



CITY OF BEND, OREGON

COMPREHENSIVE ANNUAL
FINANCIAL REPORT



FOR FISCAL YEAR ENDED JUNE 30, 2018



CITY OF BEND

CITY OF BEND, OREGON

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018

Prepared by the City of Bend Finance Department

Sharon Wojda, Finance Director

City of Bend, Oregon

For the Year Ended June 30, 2018

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INTRODUCTORY SECTION



CITY OF BEND

December 27, 2018

Members of the City Council and
Citizens of the City of Bend, Oregon

The Comprehensive Annual Financial Report (CAFR) of the City of Bend, Oregon (the City) for the fiscal year ended June 30, 2018 is hereby submitted.

This report presents the City's financial position as of June 30, 2018 and the results of its operations for the fiscal year then ended. The financial statements and supporting schedules have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and meet the requirements of the standards as prescribed by the Secretary of State Audits Division. We believe the data, as presented, is accurate in all material respects and presented in a manner designed to fairly present the financial position and results of operations of the various funds of the City.

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

Moss Adams LLP, Certified Public Accountants, has issued an unmodified or "clean" opinion on the City's financial statements for the fiscal year ended June 30, 2018. The independent auditor's report is located at page 1 in the Financial Section of this report.

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

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MAYOR

Casey Roats

MAYOR PRO TEM

Sally Russell

CITY COUNCILORS

Justin Livingston

Bill Moseley

Bruce Abernethy

Nathan Boddie

Barb Campbell

CITY MANAGER

Eric King

City Profile

The City is located in Central Oregon, just east of the Cascade mountain range and encompasses an area of 32.5 square miles and has implemented an Urban Growth Boundary (UGB) expansion process that brought an additional 2,380 acres of property into the City's boundary. Bend is the largest city east of the Cascades in Oregon and is the commercial, recreational, social and innovation center of Central Oregon. Portland State University's certified population estimate for Bend as of July 1, 2018 is 89,505. Bend serves as the seat for Deschutes County and as the hub of economic activity in a three-county region including Deschutes, Jefferson and Crook counties. Bend is the principal city of the Bend Metropolitan Statistical Area (Bend MSA).

The City was founded in 1904 and incorporated in 1905. It is organized under a council/manager form of government and is served by a seven-member City Council. Through fiscal year (FY) 2017-18, City Councilors were elected to four-year terms and selected a mayor and mayor pro-tem from among themselves, each for a term of two years. Following a city charter change approved by voters in May 2018, beginning with the recent November 2018 election, the mayor is now directly elected to a four-year term that will begin in January 2019. The City Council sets policies and enacts ordinances. The City Council hires and directs a City Manager who is the City's Chief Executive Officer. The City Manager is responsible for the administration of the City and manages a staff of 17 department heads with approximately 655 full-time equivalent employees (FTE).

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

In addition to the above general government activities, the City has an urban renewal agency. The Bend Urban Renewal Agency (BURA) is a legally separate entity first established in 1984 to address redevelopment of the Central Bend Development Program Area Plan (the Downtown District), a 236-acre area of downtown Bend. The Downtown District was closed out in January 2012 following completion of that work. In 2005, the Juniper Ridge Urban Renewal Plan was adopted for development of approximately 700 acres of land in northeast Bend. In 2008, the Murphy Crossing Urban Renewal Plan was adopted for transportation and public utility improvements in southeast Bend. The accompanying financial statements include the activities of BURA.

The City's budget encompasses 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 approval of budgets. The law mandates public involvement in budget preparation and public exposure of its proposed programs. The law also requires that the budget be balanced. A budget is prepared for each fund requiring appropriations. Expenditure budgets for FY 2017-18 were appropriated by fund at the program level with the exception of interfund transfers, debt service and contingency, which are budgeted by fund at the category level. Budgeted expenditures may not legally be overspent at the appropriation level.

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

Local Economy and Outlook

Bend started as a logging town, but is now a gateway for many outdoor recreational activities such as mountain biking, fishing, golfing, skiing and rock climbing. The employment and economic base have expanded to include a variety of businesses serving tourism, government, healthcare, utilities, high-tech, bio-science and microbreweries. Population has grown significantly as a result of an influx of new residents, growing almost 70% from 2000 to 2018 (52,800 in 2000 to 89,505 as of July 2018).

The region is seeing increases in the local housing market as well as rapidly increasing home prices, making affordable housing a significant challenge. Rental vacancy rates continue to be low with the City's Affordable Housing Manager reporting rental vacancy rates of less than 1% as of summer 2018, compared to a healthy vacancy rate of around 6-7%. Median single-family home sale prices remain strong in Bend, reaching \$435,000 in 2018 (Central Oregon Association of Realtors, 2018 Quarter 3 Report) – about \$80,000 above the pre-Great Recession peak in 2007. Central Oregon's commercial real estate market is also seeing positive trends. According to Compass Real Estate Commercial Services, retail and office sectors continue to experience historically low vacancy rates: 3.8% for office space and just 1.0% for industrial space during the second quarter of 2018.

The unemployment rate in the Bend-Redmond MSA (which comprises all of Deschutes County) held steady at its historically low level of 3.9% in both June 2017 and June 2018 (Bureau of Labor and Statistics). Bend remains at the "natural" rate of unemployment, an economic condition known as full employment. Sectors with the largest employment numbers in Bend include healthcare, tourism-related businesses, local government and large retailers. Some of the key growing traded-sector industries in Bend include: bioscience, aviation and aerospace, outdoor recreation equipment and apparel, software, specialty manufacturing, corporate administrative and back office centers, and brewing and distilling.

In the Milken Institute's 2017 Best-Performing Cities report, Bend-Redmond ranked the best-performing small city in the U.S. for the second year in a row. The area ranked first in one-year wage growth and second in one-year job growth and number of high-tech industries. The report stated that Bend-Redmond has been able to continually diversify its economy. The Central Oregon economy is vibrant and has been able to diversify its economic base with new waves of innovation.

With the economic recovery described above, the area is seeing significant growth and the City has hired additional staff to meet the growing workload. Staffing reached pre-recession levels and continued to grow in FY 2017-18 from a low of approximately 442 FTE in 2010 to 641 FTE at June 30, 2018. The greatest staffing increases have been in the public safety, building, planning, and engineering departments.

Long-Term Financial Planning

The City updates its long term financial projections on an on-going basis and conducts annual financial strategy work sessions with City Council to identify both current and long-term funding needs and challenges and discuss funding issues to ensure the long term financial stability of the City. The fiscal and investment policies are reviewed at least annually and updated as needed with Council approval.

The City updates its twenty-year utility rate models for water, water reclamation and stormwater annually in addition to maintaining a Capital Improvement Program (CIP) that identifies infrastructure improvement projects within a 5-year time period which are necessary to enhance service levels, address existing deficiencies, and provide for future growth. The 5-year CIP is updated annually and is coordinated with other departments within the City, various committees, and stakeholders. The City continues to refine its CIP process as a means to enhance both financial planning and management decisions. A number of CIP projects were identified for funding during the 2017-2019 biennium. These include complex, multi-year projects involving improvements to water, water reclamation, stormwater and transportation infrastructure.

Debt Issuances

In August 2017, the City secured an increase to an Oregon Department of Environmental Quality Clean Water State Revolving Fund loan for the Southeast Interceptor Project in the amount of \$31.2 million for a total of \$59.3 million to continue funding for the interceptor project.

In April 2018, the City issued Full Faith and Credit and Refunding bonds with Cashmere Valley Bank in the amount of \$7,035,850 to finance the purchase of road maintenance equipment, stormwater equipment, and repay a short term line of credit related to the first \$5 million of costs associated with the implementation of a new Enterprise Resource Planning (ERP) system.

In April 2018 the City also entered in to a \$7 million, three-year line of credit with First Interstate Bank to complete the ERP system replacement project. When the project and final drawdowns are complete, the City will convert the interim financing to long-term debt. The line of credit matures in 2021, at which time the ERP project should be complete.

Major Initiatives

The City Council's top goals and priorities included:

- Implementing a growth plan that is consistent with community goals for the economy, environment and affordability
- Move people and products around Bend efficiently, safely and reliably
- Increase affordable housing options
- Keep residents safe with innovative and cost effective public safety services
- Modernize and professionalize how City government operates

A number of significant initiatives, outlined below, are underway in Bend to ensure the City's continued economic health and ability to provide services to its residents and businesses as well as achieve the Council's goals and vision for the future.

Urban Growth Boundary (UGB) – The City's Urban Growth Boundary expansion in 2016 encompasses 2,380 acres -- a 10% increase in the City's land supply -- of which 1,142 acres are for residential land (including schools and parks), 815 acres for employment, 285 acres for public facilities in district ownership, and 138 acres in existing rights of way. Now the work turns from planning to implementation. As a result, the City Council prioritized the southeast expansion area and the central core of the City as the most ready for redevelopment. Work to implement these expansion areas began in FY 2017-18 including the formation of stakeholder committees to develop more detailed land use and financial plans to ensure these areas grow in an efficient and cost effective manner.

Infrastructure Investments –

Secondary Treatment Expansion Project – The City reached substantial completion of the Secondary Treatment Expansion Project, which provides additional treatment capacity at the Water Reclamation Facility (WRF). The project supports residents, businesses, and industry by increasing treatment plant capacity from the current 6 million gallons per day to 8.5 million gallons per day.

Sewer Collection System Improvements – These improvements include expansion of the complex network of underground infrastructure and above ground facilities that collect wastewater throughout the City and convey it to the Water Reclamation Facility for safe and efficient treatment. The City updated its Collection System Master Plan (CSMP) in 2014, which includes various projects to address both short and long term sewer solutions. All phases of the Southeast Interceptor Project were completed in 2018. The Existing Plant Interceptor Rehabilitation Project and the North Interceptor Phase I Project are both under way and will be completed within the next two years.

Accessibility Program – The City is dedicated to improving accessibility for citizens and visitors with disabilities by improving curb ramps, sidewalks, and other pedestrian facilities. The City also ensures the accessibility of City programs, services or activities as mandated by Title II of the Americans with Disabilities Act (ADA). The Accessibility Program develops and funds projects throughout the City that include installation and rehabilitation of sidewalks, ADA-compliant curb ramps, and other ADA-compliant pedestrian features.

Transportation Funding – Transportation needs continue to outpace available funding. Community-supported solutions are needed to move people and products more efficiently. City Council has significantly increased the amount of funding dedicated to street maintenance and preservation efforts, but many of the efforts are being accomplished through the use of one-time revenues and reserves and are not sustainable solutions.

In addition to an increase in funding for street maintenance improvements, there is also a need to execute capital projects that are aimed at reducing congestion, improving safety and providing more transportation choices for users. The City and the Bend Metropolitan Planning Organization are jointly updating their Transportation System

Plan (TSP) plans, which will connect the transportation projects needed to accommodate growth and existing deficiencies that align to a community accepted level of service and a corresponding funding strategy.

At the same time, the City Council has prioritized two major east-west connector projects: Empire Corridor Improvements (\$23.4 million total cost) and Murphy Corridor Improvements (\$29.4 million). Both projects are underway and utilizing the Progressive Design Build delivery method, which will rapidly accelerate project delivery.

Affordable Housing – Bend is one of the few cities in Oregon that has an affordable housing fee and therefore allocates more local revenue to affordable housing projects than any other comparably sized city in the state. Recent actions include allocation of funds to build housing units, expedited review and permitting for affordable housing projects and low-income rental housing property tax exemptions. Additional funding tools include System Development Charge (SDC) exemptions, identification and use of surplus properties and changes to the City's development code to allow for the development of additional accessory dwelling units (ADUs) in residential neighborhoods.

Public Safety Services – The creation of the Basic Life Support and Quick Response Vehicle Programs are recent examples of operational efficiencies and cost-effective service delivery methods implemented by the Fire Department. The programs increased staffing levels that resulted in quicker response times, making Bend safer while reducing costs. These programs were made possible by a local option levy approved by the voters in 2014, and renewed in May 2018.

The Police Department has also been instituting alternative delivery models such as a Mental Health Crisis Team and use of community-based problem solving that involves stakeholders such as neighborhood associations and the business districts. These collaborative models have the potential to drive down 'calls for service' by using crime data to strategically deploy resources and engaging community organizations in crime prevention efforts. However, Bend's fast growth and changing demographics place a high demand on public safety staff, and vigilance is required to keep resources and service levels matched with community expectations.

Enterprise Resource Planning (ERP) – The City is in the midst of a project to replace the current 28-year-old system with a modern and integrated ERP system that improves efficiency and effectiveness. The first phase, Core Financials, went live in November 2016, and the second phase, Payroll/Human Resources, in May 2018. The remaining modules in process or to be implemented include Licensing, Permitting, Inspections and Land Management, Municipal Court, Fleet Management, General Billing and Accounts Receivable, Cash Receipting, Bids and Utility Billing. The entire project is expected to be completed by the end of 2020.

Other Financial Information

Independent Audit – State statutes require an annual audit by an independent certified public accountant. The accounting firm of Moss Adams LLP, selected by the City Council, performed the City's annual audit for the fiscal year ended June 30, 2018. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2, "Code of Federal Regulations" Part 200 Uniform Administrative Guidance Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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 Uniform Guidance are included in the Compliance Section.

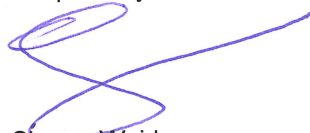
Certificate of Achievement – The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bend for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. 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 25 consecutive years since June 30, 1993. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that conforms to program standards and satisfies both GAAP and applicable legal requirements. We believe that our current CAFR

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

Distinguished Budget Presentation Award – The City has also received the Distinguished Budget Presentation Award for every budget document from the GFOA since 1998. The award represents the City's commitment to meeting the highest principles of governmental budgeting. The budget is rated in four major categories: as a policy document, an operations guide, a financial plan and a communications device. Budget documents must be rated "proficient" in all four categories to receive the award.

