>					
Capital contributions	-	-	-	-	162
Transfers in	-	-	120,000	100,000	860,000
Transfers out	-	-	(69,283)	-	(404,362)
Total Contributions and Transfers	-	-	50,717	100,000	455,800
Change in net assets	134,603	(181,236)	(87,781)	(321,401)	1,695,893
Net Assets, July 1, 2008	1,370,765	948,770	87,781	518,040	20,734,289
Net Assets, June 30, 2009	\$ 1,505,368	\$ 767,534	\$ -	\$ 196,639	\$ 22,430,182

City of Bend, Oregon
Combining Statement of Cash Flows
Internal Service Fund
For the fiscal year ended June 30, 2009

	<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>Cash Flows from Operating Activities</u>					
Cash received from customers	\$ 9,782	\$ 678	\$ 73,424	\$ (557,148)	\$ 937
Cash received from interfund services provided	2,227,213	1,817,422	1,957,889	1,111,284	1,902,476
Cash paid to employees for services	(701,713)	(606,426)	(424,013)	(1,350,149)	(1,607,175)
Cash paid to suppliers for goods and services	(1,153,498)	(833,573)	(708,078)	(84,813)	(292,922)
Cash paid for interfund services used	(352,900)	(118,863)	(183,286)	(264,590)	(370,801)
Net Cash Provided (Used) By Operating Activities	28,884	259,239	715,935	(1,145,417)	(367,485)
<u>Cash Flows from Noncapital Financing Activities</u>					
Transfers from other funds	-	-	155,000	485,000	-
Transfers to other funds	-	(5,079)	(330,000)	-	-
Net Cash Provided By Noncapital Financing Activities	-	(5,079)	(175,000)	485,000	-
<u>Cash Flows from Capital and Related Financing Activities</u>					
Issuance of debt	-	-	560,000	-	-
Interest payments on notes, bonds, and certificates	-	-	(579,892)	-	-
Principal payments on notes, bonds, and certificates	-	-	(294,000)	-	-
Capital grants and contributions	-	-	2,532,528	-	-
Proceeds from sale of assets	-	-	292	2,050	1,050
Acquisition and construction of capital assets	-	(163,904)	(6,531,640)	-	(64,098)
Net Cash Provided (Used) By Capital and Related Financing Activities	-	(163,904)	(4,312,712)	2,050	(63,048)
<u>Cash Flows from Investing Activities</u>					
Investment income	9,419	20,484	102,641	14,100	31,394
Net Cash Provided By Investing Activities	9,419	20,484	102,641	14,100	31,394
Net change in pooled cash and investments	38,303	110,741	(3,669,136)	(644,267)	(399,139)
Pooled Cash and Investments, July 1, 2008	343,770	913,879	6,551,571	938,783	1,321,039
Pooled Cash and Investments, June 30, 2009	\$ 382,073	\$ 1,024,620	\$ 2,882,435	\$ 294,516	\$ 921,900

City of Bend, Oregon
Combining Statement of Cash Flows (Continued)
Internal Service Fund
For the fiscal year ended June 30, 2009

	Risk Management Division	Administration & Financial Services Division	Economic Development Administration Division	Community Development Administration Division	Total
<u>Cash Flows from Operating Activities</u>					
Cash received from customers	\$ 583,448	\$ 65,235	\$ 52	\$ 182	\$ 176,588
Cash received from interfund services provided	8,825,776	4,730,656	331,900	241,762	23,146,378
Cash paid to employees for services	-	(3,226,907)	(286,326)	(584,500)	(8,787,209)
Cash paid to suppliers for goods and services	(9,207,788)	(1,092,187)	(67,421)	(33,794)	(13,474,074)
Cash paid for interfund services used	-	(536,417)	(80,869)	(72,041)	(1,979,767)
Net Cash Provided (Used) By Operating Activities	201,436	(59,621)	(102,664)	(448,391)	(918,084)
<u>Cash Flows from Noncapital Financing Activities</u>					
Transfers from other funds	-	-	120,000	100,000	860,000
Transfers to other funds	-	-	(69,283)	-	(404,362)
Net Cash Provided By Noncapital Financing Activities	-	-	50,717	100,000	455,638
<u>Cash Flows from Capital and Related Financing Activities</u>					
Issuance of debt	-	-	-	-	560,000
Interest payments on notes, bonds, and certificates	-	-	-	-	(579,892)
Principal payments on notes, bonds, and certificates	-	-	-	-	(294,000)
Capital grants and contributions	-	-	-	-	2,532,528
Proceeds from sale of assets	-	-	-	-	3,392
Acquisition and construction of capital assets	-	-	-	-	(6,759,642)
Net Cash Provided (Used) By Capital and Related Financing Activities	-	-	-	-	(4,537,614)
<u>Cash Flows from Investing Activities</u>					
Investment income	50,280	25,864	2,056	11,678	267,918
Net Cash Provided By Investing Activities	50,280	25,864	2,056	11,678	267,918
 Net change in pooled cash and investments	 251,716	 (33,757)	 (49,891)	 (336,713)	 (4,732,142)
 Pooled Cash and Investments, July 1, 2008	 2,019,072	 1,158,835	 49,959	 576,818	 13,873,726
Pooled Cash and Investments, June 30, 2009	\$ 2,270,788	\$ 1,125,078	\$ 68	\$ 240,105	\$ 9,141,584

City of Bend, Oregon
Combining Statement of Cash Flows (Continued)
Internal Service Fund
For the fiscal year ended June 30, 2009

	<u>Garage Division</u>	<u>Information Technology Division</u>	<u>Facility Management Division</u>	<u>Engineering Division</u>	<u>Public Works Administration Division</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities					
Operating income (loss)	\$ (1,299)	\$ (38,147)	\$ 177,697	\$ (562,957)	\$ (433,107)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	4,338	279,820	546,265	33,464	48,266
Change in:					
Accounts receivable	488	-	-	-	-
Due from other funds	-	-	-	12,946	-
Inventories	6,576	-	-	-	-
Prepays and deposits	1,400	390	-	1,257	(4,762)
Accounts payable	(22,518)	(24,413)	(40,019)	(18,930)	(39,008)
Salaries and benefits payable	(1,096)	84	(158)	(11,020)	1,628
Other post-employment benefits	37,540	25,216	23,840	57,353	80,178
Compensated absences payable	3,455	16,289	8,310	(67,677)	(20,681)
Insurance claims payable	-	-	-	-	-
Prepays and deposits payable	-	-	-	(589,852)	-
Net Cash Provided (Used) By Operating Activities	\$ 28,884	\$ 259,239	\$ 715,935	\$ (1,145,417)	\$ (367,485)

Noncash Capital and Related Financing Activities

Acquisition of capital assets financed through accounts payable for the current year totaled \$246,870 in the Internal Service Funds. The net book value of capital assets contributed from other funds in the current year totaled \$162 in the Public Works Administration Division.

City of Bend, Oregon
Combining Statement of Cash Flows (Continued)
Internal Service Fund
For the fiscal year ended June 30, 2009

	<u>Risk Management Division</u>	<u>Administration & Financial Services Division</u>	<u>Development Administration Services Division</u>	<u>Community Development Administration Division</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities					
Operating income (loss)	\$ 84,323	\$ (208,089)	\$ (140,554)	\$ (433,079)	\$ (1,555,213)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	-	5,181	-	-	917,334
Change in:					
Accounts receivable	7,719	4,482	-	-	12,689
Due from other funds	-	(38,683)	60,000	-	34,263
Inventories	-	-	-	-	6,576
Prepays and deposits	-	(1,704)	-	-	(3,419)
Accounts payable	26,076	(19,227)	(133)	(7,765)	(145,936)
Salaries and benefits payable	-	339	(3,804)	7,538	(6,489)
Other post-employment benefits	-	173,680	-	24,774	422,580
Compensated absences payable	-	24,401	(18,173)	(39,858)	(93,934)
Insurance claims payable	102,732	-	-	-	102,732
Prepays and deposits payable	(19,414)	-	-	-	(609,266)
Net Cash Provided (Used) By Operating Activities	\$ 201,436	\$ (59,621)	\$ (102,664)	\$ (448,391)	\$ (918,084)

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
Revenues						
Charges for services:						
Charges to others	\$ 9,000	\$ 6,000	\$ 7,145	\$ -	\$ 7,145	\$ 1,145
Charges to other City funds	5,804,800	5,588,900	2,587,143	2,227,213	4,814,356	(774,544)
Investment income	6,500	3,800	11,329	9,419	20,748	16,948
Miscellaneous	17,800	17,800	5,968	9,294	15,262	(2,538)
Total Revenues	5,838,100	5,616,500	2,611,585	2,245,926	4,857,511	(758,989)
Expenditures						
Current:						
Personal services	1,424,262	1,416,033	684,965	704,072	1,389,037	26,996
Materials and services	3,472,500	3,305,229	1,416,969	1,138,956	2,555,925	749,304
Interfund charges	814,100	747,200	396,575	352,900	749,475	(2,275)
Contingency	147,638	168,438	-	-	-	168,438
Total Expenditures	5,858,500	5,636,900	2,498,509	2,195,928	4,694,437	942,463
Excess (deficiency) of revenues over expenditures	(20,400)	(20,400)	113,076	49,998	163,074	183,474
Beginning Fund Balance	20,400	20,400	130,672	243,748	130,672	110,272
Ending Fund Balance	\$ -	\$ -	\$ 243,748	\$ 293,746	\$ 293,746	\$ 293,746

Reconciliation of Budgetary basis to GAAP basis

Expenditures - Budgetary Basis	\$ 2,195,928
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	37,540
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	4,338
Expenses - GAAP Basis	<u><u>\$ 2,237,806</u></u>

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<u>Revenues</u>						
Charges to other City funds	\$ 4,839,400	\$ 5,008,500	\$ 2,346,096	\$ 2,232,435	\$ 4,578,531	\$ (429,969)
Investment income	17,800	12,200	28,121	20,485	48,606	36,406
Miscellaneous	4,100	4,100	1,045	678	1,723	(2,377)
Total Revenues	4,861,300	5,024,800	2,375,262	2,253,598	4,628,860	(395,940)
<u>Expenditures</u>						
Current:						
Personal services	1,537,905	1,387,557	611,966	622,798	1,234,764	152,793
Materials and services	2,219,860	1,999,008	738,800	809,550	1,548,350	450,658
Interfund charges	223,900	239,100	176,122	118,863	294,985	(55,885)
Capital outlay	1,145,500	1,692,100	720,150	610,872	1,331,022	361,078
Contingency	191,035	163,935	-	-	-	163,935
Total Expenditures	5,318,200	5,481,700	2,247,038	2,162,083	4,409,121	1,072,579
Excess (deficiency) of revenues over expenditures	(456,900)	(456,900)	128,224	91,515	219,739	676,639
<u>Other Financing Sources (Uses)</u>						
Proceeds from sale of assets	-	-	2,750	-	2,750	2,750
Transfers out	-	-	-	(5,079)	(5,079)	(5,079)
Total Other Financing Sources (Uses)	-	-	2,750	(5,079)	(2,329)	(2,329)
Net change in fund balance	(456,900)	(456,900)	130,974	86,436	217,410	674,310
Beginning Fund Balance	456,900	456,900	688,780	819,754	688,780	231,880
Ending Fund Balance	\$ -	\$ -	\$ 819,754	\$ 906,190	\$ 906,190	\$ 906,190