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

Respectfully submitted,



Sharon Wojda
Finance Director



Eric King
City Manager



Government Finance Officers Association

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

Presented to

**City of Bend
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

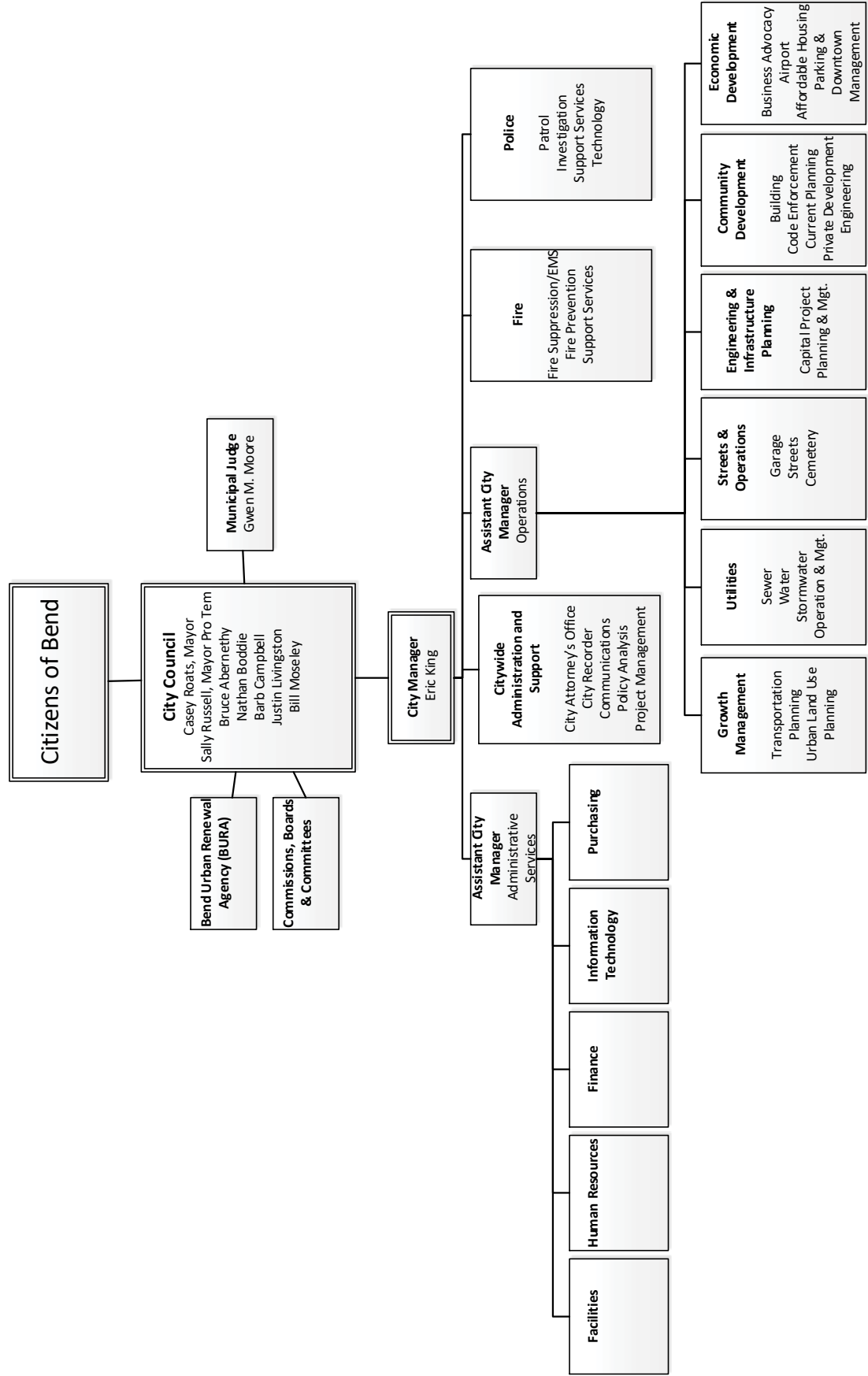
Executive Director/CEO

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CITY OF BEND

City of Bend Organizational Chart



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THE CITY OF BEND, OREGON
City Officials as of June 30, 2018



Mayor - Casey Roats



Mayor Pro-Tem - Sally Russell

Council Members -Term Expiration



Bruce Abernethy - December 2020



Nathan Boddie - December 2018



Barb Campbell - December 2018



Justin Livingston - December 2020



Bill Moseley - December 2020

City Manager - Eric King
Finance Director - Sharon Wojda

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FINANCIAL SECTION

Report of Independent Auditors

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bend, Oregon (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

In the year ended June 30, 2018, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which modified the presentation of the financial statements by establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to other postemployment benefits (OPEB) provided through defined benefit OPEB plans. In addition, GASB Statement 75 requires disclosure of information related to OPEB. As discussed in Note 21 to the financial statements, the adoption of GASB Statement 75 resulted in the restatement of beginning net position. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the City's Proportionate Share of the Net Pension Liability/(Asset), the Schedule of the City's Pension Plan Contributions, the Schedule of the City's Proportionate Share of the Net OPEB Liability/(Asset), the Schedule of the City's OPEB Plan Contributions, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios, and the notes to the Required Supplementary Information, as listed in the table of contents on pages 5 through 17 and 74 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General Fund and major special revenue funds, as listed in the Table of Contents as Required Supplementary Information, on pages 69 through 73 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The required budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of federal awards and related notes on pages 195 through 197, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the other supplementary information on pages 78 through 155; each as listed in the table of contents (collectively, the supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2018 on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 27, 2018, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



James C. Lanzarotta, Partner for
Moss Adams, LLP
Eugene, Oregon
December 27, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2018

This Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the City of Bend, Oregon (the City) for the fiscal year ended June 30, 2018. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year by \$951.7 million (net position). As shown on Table 1-A, \$112.5 million is unrestricted and may be used to meet the City's ongoing obligations and pay for daily operations.
- The City's total net position increased by \$33.1 million from fiscal year 2016-17 consisting of an increase of \$0.5 million in the net position of governmental activities, and an increase in net position of the business-type activities of \$32.7 million.
- The City's liabilities and deferred inflows totaled \$372.5 million at fiscal year-end. This increase of \$26.6 million from the prior year is due mainly to an increase in long term debt of \$14.8 million, and an increase of \$20.8 million in net OPEB liability, as discussed in the Analysis of Net Position section, offset by a decrease of \$2.1 million in retainage payable related to construction contracts.
- The City's governmental funds reported combined ending fund balances of \$90.0 million, a decrease of \$4.0 million, in comparison to fiscal year 2016-17. Of the combined ending governmental fund balances, \$36.0 million, or 40.0%, is available for spending at the City's discretion subject to Council approved policies (assigned and unassigned fund balances).
- The unassigned fund balance for the General Fund was \$10.4 million or 38.3% of total General Fund expenditures.

Overview of the Financial Statements

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 compliance section.

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

1. Government-wide Financial Statements

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

The Statement of Net Position includes all assets (including infrastructure), and deferred outflows of the City as well

MANAGEMENT'S DISCUSSION and ANALYSIS (Continued)

Overview of the Financial Statements (Continued)

1. Government-wide Financial Statements (Continued)

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

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

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

Governmental activities of the City are categorized as follows:

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

Business-type activities include the following:

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

The government-wide financial statements can be found on pages 19 - 21 of this report.

MANAGEMENT'S DISCUSSION and ANALYSIS (Continued)

Overview of the Financial Statements (Continued)

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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds.

Governmental Funds are used for essentially the same functions as governmental activities in the government-wide financial statements. Governmental fund statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. They are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term funding decisions.

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

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

The City has 27 governmental funds. The governmental fund statements present four major funds separately: General Fund, Streets & Operations Fund, Fire/Emergency Medical Services Fund, and the System Development Charges (SDC) Fund. The other 23 nonmajor funds are combined and presented in a single column as nonmajor governmental funds.

The basic governmental fund financial statements can be found on pages 22 - 25 of this report.

Proprietary Funds.

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

The basic proprietary fund financial statements can be found on pages 26 - 30 of this report.

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

Internal service funds (ISF) are generally used to accumulate and allocate the costs of the City's central services to all operating departments. The City has three internal service funds. The City-wide Support ISF includes administration and financial services, legal and risk management, insurance, information technology, and facility management. The Departmental Support ISF consists of garage, engineering, and public works laboratory. The ISF - Other Post Employment Benefits (OPEB) Fund accumulates reserves for future payments of OPEB costs. Because the internal service funds 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.

MANAGEMENT'S DISCUSSION and ANALYSIS (Continued)

Overview of the Financial Statements (Continued)

2. Fund Financial Statements (Continued)

Fiduciary Funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City's only fiduciary fund is to collect and pass-through park system development charges (SDC's) for Bend Parks and Recreation District, and state assessments for building permits. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 31 of this report.

3. Notes to the Basic Financial Statements

The notes to the basic financial statements provide information that is essential for a full understanding of the data presented in the government-wide and fund financial statements (the basic financial statements). Information such as significant accounting policies and detail of certain assets, liabilities, and deferred inflows/outflows are included in the notes, which should be read in conjunction with the basic financial statements. The notes to the financial statements can be found on pages 32 - 68 of this report.

MANAGEMENT'S DISCUSSION and ANALYSIS (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Analysis of Net Position

As previously mentioned, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$951.7 million at June 30, 2018, an increase of \$14.6 million from the prior year. The following is a condensed statement of net position and an analysis of the change in the City's financial position from the previous year.

Table 1-A
Net Position as of June 30th
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 137.0	\$ 131.4	\$ 129.6	\$ 116.3	\$ 266.6	\$ 247.7
Capital assets	<u>523.2</u>	<u>522.8</u>	<u>510.1</u>	<u>480.6</u>	<u>1,033.3</u>	<u>1,003.4</u>
Total assets	<u>660.2</u>	<u>654.2</u>	<u>639.7</u>	<u>596.9</u>	<u>1,299.9</u>	<u>1,251.1</u>
Deferred outflows of resources	<u>20.9</u>	<u>27.2</u>	<u>3.3</u>	<u>4.6</u>	<u>24.2</u>	<u>31.8</u>
Total deferred outflows of resources	<u>20.9</u>	<u>27.2</u>	<u>3.3</u>	<u>4.6</u>	<u>24.2</u>	<u>31.8</u>
Current liabilities	19.9	22.3	15.2	21.6	35.1	43.9
Non-current liabilities	<u>141.4</u>	<u>124.7</u>	<u>195.3</u>	<u>176.6</u>	<u>336.7</u>	<u>301.3</u>
Total liabilities	<u>161.3</u>	<u>147.0</u>	<u>210.5</u>	<u>198.2</u>	<u>371.8</u>	<u>345.2</u>
Deferred inflows of resources	<u>0.3</u>	<u>0.3</u>	<u>0.4</u>	<u>0.4</u>	<u>0.7</u>	<u>0.7</u>
Total deferred inflows of resources	<u>0.3</u>	<u>0.3</u>	<u>0.4</u>	<u>0.4</u>	<u>0.7</u>	<u>0.7</u>
Net position						
Net investment in capital assets	461.7	469.0	321.7	306.5	783.4	775.5
Restricted	51.2	52.4	4.6	3.8	55.8	56.2
Unrestricted	<u>6.7</u>	<u>12.8</u>	<u>105.8</u>	<u>92.6</u>	<u>112.5</u>	<u>105.4</u>
Total net position	<u>\$ 519.6</u>	<u>\$ 534.2</u>	<u>\$ 432.1</u>	<u>\$ 402.9</u>	<u>\$ 951.7</u>	<u>\$ 937.1</u>

Actual amounts may vary due to rounding.

Capital assets increased \$29.9 million as a result of extensive work on the City's water and water reclamation infrastructure as discussed on page 15. Included in Current and other assets above, restricted and unrestricted cash and investments increased \$24.5 million in large part due to debt proceeds in the Water Fund, and increased revenues from street system development charges that were unspent at year end. Noncurrent liabilities had a \$20.8 million increase in total OPEB liability.

Long-term debt increased by \$14.8 million as discussed in further detail in the debt administration section on page 16.

The majority of the net position, (82.3%), is invested in capital assets (land, buildings, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION and ANALYSIS (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Analysis of Changes in Net Position

The following is a comparison between the June 30, 2018 and 2017 Statement of Activities.

Table 2-A
Changes in Net Position for the Year Ended June 30th
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 33.0	\$ 28.8	\$ 52.5	\$ 50.8	\$ 85.5	\$ 79.6
Operating grants and contributions	18.2	14.7	-	-	18.2	14.7
Capital grants and contributions	20.8	19.3	11.2	12.9	32.0	32.2
General revenues:						
Taxes	45.1	42.3	-	-	45.1	42.3
Franchise fees	9.0	8.8	-	-	9.0	8.8
Unrestricted investment income	0.7	0.6	0.4	0.2	1.2	0.8
Total revenues	126.8	114.5	64.1	63.9	191.0	178.4
Expenses						
Governmental Activities:						
General government	20.5	18.5	-	-	20.5	18.5
Public safety	49.0	41.6	-	-	49.0	41.6
Public ways and facilities	28.5	23.6	-	-	28.5	23.6
Community and economic development	16.2	15.1	-	-	16.2	15.1
Permanent maintenance	- *	- *	-	-	-	-
Urban renewal	- *	- *	-	-	-	-
Interest on long-term debt	1.9	2.1	-	-	1.9	2.1
Business-type activities:						
Water	-	-	16.8	20.0	16.8	20.0
Water reclamation	-	-	18.4	14.2	18.4	14.2
Airport	-	-	1.3	1.4	1.3	1.4
Cemetery	-	-	0.2	0.1	0.2	0.1
Downtown parking	-	-	1.3	1.1	1.3	1.1
Stormwater	-	-	3.5	3.2	3.5	3.2
Total expenses	116.1	100.9	41.5	39.9	157.7	141.0
Revenues over expenses	10.6	13.6	22.5	23.9	33.1	37.4
Transfers	(10.1)	(10.3)	10.1	10.3	-	-
Change in net position	0.5	3.3	32.7	34.1	33.1	37.4
Net position, beginning	534.2	530.9	402.9	368.8	937.1	899.7
Restatement	(15.1)	-	(3.4)	-	(18.5)	-
Net position, ending	\$ 519.5	\$ 534.2	\$ 432.1	\$ 402.9	\$ 951.7	\$ 937.1

* Actual amount is too small to report

MANAGEMENT'S DISCUSSION and ANALYSIS (Continued)

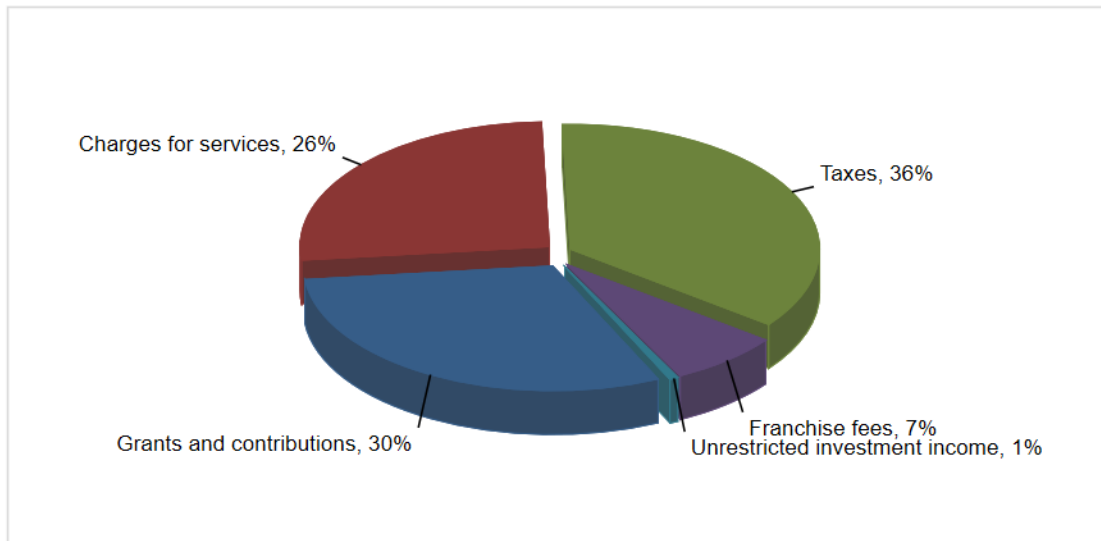
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

Governmental activities increased the City's net position by \$0.5 million for the year ended June 30, 2018. Key elements of the increase are as follows:

- Program revenues increased by \$9.2 million. Charges for services increased \$4.2 million due to the \$1.9 million sale of Juniper Ridge land and increased system development charges, building permit charges and planning fees. Capital and operating grants and contributions increased \$5.0 million due mainly to a \$1.4 million grant for the purchase of radio equipment for the fire department, and \$1.7 million from a new revenue stream for sales tax on recreational marijuana sold.
- Taxes, franchise fees, and investment income increased \$3.1 million. Increased room tax activity resulted in \$0.7 million of revenue growth and property tax revenues increased \$2.0 million.
- Governmental expenses increased by \$15.3 million. Police and fire department personnel costs increased \$5.3 million including accounting for GASB 75 as discussed in Note 16 - Other Post Employment Benefits. Depreciation expense on capital assets increased \$7.0 million as a result of a change in the estimated useful lives and salvage values of certain depreciable assets as discussed in Note 5 - Capital Assets.

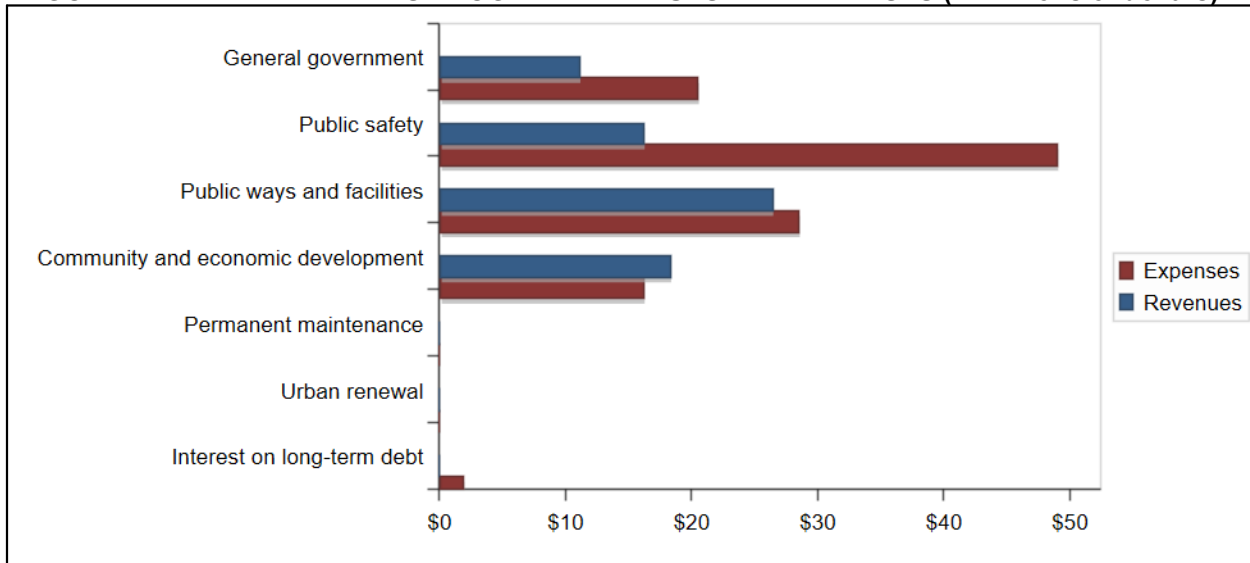
GOVERNMENTAL REVENUES BY TYPE



MANAGEMENT'S DISCUSSION and ANALYSIS (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

GOVERNMENTAL ACTIVITIES PROGRAM REVENUES AND EXPENSES (in millions of dollars)



* The actual amount for Permanent maintenance and Urban Renewal is too small to report

The chart above compares the revenues, not including any subsidies from the general fund, and expenses 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.

General government activities include central services such as garage, information technology, facility management, engineering, public works laboratory, insurance, administration and financial services, and legal and risk management. These programs generate some external revenues but are primarily funded from charges to the city functions they support.

The Public Safety function (police, fire, and emergency services) generates program revenues as well, but property taxes and state shared revenues fund the majority of its costs.

Public Ways and Facilities are funded with intergovernmental revenues (primarily state gas taxes), developer contributions, SDC's, grant revenue, and franchise fees.

Community and Economic Development programs are funded with Federal Housing and Urban Development Department grant revenues, loan repayments, charges for building permits, and development planning and inspections fees.

Business-type Activities

As shown in Table 2-A, business-type activities increased the City's net position by \$32.7 million. Water and water reclamation contributed \$6.7 million and \$11.5 million, respectively. Total revenues from business-type activities increased by \$0.2 million from the prior year. Increases in charges for services of \$1.7 million are primarily due to higher water reclamation rates (2.9%) and water rates (2.0%). Capital grants and contributions decreased by \$1.7 million due to less grant reimbursed construction work on a helipad at the Bend Municipal Airport, and fewer developer contributed assets in both the water and water reclamation funds.

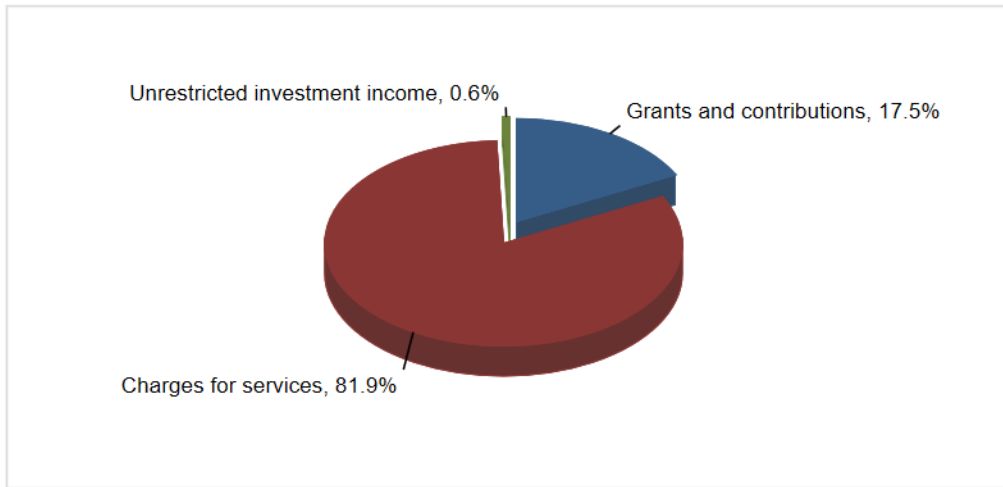
Business-type expenses increased overall by \$1.6 million. In fiscal year 2016-17, \$2.7 million in interest costs incurred before the end of the construction period were capitalized as part of the historical cost of a capital asset. The City now expenses interest costs, due to the early implementation of GASB 89 in Note 21. In addition, in fiscal year 2016-17, the City recorded a \$4.9 million loss in the Water Fund for the sale of infrastructure, and in fiscal year 2017-18, the Water Reclamation Fund had \$1.2 million more in capitalized engineering payroll costs.

MANAGEMENT'S DISCUSSION and ANALYSIS (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

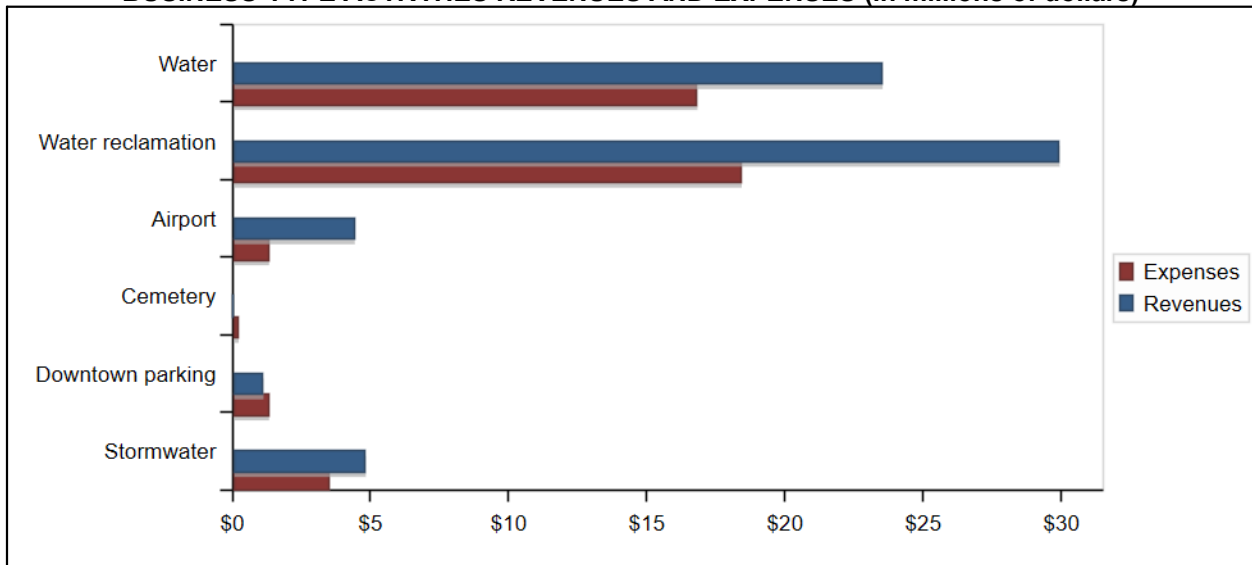
Business-type Activities (Continued)

BUSINESS-TYPE ACTIVITIES REVENUES BY TYPE



As shown in the pie chart above, charges for services accounted for 81.9% of total business-type revenue in fiscal year 2017-18 compared to 79.5% in fiscal year 2016-17.

BUSINESS-TYPE ACTIVITIES REVENUES AND EXPENSES (in millions of dollars)



The graph above shows that revenues for water and water reclamation operations are significantly higher than their respective direct expenses because water and water reclamation rates have been increased to generate revenues for infrastructure spending and stabilize rate adjustments over the next five years, and developer contributed assets are recognized as contribution revenue. Acquisitions of capital assets and principal payments on long-term debt are not reported as direct expenses, but are reported as additions to assets and reductions to liabilities respectively on the Statement of Net Position. Cemetery and downtown parking revenues are essentially equivalent to the related direct expenses as there are minimal capital improvements and no debt service for these two operations. Stormwater operations are funded by a monthly customer fee and allow the City to make needed improvements to the infrastructure.

MANAGEMENT'S DISCUSSION and ANALYSIS (Continued)

FUND ANALYSIS

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

Governmental Funds

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

At the end of the current fiscal year, the City's governmental funds had combined ending fund balances of \$90.0 million which is a decrease of \$4.0 million from the prior fiscal year. This a decrease is due mainly to the increased accounts payable in the Transportation Construction Fund and General Obligation Bond Construction Fund due to timing of payments.

Of the combined ending fund balance of \$90.0 million, \$5.2 million was nonspendable related to the assets held for resale and the Cemetery Permanent Maintenance Fund; \$39.3 million was restricted by creditors, grantors or by law; \$9.6 million was committed to specific purposes through City Council adopted resolution or ordinance; \$24.1 million was assigned by intent of the City to a specific purpose; and \$11.9 million was unassigned and available for spending by the City within the purposes specified for the City's funds.

The General Fund is the primary operating fund of the City. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$10.4 million, up \$0.9 million (9.5%) from the previous year. The unassigned fund balance represents 57.2% of total General Fund requirements.

The other major governmental funds are the Streets & Operations Fund, Fire/Emergency Medical Services (EMS) Fund, and the System Development Charges (SDC) Fund. The Streets & Operation Fund's ending fund balance increased by \$0.9 million due primarily to a delay in a funding agreement with the State of Oregon in fiscal year 2016-2017. The revenue was received in fiscal year 2017-2018. The Fire/EMS Fund's ending fund balance decreased by \$0.7 million which is consistent with the prior fiscal year. The SDC Fund's ending fund balance decreased by \$0.9 million due to decreased SDC fees being collected from developers for new construction.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements where the focus is on the sufficiency of revenues to cover expenses. The City's two major proprietary funds are the Water Fund, and the Water Reclamation Fund.

The unrestricted net position of the Water Fund at the end of the year amounted to \$45.6 million, an increase of \$3.6 million. Net investment in capital assets increased due to a decrease in debt on assets constructed, thereby increasing the unrestricted fund balance. SDC's generated \$3.3 million of revenue and developer contributed infrastructure totaled \$3.6 million.

In the Water Reclamation Fund, the unrestricted net position at the end of the year amounted to \$54.0 million, an increase of \$12.4 million. Overall net position increased \$18.5 million. In addition, SDC's generated \$7.0 million of revenue and developer contributed infrastructure totaled \$3.0 million.

SDC's are received in the SDC Fund (a major governmental fund) and transferred to the Water and Water Reclamation Funds as qualifying expenses are incurred. Revenues from these charges decreased in the Water Fund by (26.7)% and decreased in the Water Reclamation Funds by (25.0)% in fiscal year 2017-18 over fiscal year 2016-17.