Reconciliation of Budgetary basis to GAAP basis

Revenues - Budgetary Basis	\$ 2,253,598
Transfers of capital assets reported as revenues on the budgetary basis are reported as assets on the GAAP basis	(415,013)
Revenues - GAAP Basis	\$ 1,838,585
Expenditures - Budgetary Basis	\$ 2,162,083
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	25,216
Capital outlay reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(610,872)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	279,820
Expenses - GAAP Basis	\$ 1,856,247

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
Revenues						
Intergovernmental	\$ 3,500,000	\$ 4,239,600	\$ 532,675	\$ 3,122,701	\$ 3,655,376	\$ (584,224)
Charges to other City funds	673,200	678,200	134,150	93,189	227,339	(450,861)
Rental income						
Rental income from others	-	72,656	-	72,658	72,658	2
Rental income from other City funds	4,748,700	4,694,900	2,723,276	1,864,700	4,587,976	(106,924)
Investment income	349,500	418,184	377,898	102,643	480,541	62,357
Miscellaneous	400	400	352	766	1,118	718
Total Revenues	9,271,800	10,103,940	3,768,351	5,256,657	9,025,008	(1,078,932)
Expenditures						
Current:						
Personal services	774,406	786,666	357,480	432,166	789,646	(2,980)
Materials and services	1,918,200	1,787,626	827,491	701,016	1,528,507	259,119
Interfund charges	333,400	471,107	181,387	183,286	364,673	106,434
Debt service	6,213,200	6,334,000	756,195	872,048	1,628,243	4,705,757
Capital outlay	10,088,850	12,823,129	3,909,598	6,344,974	10,254,572	2,568,557
Contingency	1,967,744	1,754,812	-	-	-	1,754,812
Construction reserves	500,000	200,000	-	-	-	200,000
Major maintenance reserves	219,400	110,200	-	-	-	110,200
Total Expenditures	22,015,200	24,267,540	6,032,151	8,533,490	14,565,641	9,701,899
Excess (deficiency) of revenues over expenditures	(12,743,400)	(14,163,600)	(2,263,800)	(3,276,833)	(5,540,633)	8,622,967
Other Financing Sources (Uses)						
Proceeds from short-term notes payable	-	-	-	560,000	560,000	560,000
Proceeds from sale of assets	5,500,000	6,220,000	-	292	292	(6,219,708)
Issuance of long-term debt	-	500,000	500,000	-	500,000	-
Premium on debt issuance	-	-	1,878	-	1,878	1,878
Transfers in	438,800	567,000	412,000	155,000	567,000	-
Transfers out	-	(330,000)	-	(330,000)	(330,000)	-
Total Other Financing Sources (Uses)	5,938,800	6,957,000	913,878	385,292	1,299,170	(5,657,830)
Net change in fund balance	(6,804,600)	(7,206,600)	(1,349,922)	(2,891,541)	(4,241,463)	2,965,137
Beginning Fund Balance	6,804,600	7,206,600	7,434,289	6,084,367	7,434,289	227,689
Ending Fund Balance	\$ -	\$ -	\$ 6,084,367	\$ 3,192,826	\$ 3,192,826	\$ 3,192,826

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, 2009

Reconciliation of Budgetary basis to GAAP basis

Expenditures - Budgetary Basis	\$ 8,533,490
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	23,840
Capital outlay reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(6,344,974)
Amortization of bond issue costs not reported on the budgetary basis are reported as an expense on the GAAP basis	19,438
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(294,000)
Bond issue costs reported as expenditures on the budgetary basis are reported as an asset on the GAAP basis	(32,957)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	546,265
Expenses - GAAP Basis	<u>\$ 2,451,102</u>
Other Financing Sources (Uses)- Budgetary Basis	\$ 385,292
Loss on disposal of asset reported as an expense on the GAAP basis	(2,210)
Proceeds from short term debt reported as as a liability on the GAAP basis	(560,000)
Other Financing Sources (Uses) - GAAP Basis	<u>\$ (176,918)</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, 2009

	<u>Biennium Budget</u>		<u>FY2007-08 Actual</u>	<u>FY2008-09 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Licenses and permits	\$ 188,000	\$ 89,500	\$ 30,540	\$ -	\$ 30,540	\$ (58,960)
Charges for services:						
Charges to others	6,586,900	1,794,800	1,734,287	32,664	1,766,951	(27,849)
Charges to other City funds	3,436,800	2,949,100	1,430,474	1,098,338	2,528,812	(420,288)
Investment income	26,400	13,500	53,143	14,101	67,244	53,744
Miscellaneous	2,000	2,000	302	40	342	(1,658)
Total Revenues	10,240,100	4,848,900	3,248,746	1,145,143	4,393,889	(455,011)
Expenditures						
Current:						
Personal services	6,925,400	4,149,631	2,772,414	1,271,452	4,043,866	105,765
Materials and services	857,844	478,113	235,563	67,140	302,703	175,410
Interfund charges	1,845,700	1,089,900	823,531	264,590	1,088,121	1,779
Capital Outlay	71,000	6,000	-	-	-	6,000
Contingency	681,756	3,056	-	-	-	3,056
Total Expenditures	10,381,700	5,726,700	3,831,508	1,603,182	5,434,690	292,010
Excess (deficiency) of revenues over expenditures	(141,600)	(877,800)	(582,762)	(458,039)	(1,040,801)	(163,001)
Other Financing Sources						
Proceeds from sale of assets	-	-	-	2,050	2,050	2,050
Transfers in	-	455,000	500,000	485,000	985,000	530,000
Total Other Financing	-	455,000	500,000	487,050	987,050	532,050
Net change in fund balance	(141,600)	(422,800)	(82,762)	29,011	(53,751)	369,049
Beginning Fund Balance	141,600	422,800	332,826	250,064	332,826	(89,974)
Ending Fund Balance	\$ -	\$ -	\$ 250,064	\$ 279,075	\$ 279,075	\$ 279,075

Reconciliation of Budgetary basis to GAAP basis

Expenditures - Budgetary Basis	\$ 1,603,182
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	57,353
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	33,464
Expenses - GAAP Basis	\$ 1,693,999

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
Revenues						
Charges to other City funds	\$ 5,905,800	\$ 5,044,300	\$ 2,818,900	\$ 1,902,476	\$ 4,721,376	\$ (322,924)
Investment income	28,200	32,900	51,580	31,394	82,974	50,074
Miscellaneous	3,500	3,500	1,218	937	2,155	(1,346)
Total Revenues	5,937,500	5,080,700	2,871,698	1,934,807	4,806,505	(274,196)
Expenditures						
Current:						
Personal services	4,121,999	3,531,332	1,592,025	1,588,122	3,180,147	351,185
Materials and services	953,210	946,843	363,991	235,135	599,126	347,717
Interfund charges	946,500	868,400	440,947	370,801	811,748	56,652
Capital outlay	121,000	122,000	-	77,161	77,161	44,839
Contingency	265,291	82,625	-	-	-	82,625
Total Expenditures	6,408,000	5,551,200	2,396,963	2,271,219	4,668,182	883,018
Excess (deficiency) of revenues over expenditures	(470,500)	(470,500)	474,735	(336,413)	138,323	608,823
Other Financing Sources						
Proceeds from sale of assets	-	-	1,150	1,050	2,200	2,200
Total Other Financing Sources	-	-	1,150	1,050	2,200	2,200
Net change in fund balance	(470,500)	(470,500)	475,885	(335,363)	140,523	611,023
Beginning Fund Balance	470,500	470,500	732,508	1,208,393	732,508	262,008
Ending Fund Balance	\$ -	\$ -	\$ 1,208,393	\$ 873,031	\$ 873,031	\$ 873,031

Reconciliation of Budgetary basis to GAAP basis

Revenues - Budgetary Basis	\$ 1,934,807
Contributions of capital assets not reported on the budgetary basis are reported as revenue on the GAAP basis	162
Revenues - GAAP Basis	\$ 1,934,969
Expenditures - Budgetary Basis	\$ 2,271,219
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	80,178
Capital assets contributed to another fund are not reported on the budgetary basis but are reported as contribution expense on the GAAP basis	14,017
Capital outlay reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(77,161)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	48,266
Expenses - GAAP Basis	\$ 2,336,519

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, 2009

	<u>Biennium Budget</u>		<u>FY2007-08</u> <u>Actual</u>	<u>FY2008-09</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Charges for services:						
Charges to others	\$ 1,950,491	\$ 1,237,400	\$ 1,144,225	\$ 576,673	\$ 1,720,898	\$ 483,498
Charges to other City funds	19,675,709	18,870,700	7,927,606	8,825,776	16,753,382	(2,117,318)
Insurance settlements and refunds	56,800	42,300	28,985	18,470	47,455	5,155
Investment income	196,600	140,700	70,334	50,280	120,614	(20,086)
Total Revenues	21,879,600	20,291,100	9,171,150	9,471,199	18,642,349	(1,648,751)
Expenditures						
Current:						
Materials and services	20,929,800	19,593,500	8,779,478	9,336,596	18,116,074	1,477,426
Contingency	200,000	396,200	-	-	-	396,200
Insurance reserves	2,420,400	1,972,000	-	-	-	1,972,000
Total Expenditures	23,550,200	21,961,700	8,779,478	9,336,596	18,116,074	3,845,626
Excess (deficiency) of revenues over expenditures	(1,670,600)	(1,670,600)	391,672	134,603	526,275	2,196,875
Beginning Fund Balance	1,670,600	1,670,600	1,567,614	1,959,286	1,567,614	(102,986)
Ending Fund Balance	\$ -	\$ -	\$ 1,959,286	\$ 2,093,889	\$ 2,093,889	\$ 2,093,889

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
Revenues						
Intergovernmental	\$ -	\$ -	\$ 4,011	\$ 989	\$ 5,000	\$ 5,000
Charges for services:						
Charges to others	161,800	188,000	55,072	59,831	114,903	(73,097)
Charges to other City funds	10,045,100	9,674,500	4,965,000	4,730,656	9,695,656	21,156
Investment income	25,700	26,800	36,402	25,864	62,266	35,466
Miscellaneous	3,600	3,600	2,007	39,605	41,612	38,012
Total Revenues	10,236,200	9,892,900	5,062,492	4,856,945	9,919,437	26,537
Expenditures						
Current:						
Personal services	6,362,690	6,495,695	2,874,977	3,251,648	6,126,625	369,070
Materials and services	2,535,834	2,524,229	1,157,989	1,071,256	2,229,245	294,984
Interfund charges	1,029,000	1,078,600	480,819	536,417	1,017,236	61,364
Contingency	582,776	68,476	-	-	-	68,476
Total Expenditures	10,510,300	10,167,000	4,513,785	4,859,321	9,373,106	793,894
Excess (deficiency) of revenues over expenditures	(274,100)	(274,100)	548,707	(2,376)	546,331	820,431
Beginning Fund Balance	274,100	274,100	446,723	995,430	446,723	172,623
Ending Fund Balance	\$ -	\$ -	\$ 995,430	\$ 993,054	\$ 993,054	\$ 993,054

Reconciliation of Budgetary basis to GAAP basis

Expenditures - Budgetary Basis	\$ 4,859,321
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	173,679
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	5,181
Expenses - GAAP Basis	\$ 5,038,181

City of Bend, Oregon

Economic Development Administration Division

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

For the fiscal year ended June 30, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
Revenues						
Licenses and permits	\$ -	\$ 300	\$ 1,000	\$ -	\$ 1,000	\$ 700
Charges to other City funds	820,600	825,800	402,736	271,900	674,636	(151,164)
Investment income	1,800	1,500	2,966	2,056	5,022	3,522
Miscellaneous	-	-	4	52	56	56
Total Revenues	822,400	827,600	406,706	274,008	680,714	(146,886)
Expenditures						
Current:						
Personal services	758,338	743,327	359,094	264,349	623,443	119,884
Materials and services	48,172	87,185	8,197	67,288	75,485	11,700
Interfund charges	149,500	160,700	78,247	80,869	159,116	1,584
Contingency	37,390	32,388	-	-	-	32,388
Total Expenditures	993,400	1,023,600	445,538	412,506	858,044	165,556
Excess (deficiency) of revenues over expenditures	(171,000)	(196,000)	(38,832)	(138,498)	(177,330)	18,670
Other Financing Sources (Uses)						
Transfers in	170,000	195,000	75,000	120,000	195,000	-
Transfers out	-	(87,800)	-	(69,283)	(69,283)	18,517
Total Other Financing Sources (Uses)	170,000	107,200	75,000	50,717	125,717	18,517
Net change in fund balance	(1,000)	(88,800)	36,168	(87,781)	(51,613)	37,187
Beginning Fund Balance	1,000	88,800	51,613	87,781	51,613	(37,187)
Ending Fund Balance	\$ -	\$ -	\$ 87,781	\$ -	\$ -	\$ -

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, 2009

	<u>Biennium Budget</u>		FY2007-08 <u>Actual</u>	FY2008-09 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<u>Revenues</u>						
Charges for services:						
Charges to others	\$ 375,200	\$ 258,100	\$ 177,519	\$ 140,162	\$ 317,681	\$ 59,581
Charges to other City funds	2,546,200	1,211,000	934,400	101,600	1,036,000	(175,000)
Investment income	1,000	9,000	18,277	11,678	29,955	20,955
Miscellaneous	-	-	1,549	182	1,731	1,731
Total Revenues	2,922,400	1,478,100	1,131,745	253,622	1,385,367	(92,733)
<u>Expenditures</u>						
Current:						
Personal services	1,909,095	1,382,931	806,513	552,179	1,358,692	24,239
Materials and services	615,116	130,680	60,766	26,029	86,795	43,885
Interfund charges	347,800	203,100	136,154	72,041	208,195	(5,095)
Contingency	357,189	82,089	-	-	-	82,089
Total Expenditures	3,229,200	1,798,800	1,003,433	650,249	1,653,682	145,118
Excess (deficiency) of revenues over expenditures	(306,800)	(320,700)	128,312	(396,627)	(268,315)	52,385
<u>Other Financing Sources</u>						
Transfers in	284,300	298,200	198,200	100,000	298,200	-
Total Other Financing Sources	284,300	298,200	198,200	100,000	298,200	-
Net change in fund balance	(22,500)	(22,500)	326,512	(296,627)	29,885	52,385
Beginning Fund Balance	22,500	22,500	191,528	518,040	191,528	169,028
Ending Fund Balance	\$ -	\$ -	\$ 518,040	\$ 221,413	\$ 221,413	\$ 221,413

Reconciliation of Budgetary basis to GAAP basis

Expenditures - Budgetary Basis	\$ 650,249
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	24,774
Expenses - GAAP Basis	\$ 675,023

City of Bend, Oregon
Internal Service Fund
 Schedule of Expenditures by Appropriation Levels
 For the fiscal year ended June 30, 2009

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
Garage division	\$ 5,468,462	\$ 4,694,437	\$ 774,025
Information technology division	5,317,765	4,409,121	908,644
Facility management division	22,532,528	14,895,641	7,636,887
Engineering division	5,723,644	5,434,690	288,954
Public works administration division	5,468,575	4,668,182	800,393
Risk management division	19,593,500	18,116,074	1,477,426
Administration and financial services division	10,098,524	9,373,106	725,418
Economic development administration division	1,079,012	858,044	220,968
Community development administration division	1,716,711	1,653,682	63,029
Contingency	2,752,019	-	2,752,019
Other requirements	2,282,200	-	2,282,200
	\$ 82,032,940	\$ 64,102,977	\$ 17,929,963

AGENCY FUND

Agency Fund

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

City of Bend, Oregon

Statement of Changes in Assets and Liabilities

Agency Fund

For the fiscal year ended June 30, 2009

	Balance				Balance			
	July 1, 2008		Additions	Deductions	June 30, 2009			
Assets								
Cash and investments	\$	112,310	\$	1,085,761	\$	(1,136,720)	\$	61,352
Accounts receivable, net		5		336		(336)		5
Total Assets	\$	112,315	\$	1,086,097	\$	(1,137,055)	\$	61,357
Liabilities								
Amounts held for others	\$	112,315	\$	658,587	\$	(709,545)	\$	61,357
Total Liabilities	\$	112,315	\$	658,587	\$	(709,545)	\$	61,357

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OTHER FINANCIAL SCHEDULES

City of Bend, Oregon
Schedule of Property Tax Transactions
 For the fiscal year ended June 30, 2009

<u>Fiscal Year</u>	<u>Uncollected Balances July 1, 2008</u>	<u>Current Year's Levy</u>	<u>Adjustments, Interest and Discounts</u>	<u>Net Collections</u>	<u>Uncollected Balances June 30, 2009</u>
Prior	\$ 247	\$ -	\$ 31	\$ -	\$ 277
1998-99	113	-	2	-	115
1999-00	188	-	6	(11)	183
2000-01	1,138	-	7	(17)	1,128
2001-02	1,571	-	51	(222)	1,400
2002-03	3,332	-	104	(1,222)	2,214
2003-04	3,659	-	187	(2,807)	1,039
2004-05	28,443	-	2,491	(25,727)	5,207
2005-06	62,344	-	4,867	(37,417)	29,794
2006-07	236,591	-	10,240	(161,951)	84,880
2007-08	1,178,827	-	(2,504)	(771,064)	405,259
2008-09	-	24,715,318	(611,625)	(22,490,560)	1,613,133
Totals	\$ 1,516,453	\$ 24,715,318	\$ (596,143)	\$ (23,490,998)	\$ 2,144,627

Reconciliation to revenues:

Collections	\$ 23,490,998
Change in 60 day collections	49,954
Adjustments, interest and discounts	596,143
Other	2,721
Total Property Tax Revenues	\$ 24,139,816

Summary by fund:

	<u>Revenues</u>	<u>Property Tax Receivable</u>
General Fund	\$ 21,036,289	\$ 1,870,926
Urban Renewal Debt Service Fund	2,915,793	258,001
Juniper Ridge Urban Renewal Debt Service Fund	187,734	15,700
Totals	\$ 24,139,816	\$ 2,144,627

City of Bend, Oregon

Schedule of Long-Term Debt Transactions - Principal

For the fiscal year ended June 30, 2009

<u>Series</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Unmatured and Outstanding July 1, 2008</u>	<u>Bonds Issued</u>	<u>Bonds Called and Matured</u>	<u>Unmatured and Outstanding June 30, 2009</u>
<u>Limited Tax Improvement Bonds:</u>							
Series 2003	01/10/03	12/01/12	1,322,000	261,000	-	(97,000)	164,000
Total Limited Tax Improvement				261,000	-	(97,000)	164,000
<u>Full Faith & Credit Obligation Bonds:</u>							
Fire stations, series 1999	05/01/99	06/01/24	4,275,000	3,365,000	-	(140,000)	3,225,000
Transportation system, series 2000	09/01/00	09/01/20	6,000,000	4,525,000	-	(250,000)	4,275,000
Police facility and street equipment, series 2002	06/01/02	12/01/26	7,130,000	5,845,000	-	(285,000)	5,560,000
Transportation system and fire, series 2003	04/01/03	12/01/22	13,050,800	9,701,600	-	(545,100)	9,156,500
Pension obligation bonds, series 2004	05/27/04	06/01/28	13,725,000	13,725,000	-	(50,000)	13,675,000
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	4,950,000	-	(225,000)	4,725,000
Police, cooley rd, and fire equipment, series 2008	02/14/08	12/01/27	4,425,000	4,425,000	-	(40,000)	4,385,000
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	260,000	-	(30,000)	230,000
Airport, series 1999C	06/01/99	06/01/09	470,000	35,000	-	(35,000)	-
Airport, series 2003	04/01/03	12/01/13	279,200	163,400	-	(24,900)	138,500
Stormwater equipment, series 2008	02/14/08	12/01/12	275,000	275,000	-	(50,000)	225,000
Total Full Faith & Credit Obligation Bonds				52,890,000	-	(1,675,000)	51,215,000
<u>Tax Increment Bonds</u>							
Urban renewal advance refunding bonds series 1998	11/01/98	06/01/18	7,485,000	4,520,000	-	(365,000)	4,155,000
Series 2004A	06/21/04	11/30/13	3,600,000	1,175,000	-	(990,000)	185,000
Series 2004B	06/21/04	12/01/13	6,900,000	6,900,000	-	-	6,900,000
Total Tax Increment Bonds				12,595,000	-	(1,355,000)	11,240,000
<u>Revenue Bonds:</u>							
Water, series 2000	10/01/00	10/01/20	4,000,000	3,010,000	-	(170,000)	2,840,000
Water reclamation, Series 2000	10/01/00	10/01/10	7,000,000	930,000	-	(295,000)	635,000
Water reclamation, Series 2002	11/15/02	11/01/22	5,500,000	4,485,000	-	(220,000)	4,265,000
Water reclamation, Series 2005	09/29/05	11/01/20	7,585,000	7,225,000	-	(275,000)	6,950,000
Water reclamation, Series 2008	08/14/08	10/31/28	10,000,000	-	10,000,000	-	10,000,000
Total Revenue Bonds				15,650,000	10,000,000	(960,000)	24,690,000
<u>Notes Payable:</u>							
Oregon Economic & Community Development Department:							
Pacific aviation composites	10/15/97	12/01/17	655,000	508,319	-	(36,732)	471,587
Woodriver village sewer	01/23/02	01/01/22	300,000	228,961	-	(12,068)	216,893
Airport eastside improvements	05/01/07	12/01/31	867,335	849,696	-	(23,660)	826,036
Total Notes Payable				1,586,976	-	(72,460)	1,514,516
<u>Lines of Credit</u>							
Bank of America							
Juniper ridge	06/19/08	06/19/10	2,500,000	2,500,000	2,700,000	-	5,200,000
Total Lines of Credit				2,500,000	2,700,000	-	5,200,000
Total Long-Term Debt				\$ 85,482,976	\$ 12,700,000	\$ (4,159,460)	\$ 94,023,516