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

MANAGEMENT'S DISCUSSION and ANALYSIS (Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget

The budgetary statement for the General Fund, which is located on page 69, shows the original budget, final budget, actual revenues and expenditures, and transfers in and out for the fiscal year ended June 30, 2018. During the 2017-19 biennial budget, General Fund budgeted resources increased by \$3,957,000 including \$81,000 for additional property tax collections, and \$3,876,000 for proceeds from the sale of land in the Juniper Ridge Urban Renewal Area. Budgeted expenditures increased by \$3,957,000 consisting of \$12,800 for the re-appointment of the Municipal Court Judge, \$6,000 for a Municipal Court overflow parking agreement, \$8,000 for one-time Municipal Court computer system improvements, \$104,000 for personnel backfill to support the court system upgrade, \$232,600 in the Community Projects Program to pay for closing costs on the sale of land in the Juniper Ridge Urban Renewal Area, \$45,000 for the timing of material and services payments, \$30,000 in the Growth Management Program for the timing of material and services payments, \$3,643,000 in transfers for the transfer of sale proceeds to the Bend Urban Renewal Agency General Fund and the Juniper Ridge Construction Fund, \$6,650,000 in transfers to the Internal Service Fund – OPEB for Other Post-Employment, a reduction in contingency of \$3,125,800 to pay for the increase in \$110,000 for advances to the Bend Metropolitan Planning Organization to cover the timing of grant reimbursements, \$2,850,000 in an overnight loan to the airport to cover the timing of grant reimbursements, and \$35,000 in subsidies to the cemetery.

There were no revenue or expense categories in the General Fund which exceeded the biennial budget.

CAPITAL ASSETS

As of June 30, 2018 the City had invested \$1,033.0 million in capital assets, net of depreciation, as reflected in the following table. This represents a net increase (additions, disposals and depreciation) of \$29.7 million. Governmental capital assets totaled \$523.1 million while business-type capital assets totaled \$510.0 million.

Capital Assets as of June 30th (in millions)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land including right-of-way	\$ 147.9	\$ 147.9	\$ 6.4	\$ 6.4	\$ 154.3	\$ 154.3
Land use rights	-	-	1.4	1.4	1.4	1.4
Works of art	0.7	0.7	-	-	0.7	0.7
Buildings and improvements	14.3	14.0	16.8	16.2	31.1	30.2
Infrastructure	302.6	315.9	250.0	240.3	552.6	556.2
Vehicles and equipment	10.8	11.3	3.3	3.6	14.1	14.9
Software	-	-	(0.3)	-	(0.3)	-
Construction in progress	46.8	32.9	232.3	212.7	279.1	245.6
	<u>\$ 523.1</u>	<u>\$ 522.7</u>	<u>\$ 510.0</u>	<u>\$ 480.6</u>	<u>\$ 1,033.0</u>	<u>\$ 1,003.3</u>

Major construction projects affecting capital assets for fiscal year 2017-18 are as follows:

- Street Construction - Construction of various street improvements added \$6.3 million to capital assets. The majority of these costs were related to ongoing construction work on 14th Street reconstruction. Developer constructed infrastructure contributed to the City totaled \$3.9 million in the current year.
- Water Improvements - Improvements to the water system added \$2.1 million to capital assets. Major projects included upgrades to the Roosevelt Water Main and the Overturf Reservoir. Developer constructed infrastructure contributed to the City totaled \$3.6 million in the current year.
- Water Reclamation Improvements - Improvements to the water reclamation system added \$21.8 million to capital assets. Major projects included construction work on the Colorado Lift Station and the Secondary Expansion, Southeast Interceptor, North Area Main improvements. Developer constructed infrastructure contributed to the City totaled \$2.8 million.

MANAGEMENT'S DISCUSSION and ANALYSIS (Continued)

CAPITAL ASSETS (Continued)

Please refer to Note 5 on page 45 of the basic financial statements for further detailed information on capital assets.

DEBT ADMINISTRATION

As of June 30, 2018, the City had \$254.5 million in long-term debt and unamortized premiums and discounts, an increase of \$14.8 million from the prior year. The City has an unamortized balance of premiums and discounts on long-term debt issuances of \$12.4 million that are amortized over the life of the associated debt. Debt outstanding by type at year-end is as follows:

Outstanding Debt as of June 30th (in millions)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
	2018	2017	2018	2017	2018	2017
Full faith & credit obligations	\$ 18.7	\$ 30.7	\$ 11.8	\$ 12.8	\$ 30.5	\$ 43.5
Revenue bonds	-	-	54.8	56.8	54.8	56.8
Notes payable	25.9	11.3	110.4	89.4	136.3	100.7
General obligation debt	20.5	21.7	-	-	20.5	21.7
Line of credit	-	3.9	-	-	-	3.9
	<u>65.1</u>	<u>67.6</u>	<u>177.0</u>	<u>159.0</u>	<u>242.1</u>	<u>226.6</u>
Unamortized premiums & discounts	1.4	1.5	11.0	11.6	12.4	13.1
Total Outstanding Debt	<u>\$ 66.5</u>	<u>\$ 69.1</u>	<u>\$ 188.0</u>	<u>\$ 170.6</u>	<u>\$ 254.5</u>	<u>\$ 239.7</u>

The significant changes in long-term debt include proceeds of \$29.5 million for the drawdowns of \$20.8 million of notes payable from the State of Oregon Department of Environmental Quality to fund construction on the water reclamation system, \$7.0 million in full faith and credit debt to refund outstanding bonds used to finance the ERP project, and a line of credit drawdown of \$1.7 million to finance the ERP project. This increase was offset by \$14.1 million in scheduled principal payments and to refund debt.

Debt Limitation Ratings

Oregon Revised Statutes 287A.050 provides a limit on general obligation bonded indebtedness in excess of 3% of the real market value of all taxable property within the City. Based on the fiscal year 2017-18 value, the City's debt limitation is \$550.8 million. The City is well within its debt limitation with an amount of outstanding debt subject to this limitation of \$19.2 million.

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

Issue Type	Global Scale Rating
Unlimited Tax General Obligation Bonds	Aa2
Full Faith and Credit Obligations	Aa2
Sewer Revenue Bonds	Aa2
Water Revenue Bonds	Aa2

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

ECONOMIC FACTORS

The population of the City of Bend as of July 1, 2018, was 89,505, which is 47.4% of Deschutes County's population of 188,980. Between July 1, 2000 and July 1, 2018, Deschutes County population increased by 62.1%. With the growth in population, the City experienced significant building activity in both residential and commercial developments from 2000 through 2008 that dramatically fell off with the national housing market crisis. In 2012, the

MANAGEMENT'S DISCUSSION and ANALYSIS (Continued)

ECONOMIC FACTORS (Continued)

City began recovering from the impacts of the nationwide recession and neared pre-recession levels last year. In fiscal year 2017-18, the City continued to experience an increase in building activity and related revenues. Property values and property tax revenues also increased.

The City is dependent on property taxes, charges for services, and grants and contributions to support its operations. Property taxes make up approximately 18.5% of the City's total revenue sources. In 1997, Oregon voters approved Measure 50 which rolled back property assessed values to 90 percent of 1995-96 levels, established permanent tax rates, and limited assessed value growth for individual properties to 3% per year plus new construction. The permanent tax rate for the City of Bend is \$2.8035 per \$1,000 of assessed value (AV) which is one of the lowest in Oregon. In recent years, the gap between real market value and maximum assessed value has been increasing. The growth in AV for existing properties coupled with the significant increases in development activity resulted in an overall increase in AV of 5.9% during fiscal year 2017-18. For 2018-19, the City's growth in AV is 6.0%. Despite these increases, the low permanent tax rate will continue to present challenges in providing services at the current rate without additional sources of revenue, or reduction in services.

In the current biennium, the City budgeted \$7.4 million of funding each year for street maintenance, but the annual funding needed to eliminate deferred maintenance is actually closer to \$8.0 million per year. This allocation of funding is derived from one-time sources and cannot be sustained.

In fiscal year 2017-18, charges for services made up approximately 44.8% of the City's total revenue sources. In June 2018, Council approved the 2018-19 fee resolution, which included significant fee increases for transportation system development charges (TSDCs). The TSDC increases were needed to cover the rising costs to expand and enhance the City's transportation infrastructure. Simultaneously, Council approved a 1% increase (from 3% to 4%) in the franchise fee assessed against water and sewer revenues to fund transportation construction projects.

The City's long-term twenty year utility rate models are updated on an annual basis. In fiscal year 2014-15, City Council adopted a new water and water reclamation rate structure that went into effect on July 1, 2015. The new rate structure incentivizes water conservation by rewarding those who use less and more equitably distributes the cost of running the drinking water and sewer systems based on use. The City generally increases water and sewer rates annually in July. These increases help finance construction of new and replacement infrastructure.

The City continues to face an imbalance between the service-delivery expectations of its residents and businesses and the human and financial resources available to provide those services, however, the City is in a good position to respond to changes in the economy.

REQUEST FOR INFORMATION

The City's financial statements are designed to present users with a general overview of the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Sharon Wojda, City of Bend Finance Director, at 710 NW Wall Street, Bend, Oregon 97703. The telephone number for the City's Finance Department is 541-388-5509.

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BASIC FINANCIAL STATEMENTS

City of Bend, Oregon
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Pooled cash and investments	\$ 59,836,224	\$ 110,250,588	\$ 170,086,812
Receivables, net	9,438,855	7,388,672	16,827,527
Due from other governments	1,412,574	8,931,776	10,344,350
Advances to/from other funds	2,449,000	(2,449,000)	-
Restricted cash and investments	46,279,751	4,869,549	51,149,300
Other assets	300,294	69,518	369,812
Assessments receivable	38,092	67,431	105,523
Loans and notes receivable	11,638,807	1,410,183	13,048,990
Internal balances	1,000,000	(1,000,000)	-
Assets held for resale	4,487,276	-	4,487,276
Non-depreciable capital assets	195,488,744	240,075,261	435,564,005
Depreciable capital assets, net	327,695,445	270,009,333	597,704,778
Net OPEB Asset	153,728	24,984	178,712
Total Assets	<u>660,218,790</u>	<u>639,648,295</u>	<u>1,299,867,085</u>
<u>Deferred Outflows of Resources</u>			
Deferred outflows from pensions	20,604,260	3,348,610	23,952,870
Deferred outflows from OPEB	187,538	30,477	218,015
Deferred outflows from debt refunding	76,671	-	76,671
Total Deferred Outflows of Resources	<u>20,868,469</u>	<u>3,379,087</u>	<u>24,247,556</u>
<u>Liabilities</u>			
Accounts payable	5,511,518	4,237,217	9,748,735
Other liabilities	7,165,302	4,860,230	12,025,532
Due to developers	101,448	-	101,448
Deposits	917,190	262,014	1,179,204
Unearned revenue	1,800	-	1,800
Long-term debt due or payable within one year	6,184,125	5,793,406	11,977,531
Net pension liability	46,326,275	7,528,963	53,855,238
Total OPEB liability	34,664,372	5,633,667	40,298,039
Long-term debt due or payable after one year	60,369,956	182,209,832	242,579,788
Total Liabilities	<u>161,241,986</u>	<u>210,525,329</u>	<u>371,767,315</u>
<u>Deferred Inflows of Resources</u>			
Deferred inflows from pensions	156,711	25,470	182,181
Deferred inflows from OPEB	71,200	11,570	82,770
Deferred inflows from debt refunding	48,605	341,132	389,737
Total Deferred Inflows of Resources	<u>276,516</u>	<u>378,172</u>	<u>654,688</u>
<u>Net Position</u>			
Net investment in capital assets	461,727,736	321,740,224	783,467,960
Restricted for:			
Debt service	6,173,496	4,607,535	10,781,031
Capital projects	29,128,449	5,606	29,134,055
Building program	13,701,899	-	13,701,899
Tourism	236,177	-	236,177
Permanent maintenance	647,442	-	647,442
Urban renewal	587,662	-	587,662
Grant activity	694,344	-	694,344
Unrestricted	6,671,552	105,770,516	112,442,068
Total Net Position	<u>\$ 519,568,757</u>	<u>\$ 432,123,881</u>	<u>\$ 951,692,638</u>

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, 2018

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Direct Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Function/Programs							
Governmental Activities:							
General government	\$ 20,483,979	\$ 10,755,529	\$ 47,786	\$ 290,459	\$ (9,390,205)	\$ -	\$ (9,390,205)
Public safety	49,028,712	5,996,707	10,183,576	-	(32,848,429)	-	(32,848,429)
Public ways and facilities	28,526,138	328,820	5,597,433	20,500,850	(2,099,035)	-	(2,099,035)
Community and economic development	16,172,314	15,851,261	2,365,115	-	2,044,062	-	2,044,062
Permanent maintenance	5,257	4,506	-	-	(751)	-	(751)
Urban renewal	44,839	-	-	-	(44,839)	-	(44,839)
Interest on long-term debt	1,888,295	-	-	-	(1,888,295)	-	(1,888,295)
Total Governmental Activities	116,149,534	32,936,823	18,193,910	20,791,309	(44,227,492)	-	(44,227,492)
Business-Type Activities:							
Water	16,814,561	19,774,369	-	3,714,843	-	6,674,651	6,674,651
Water reclamation	18,392,556	26,930,336	-	2,979,290	-	11,517,070	11,517,070
Airport	1,357,349	923,339	-	3,477,391	-	3,043,381	3,043,381
Cemetery	211,577	60,959	-	-	-	(150,618)	(150,618)
Downtown parking	1,289,951	1,099,870	-	-	-	(190,081)	(190,081)
Stormwater	3,544,155	3,769,657	-	971,847	-	1,197,349	1,197,349
Total Business-Type Activities	41,610,149	52,558,530	-	11,143,371	-	22,091,752	22,091,752
Total Activities	\$ 157,759,683	\$ 85,495,353	\$ 18,193,910	\$ 31,934,680	(44,227,492)	22,091,752	(22,135,740)
General Revenues:							
Taxes:							
Property taxes, levied for general purpose					32,066,111	-	32,066,111
Property taxes, levied for debt service					3,274,208	-	3,274,208
Room taxes					9,699,940	-	9,699,940
Franchise fees					9,034,830	-	9,034,830
Unrestricted investment income					736,878	449,085	1,185,963
Transfers					(10,122,150)	10,122,150	-
Total General Revenues and Transfers					44,689,817	10,571,235	55,261,052
Change in Net Position					462,325	32,662,987	33,125,312
Net Position, July 1, 2017, as previously stated					534,181,074	402,908,867	937,089,941
Restatement					(15,074,642)	(3,447,973)	(18,522,615)
Net Position, July 1, 2017, as restated					519,106,432	399,460,894	918,567,326
Net Position, June 30, 2018					\$ 519,568,757	\$ 432,123,881	\$ 951,692,638