City of Bend, Oregon

Schedule of Long-Term Debt Transactions - Interest

For the fiscal year ended June 30, 2009

<u>Series</u>	<u>Interest Rates on Outstanding Balances</u>	<u>Unmatured and Outstanding July 1, 2008</u>	<u>Bonds Issued</u>	<u>Coupons Called and Matured</u>	<u>Unmatured and Outstanding June 30, 2009</u>
<u>Limited Tax Improvement Bonds:</u>					
Series 2003	5.00%	20,550	-	(11,875)	8,675
Total Limited Tax Improvement		20,550	-	(11,875)	8,675
<u>Full Faith & Credit Obligation Bonds:</u>					
Fire stations, series 1999	3.80% - 4.85%	1,547,311	-	(158,108)	1,389,204
Transportation system, series 2000	4.35% - 5.30%	1,711,468	-	(229,065)	1,482,403
Police facility and street equipment, series 2002	4.00% - 5.00%	3,070,764	-	(268,614)	2,802,150
Transportation system, and fire, series 2003	2.00% - 4.50%	3,220,903	-	(355,537)	2,865,366
Pension obligation bonds, series 2004	2.13% - 6.095%	11,862,948	-	(820,741)	11,042,207
City hall land, series 2005	3.59%	325,040	-	(162,520)	162,520
Police expansion/ambulance, series 2006	3.75% - 6.00%	2,237,239	-	(199,640)	2,037,599
Police, cooley rd, and fire equipment, series 2008	3.00% - 4.25%	1,964,355	-	(203,212)	1,761,143
Airport, series 1999A	5.25% - 5.30%	374,384	-	(44,315)	330,069
Airport, series 1999B	5.38%	40,581	-	(13,975)	26,606
Airport, series 1999C	6.45% - 7.40%	2,590	-	(2,590)	-
Airport, series 2003	2.00% - 3.70%	18,002	-	(5,279)	12,723
Stormwater equipment, series 2008	3.00%	23,677	-	(9,952)	13,725
Total Full Faith & Credit Obligation Bonds		26,399,262	-	(2,473,547)	23,925,715
<u>Tax Increment Bonds</u>					
Urban renewal advance refunding bonds series 1998	3.75% - 4.85%	1,245,703	-	(206,835)	1,038,868
Series 2004A	5.00%	88,765	-	(33,368)	55,398
Series 2004B	4.25%	1,057,623	-	(293,883)	763,741
Total Tax Increment Bonds		2,392,091	-	(534,085)	1,858,006
<u>Revenue Bonds:</u>					
Water, series 2000	4.40% - 5.38%	1,152,684	-	(152,354)	1,000,330
Water reclamation, Series 2000	4.40% - 5.38%	67,947	-	(37,184)	30,763
Water reclamation, Series 2002	1.77% - 5.04%	1,712,956	-	(190,111)	1,522,845
Water reclamation, Series 2005	3.00% - 4.00%	1,845,986	-	(245,855)	1,600,131
Water reclamation, Series 2008	3.50% - 4.50%	-	4,892,304	(288,795)	4,603,509
Total Revenue Bonds		4,779,573	4,892,304	(914,299)	8,757,578
<u>Notes Payable:</u>					
Oregon Economic & Community Development Department:					
Pacific Aviation Composites	5.01%	154,176	-	(25,450)	128,726
Woodriver Village sewer	3.00% - 5.00%	90,896	-	(10,684)	80,212
Airport Eastside Improvements	4.00% - 4.375%	523,192	-	(35,813)	487,379
Total Notes Payable		768,264	-	(71,947)	696,317
<u>Lines of Credit</u>					
Bank of America					
Juniper Ridge	variable	146,466	-	(73,234)	73,233
Total Lines of Credit		146,466	-	(73,234)	73,233
Total Long-Term Debt		\$ 34,506,206	\$ 4,892,304	\$ (4,078,987)	\$ 35,319,523

City of Bend, Oregon

Schedule of Future Debt Service Requirements of Limited Tax Improvement Bonds

For the fiscal year ended June 30, 2009

Series 2003			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009-10	\$ 103,000	\$ 6,950	109,950
2010-11	61,000	1,725	62,725
	<u>\$ 164,000</u>	<u>\$ 8,675</u>	<u>\$ 172,675</u>

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

For the fiscal year ended June 30, 2009

<u>Fiscal Year</u>	<u>Total Requirements</u>			<u>Airport Series 1999</u>		<u>Fire Stations Series 1999</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009-10	\$ 6,465,000	\$ 2,376,479	\$ 8,841,479	\$ 70,000	\$ 56,677	\$ 145,000	\$ 152,227
2010-11	1,955,000	2,140,800	4,095,800	70,000	52,915	155,000	146,065
2011-12	2,070,000	2,059,987	4,129,987	75,000	49,152	160,000	139,400
2012-13	2,215,000	1,975,794	4,190,794	85,000	45,121	170,000	132,360
2013-14	2,205,000	1,885,157	4,090,157	85,000	40,640	180,000	124,795
2014-15	2,330,000	1,789,455	4,119,455	125,000	36,177	185,000	116,605
2015-16	2,460,000	1,684,447	4,144,447	130,000	29,615	200,000	107,725
2016-17	2,620,000	1,567,203	4,187,203	135,000	22,790	210,000	98,125
2017-18	2,645,000	1,443,309	4,088,309	145,000	15,635	220,000	88,045
2018-19	2,825,000	1,314,886	4,139,886	150,000	7,953	230,000	77,485
2019-20	2,885,000	1,174,891	4,059,891	-	-	245,000	66,445
2020-21	3,080,000	1,030,508	4,110,508	-	-	260,000	54,562
2021-22	2,825,000	886,505	3,711,505	-	-	275,000	41,952
2022-23	2,965,000	744,156	3,709,156	-	-	285,000	28,615
2023-24	2,320,000	611,376	2,931,376	-	-	305,000	14,798
2024-25	2,200,000	485,598	2,685,598	-	-	-	-
2025-26	2,395,000	363,776	2,758,776	-	-	-	-
2026-27	2,610,000	230,216	2,840,216	-	-	-	-
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	4,228	209,228	-	-	-	-
	\$ 51,215,000	\$ 23,925,715	\$ 75,140,715	\$ 1,070,000	\$ 356,675	\$ 3,225,000	\$ 1,389,204

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

For the fiscal year ended June 30, 2009

Fiscal Year	Transportation System Series 2000		Police Facility and Street Equipment Series 2002		Transportation System, Fire, Airport and Street Equipment Series 2003	
	Principal	Interest	Principal	Interest	Principal	Interest
2009-10	\$ 265,000	\$ 216,027	\$ 200,000	\$ 258,913	\$ 585,000	\$ 360,068
2010-11	280,000	201,040	210,000	250,713	610,000	339,093
2011-12	295,000	186,260	220,000	241,976	630,000	316,656
2012-13	305,000	171,707	230,000	232,695	655,000	294,956
2013-14	325,000	156,110	240,000	222,701	595,000	272,486
2014-15	340,000	139,315	250,000	211,982	580,000	250,603
2015-16	360,000	121,105	260,000	200,663	605,000	228,006
2016-17	375,000	101,627	275,000	188,454	620,000	203,885
2017-18	400,000	81,090	290,000	175,207	650,000	178,160
2018-19	420,000	59,360	305,000	161,000	680,000	150,555
2019-20	445,000	36,437	320,000	145,840	720,000	120,975
2020-21	465,000	12,325	335,000	129,625	750,000	89,175
2021-22	-	-	355,000	112,375	790,000	54,900
2022-23	-	-	370,000	94,250	825,000	18,571
2023-24	-	-	390,000	75,250	-	-
2024-25	-	-	415,000	55,125	-	-
2025-26	-	-	435,000	33,875	-	-
2026-27	-	-	460,000	11,506	-	-
2027-28	-	-	-	-	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
	\$ 4,275,000	\$ 1,482,403	\$ 5,560,000	\$ 2,802,150	\$ 9,295,000	\$ 2,878,089

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

For the fiscal year ended June 30, 2009

<u>Fiscal Year</u>	<u>Pension Obligation Bonds</u> <u>Series 2004</u>		<u>Land</u> <u>Series 2005</u>		<u>Police Facility</u> <u>Expansion/Ambulance</u> <u>Series 2006</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009-10	\$ 85,000	\$ 818,443	\$ 4,780,000	\$ 162,520	\$ 235,000	\$ 190,440
2010-11	130,000	814,270	-	-	240,000	180,940
2011-12	175,000	807,514	-	-	250,000	171,140
2012-13	230,000	798,326	-	-	265,000	160,840
2013-14	285,000	786,021	-	-	275,000	150,040
2014-15	345,000	770,144	-	-	280,000	138,940
2015-16	410,000	750,579	-	-	295,000	127,440
2016-17	485,000	726,918	-	-	310,000	112,240
2017-18	565,000	698,443	-	-	160,000	99,940
2018-19	650,000	664,877	-	-	170,000	93,668
2019-20	750,000	625,779	-	-	175,000	87,026
2020-21	850,000	580,667	-	-	185,000	80,050
2021-22	965,000	529,539	-	-	190,000	72,738
2022-23	1,085,000	471,495	-	-	140,000	66,268
2023-24	1,215,000	406,232	-	-	145,000	60,639
2024-25	1,360,000	332,178	-	-	150,000	54,775
2025-26	1,515,000	249,286	-	-	160,000	48,575
2026-27	1,680,000	156,946	-	-	165,000	41,972
2027-28	895,000	54,550	-	-	170,000	35,062
2028-29	-	-	-	-	180,000	27,844
2029-30	-	-	-	-	185,000	20,316
2030-31	-	-	-	-	195,000	12,478
2031-32	-	-	-	-	205,000	4,228
	\$ 13,675,000	\$ 11,042,207	\$ 4,780,000	\$ 162,520	\$ 4,725,000	\$ 2,037,599

City of Bend, Oregon

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

For the fiscal year ended June 30, 2009

**Police Facility, Cooley Rd, Water
and Stormwater Equipment
Series 2008**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2009-10	\$ 100,000	\$ 161,164
2010-11	260,000	155,764
2011-12	265,000	147,889
2012-13	275,000	139,789
2013-14	220,000	132,364
2014-15	225,000	125,689
2015-16	200,000	119,314
2016-17	210,000	113,164
2017-18	215,000	106,789
2018-19	220,000	99,988
2019-20	230,000	92,389
2020-21	235,000	84,104
2021-22	250,000	75,001
2022-23	260,000	64,957
2023-24	265,000	54,457
2024-25	275,000	43,520
2025-26	285,000	32,040
2026-27	305,000	19,792
2027-28	315,000	6,694
2028-29	-	-
2029-30	-	-
2030-31	-	-
2031-32	-	-
	\$ 4,610,000	\$ 1,774,868

City of Bend, Oregon

Schedule of Future Debt Service Requirements of Tax Increment Bonds

For the fiscal year ended June 30, 2009

Bend Urban Renewal Agency

Fiscal Year	Total Requirements			Series 1998		Series 2004	
	Principal	Interest	Total	Principal	Interest	Principal	Interest
2009-10	1,510,000	469,588	1,979,588	385,000	191,688	1,125,000	277,900
2010-11	1,650,000	402,063	2,052,063	400,000	175,325	1,250,000	226,738
2011-12	1,820,000	328,350	2,148,350	420,000	157,925	1,400,000	170,425
2012-13	2,010,000	246,651	2,256,651	435,000	139,445	1,575,000	107,206
2013-14	2,190,000	156,739	2,346,739	455,000	119,870	1,735,000	36,869
2014-15	480,000	98,940	578,940	480,000	98,940	-	-
2015-16	500,000	76,380	576,380	500,000	76,380	-	-
2016-17	525,000	52,380	577,380	525,000	52,380	-	-
2017-18	555,000	26,915	581,915	555,000	26,915	-	-
	\$ 11,240,000	\$ 1,858,006	\$ 13,098,006	\$ 4,155,000	\$ 1,038,868	\$ 7,085,000	\$ 819,138

Schedule of Future Debt Service Requirements of Revenue Bonds

For the fiscal year ended June 30, 2009

<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>
2009-10	\$ 1,335,000	\$ 985,719	\$ 2,320,719	\$ 175,000	\$ 144,245
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	8,335
2021-22	925,000	220,041	1,145,041	-	-
2022-23	965,000	179,518	1,144,518	-	-
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	15,194	730,194	-	-
	\$ 24,690,000	\$ 8,757,578	\$ 33,447,578	\$ 2,840,000	\$ 1,000,330

<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>
2009-10	\$ 310,000	\$ 22,963	\$ 230,000	\$ 183,218	\$ 285,000	\$ 237,455	\$ 335,000	\$ 397,838
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	10,500	520,000	213,100
2021-22	-	-	385,000	28,141	-	-	540,000	191,900
2022-23	-	-	405,000	9,618	-	-	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	15,194

City of Bend, Oregon

Schedule of Future Debt Service Requirements of Notes Payable

For the fiscal year ended June 30, 2009

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
	2009-10	77,972	68,773	146,745	42,016	23,705	12,150	10,201	23,806
2010-11	78,526	65,222	143,748	42,330	21,605	12,238	9,703	23,958	33,914
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	34,626	149,245	66,357	3,384	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	2,378	56,729	-	-	-	-	54,351	2,378
	\$ 1,514,516	\$ 696,317	\$ 2,210,833	\$ 471,587	\$ 128,726	\$ 216,893	\$ 80,212	\$ 826,036	\$ 487,379

City of Bend, Oregon

Schedule of Future Debt Service Requirements of Lines of Credit

For the fiscal year ended June 30, 2009

Bank of America

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009-10	\$ 5,200,000	\$ 73,233	5,273,233
	\$ 5,200,000	\$ 73,233	\$ 5,273,233

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 147 to 153)

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 154 to 157)

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

Debt Capacity (pages 158 to 163)

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 164 to 166)

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 167 to 169)

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 six fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>Governmental activities</u>							
Invested in capital assets, net of related debt	\$ 173,115	\$ 199,118	\$ 201,948	\$ 228,481	\$ 501,420	\$ 491,487	\$ 493,230
Restricted	3,818	3,006	4,031	4,405	5,522	6,782	13,119
Unrestricted	28,834	13,632	29,622	28,248	35,884	29,912	20,823
Total Governmental Activities Net Assets	205,767	215,756	235,601	261,134	542,826	528,181	527,172
<u>Business-type activities</u>							
Invested in capital assets, net of related debt	104,973	113,133	131,031	155,014	186,218	237,030	237,706
Restricted	1,732	1,381	1,207	844	844	844	844
Unrestricted	10,360	12,082	16,400	11,905	10,028	8,329	20,638
Total Business-type Activities Net Assets	117,065	126,596	148,638	167,763	197,090	246,203	259,188
<u>Primary government</u>							
Invested in capital assets, net of related debt	278,088	312,251	332,979	383,495	687,638	728,517	730,935
Restricted	5,550	4,387	5,238	5,249	6,366	7,626	13,963
Unrestricted	39,194	25,714	46,022	40,153	45,912	38,241	41,461
Total Primary Government Net Assets	\$ 322,832	\$ 342,352	\$ 384,239	\$ 428,897	\$ 739,916	\$ 774,384	\$ 786,360

City of Bend, Oregon
Changes in Net Assets

Last six fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses							
Governmental activities:							
General government	\$ 9,020	\$ 10,305	\$ 10,706	\$ 12,177	\$ 14,010	\$ 15,155	\$ 17,159
Public safety	16,989	18,646	20,007	22,447	24,178	26,176	27,812
Public ways and facilities	5,498	7,716	7,624	9,030	11,679	16,928	15,691
Community and economic development	4,143	5,061	6,527	7,854	8,673	8,728	8,087
Urban renewal	747	797	578	640	302	585	1,841
Transit	921	1,245	1,622	1,513	1,854	1,902	1,941
Interest on long-term debt	1,408	1,729	2,875	2,864	2,936	2,909	2,373
Total Governmental Activities Expenses	38,726	45,499	49,939	56,525	63,632	72,383	74,904
Business-type activities:							
Water	7,291	8,811	8,082	8,960	11,519	9,776	10,690
Water reclamation	6,864	7,390	7,580	8,380	10,250	10,184	10,844
Airport	419	428	516	675	690	733	731
Cemetery	131	135	140	167	151	182	141
Downtown parking	226	267	348	502	744	816	881
Stormwater	-	-	-	178	222	1,378	1,744
Other business activities	357	-	-	-	-	-	-
Total Business-type Activities Expenses	15,288	17,032	16,666	18,862	23,576	23,069	25,032
Total Primary Government Expenses	\$ 54,014	\$ 62,531	\$ 66,605	\$ 75,387	\$ 87,208	\$ 95,452	\$ 99,936

Program Revenues

Governmental activities:

Charges for services:

General government	\$ 3,681	\$ 4,683	\$ 5,032	\$ 5,678	\$ 5,875	\$ 7,599	\$ 7,064
Public safety	1,939	2,130	2,713	3,265	4,303	4,057	3,396
Public ways and facilities	2,460	2,724	2,607	3,204	3,165	2,761	1,368
Community and economic development	4,276	4,997	6,896	8,110	8,177	7,869	5,282
Urban renewal	106	108	67	71	64	98	1,611
Transit	78	76	257	110	208	172	234
Operating grants and contributions	6,223	7,897	8,019	8,966	10,219	9,372	9,209
Capital grants and contributions	15,472	10,098	19,179	22,513	17,014	16,641	11,208
Total Governmental Activities Program Revenues	34,235	32,713	44,770	51,917	49,025	48,569	39,373

Business-type activities:

Charges for services:

Water	6,818	8,079	8,767	10,405	10,676	11,012	12,020
Water reclamation	5,928	6,594	7,824	8,718	9,099	10,206	12,393
Airport	318	449	467	557	702	684	700
Cemetery	135	114	153	92	111	102	69
Downtown parking	222	313	325	328	387	610	606
Stormwater	-	-	-	-	0	2,458	2,405
Other business activities	357	-	-	-	-	-	-
Capital grants and contributions	6,051	10,847	20,758	17,867	20,148	16,373	9,282
Total Business-type Activities Program Revenues	19,829	26,397	38,294	37,967	41,123	41,446	37,475
Total Primary Government Program Revenues	\$ 54,064	\$ 59,110	\$ 83,064	\$ 89,884	\$ 90,148	\$ 90,015	\$ 76,848

Net Revenues (Expenses)

Governmental activities	\$ (4,491)	\$ (12,786)	\$ (5,169)	\$ (4,608)	\$ (14,607)	\$ (23,814)	\$ (35,532)
Business-type activities	4,540	9,365	21,628	19,105	21,203	18,378	12,443
Total Primary Government Net Revenues (Expenses)	\$ 49	\$ (3,421)	\$ 16,459	\$ 14,497	\$ 6,596	\$ (5,436)	\$ (23,088)

City of Bend, Oregon

Changes in Net Assets (Continued)

Last six fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Property taxes	\$ 13,760	\$ 15,079	\$ 16,701	\$ 18,563	\$ 20,752	\$ 22,656	\$ 24,140
Transient room taxes	2,120	2,502	2,799	3,107	3,303	3,427	2,938
Franchise fees	3,635	3,735	4,283	5,018	5,644	6,158	6,386
Unrestricted investment income	657	367	1,169	1,799	2,245	2,204	968
Other revenues	720	1,092	107	688	1,029	3,976	-
Transfers	(2,158)	-	(45)	966	(9,980)	(29,253)	91
Total Governmental Activities	18,734	22,775	25,014	30,141	22,993	9,168	34,523
Business-type activities:							
Franchise fees	-	-	-	175	556	604	-
Unrestricted investment income	445	166	368	811	1,243	853	626
Other revenues	-	-	-	-	-	27	5
Transfers	2,158	-	45	(966)	9,980	29,253	(91)
Total Business-type Activities	2,603	166	413	20	11,779	30,737	541
Total Primary Government	\$ 21,337	\$ 22,941	\$ 25,427	\$ 30,161	\$ 34,772	\$ 39,905	\$ 35,063
Change in Net Assets							
Governmental activities	\$ 14,243	\$ 9,989	\$ 19,845	\$ 25,533	\$ 8,386	\$ (14,646)	\$ (1,009)
Business-type activities	7,143	9,531	22,041	19,125	29,327	49,114	12,984
Total Primary Government	\$ 21,386	\$ 19,520	\$ 41,886	\$ 44,658	\$ 41,368	\$ 34,469	\$ 11,975