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

City of Bend, Oregon
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund*	Streets & Operations Fund	Fire / Emergency Medical Services Fund	System Development Charges (SDC) Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Pooled cash and investments	\$ 9,707,321	\$6,881,731	\$3,619,506	\$ -	\$ 18,918,392	\$ 39,126,950
Restricted cash and investments	580,369	28,790	-	16,544,186	29,121,078	46,274,423
Receivables:						
Taxes	1,099,757	-	58,653	-	92,109	1,250,519
Accounts, net	3,623,207	86,458	2,441,997	90,632	666,651	6,908,945
Assessments receivable, net	-	-	-	-	38,092	38,092
Loans and notes receivable, net	639,656	-	-	428,606	10,570,545	11,638,807
Interest	902,336	-	-	-	-	902,336
Due from other funds	2,449,000	-	29,511	-	-	2,478,511
Due from other governments	828,251	534,877	-	-	25,289	1,388,417
Assets held for resale	4,487,276	-	-	-	-	4,487,276
Total Assets	\$ 24,317,173	\$7,531,856	\$6,149,667	\$ 17,063,424	\$ 59,432,156	\$ 114,494,276
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)						
Liabilities						
Accounts payable	\$ 1,707,438	\$ 656,956	\$ 81,071	\$ -	\$ 2,768,567	\$ 5,214,032
Salaries and benefits payable	367,111	79,971	335,565	-	161,642	944,289
Retainage payable	-	68,000	-	-	195,801	263,801
Due to developers	-	-	-	101,448	-	101,448
Other accrued liabilities	781,806	-	-	-	-	781,806
Deposits - restricted	169,650	28,790	-	-	713,422	911,862
Unearned revenue	-	-	-	-	2,807	2,807
Due to other funds	-	-	-	-	29,511	29,511
Total Liabilities	3,026,005	833,717	416,636	101,448	3,871,750	8,249,556
Deferred Inflows of Resources						
Unavailable revenue - property taxes	621,180	-	43,691	-	68,782	733,653
Unavailable revenue - ambulance billings	-	-	1,879,850	-	-	1,879,850
Unavailable revenue - assessments & loans	2,502,318	15,354	-	519,238	10,591,567	13,628,477
Total Deferred Inflows of Resources	3,123,498	15,354	1,923,541	519,238	10,660,349	16,241,980
Fund Balances (Deficits):						
Nonspendable	4,487,276	-	-	-	627,085	5,114,361
Restricted	410,719	-	-	16,442,738	22,454,035	39,307,492
Committed	2,823,412	-	3,809,490	-	2,987,374	9,620,276
Assigned	-	6,682,785	-	-	17,398,649	24,081,434
Unassigned	10,446,263	-	-	-	1,432,914	11,879,177
Total Fund Balances (Deficits)	18,167,670	6,682,785	3,809,490	16,442,738	44,900,057	90,002,740
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 24,317,173	\$7,531,856	\$6,149,667	\$ 17,063,424	\$ 59,432,156	\$ 114,494,276

* The General Fund presented here includes the General Fund Stabilization Fund. Details of the combination are at page 152.

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

City of Bend, Oregon
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2018

Total Fund Balances (Deficits)	\$ 90,002,740
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	500,334,118
Other assets and deferred outflows of resources are not available to pay for current-period expenditures and therefore, are not reported in the funds:	
Interest receivable	102,901
Deferred outflows of refunded debt	68,237
Deferred revenues are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds' balance sheet	
Unavailable property taxes	733,653
Unavailable assessments and loans	5,868,049
Other unavailable revenues	9,641,285
Liabilities and deferred inflows of resources that are not due and payable in the current period, are not reported in the funds:	
Interest payable	23,084
Accrued compensated absences	(3,341,739)
Net pension activity	(20,773,378)
Other post-employment benefits	(27,609,006)
Accrued health insurance benefits	(21,209)
Long-term debt	(52,429,325)
Deferred inflows of refunded debt	(13,469)
The internal service funds are used by management to charge costs of certain activities such as garage, information technology, facility management, engineering, public works laboratory, insurance, legal and risk management, and administration and financial services to individual funds. The net position of the internal service funds are reported with governmental activities.	16,982,816
Total Net Position	<u>\$ 519,568,757</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 (Deficits)
Governmental Funds
For the fiscal year ended June 30, 2018

	General Fund*	Streets & Operations Fund	Fire / Emergency Medical Services Fund	System Development Charges (SDC) Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 36,427,355	\$ -	\$ 2,351,172	\$ -	\$ 6,305,968	\$ 45,084,495
Franchise fees	6,707,684	811,972	-	-	1,515,174	9,034,830
Intergovernmental	4,340,718	6,409,513	5,596,033	-	776,103	17,122,367
Assessments	-	-	-	-	241,780	241,780
Licenses and permits	103,767	-	-	-	6,285,746	6,389,513
Charges for services	369,930	141,157	3,705,539	-	8,929,480	13,146,106
System development charges	-	-	-	15,220,497	-	15,220,497
Contributions	-	-	976	-	132,947	133,923
Fines and forfeitures	1,088,986	-	-	-	-	1,088,986
Loan repayments	-	-	-	3,974	425,245	429,219
Permanent maintenance fees	-	-	-	-	4,506	4,506
Investment income	208,979	14,848	26,082	130,735	303,534	684,178
Miscellaneous	38,135	15,033	73,143	-	1,309	127,620
Total Revenues	49,285,554	7,392,523	11,752,945	15,355,206	24,921,792	108,708,020
Expenditures						
Current:						
General government	2,500,876	-	-	-	24,100	2,524,976
Public safety	22,930,989	-	24,581,734	-	7,100	47,519,823
Public ways and facilities	-	7,920,023	-	172,345	2,471,418	10,563,786
Community and economic development	1,471,309	-	-	-	16,890,683	18,361,992
Permanent maintenance	-	-	-	-	5,257	5,257
Urban renewal	-	-	-	-	98,823	98,823
Debt service:						
Principal	-	185,000	460,508	-	4,053,407	4,698,915
Interest	-	14,625	115,415	-	1,817,019	1,947,059
Capital outlay	341,029	6,414,537	225,467	-	7,286,617	14,267,650
Total Expenditures	27,244,203	14,534,185	25,383,124	172,345	32,654,424	99,988,281
Excess (deficiency) of revenues over (under) expenditures	22,041,351	(7,141,662)	(13,630,179)	15,182,861	(7,732,632)	8,719,739
Other Financing Sources (Uses)						
Insurance proceeds	12,416	-	-	-	-	12,416
Issuance of long-term debt	-	1,206,146	-	-	-	1,206,146
Proceeds from sale of assets	1,860,968	5,063	67,797	-	10,687	1,944,515
Transfers in	311,524	6,785,406	12,936,293	-	10,035,987	30,069,210
Transfers out	(29,245,919)	-	(35,301)	(16,067,373)	(569,606)	(45,918,199)
Total Other Financing Sources (Uses)	(27,061,011)	7,996,615	12,968,789	(16,067,373)	9,477,068	(12,685,912)
Net change in fund balances	(5,019,660)	854,953	(661,390)	(884,512)	1,744,436	(3,966,173)
Fund Balances (Deficits), July 1, 2017	23,187,330	5,827,832	4,470,880	17,327,250	43,155,621	93,968,913
Fund Balances (Deficits), June 30, 2018	\$ 18,167,670	\$ 6,682,785	\$ 3,809,490	\$ 16,442,738	\$ 44,900,057	\$ 90,002,740

*The General Fund presented here includes the General Fund Stabilization Fund. Details of the combination are at page 154.

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

City of Bend, Oregon
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the fiscal year ended June 30, 2018

Net Change in Fund Balance		\$ (3,966,173)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation was greater than capital outlay.		
Capital asset additions net of disposals/transfers	\$ 13,849,465	
Depreciation	<u>(19,248,765)</u>	(5,399,300)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		6,496,481
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Long-term debt proceeds		(1,206,146)
Long-term debt principal repayments		4,698,915
Some expenses (revenues) reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Accrued interest payable		17,693
Amortization of bond premiums and discounts		102,244
Amortization of deferred inflows		(13,469)
Amortization of deferred outflows		68,237
Accrued pension expense		(3,525,340)
Accrued compensated absences		(75,315)
Accrued OPEB expense		(1,417,620)
Accrued health insurance benefits		(8,580)
The internal service funds are used by management to charge costs of certain activities such as garage, information technology, facility management, engineering, public works laboratory, insurance, legal and risk management, and administration and financial services to individual funds. The net revenues and expenses of the internal service funds are reported with governmental activities.		
		<u>4,690,698</u>
Change in Net Position		<u>\$ 462,325</u>

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

City of Bend, Oregon
Statement of Fund Net Position
Proprietary Funds
June 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental	
	Water Fund	Water Reclamation Fund	Nonmajor Enterprise Funds	Total Proprietary Funds	
				Internal Service Funds	
Assets					
Current assets:					
Pooled cash and investments	\$ 46,404,245	\$ 55,085,710	\$ 8,760,633	\$ 110,250,588	\$ 20,709,274
Receivables:					
Accounts, net	2,842,371	3,768,659	660,337	7,271,367	274,154
Interest	37,917	79,388	-	117,305	-
Due from other governments	-	5,643,353	3,288,423	8,931,776	24,157
Other assets	29,840	-	-	29,840	348
Prepays and deposits	39,678	-	-	39,678	299,946
Total Current Assets	49,354,051	64,577,110	12,709,393	126,640,554	21,307,879
Noncurrent assets:					
Restricted cash and investments	227,959	4,607,535	34,055	4,869,549	5,328
Assessments receivable, net	-	67,431	-	67,431	-
Loans and notes receivable, net	1,400,000	10,183	-	1,410,183	-
Advances to other funds	-	-	-	-	1,000,000
Capital assets, net	170,290,912	267,126,903	72,666,779	510,084,594	22,850,070
Net OPEB asset	9,365	11,831	3,788	24,984	30,327
Total Noncurrent Assets	171,928,236	271,823,883	72,704,622	516,456,741	23,885,725
Total Assets	221,282,287	336,400,993	85,414,015	643,097,295	45,193,604
Deferred Outflows of Resources					
Deferred outflows from pensions	1,255,131	1,585,679	507,800	3,348,610	4,064,802
Deferred outflows from OPEB	11,424	14,431	4,622	30,477	36,996
Deferred outflows from debt refunding	-	-	-	-	8,434
Total Deferred Outflows of Resources	1,266,555	1,600,110	512,422	3,379,087	4,110,232
Liabilities					
Current liabilities:					
Accounts payable	823,197	2,257,653	1,156,367	4,237,217	297,486
Salaries and benefits payable	81,591	103,204	29,475	214,270	298,307
Retainage payable	50,290	1,421,154	323,928	1,795,372	-
Other accrued liabilities:					
Compensated absences	262,979	329,682	112,964	705,625	997,598
Interest payable	212,948	1,725,158	4,427	1,942,533	34,951
Insurance claims	1,669	2,450	707	4,826	504,685
Other	-	130,246	67,358	197,604	-
Deposits - restricted	227,959	-	34,055	262,014	5,328
Due to other funds	-	-	2,449,000	2,449,000	-
Current portion of long term debt, net	2,306,790	3,249,945	236,671	5,793,406	1,073,004
Total Current Liabilities	3,967,423	9,219,492	4,414,952	17,601,867	3,211,359
Noncurrent liabilities:					
Advances from other funds	-	-	1,000,000	1,000,000	-
Net pension liability	2,822,014	3,565,217	1,141,732	7,528,963	9,139,235
Net OPEB liability	2,111,618	2,667,730	854,319	5,633,667	6,838,577
Long-term debt, net	58,701,836	122,273,928	1,234,068	182,209,832	13,051,752
Total Noncurrent Liabilities	63,635,468	128,506,875	4,230,119	196,372,462	29,029,564
Total Liabilities	67,602,891	137,726,367	8,645,071	213,974,329	32,240,923

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

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

Continued on next page

City of Bend, Oregon
Statement of Fund Net Position (Continued)
Proprietary Funds
June 30, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities	
	Water Fund	Water Reclamation Fund	Nonmajor Enterprise Funds	Total Proprietary Funds	Internal Service Funds
<u>Deferred Inflows of Resources</u>					
Deferred inflows from pensions	9,547	12,061	3,862	25,470	30,915
Deferred inflows from OPEB	4,338	5,478	1,754	11,570	14,046
Deferred inflows from debt refunding	341,132	-	-	341,132	35,136
Total Deferred Inflows of Resources	<u>355,017</u>	<u>17,539</u>	<u>5,616</u>	<u>378,172</u>	<u>80,097</u>
<u>Net Position (Deficit)</u>					
Net investment in capital assets	108,941,154	141,603,030	71,196,040	321,740,224	8,698,612
Restricted for:					
Outside construction covenant	541	5,065	-	5,606	-
Debt service	-	4,607,535	-	4,607,535	-
Committed:					
Other post employment benefit liability	-	-	-	-	7,901,350
Unrestricted (deficit)	<u>45,649,239</u>	<u>54,041,567</u>	<u>6,079,710</u>	<u>105,770,516</u>	<u>382,854</u>
Total Net Position	<u>\$ 154,590,934</u>	<u>\$ 200,257,197</u>	<u>\$ 77,275,750</u>	<u>\$ 432,123,881</u>	<u>\$ 16,982,816</u>