City of Bend, Oregon

Fund Balance, Governmental Funds

Last ten fiscal years

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>General Fund</u>					
Reserved	\$ 250	\$ 250	\$ 560	\$ 220	\$ 270
Unreserved	3,533	4,364	3,976	4,906	6,240
Total General Fund	\$ 3,783	\$ 4,614	\$ 4,536	\$ 5,126	\$ 6,510

All Other Governmental Funds

Reserved for:					
Debt service	\$ 1,270	\$ 106	\$ 90	\$ 3,818	\$ 3,006
Loans and notes	1,073	-	-	2,013	119
Construction	-	-	-	-	-
Building Program	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	6,066	13,851	8,374	11,535	12,786
Capital projects funds	2,856	(1,518)	(1,173)	6	10,599
Total All Other Governmental Funds	\$ 11,265	\$ 12,439	\$ 7,291	\$ 17,372	\$ 26,510

City of Bend, Oregon

Fund Balance, Governmental Funds (Continued)

Last ten fiscal years

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

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

All Other Governmental Funds

Reserved for:					
Debt service	\$ 4,031	\$ 4,405	\$ 5,522	\$ 6,782	\$ 7,893
Loans and notes	119	49	-	-	967
Construction	-	-	-	-	4,271
Building Program	-	-	-	-	955
Unreserved, reported in:					
Special revenue funds	15,077	14,213	15,833	7,659	5,123
Capital projects funds	7,535	304	(1,312)	5,139	-
Total All Other Governmental Funds	\$ 26,762	\$ 18,971	\$ 20,043	\$ 19,580	\$ 19,210

City of Bend, Oregon

Changes in Fund Balance, Governmental Funds

Last ten fiscal years

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Revenues					
Taxes	\$ 11,532	\$ 13,171	\$ 14,461	\$ 15,888	\$ 17,635
Franchise fees	2,913	3,625	3,561	3,635	3,735
Intergovernmental	5,661	7,068	7,013	7,156	8,308
Assessments	301	119	117	3,856	669
License and permits	2,300	2,155	2,440	2,929	3,796
Charges for services	3,915	3,900	4,776	3,215	3,174
System development charges	1,656	3,489	3,472	4,202	5,388
Contributions	-	-	-	-	-
Fines and forfeitures	465	475	508	492	616
Loan repayments	-	-	-	-	-
Investment income	1,023	1,212	763	518	317
Issuance of short-term debt	2,500	1,450	-	-	2,000
Miscellaneous	919	505	547	830	641
Total Revenues	33,185	37,169	37,658	42,721	46,279
Expenditures					
General government	2,335	477	201	902	362
Public safety	13,162	14,957	16,636	18,191	19,758
Public ways and facilities	3,245	4,325	4,725	5,256	4,988
Community and economic development	4,117	4,998	5,031	4,894	5,974
Urban renewal	434	420	653	432	535
Transit	461	804	914	1,075	1,372
Debt service:					
Principal	3,525	2,082	1,024	1,404	4,311
Interest	655	750	924	972	1,468
Capital outlay	7,165	10,599	12,965	16,313	8,512
Total Expenditures	35,099	39,412	43,073	49,439	47,280
Other Financing Sources (Uses)					
Proceeds from sale of assets	15	26	161	720	1,171
Proceeds from leases					
Issuance of long-term debt	-	6,542	493	15,509	10,500
Premium on debt issuance	-	-	-	-	-
Transfers in	562	-	800	2,082	213
Transfers out	(530)	(300)	(800)	(4,390)	(361)
Total Other Financing Sources (Uses)	47	6,268	654	13,921	11,523
Net Change in Fund Balance	\$ (1,867)	\$ 4,025	\$ (4,761)	\$ 7,203	\$ 10,522
Debt service as a percentage of noncapital expenditures	15.0%	9.8%	6.5%	7.2%	14.9%

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues					
Taxes	\$ 19,519	\$ 21,731	\$ 23,856	\$ 25,619	\$ 26,500
Franchise fees	4,283	5,018	5,645	6,157	6,386
Intergovernmental	8,819	13,181	11,645	9,746	10,171
Assessments	678	576	332	263	204
License and permits	5,059	5,501	4,105	4,589	2,397
Charges for services	4,668	6,259	8,408	7,420	6,259
System development charges	6,415	7,311	5,616	8,126	2,726
Contributions	-	-	451	-	325
Fines and forfeitures	685	917	1,119	1,235	1,041
Loan repayments	-	-	23	72	180
Investment income	995	1,610	1,723	1,547	730
Issuance of short-term debt	-	1,043	-	-	-
Miscellaneous	218	197	167	323	146
Total Revenues	51,339	63,344	63,090	65,097	57,065
Expenditures					
General government	428	889	481	661	651
Public safety	21,472	24,133	26,430	29,160	28,790
Public ways and facilities	5,866	6,813	5,390	6,436	6,214
Community and economic development	7,407	8,990	11,210	11,639	9,044
Urban renewal	380	705	511	886	1,590
Transit	1,946	1,893	2,700	2,600	2,483
Debt service:					
Principal	2,442	3,784	2,852	2,984	2,693
Interest	1,744	2,369	2,310	2,320	2,429
Capital outlay	8,662	22,056	12,228	17,869	7,094
Total Expenditures	50,347	71,632	64,112	74,555	60,989
Other Financing Sources (Uses)					
Proceeds from sale of assets	7	1,231	1,029	4,145	20
Proceeds from leases	-	-	-	-	1,550
Issuance of long-term debt	-	-	1,775	6,425	2,700
Premium on debt issuance	-	-	36	15	-
Transfers in	795	12,040	13,827	29,951	19,558
Transfers out	(840)	(10,973)	(14,864)	(33,814)	(19,923)
Total Other Financing Sources (Uses)	(38)	2,298	1,803	6,722	3,905
Net Change in Fund Balance	\$ 954	\$ (5,990)	\$ 781	\$ (2,736)	\$ (18)
Debt service as a percentage of noncapital expenditures	10.0%	12.4%	9.9%	9.4%	9.5%

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		
1999	\$ 2,612,803	\$ 2,160,017	\$ 112,384	\$ 111,393	\$ 54,079	\$ 51,411	\$ 2,779,266	\$ 2,322,821	\$ 2.96	83.6%
2000	3,883,634	3,187,241	134,356	133,081	75,921	74,672	4,093,911	3,394,994	2.91	82.9%
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%

Source:

Deschutes County Assessor's Office

City of Bend, Oregon

Property Tax Rates - Direct and Overlapping Governments

Last ten fiscal years

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

<u>Fiscal Year</u>	<u>City Direct Rates</u>			<u>Overlapping Rates</u>						<u>Total</u>
	<u>City of Bend</u>	<u>Bend Urban Renewal District</u>	<u>Total Direct</u>	<u>Bend Metro Parks and Recreation District</u>	<u>Deschutes County</u>	<u>Education Service District</u>	<u>Central Oregon Community College</u>	<u>Bend La-Pine Administrative School District #1</u>		
2000	2.78	0.13	2.91	1.45	3.26	0.09	0.70	6.02	14.43	
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	

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, 2009 and June 30, 2000

(amounts expressed in thousands)

		2009			2000		
		Rank	Net Assessed Valuation	Percentage of Total Net Assessed Valuation (1)	Rank	Net Assessed Valuation	Percentage of Total Net Assessed Valuation (1)
<u>Taxpayer</u>	<u>Type of Business</u>						
CVSC LLC	Shopping center	1	\$ 34,816	0.4%	-	\$ -	-
Touchmark at Mount Bachelor Village, LLC	Community developer	2	34,154	0.4%	-	-	-
Deschutes Brewery	Brewery	3	29,359	0.4%	-	-	-
Qwest Corporation	Telephone utility	4	27,431	0.4%	1	25,638	0.8%
Bend Millwork Systems, Inc.	Construction products	5	25,837	0.3%	7	15,554	0.5%
Rivers Edge Investments, LLC	Real estate developer	6	24,124	0.3%	5	16,547	0.5%
Cascade Natural Gas Corporation	Gas utility	7	24,106	0.3%	-	-	0.0%
Bend Cable Communications LLC	Cable utility	8	23,034	0.3%	-	-	0.0%
Forum Holdings, LLC	Shopping center	9	22,563	0.3%	-	-	0.0%
West Bend Property Company LLC	Property management	10	17,207	0.2%	-	-	0.0%
Brooks Resources Corporation	Real estate developer	-	-	-	2	24,327	0.7%
Pacificorp (PP& L)	Electric utility	-	-	-	3	22,392	0.7%
Sima Mountain View LLC	Shopping center	-	-	-	4	20,442	0.6%
Willamette Industries	Construction products	-	-	-	6	16,422	0.5%
Bend River Mall, LLC	Shopping Center	-	-	-	8	13,319	0.4%
Fred Meyer	Shopping center	-	-	-	9	13,075	0.4%
Bend Factory Outlet, LP	Shopping Center	-	-	-	10	11,980	0.4%
Total			\$ 262,631	3.4%		\$ 179,696	5.3%

Source:

Deschutes County Assessor's Office

Notes:

(1) Percent of total net assessed valuation represents percent of taxpayer's net assessed value to City's total net assessed value of \$7,764,371 for 2009 and \$3,394,994 for 2000.

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</u> <u>Fiscal Year of the Levy</u>			<u>Collections in</u> <u>Subsequent</u> <u>Years</u>	<u>Total Collections to Date</u>	
	<u>Total Tax</u> <u>Levy</u>	<u>Amount</u>	<u>Percent of</u> <u>Levy</u> <u>Collected</u>		<u>Amount</u>	<u>Percent of</u> <u>Levy</u> <u>Collected</u>
2000	\$ 10,415	\$ 9,626	92.4%	\$ 455	\$ 10,142	97.4%
2001	11,517	10,696	92.9%	516	11,239	97.6%
2002	12,781	11,999	93.9%	543	12,479	97.6%
2003	14,093	13,177	93.5%	480	13,722	97.4%
2004	15,411	14,610	94.8%	545	15,124	98.1%
2005	17,154	16,164	94.2%	514	16,659	97.1%
2006	18,939	17,941	94.7%	495	18,627	98.4%
2007	21,198	19,973	94.2%	686	20,744	97.9%
2008	23,200	21,443	92.4%	771	21,443	92.4%
2009	24,715	22,491	91.0%	-	22,491	91.0%

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					
	Obligation	Bonds	Certificates of Participation	Limited Tax Improvement	Renewal Tax Increment	Notes Payable	Line of Credit	General Obligation	Bonds	Participation	Revenue Bonds	Notes Payable	Government	Primary	Total	Percentage of Personal Income (1)
2000	\$ 4,275	\$ 2,420	\$ 500	\$ 6,990	\$ -	\$ -	\$ 790	\$ 1,530	\$ 335	\$ 5,440	\$ 1,358	\$ 23,638	23,638	1.82%	467	
2001	10,175	2,140	460	6,720	540	-	395	1,490	320	16,230	1,304	39,774	39,774	2.80%	753	
2002	17,020	1,845	320	6,440	461	-	-	1,445	305	15,665	1,469	44,970	44,970	2.93%	816	
2003	29,776	1,535	2,605	6,150	-	-	-	1,679	285	20,580	905	63,515	63,515	3.91%	1,100	
2004	42,358	1,210	1,836	16,350	-	-	-	1,612	-	19,765	875	84,006	84,006	4.61%	1,336	
2005	41,110	925	1,413	15,690	-	-	-	1,540	-	17,655	845	79,178	79,178	3.99%	1,214	
2006	44,609	625	904	14,865	-	-	-	1,461	-	17,475	809	80,748	80,748	3.60%	1,148	
2007	48,242	325	552	13,800	-	-	-	1,383	-	16,580	1,641	82,523	82,523	3.21%	1,096	
2008	51,317	-	261	12,595	-	2,500	-	1,573	-	15,650	1,587	85,483	85,483	3.13%	1,099	
2009	49,781	-	164	11,240	-	5,200	-	1,434	-	24,690	1,515	94,024	94,024	3.32%	1,161	

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>				Amounts Restricted for Debt Service	Net General Bonded Debt Outstanding	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	Total				
2000	\$ 790	\$ 5,805	\$ 500	\$ 7,095	\$ 56	\$ 7,039	0.21%	\$ 140
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

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, 2009

<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	17,799,368	44.9%	8,000,442
Bend-LaPine Administrative School District No. 1	114,851,416	64.6%	74,208,027
Bend Library District	3,092,303	81.6%	2,523,044
Total Overlapping Debt	135,743,087	62.4%	84,731,514
Total Direct and Overlapping Debt	\$ 135,743,087	62.4%	\$ 84,731,514

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, 2009

Real market value	\$ 17,084,264,000
	x <u>3%</u>
General obligation debt limit at 3% of real market value	512,527,920
General obligation debt subject to limit per ORS 287.001(1)	51,379,000
Less: Funds applicable to the payment of principal thereof per ORS 287.004(2) General obligation debt service fund	<u>(1,877,686)</u>
Net debt subject to 3% limitation	<u>49,501,314</u>
Legal debt margin	<u>\$ 463,026,606</u>
Debt capacity percent	90%

<u>Fiscal Year</u>	<u>3% Debt Limit (1)</u>	<u>Net Debt Subject to 3% Limit (1)</u>	<u>Legal Debt Margin (1)</u>	<u>Debt Capacity Percent</u>
2000	122,817	7,039	115,778	94%
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%

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>			
2000	\$ 4,757	\$ 3,364	\$ 1,393	\$ 35	\$ 51	\$ 86	16.2	\$ 10.04	\$ 10.87
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

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)

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service (3)			Coverage Ratio	Monthly Sewer Rate (4)
				Principal	Interest	Total		
2000	\$ 5,646	\$ 3,521	\$ 2,125	\$ 170	\$ 234	\$ 404	5.3	\$ 17
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

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

Fiscal Year	Population (1)	Area (Square Miles)	Average Density (person / square miles)	Personal Income (2) (expressed in thousands)	Per Capita Income (2)	School Enrollment (4)	Unemployment Rate (3)
2000	50,650	32.5	1,558	1,298,463	25,636	13,015	4.9%
2001	52,800	32.5	1,625	1,421,587	26,924	13,200	5.6%
2002	55,080	32.5	1,695	1,532,987	27,832	13,473	7.1%
2003	57,750	32.5	1,777	1,624,739	28,134	13,729	7.8%
2004	62,900	32.5	1,935	1,822,150	28,969	13,729	6.5%
2005	65,210	32.5	2,006	1,985,318	30,445	14,888	5.2%
2006	70,330	32.5	2,164	2,242,331	31,883	15,482	4.2%
2007	75,290	32.5	2,317	2,574,316	34,192	15,837	4.4%
2008	77,780	32.5	2,393	2,726,733	35,057	16,025	6.1%
2009	80,995	32.5	2,492	2,833,853	34,988 *	15,834	14.8%

* = 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 State of Oregon Employment Department

(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, 2009 and June 30, 2000

<u>Employer</u>	<u>Product or Service</u>	<u>2009</u>			<u>2000</u>		
		<u>Rank</u>	<u>Employees</u>	<u>Percent of Total City Employment (1)</u>	<u>Rank</u>	<u>Employees</u>	<u>Percent of Total City Employment (1)</u>
St. Charles Medical Center	Health care	1	3,028	4.1%	2	1,330	2.2%
Bend-LaPine School Dist. No. 1	Education	2	1,783	2.4%	1	1,400	2.3%
Les Schwab	Tire Manufacturer	3	1,500	2.0%	3	1,050	1.8%
Deschutes County	Government	4	1,011	1.4%	5	838	1.4%
Sunriver Resort	Resort	5	850	1.1%	6	650	1.1%
T-Mobile	Resort	6	850	1.1%	-	-	0.0%
Mt. Bachelor Ski Resort	Recreation	7	750	1.0%	4	850	1.4%
Walmart	Retailer	8	700	0.9%	9	444	0.7%
TRG Customer Solutions	Call center	9	650	0.9%	-	-	0.0%
Safeway	Grocery Retailer	10	578	0.8%	-	-	0.0%
Eagle Crest Parnters Ltd	Resort	-	-	0.0%	7	635	1.1%
Fredy Meyer	Retailer	-	-	0.0%	8	529	0.9%
Beaver Motor Coaches	Recreation manufacturer	-	-	0.0%	10	521	0.9%
	Total		11,700	15.8%		8,247	13.8%

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 73,981 for June 2009 and 59,844 for June 2000 (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>	
2000	294	80,011	1,155	137,308	685,243
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

Source:

City of Bend Community Development Department and Federal Depository Insurance Corporation (FDIC).

Notes:

(1) Bank deposits obtained from FDIC and represent total deposits at June 30 for all bank branches in Bend.

City of Bend, Oregon

Full Time Equivalent City Employees by Program

Last ten fiscal years

Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Administration, finance & legal	24.8	25.8	24.8	26.8	30.1	27.4	31.4	35.7	33.8	36.3
Information technology	4.0	5.0	6.0	6.5	7.0	8.0	8.5	11.0	11.0	12.5
Public works administration/laboratory	17.8	21.8	20.5	22.0	28.0	27.0	23.5	25.5	16.0	16.0
Facility management	-	-	-	-	-	-	3.0	4.0	5.0	5.0
Garage	5.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0	9.0	8.0
Accessibility program	-	-	-	-	-	-	-	-	4.0	1.0
Economic development administration	-	-	-	-	-	2.0	3.0	3.5	3.5	2.5
Public Safety										
Police	84.5	89.0	92.0	94.0	96.0	95.0	105.5	111.5	110.0	110.0
Fire/EMS	62.6	67.5	67.0	72.0	76.0	74.0	79.0	84.0	87.8	85.8
Municipal court	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	5.0	5.0
Public Ways and Facilities										
Street operations	24.7	30.0	27.0	28.0	28.0	30.0	29.0	32.0	31.0	32.0
Engineering	12.0	21.0	23.0	22.0	25.0	25.0	33.0	36.0	36.0	15.0
Community and Economic Development										
Community development administration	3.0	5.5	5.0	4.5	5.0	4.0	5.0	8.0	6.0	4.0
Planning	16.3	14.3	15.0	16.5	19.0	20.0	23.0	28.0	33.0	16.0
Building	14.0	16.0	16.0	20.5	25.5	32.5	45.5	57.5	42.0	24.0
Community development block grant program	-	-	-	1.0	1.0	-	1.0	1.0	1.0	1.0
Other										
Urban renewal	1.0	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
Airport	-	-	-	-	-	0.5	1.0	1.0	1.0	1.0
Water	23.3	20.5	20.0	22.0	21.0	21.0	24.0	26.0	30.0	31.0
Water reclamation	18.3	19.0	19.0	21.0	20.0	21.0	23.0	27.0	37.5	32.0
Stormwater	-	-	-	-	-	-	-	-	5.0	4.0
Utility support division	-	-	-	-	-	-	-	-	-	12.5
Other business-type	-	-	1.0	1.0	2.0	2.0	3.0	3.0	1.0	1.0
Total	314.6	347.3	349.3	370.8	396.6	401.4	453.4	507.7	511.5	457.5

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

Program	2003	2004	2005	2006	2007	2008	2009
Public Safety							
Police:							
Physical arrest	3,778	3,778	4,009	unavailable	2,050	4,302	3,841
Traffic violations	12,406	15,339	16,000	unavailable	8,472	12,324	9,355
Calls for service	53,610	56,957	57,249	57,079	57,184	58,010	56,168
Fire/EMS:							
Fire responses	359	334	324	454	1,954	1,880	1,787
Ambulance responses	4,144	4,249	4,614	5,570	5,764	5,842	5,785
Inspections conducted	1,000	1,321	2,995	2,940	3,229	3,382	3,473
Public Ways and Facilities							
Streets resurfaced (lane miles)	6.50	7.60	10.70	13.56	20.07	15.05	11.87
Streets cleaned (lane miles)	34,689	35,369	33,688	32,467	34,573	34,628	36,058
Street signs repaired/replaced	2,620	2,290	2,297	2,479	2,502	2,531	2,426
Community and Economic Development							
Permits issued	11,726	13,388	16,985	17,897	12,174	8,968	5,651
Buildings inspections performed	35,172	55,051	72,891	79,567	59,407	41,137	22,869
Transit							
Total miles	305,589	306,600	303,776	352,637	412,596	365,213	317,871
Total service hours	31,583	31,800	unavailable	32,616	39,768	40,270	34,774
Total rides	92,418	96,900	unavailable	107,573	300,530	325,607	354,021
Water							
New connections	4,672	2,647	1,295	565	998	515	122
Average daily consumption (million gallons):							
Winter	5.07	5.20	6.00	6.00	5.50	6.46	6.55
Summer	19.67	19.70	16.00	16.00	18.40	18.80	20.20
Peak consumption (million gallons)	25.73	26.00	27.00	26.00	27.00	29.25	29.43
Water Reclamation							
New connections	2,057	2,757	681	1,825	1,006	483	208
Daily average treatment (million gallons)	4.60	4.96	5.40	5.40	5.80	6.20	5.80
Sewerlines cleaned (miles)	53.60	63.60	57.00	34.30	70.00	75.00	108.50
Downtown Parking							
Tickets issued	9,312	11,390	11,790	10,658	7,243	13,611	13,713
Permits issued	4,857	4,982	5,219	4,689	4,808	5,142	4,823

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

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

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**AUDIT COMMENTS AND GOVERNMENT
AUDITING STANDARDS SECTION**

**AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth in the following pages.



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AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

December 22, 2009

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bend, Oregon (the City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 22, 2009. 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*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Our reports relating to compliance and internal control over financial reporting are contained in the Single Audit Compliance Section of this Comprehensive Annual Financial Report.