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

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

City of Bend, Oregon
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the fiscal year ended June 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental
	Water		Nonmajor	Total	Internal
	Water Fund	Reclamation Fund	Enterprise Funds	Proprietary Funds	Service Funds
<u>Operating Revenues</u>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 40,293
Licenses and permits	-	-	-	-	216,678
Charges for services	19,732,194	26,853,406	5,807,552	52,393,152	20,865,006
Rental income	-	-	-	-	2,914,265
Loan repayments	91,769	26,246	-	118,015	-
Miscellaneous	21,282	14,409	8,580	44,271	384,392
Total Operating Revenues	<u>19,845,245</u>	<u>26,894,061</u>	<u>5,816,132</u>	<u>52,555,438</u>	<u>24,420,634</u>
<u>Operating Expenses</u>					
Salaries and benefits	4,820,971	5,946,311	1,906,277	12,673,559	13,391,901
Materials and supplies	3,674,876	2,678,205	967,869	7,320,950	6,148,722
Internal services	3,194,697	3,951,863	1,152,364	8,298,924	2,652,918
Insurance premiums and claims	-	-	-	-	1,962,514
Depreciation	3,254,233	3,771,681	2,131,832	9,157,746	1,273,975
Total Operating Expenses	<u>14,944,777</u>	<u>16,348,060</u>	<u>6,158,342</u>	<u>37,451,179</u>	<u>25,430,030</u>
Operating income (loss)	<u>4,900,468</u>	<u>10,546,001</u>	<u>(342,210)</u>	<u>15,104,259</u>	<u>(1,009,396)</u>
<u>Nonoperating Revenues (Expenses)</u>					
Investment income	283,947	160,163	4,975	449,085	27,084
Insurance proceeds	-	-	40,000	40,000	259,348
Interest expense	(2,482,434)	(2,043,589)	(43,361)	(4,569,384)	(303,838)
Amortization	617,304	16,346	3,968	637,618	25,293
Gain (loss) on disposal of assets	30,310	17,331	(219,978)	(172,337)	(37,216)
Total Nonoperating Revenues (Expenses)	<u>(1,550,873)</u>	<u>(1,849,749)</u>	<u>(214,396)</u>	<u>(3,615,018)</u>	<u>(29,329)</u>
Income (loss) before contributions and transfers	<u>3,349,595</u>	<u>8,696,252</u>	<u>(556,606)</u>	<u>11,489,241</u>	<u>(1,038,725)</u>
<u>Contributions and Transfers</u>					
Capital grants and contributions	3,623,074	2,979,284	4,396,985	10,999,343	-
Proceeds from sale of assets	-	-	-	-	2,585
Forgiveness of debt	-	-	52,253	52,253	-
Transfers in	3,256,261	6,980,316	128,073	10,364,650	7,268,515
Transfers out	(102,500)	(102,500)	(37,500)	(242,500)	(1,541,677)
Total Contributions and Transfers	<u>6,776,835</u>	<u>9,857,100</u>	<u>4,539,811</u>	<u>21,173,746</u>	<u>5,729,423</u>
Change in net position	<u>10,126,430</u>	<u>18,553,352</u>	<u>3,983,205</u>	<u>32,662,987</u>	<u>4,690,698</u>
Net Position, July 1, 2017	145,775,471	183,322,930	73,810,466	402,908,867	16,271,257
Prior period adjustment	(1,310,967)	(1,619,085)	(517,921)	(3,447,973)	(3,979,139)
Net position, July 1, 2017 as restated	<u>144,464,504</u>	<u>181,703,845</u>	<u>73,292,545</u>	<u>399,460,894</u>	<u>12,292,118</u>
Net Position, June 30, 2018	<u>\$ 154,590,934</u>	<u>\$ 200,257,197</u>	<u>\$ 77,275,750</u>	<u>\$ 432,123,881</u>	<u>\$ 16,982,816</u>

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

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

City of Bend, Oregon
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>				Governmental
	Water Fund	Water Reclamation Fund	Nonmajor Enterprise Funds	Total Proprietary Funds	Activities - Internal Service Fund
<u>Cash Flows from Operating Activities</u>					
Cash received from customers	\$ 19,613,097	\$ 26,504,021	\$ 5,798,558	\$ 51,915,676	\$ 1,313,407
Cash received from interfund services provided	172,114	23,467	24,957	220,538	23,538,832
Cash paid to employees for services	(4,482,048)	(5,552,483)	(1,688,151)	(11,722,682)	(11,964,779)
Cash paid to suppliers for goods and services	(4,024,392)	(5,063,976)	(1,408,827)	(10,497,195)	(8,399,088)
Cash paid for interfund services used	(3,194,697)	(3,951,863)	(1,152,364)	(8,298,924)	(2,652,918)
	-	-	-	-	40,293
Net Cash From Operating Activities	<u>8,084,074</u>	<u>11,959,166</u>	<u>1,574,173</u>	<u>21,617,413</u>	<u>1,875,747</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Transfers from other funds	3,256,261	6,980,316	128,073	10,364,650	7,268,515
Transfers to other funds	(102,500)	(102,500)	(37,500)	(242,500)	(1,541,677)
Net Cash from Noncapital Financing Activities	<u>3,153,761</u>	<u>6,877,816</u>	<u>90,573</u>	<u>10,122,150</u>	<u>5,726,838</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Issuance of debt	-	20,829,961	3,253,097	24,083,058	6,703,245
Principal payments on capital debt	(1,657,087)	(1,811,794)	(3,230,456)	(6,699,337)	(5,605,295)
Interest payments on capital debt	(2,481,220)	(2,907,064)	(53,329)	(5,441,613)	(314,991)
Acquisition and construction of capital assets	(2,592,577)	(24,826,892)	(5,226,561)	(32,646,030)	(2,864,685)
Advances from other funds for capital activities	-	-	1,000,000	1,000,000	(1,000,000)
Capital grants and contributions	40,470	8,135,469	4,218,758	12,394,697	(24,157)
Insurance proceeds	-	-	40,000	40,000	259,348
Proceeds from sale of assets	41,530	40,620	7,700	89,850	2,585
Net Cash from Capital and Related Financing Activities	<u>(6,648,884)</u>	<u>(539,700)</u>	<u>9,209</u>	<u>(7,179,375)</u>	<u>(2,843,950)</u>
<u>Cash Flows from Investing Activities</u>					
Investment income	283,947	160,163	4,975	449,085	27,084
Net Cash from Investing Activities	<u>283,947</u>	<u>160,163</u>	<u>4,975</u>	<u>449,085</u>	<u>27,084</u>
Net change in pooled cash and investments	4,872,898	18,457,445	1,678,930	25,009,273	4,785,719
Pooled Cash and Investments, July 1, 2017	<u>41,759,306</u>	<u>41,235,800</u>	<u>7,115,758</u>	<u>90,110,864</u>	<u>15,928,883</u>
Pooled Cash and Investments, June 30, 2018	<u>\$ 46,632,204</u>	<u>\$ 59,693,245</u>	<u>\$ 8,794,688</u>	<u>\$ 115,120,137</u>	<u>\$ 20,714,602</u>

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

Continued on next page

City of Bend, Oregon
Statement of Cash Flows (Continued)
Proprietary Funds
For the fiscal year ended June 30, 2018

Business-type Activities - Enterprise Funds

	Water Fund	Water Reclamation Fund	Nonmajor Enterprise Funds	Total Proprietary Funds	Governmental Activities - Internal Service Fund
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>					
Operating income (loss)	\$ 4,900,468	\$ 10,546,001	\$ (342,210)	\$ 15,104,259	\$ (1,009,396)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	3,254,233	3,771,681	2,131,832	9,157,746	1,273,975
Change in:					
Accounts receivable	(94,443)	(368,204)	11,347	(451,300)	968,576
Loan, notes and assessments receivable	(769)	(3,378)	-	(4,147)	-
Prepays and deposits	5,591	-	-	5,591	(574)
Accounts payable	(349,516)	(2,385,771)	(440,958)	(3,176,245)	(256,461)
Salaries and benefits payable	22,968	31,435	9,056	63,459	95,447
Pension benefits	200,317	152,694	116,778	469,789	744,867
Other post-employment benefits	114,666	144,864	46,394	305,924	354,630
Compensated absences payable	1,026	64,237	45,489	110,752	202,451
Insurance claims payable	(54)	598	409	953	(1,664)
Prepays and deposits payable	29,587	5,009	(3,964)	30,632	(496,104)
Net Cash from Operating Activities	<u>\$ 8,084,074</u>	<u>\$ 11,959,166</u>	<u>\$ 1,574,173</u>	<u>\$ 21,617,413</u>	<u>\$ 1,875,747</u>

Noncash Capital and Related Financing Activities

The City received donated Water, Water Reclamation, and Nonmajor Enterprise Funds infrastructure totaling \$3,582,604, \$2,792,671, \$971,847, respectively, in the current year.

Acquisition of capital assets financed through accounts payable and retainage payable for the current year totaled \$608,512 in the Water Fund, \$6,391,437 in the Water Reclamation Fund, \$1,775,158 in the Nonmajor Enterprise Funds, and \$126,104 in the Internal Service Funds.

The net book value of capital assets contributed to other funds, or gain/(loss) on disposal was \$30,310 in the Water Fund, \$17,331 in the Water Reclamation Fund, \$(219,978) in the Nonmajor Enterprise Funds, and \$(37,216) in the Internal Service Funds in the current year.

The Clean Water Loans in the Water Reclamation Fund are received on a reimbursement basis. As of year end, \$5,643,353 was not received.

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

City of Bend, Oregon
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Agency Fund
<u>Assets</u>	
Cash and investments	\$ 677,365
Accounts, net	22,407
Total Assets	699,772
<u>Liabilities</u>	
Amounts held for others	699,772
Total Liabilities	699,772
Net Position	\$ -

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies

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

The Financial Reporting Entity

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

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

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

BURA receives funds through tax increment financing pursuant to Oregon Revised Statutes (ORS) 457.420 through 457.450. Separate financial statements for BURA can be obtained from the finance department of the City of Bend, 710 NW Wall Street, Bend, OR 97703.

Organization

The City of Bend, Oregon is a municipal corporation governed by an elected council of seven members. The City (located in Deschutes County) was organized in 1904 and incorporated in 1905 under Article XI of the State of Oregon Constitution. The City operates under a council/manager form of government and provides the following services: police, fire, ambulance, municipal court, community and economic development, building, planning, growth management, street construction and maintenance, transportation facilities and airport, cemetery, public works and general government services, and water, water reclamation and stormwater utilities.

Financial Statement Presentation, Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

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

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation, Measurement Focus and Basis of Accounting (Continued)

Government-wide Financial Statements (Continued)

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

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

Fund Financial Statements

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

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

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

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

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

The City considers taxes and franchise fees available and susceptible to accrual if they are collected within 60 days after fiscal 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 Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

The following are the City's major governmental funds:

General Fund – The General Fund accounts for the following operations: police, municipal court, code enforcement, growth management, accessibility, as well as 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.

Streets & Operations Fund – This fund accounts for the City's street and transportation operations, including street preservation, repair and maintenance, street lighting and landscaping. Resources consist primarily of state highway fund apportionment and support from the General Fund.

Fire/Emergency Medical Services (EMS) Fund – This fund accounts for the City's fire suppression, prevention and emergency medical services. Revenues include General Fund support, the May 2014 voter approved fire local option levy, charges for emergency medical services, Firemed memberships and fire protection contracts.

System Development Charges (SDC) Fund – This fund accounts for the collection of SDC's for the City's street, water, and water reclamation systems. SDC's are fees collected for capital improvements to increase city-wide capacities for water, water reclamation, and transportation. Revenues are used to fund eligible construction projects.

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

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

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

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

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

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary Funds

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

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

The following are the City's major enterprise funds:

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

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

Additionally, the City reports the following fund type:

Internal Service Funds – The Internal Service Funds account 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 three internal service funds. The City-wide Support Internal Service Fund includes administration and financial services, legal and risk management, insurance, information technology, and facility management. The Departmental Support Internal Service Fund consists of garage, engineering, and public works laboratory. The facility management, engineering, public works laboratory and administration and financial services divisions also charge external customers fees for services. The Internal Service Fund-Other Post Employment Benefits (OPEB) accumulates reserves for future payments of OPEB costs.

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 Parks and Recreation District and the State of Oregon. Agency activity is custodial in nature and does not involve the measurement of results of operations.

Use of Estimates

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

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Investments

The City maintains a common cash and investment pool for all City funds. The types of investments in which the City may invest are restricted by State of Oregon statutes and a Council adopted investment policy. Authorized investments include general obligations of the United States Government and its agencies, obligations of the States of Oregon, California, Idaho and Washington that have a rating of AA- (or equivalent) or better, A-1 rated commercial paper and banker's acceptances, AA (or equivalent) rated corporate bonds, time deposits, repurchase agreements and the State of Oregon Local Government Investment Pool. Investments in the State of Oregon's Local Government Investment Pool (LGIP) are considered short-term and highly liquid where the remaining maturity at the time of purchase is one year or less and are stated at fair value. Fair value of the investment in the LGIP is the same as the value of the pool shares. The LGIP is governed by the Oregon Short Term Fund Board and audited by the Secretary of State, Audits Division.

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

Restricted Cash and Investments

Restricted cash and investments are those whose use is restricted to specific purposes by state statute, bond indenture or otherwise. At June 30, 2018, the City had \$51,149,300 of cash and investments restricted for debt service, construction, building, tourism, permanent maintenance, Urban Renewal, grant activity, and deposits.

Receivables

Property taxes are assessed on a July 1st - June 30th fiscal year basis. Assessed valuation and tax levies are certified by the County Assessor in mid-October and property owners have the option of paying the full amount by November 15th or prior to February 15th and receiving a discount or paying in three installments, November 15th, February 15th and May 15th. Property taxes attach as an enforceable lien on July 1st and are considered delinquent if not paid by the following May 15th. The Deschutes 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 30th, less tax collections received within sixty days subsequent to year end, are recorded as unavailable revenue. Management has determined that an allowance for uncollectible accounts is not required for property taxes. All other receivables are shown net of an allowance for uncollectible accounts.

Other receivables consist primarily of water, sewer, and stormwater utility receivables; but, also include ambulance, court, community development, and airport receivables. Ambulance and court receivables at June 30, less collections received within sixty days subsequent to year end, are recorded as unavailable revenue. In the proprietary funds, receivables include services provided, for which payment has not yet been received.

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

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

Due from Other Governments

Due from other governments are amounts due primarily from granting agencies. The largest amount relates to a receivable from the State of Oregon for a Department of Environmental Quality loans related to projects in the Water Reclamation Fund. Other amounts include receivables from the Federal Aviation Administration for grant supported projects at the Airport, from the State of Oregon for state shared revenues, and a receivable from Bend -

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Due from Other Governments (Continued)

LaPine School District for school safety resource officers.

Inventories and Prepaid Items (Other Assets)

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

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

Assets Held for Resale

Assets held for resale, including Juniper Ridge development costs, are recorded at lower of cost or market.

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 acquisition value at the date of donation. Capital assets include land, right-of-ways, buildings, improvements, infrastructure, vehicles and equipment costing over \$5,000 with an estimated life in excess of one year. Maintenance and repairs that do not add to the value of the assets or extend the assets' lives are charged to expense as incurred and are not capitalized.

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

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

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

Accounts Payable

Accounts payable to vendors and contractors include general accounts payable, retainage payable, and other accrued liabilities not included in short-term or long-term liabilities.

Other Liabilities

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. There is no liability reported for unpaid accumulated sick leave since the City by policy does not pay out sick leave banks when employees separate from service with the City. All vacation pay, and related payroll benefits, is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of termination or retirement. All compensated absences are paid by the individual funds as they become due. The General Fund and Fire/EMS Funds are primarily responsible for payment of this liability for the Governmental Activities.

Due to Developers

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

Pension Plan

The City reports its proportionate share of the Net Pension Liability of the Oregon Public Employees Retirement System (OPERS). For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, pension expense, information about the fiduciary net position of OPERS and the additions to/deductions from PERS's fiduciary net position have remained on the same basis as reported by OPERS. For this

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Pension Plan (Continued)

purpose, benefit payments by PERS (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value by OPERS.

Other Post-Employment Benefits

In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions (OPEB)*, the City's total OPEB liability and net OPEB assets are actuarially determined and are recognized as a long-term liability and asset in the government-wide financial statements and in the proprietary funds statements. Please refer to Note 16 for more information.

Long-term Debt

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

Adoption of New and Future GASB Pronouncements

During the fiscal year ended June 30, 2018, the City implemented the following GASB Pronouncements:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Issued June 2015, this statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. Please refer to Note 16 for more information.

GASB Statement No. 85, *Omnibus 2017*. Issued March 2017, this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, good will fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and "negative" goodwill
- Measuring certain money market investments and participating interest-earning investment contract at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. GASB 89 will be effective for the City fiscal year ending June 30, 2021, however the City has opted for early implementation in the fiscal year ended June 30, 2018. The objectives of the Statement are (1) to

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Adoption of New and Future GASB Pronouncements (Continued)

enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The following GASB pronouncements have been issued, but are not effective as of June 30, 2018:

GASB Statement No. 83, Certain Asset Retirement Obligations. Issued November 2016, this statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). GASB 83 will be effective for the City fiscal year ending June 30, 2019.

GASB Statement No. 84, Fiduciary Activities. Issued January 2017, this statement establishes criteria for identifying fiduciary activities of all state and local governments. GASB 84 will be effective for the City, fiscal year ending June 30, 2020.

GASB Statement No. 87, Leases. Issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the City for fiscal year ending June 30, 2021.

GASB Statement No. 90, Majority Equity Interests. Issued August 2018, the primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization; and to improve the relevance of financial statement information for certain component units. GASB Statement No. 90 will be effective for the City for fiscal year ending June 30, 2020.

The City of Bend will implement new GASB pronouncements no later than the required effective date. The City is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact on the City's financial statements.

Deferred Inflows and Outflows of Resources

In accordance with Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the city reports deferred outflows of resources in the *Statement of Financial Position* in a separate section following Assets. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows from pensions, OPEB, and debt refundings as deferred outflows on the statement of financial position. The deferred outflows from pensions and OPEB are for plan contributions made subsequent to the measurement date of the pension liability and OPEB asset, as presented, and the deferred outflow from debt refundings represents the unamortized carrying value from the refunding.

Similarly, the *Statement of Financial Position* reports deferred inflows of resources in a separate section following Liabilities. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows from pensions, OPEB, and debt refundings as deferred inflows on the statement of financial position. The deferred inflows from pension are for investment differences between the liability and assets. The deferred inflow from debt refundings represents the unamortized carrying value from bond refundings. The City also presents unavailable revenue as a deferred inflow of resources on the governmental funds balance sheet. The governmental funds report unavailable revenues from multiple sources: property taxes, ambulance billings, and assessments and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balances

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

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

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

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

Resources that are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. The City has a formal policy adopted by resolution that designates the authority to assign the fund balance in the General Fund to the Finance Director. When the adopted budget calls for spending down the existing fund balance in the ensuing biennium, an assignment is created through the budget process in the amount of that appropriation.

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

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

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

City Council authorized the establishment of a stabilization reserve in fiscal year 2009-10 to provide temporary support to minimize the impacts to citizens of severe economic downturns or major unforeseen events (as determined by Council action) where a significant portion of revenues supporting critical basic operations are projected to decline for more than 2 years or permanently, and such decline cannot be absorbed by the department or fund. In these events, the City will need time to affect reductions, consolidate operations, reprioritize critical programs or implement an alternate revenue source. The General Fund Stabilization Fund will provide temporary support to minimize the impacts to citizens who rely on these critical operations. The Stabilization Fund will also be maintained to protect and enhance the City's credit rating. Additions to the stabilization reserves may include investment earnings and excess revenues and/or additional allocations from other funds. The stabilization funds may be spent for City Council approved temporary support for critical basic services and operations meeting the General Fund Stabilization Fund Policy. The stabilization balance as of June 30, 2018 was \$2,823,412.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

Governmental fund balances by classification for the fiscal year ended June 30, 2018, were as follows:

	General Fund	Streets & Operations Fund	Fire / Emergency Medical Services Fund	System Development Charges (SDC) Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances (Deficits)						
Nonspendable						
Assets held for resale	\$ 4,487,276	\$ -	\$ -	\$ -	\$ -	\$ 4,487,276
Permanent maintenance funds	-	-	-	-	627,085	627,085
Restricted for						
External grantor covenant	-	-	-	-	694,344	694,344
Outside debt covenant	-	-	-	-	4,293,305	4,293,305
Outside construction covenant	-	-	-	-	2,920,291	2,920,291
State law revenue restriction	410,719	-	-	16,442,738	14,546,095	31,399,552
Committed						
Reserves for General Fund						
Stabilization	2,823,412	-	-	-	-	2,823,412
Fire service agreements	-	-	3,809,490	-	-	3,809,490
Affordable housing	-	-	-	-	2,344,056	2,344,056
Reserves for police operations	-	-	-	-	643,318	643,318
Assigned						
Construction activities	-	6,682,785	-	-	8,332,506	15,015,291
Planning support services	-	-	-	-	6,263,349	6,263,349
Community development contracts	-	-	-	-	117,679	117,679
Debt service	-	-	-	-	2,685,115	2,685,115
Unassigned	10,446,263	-	-	-	1,432,914	11,879,177
Total Fund Balances (Deficits)	<u>\$ 18,167,670</u>	<u>\$ 6,682,785</u>	<u>\$ 3,809,490</u>	<u>\$ 16,442,738</u>	<u>\$ 44,900,057</u>	<u>\$ 90,002,740</u>

Note 2 - Cash and Investments

At June 30, 2018, the City's cash and investments are comprised of the following:

Cash on hand	\$ 5,587
Deposits with financial institutions	4,886,551
Deposits with trust custodians	674,927
Investments:	
State of Oregon Local Government Investment Pool	41,782,335
U.S. agency obligations	157,624,169
Corporate notes	16,939,908
Total pooled cash and investments	<u>\$ 221,913,477</u>

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

	Governmental Activities	Business-Type Activities	Agency Fund	Total
Pooled cash and investments	\$ 59,836,224	\$ 110,250,588	\$ 677,365	\$ 170,764,177
Restricted cash and investments	46,279,751	4,869,549	-	51,149,300
	<u>\$ 106,115,975</u>	<u>\$ 115,120,137</u>	<u>\$ 677,365</u>	<u>\$ 221,913,477</u>

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 2 - Cash and Investments (Continued)

Deposits with Financial Institutions

The City's cash deposits with financial institutions are in a public funds checking account and a public funds savings account that is insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The total cash in bank as of June 30, 2018 was \$7,583,649, of these deposits \$7,333,649 was not insured by the FDIC. The uninsured cash deposits are part of the Public Funds Collateralization Program. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. Bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank loss. ORS Chapter 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS Chapter 295 creates a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected.

Interest Rate Risk

As a means to limit exposure to fair value loss arising from interest rates, the City's investment policy requires that the City's investments mature within seven years. Actual investment maturities for the City are as follows:

<u>Maturity</u>	<u>Actual at June 30, 2018</u>
Less than 30 days	24 %
Less than 12 months	42 %
Less than 18 months	51 %
Less than 7 years	100 %

Credit Risk

The City's investment policy limits investments in commercial paper and corporate bonds to specific bond ratings as determined by nationally recognized rating agencies. Commercial paper must be rated at least A-1 by Standard & Poor's, P-1 by Moody's, or F-1 by Fitch at the time of purchase by each service which rates the commercial paper. Corporate bonds must be rated at least AA by Standard & Poor's, Aa3 by Moody's, or AA by Fitch. In addition, ownership of commercial paper and corporate bonds is limited to a combined total of 35% of the portfolio with no more than 5% of the portfolio held in any one issuer. At June 30, 2018, the City was in compliance with the above policy requirements with commercial paper and corporate bonds totaling 15% of the portfolio. Investments in obligations of the States of Oregon, California, Idaho and Washington must be rated AA- (or an equivalent rating) or better and ownership of such obligations is limited to 25% of the portfolio with no more than 5% held in any one issuer.

The State of Oregon Local Government Investment Pool and money market account are unrated. Investments held at June 30, 2018 are categorized by rating as follows:

<u>Investor Service Rating</u>	<u>U.S. Agency Obligations</u>	<u>State / Local Obligations</u>	<u>Corporate Notes</u>
Prime (AAA, Aaa, AAA)*	\$ 157,624,169	\$ -	\$ 10,019,478
High Grade (AA, Aa, AA)*	-	-	6,920,430
	<u>\$ 157,624,169</u>	<u>\$ -</u>	<u>\$ 16,939,908</u>

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

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 2 - Cash and Investments (Continued)

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, 2018, the City does not have investments exposed to custodial credit risk.

Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. These classifications are summarized in the three broad levels listed below:

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, including quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as exchange rates, financing terms, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risk and default rates).
- Level 3 – Valuations derived from valuation techniques in which significant inputs or significant valuation drivers are unobservable.

	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2018				
US Treasury Securities	\$ 36,450,375	\$ 36,450,375	\$ -	\$ -
Federal Agency Securities	121,173,794	-	121,173,794	-
Corporate Notes	16,939,908	-	16,939,908	-
Total assets	<u>\$ 174,564,077</u>	<u>\$ 36,450,375</u>	<u>\$ 138,113,702</u>	<u>\$ -</u>

Note 3 - Receivables

Receivables as of June 30, 2018 are as follows:

	Governmental Activities						Total
	General Fund	Streets & Operations Fund	Fire / Emergency Medical Services Fund	System Development Charges (SDC) Fund	Other Funds	Internal Service Funds	
Taxes receivable	\$ 2,733,358	\$ 71,104	\$ 86,589	\$ -	\$ 772,042	\$ -	\$ 3,663,093
Accounts receivable	5,182,567	44,881	5,659,041	90,632	35,456	274,297	11,286,874
Interest receivable	902,336	-	-	145	102,756	-	1,005,237
Total receivables	<u>8,818,261</u>	<u>115,985</u>	<u>5,745,630</u>	<u>90,777</u>	<u>910,254</u>	<u>274,297</u>	<u>15,955,204</u>
Allowance for doubtful accounts	<u>(3,192,961)</u>	<u>(29,527)</u>	<u>(3,244,980)</u>	<u>-</u>	<u>(48,738)</u>	<u>(143)</u>	<u>(6,516,349)</u>
Receivables, net	<u>\$ 5,625,300</u>	<u>\$ 86,458</u>	<u>\$ 2,500,650</u>	<u>\$ 90,777</u>	<u>\$ 861,516</u>	<u>\$ 274,154</u>	<u>\$ 9,438,855</u>

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 3 - Receivables (Continued)

	Business-type Activities			Total
	Water Fund	Water Reclamation Fund	Nonmajor Enterprise Funds	
Accounts receivable	\$ 3,584,939	\$ 4,709,023	\$ 2,054,614	\$ 10,348,576
Interest receivable	37,917	79,388	-	117,305
Total receivables	3,622,856	4,788,411	2,054,614	10,465,881
Allowance for doubtful accounts	(742,568)	(940,364)	(1,394,277)	(3,077,209)
Receivables, net	<u>\$ 2,880,288</u>	<u>\$ 3,848,047</u>	<u>\$ 660,337</u>	<u>\$ 7,388,672</u>

Loans, Assessments, and Notes Receivable

Assessments receivable consist of amounts levied against benefited property owners for the cost of public improvements and attach as an enforceable lien on the property until paid. All the City's assessment loans are made over a period of 10 years and bear interest ranging from 1.5% to 7.00%. Promissory notes consist of System Development Charge (SDC) deferrals and loans over a period of 9 months to 10 years and bear interest ranging from 0% to 12%, building permit and energy efficiency upgrade deferrals due upon the sale/transfer of the property with no interest, and Community Development and Affordable Housing loans with variable terms.