ACCOUNTING RECORDS

The City's accounting records were reasonably maintained and adequate to support our audit of the basic financial statements.

COLLATERAL

The City has complied with Oregon Revised Statutes (ORS) 295 in relation to deposit accounts.

INVESTMENTS

Our review of deposit and investment balances indicated that, during the year ended June 30, 2009, the City was in compliance with ORS 294 as it pertains to investment of public funds.

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS (Continued)

Page 2

INDEBTEDNESS

The general obligation debt of the City was in compliance with the limitation imposed by ORS. We noted no defaults in principal, interest, sinking fund or redemption provisions with respect to any of the City's bonded debt, and no breach of the bond agreements at June 30, 2009.

BUDGET

The City appears to have complied with Local Budget Law (ORS 294.305 to 294.520) in the preparation, adoption and execution of its budget and tax levy for the two-year period ended June 30, 2009 and adoption of its budget for the two-year period ending June 30, 2011.

A description of the budgeting process is included in the Notes to Basic Financial Statements.

INSURANCE AND FIDELITY BONDS

We have reviewed the City's legally required insurance and fidelity bond coverage at June 30, 2009. We ascertained that such policies appeared to be in force and in compliance with legal requirements relating to insurance and fidelity bond coverage. We are not competent by training to comment on the adequacy of the insurance policies covering City property at June 30, 2009.

PUBLIC CONTRACTS

The City's procedures for awarding public contracts were reviewed and found to be in accordance with ORS Chapter 279.

PROGRAMS FUNDED FROM OUTSIDE SOURCES

Our reports on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards* and compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 are contained elsewhere in the Compliance Section of this Comprehensive Annual Financial Report.

FINANCIAL REPORTING REQUIREMENTS

We have reviewed financial reports and other data relating to programs funded wholly or partially by other governmental agencies. This data, filed with other governments agencies, is in agreement with and supported by the accounting records.

HIGHWAY FUNDS

The City's procedures for utilizing gas tax funds were reviewed and found to be in accordance with ORS Chapter 294.

* * * * *

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS (Continued)

Page 3

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

By 

Robert G. Moody, Jr., Partner

SINGLE AUDIT COMPLIANCE



**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 22, 2009

City Council
City of Bend
Bend, Oregon

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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, 2009, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 22, 2009. 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential, will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**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**

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*.

We noted certain matters that we reported to management of the City in a separate letter dated December 22, 2009.

* * * * *

This report is intended solely for the information and use of 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.

A handwritten signature in blue ink that reads "Talbot, Kovala & Warwick, LLP". The signature is written in a cursive style with a long horizontal stroke above the first few letters.

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**



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December 22, 2009

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 are applicable to its major federal program for the year ended June 30, 2009. The City's major federal program is identified in the summary of 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 its major federal program 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 requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009. The results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Cost as items 2009-01 and 2009-02.

INTERNAL CONTROL OVER COMPLIANCE

The 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 expressing our opinion on compliance, 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.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (Continued)**

Page 2

INTERNAL CONTROL OVER COMPLIANCE (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the City's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2009-01 and 2009-02 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the basic financial statements of the City as of and for the year ended June 30, 2009, and have issued our report thereon dated December 22, 2009. 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.

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

* * * * *

This report is intended solely for the information and use of the City Council, management, others within the entity, 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

City of Bend, Oregon
Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2009

<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 #24293	\$ 97,500
Job Access Reverse Commute	20.516	IGA #24631	100,000
Total Transit Service Programs Cluster			<u>197,500</u>
Highway Safety Cluster			
Oregon Association of Chiefs of Police			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	K8-08-12-38	5,460
Occupant Protection	20.602	K2-08-46-08 & K2-09-46-08	<u>3,532</u>
Total Highway Safety Cluster			<u>8,992</u>
Highway Planning and Construction Cluster			
Oregon Department of Transportation			
Highway Planning and Construction	20.205	IGA #24294	<u>85,574</u>
Total Highway Planning and Construction Cluster			<u>85,574</u>
Federal Transit Cluster			
Federal Transit Administration			
Federal Transit Formula Grants	20.507	n/a	664,148
Federal Transit Capital Investment Grants	20.500	n/a	<u>406,610</u>
Total Federal Transit Cluster			<u>1,070,758</u>
Federal Aviation Administration			
Airport Improvement Program	20.106	n/a	3,177,837
Total Department of Transportation			4,540,661
<u>Department of Justice</u>			
Edward Byrne Memorial Justice Assistance Grant Program			
Bulletproof Vest Partnership Program	16.738	n/a	32,454
	16.607	n/a	3,165
Oregon Department of Justice/Deschutes County			
Office of National Drug Crime Prevention - High Intensity			
Drug Traffic Area Grant	16.XXX	LOA #2007-98	100,410
Total Department of Justice			136,029

City of Bend, Oregon
Schedule of Expenditures of Federal Awards (Continued)
For the fiscal year ended June 30, 2009

<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	\$ 32,489
Oregon State Police Fire Management Assistance Grant	97.046	n/a	40,265
Oregon Parks and Recreation Fire Management Assistance Grant	97.046	n/a	7,733
Oregon Department of Forestry Fire Management Assistance Grant	97.046	n/a	9,621
Total Department of Homeland Security			90,109
<u>Department of Interior</u>			
State Park & Recreation Historic Preservation Fund Grants-In-Aid	15.904	OR07-08 & OR08-09	18,300
Total Department of Interior			18,300
<u>Environmental Protection Agency</u>			
ICLEI Surveys, Studies, Investigations, Training, Demonstrations and Special Purpose Grants for EPA Region 10 Regional Geographic Initiative	66.115	n/a	989
Total Environmental Protection Agency			989
<u>Department of Housing and Urban Development</u>			
CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants	14.218	n/a	234,106
Total CDBG Cluster			234,106
Total Department of Housing and Urban Development			234,106
Total Federal Expenditures			\$ 5,020,194

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.

CITY OF BEND, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

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?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	No
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Type of auditor's report issued on compliance for major programs:	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>
------------------------------	--

20.106	Airport Improvement Program
--------	-----------------------------

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

No matters were reported.

CITY OF BEND, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2009

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2009-01

Federal Program: Airport Improvement Program (CFDA 20.106)

Federal Agency: Department of Transportation

Award Year: 2008-09

Criteria: When required by the Davis-Bacon Act, the Department of Labor's (DOL) governmentwide implementation of the Davis-Bacon Act, or by Federal program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the DOL (40 USC 3141-3144, 3146, and 3147 (formerly 40 USC 276a to 276a-7)).

Condition: 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.

Questioned Costs: None reported as effects of non-compliance were insignificant.

Context: The condition applied to one of two contractors under a single project, with two total workers subject to underpayment.

Cause: Spot checks of certified payroll reports filed by the contractors did not detect non-compliance with Davis Bacon prevailing wage requirements. The contractor in question submitted one certified payroll report, in July 2008.

Effect: Subject workers under the contract were initially underpaid in relation to prevailing wage requirements. Subsequent to discovery, all workers were paid the differential between original wage rates paid and prevailing wages under Davis Bacon as required.

Recommendation: The City developed and implemented a policy in May 2009 requiring review and monitoring of certified payroll reports in order to timely detect potential noncompliance with requirements under the Davis-Bacon Act. The City should revise its policy to require each contractor's reports be reviewed a minimum of once to ensure that reports of all contractors are tested.

Views of Responsible Officials and Corrective Action Plan: The City is in the process of contracting out to have certified payroll reports on major projects reviewed for compliance with the requirements under the Davis-Bacon Act. The City will continue to monitor a sample of the certified payroll reports on smaller projects. The City will revise the policy to implement the above recommendation.

CITY OF BEND, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2009

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

Finding 2009-02

Federal Program: Airport Improvement Program (CFDA 20.106)

Federal Agency: Department of Transportation

Award Year: 2008-09

Criteria: Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR section 180.220 of the governmentwide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions. When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Condition: 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.

Questioned Costs: No questioned costs were identified at this time, as the relevant contractor in question was not suspended or debarred.

Context: The City had a single project under this grant with a limited number (2) of contractors exceeding the \$25,000 threshold for application of requirements under suspension and debarment.

Cause: The City believed its risk to be minimal based on its history with, and knowledge of the contractor used, and because the Purchasing Manager receives identifications of suspensions and debarments.

Effect: While there were no direct effects of the noncompliance noted, ineffective processes with respect to suspension and debarment may result in the City inadvertently contracting with a prohibited contractor.

CITY OF BEND, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2009

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

Finding 2009-02 (Continued)

Recommendation: The City should develop and implement policies and procedures such that contracts in excess of \$25,000, which involve federal funding, be reviewed for potential suspension and debarment of the contractors and their principals.

Views of Responsible
Officials and Corrective
Action Plan: The City implemented a policy in May 2009 for fiscal year 2009-2010 whereby all contracts utilizing federal funds in excess of \$25,000 are reviewed for potential suspension and debarment of the contractors and their principals. The review takes place after the opening of bids or receipt of proposals for projects utilizing federal funding.

CITY OF BEND, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2009

Finding 08-01

Federal Program: Airport Improvement Program (CFDA 20.106) Department of Transportation

Audit Finding: Certified payroll reports were not reviewed for compliance.

Corrective Action Taken: The City implemented a policy requiring a monthly sample of certified payroll reports for federally funded grants be selected for review by the Accounting Department. The reported wage and benefit rates paid were to be compared to the relevant wage determination for each classification to ensure that appropriate wages and benefits are being paid on projects subject to the Davis-Bacon Act. Based on the current finding as noted above, although the reviews were conducted, the sample of reports tested excluded one report with non-compliant wages.

Finding 08-02

Federal Program: Airport Improvement Program (CFDA 20.106)
Department of Transportation

Audit Finding: The City failed to review relevant contracts for potential suspension or debarment with respect to the contractor or its principals.

Corrective Action Taken: The City implemented a policy in May 2009 addressing the finding. After the opening of bids or receipt of proposals for projects utilizing federal funding, the Purchasing Manager shall review the EPLS to determine whether any of the bidders have been debarred from receiving Federal contracts. Based on the finding as noted above, the corrective action was implemented after the subject contract was issued and therefore not effective for the current year under audit.

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