Assessments, loans and notes receivable consisted of the following at June 30, 2018:

	Governmental Activities	Business-type Activities
<u>Assessments Receivable</u>		
Assessments receivable for downtown economic improvements	\$ 38,092	\$ -
Assessments receivable for local improvements, 10 year terms with 5% to 7.0% interest	-	85,647
Allowance for uncollectible assessments	-	(18,216)
Total assessments receivable	<u>38,092</u>	<u>67,431</u>
<u>Loans and Notes Receivable</u>		
Promissory notes receivable for system development charges, 1 to 10 year terms with 1.5% to 7.0% interest	428,606	13,577
Promissory notes receivable for building permits and energy efficiency upgrade deferrals due upon property sale/transfer, 0% interest	152,689	-
Community development block grant loans to qualified individuals or organizations, various terms with 0% to 2% interest	5,174,093	-
Affordable housing loans to qualified organizations, various terms with various interest	5,243,763	-
Promissory note receivable for sale of transit facilities to Central Oregon Intergovernmental Council (C.O.I.C.), 20 year term, 0% interest	639,656	-
Promissory note receivable for the sale of Juniper Utility assets to Roats Water System, Inc., 20 year term, 6.5% interest	-	1,400,000
Allowance for uncollectible loans and notes receivable	-	(3,394)
Total loans and notes receivable	<u>11,638,807</u>	<u>1,410,183</u>
Total assessments, loans and notes receivables	<u>\$ 11,676,899</u>	<u>\$ 1,477,614</u>

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 4 - Assets Held for Resale

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

<u>Governmental activities</u>	Balance July 1, 2017	Increases	Decreases	Adjustments	Balance June 30, 2018
Assets held for resale	\$ 4,554,943	\$ -	\$ (67,667)	\$ -	\$ 4,487,276

Note 5 - Capital Assets

Governmental capital asset activity for the year ended June 30, 2018 was as follows:

<u>Governmental activities</u>	Balance July 1, 2017	Increases	Decreases	Adjustments	Balance June 30, 2018
Capital assets not depreciated:					
Land including right-of-way	\$ 147,922,243	\$ -	\$ -	\$ -	\$ 147,922,243
Land use rights	9,994	-	-	-	9,994
Works of art	719,215	-	-	-	719,215
Construction in progress	32,881,795	14,817,681	-	(862,183)	46,837,293
Total capital assets not depreciated	181,533,247	14,817,681	-	(862,183)	195,488,745
Capital assets being depreciated:					
Buildings and improvements	24,845,491	453,054	-	862,183	26,160,728
Infrastructure	537,056,922	3,928,811	-	-	540,985,733
Vehicles and equipment	26,136,339	2,599,066	(1,795,649)	(485,281)	26,454,475
Software	1,555,612	-	-	-	1,555,612
Total capital assets being depreciated	589,594,364	6,980,931	(1,795,649)	376,902	595,156,548
Less accumulated depreciation for:					
Buildings and improvements	10,880,627	935,922	-	-	11,816,549
Infrastructure	221,136,423	17,293,011	-	-	238,429,434
Vehicles and equipment	14,810,028	2,246,549	(1,392,812)	-	15,663,765
Software	1,507,120	44,236	-	-	1,551,356
Total accumulated depreciation	248,334,198	20,519,718	(1,392,812)	-	267,461,104
Total capital assets being depreciated, net	341,260,166	(13,538,787)	(402,837)	376,902	327,695,444
Governmental activities capital assets, net	\$ 522,793,413	\$ 1,278,894	\$ (402,837)	\$ (485,281)	\$ 523,184,189

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

<u>Governmental activities</u>	
General government	\$ 1,778,427
Public safety	1,629,030
Public ways and facilities	17,001,011
Community and economic development	108,531
Urban renewal	2,719
Governmental activities depreciation expense	<u>\$ 20,519,718</u>

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 5 - Capital Assets (Continued)

Business-type capital asset activity for the year ended June 30, 2018 was as follows:

<u>Business-type activities</u>	Balance July 1, 2017	Increases	Decreases	Adjustments	Balance June 30, 2018
Capital assets not depreciated:					
Land including right-of-way	\$ 6,412,163	\$ -	\$ -	\$ -	\$ 6,412,163
Land use rights	1,365,423	-	-	-	1,365,423
Construction in progress	212,715,544	29,116,106	-	(9,533,975)	232,297,675
Total capital assets not depreciated	220,493,130	29,116,106	-	(9,533,975)	240,075,261
Capital assets being depreciated:					
Buildings and improvements	24,219,556	1,132,543	-	(28,859)	25,323,240
Vehicles and equipment	13,489,881	901,181	(716,914)	(327,956)	13,346,192
Software	698,111	-	-	-	698,111
Water infrastructure	121,934,178	3,902,858	-	1,567,912	127,404,948
Water reclamation infrastructure	164,119,357	2,861,085	-	-	166,980,442
Stormwater infrastructure	43,362,922	971,847	-	476,718	44,811,487
Other infrastructure	20,457,930	-	-	7,489,353	27,947,283
Total capital assets being depreciated	388,281,935	9,769,514	(716,914)	9,177,168	406,511,703
Less accumulated depreciation for:					
Buildings and improvements	7,995,341	560,988	(16,449)	-	8,539,880
Vehicles and equipment	9,891,982	973,135	(809,767)	-	10,055,350
Software	679,210	12,215	-	1,439	692,864
Water infrastructure	36,078,987	2,965,052	-	-	39,044,039
Water reclamation infrastructure	54,534,902	3,189,733	-	-	57,724,635
Stormwater infrastructure	15,918,170	943,960	-	-	16,862,130
Other infrastructure	3,064,266	519,206	-	-	3,583,472
Total accumulated depreciation	128,162,858	9,164,289	(826,216)	1,439	136,502,370
Total capital assets being depreciated, net	260,119,077	605,225	109,302	9,175,729	270,009,333
Business-type activities capital assets, net	\$ 480,612,207	\$ 29,721,331	\$ 109,302	\$ (358,246)	\$ 510,084,594

In conjunction with the City's system-wide ERP project, changes in the estimated useful lives and salvage values of certain depreciable assets were made as the City implemented a new capital asset tracking system. The resulting change in accounting estimate will be recognized over the remaining life of each asset, ranging from one to twenty years. This change in accounting estimate did not change the accounting policies as stated in Note 1.

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

<u>Business-type activities</u>	
Water	\$ 3,260,772
Water reclamation	3,771,681
Nonmajor:	
Airport	709,791
Downtown Parking	363,211
Stormwater	1,046,161
Cemetery	12,669
Business-type activities depreciation expense	<u>\$ 9,164,285</u>

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 6 - Lease Obligations

The City leases fire stations from the Deschutes County Rural Fire Protection District No. 2 under operating lease agreements expiring in June 2050 with options to renew for five successive terms of ten years each. Lease payments are due semi-annually on December 1 and June 1 each year. Rental expense for the fiscal year ended June 30, 2018 totaled \$241,428. Minimum future lease payments not including annual consumer price index adjustments are \$244,018 each fiscal year from 2019 through 2050.

The City leases a building from Wall Street-Cookson, LLC. The term of the lease is five years, expiring June 2019 with options to renew for two successive terms of two years each. Rental expense for the fiscal year ended June 30, 2018 totaled \$274,747 and lease payments are due monthly. Minimum future lease payments not including annual consumer price index adjustments total \$297,474 for the remaining year.

Note 7 - Lease Receivables

The City is the lessor of numerous ground and hangar leases associated with the municipal airport. Most of these leases carry 20 year terms with current leases expiring through 2036. 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, 2018 is \$795,988. Cost of leased assets totaled \$1,947,061 at June 30, 2018 with a carrying amount of \$1,007,997 and current year depreciation of \$41,460. Minimum future lease payments not including annual consumer price index adjustments are \$795,988 each fiscal year from 2019 through 2036.

Note 8 - Due To / From Other Funds

The City provided interim financing for the following funds due to delayed grant funding reimbursements. These amounts are non-interest bearing and are repaid in the following fiscal year.

Description	Amount
Due to the General Fund from Nonmajor Enterprise Funds	\$ 2,449,000
Due to the Fire/Emergency Medical Services Fund from the Nonmajor Governmental Funds	29,511
Due to the Internal Service Fund - City Wide Administration from Nonmajor Enterprise Funds	1,000,000

Note 9 - Short-Term Note Payable

On June 29, 2017 the City obtained a bank loan in the amount of \$3,000,000 to provide interim financing for capital expenditures including the construction of a rotor craft taxiway, helipad landing site, and helicopter ramp for the helicopter operations area at the Bend Municipal Airport. The note, with stated interest of 2.254% matured on August 14, 2017 and was paid in full on July 20, 2017. Revenue from grants was used to repay the loan.

	Balance			Balance June 30, 2018
	July 1, 2017	Additions	Reductions	
Bank loan	\$ 3,000,000	\$ -	\$ (3,000,000)	\$ -

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 10 -Interfund Transfers

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. During the fiscal year ended June 30, 2018, the City made the following interfund transfers between its governmental activities and business-type activities:

The primary purposes of significant transfers that occur on a regular bases are as follows: The General Fund transfers to the Streets & Operations Fund, Fire/EMS Fund, and Nonmajor Governmental Funds for general support.

In the governmental activities column of the statement of activities, transfers between governmental funds have been eliminated, and transfers between enterprise funds have been eliminated in the business-type activities column. The composition of interfund transfers for the year ended June 30, 2018, is as follows:

	Governmental activities					Business-type activities			Total transfers in
	General Fund	Fire / Emergency Medical Services Fund	System Development Charges (SDC) Fund	Nonmajor Governmental Funds	Internal Service Funds	Water Fund	Water Reclamation Fund	Nonmajor Enterprise Funds	
Governmental activities:									
General	\$ 136,112	\$ 28,201	\$ -	\$ 54,011	\$ 93,200	\$ -	\$ -	\$ -	\$ 311,524
Streets & Operations	6,605,500	-	-	163,526	16,380	-	-	-	6,785,406
Fire / EMS	12,905,000	-	-	31,293	-	-	-	-	12,936,293
Nonmajor Governmental	2,845,431	7,100	5,834,120	245,903	860,933	102,500	102,500	37,500	10,035,987
Internal Services	6,650,676	-	-	50,000	567,840	-	-	-	7,268,516
Business-type activities:									
Water	-	-	3,252,937	-	3,324	-	-	-	3,256,261
Water Reclamation	-	-	6,980,316	-	-	-	-	-	6,980,316
Nonmajor Enterprise	103,200	-	-	24,873	-	-	-	-	128,073
Total transfers out	<u>\$29,245,919</u>	<u>\$ 35,301</u>	<u>\$16,067,373</u>	<u>\$ 569,606</u>	<u>\$1,541,677</u>	<u>\$102,500</u>	<u>\$ 102,500</u>	<u>\$ 37,500</u>	<u>\$47,702,376</u>

Note 11 -Compensated Absences

Changes in compensated absences during the fiscal year ended June 30, 2018 were as follows and are included in other liabilities on the Statement of Net Position:

	Balance July 1, 2017	Earned	Used	Balance June 30, 2018	Due within one year
Governmental activities	\$ 3,905,143	\$ 4,573,346	\$ (4,139,151)	\$ 4,339,338	\$ 4,339,338
Business-type activities	594,874	776,165	(665,414)	705,625	705,625
	<u>\$ 4,500,017</u>	<u>\$ 5,349,511</u>	<u>\$ (4,804,565)</u>	<u>\$ 5,044,963</u>	<u>\$ 5,044,963</u>

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 12 -Long-Term Debt

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

<u>Governmental activities:</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>
Full faith & credit obligations:			
Pension obligation bonds, series 2004	\$ 13,725,000	2.13% to 6.095%	06/01/28
Cooley road, police expansion, and fire equipment, series 2008	4,425,000	3.00% to 4.25%	12/01/27
Fire stations, series 2010, refinance series 1999	3,225,000	2.00% to 4.00%	06/01/24
Transportation system, series 2010, refinance series 2000	4,103,000	2.00% to 4.00%	06/01/21
Accessibility, series 2010	3,265,000	0.75% to 5.00%	06/01/24
Street equipment, series 2012	1,425,000	3.00% to 4.00%	12/01/26
Police facility, series 2012, refinance series 2002	4,670,000	3.00% to 4.00%	12/01/26
General obligation bonds:			
General obligation bonds, series 2012	26,805,000	2.00% to 4.00%	06/01/32
Notes Payable:			
Transportation, series 2013, refinance series 2003	6,283,391	1.50 %	12/01/21
Juniper ridge, series 2013, refinance line of credit	3,700,000	1.50 %	12/01/23
Murphy crossing urban renewal, series 2015	3,000,000	2.65% to 3.65%	12/01/29
Fire equipment, series 2015B	3,000,000	2.65 %	06/01/25
Fire equipment and police expansion, series 2016, refinance series 2006	2,600,000	2.29 %	12/01/31
Cooley road, police expansion, series 2016, refinance series 2008	2,740,000	2.29 %	12/01/31
Fire equipment and facilities, series 2016	4,525,000	2.29 %	12/01/31
Streets, ERP Refunding, series 2018	6,231,753	2.85% to 3.15%	06/01/28
Enterprise resource project, series 2018	7,000,000	1.85 %	06/01/21
Line of credit:			
Enterprise resource project, series 2015	5,000,000	2.65 %	04/30/18

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 12 - Long-Term Debt (Continued)

<u>Governmental activities:</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>Balance June 30, 2018</u>	<u>Due within one year</u>
Full faith & credit obligations:					
Pension obligation bonds, series 2004	\$ 11,530,000	\$ -	\$ (565,000)	\$ 10,965,000	\$ 650,000
Cooley road, police expansion, and fire equipment, series 2008	215,000	-	(215,000)	-	-
Fire stations, series 2010, refinance series 1999	1,725,000	-	(215,000)	1,510,000	225,000
Transportation system, series 2010, refinance series 2000	1,623,000	-	(385,000)	1,238,000	398,000
Accessibility, series 2010	1,790,000	-	(225,000)	1,565,000	235,000
Street equipment, series 2012	580,000	-	(185,000)	395,000	195,000
Police facility, series 2012, refinance series 2002	3,340,000	-	(280,000)	3,060,000	290,000
General obligation bonds:					
General obligation bonds, series 2012	21,680,000	-	(1,135,000)	20,545,000	1,170,000
Notes Payable:					
Transportation, series 2013, refinance series 2003	3,719,208	-	(805,014)	2,914,194	817,135
Juniper ridge, series 2013, refinance line of credit	2,468,293	-	(364,321)	2,103,972	369,806
Murphy crossing urban renewal, series 2015	2,565,083	-	(176,866)	2,388,217	181,584
Fire equipment, series 2015B	2,574,804	-	(293,009)	2,281,795	300,825
Fire equipment and police expansion, series 2016, refinance series 2006	2,600,000	-	(180,000)	2,420,000	190,000
Cooley road, police expansion, series 2016, refinance series 2008	2,740,000	-	(25,000)	2,715,000	245,000
Fire equipment and facilities, series 2016	4,525,000	-	(255,000)	4,270,000	260,000
Streets, ERP refunding, series 2018	-	6,231,753	-	6,231,753	530,905
Enterprise resource project, series 2018	-	590,763	-	590,763	-
Line of credit:					
Enterprise resource project, series 2015	3,926,125	1,073,875	(5,000,000)	-	-
Long-term debt obligations	67,601,513	7,896,391	(10,304,210)	65,193,694	6,058,255
Premiums and discounts	1,486,258	-	(125,870)	1,360,388	125,870
	<u>\$ 69,087,771</u>	<u>\$ 7,896,391</u>	<u>\$ (10,430,080)</u>	<u>\$ 66,554,082</u>	<u>\$ 6,184,125</u>

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 12 -Long-Term Debt (Continued)

<u>Business-type activities:</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>
Full faith & credit obligations:			
Airport, series 2010, refinance series 1999	\$ 1,057,000	2.00% to 4.00%	06/01/19
Water RZEDB, series 2010	2,300,000	1.50% to 6.20%	11/01/30
Sewer RZEDB, series 2010	10,730,000	1.50% to 6.20%	11/01/30
Sewer, series 2012, refinance series 2002	3,185,000	3.00% to 4.00%	12/01/26
Revenue bonds:			
Sewer, series 2008	10,000,000	3.50% to 4.50%	10/31/28
Water, series 2016	49,910,000	3.00% to 5.00%	12/01/36
Notes Payable:			
Pacific Aviation Composites	655,000	5.01 %	12/01/17
Airport Eastside Improvement	867,335	4.00% to 4.375%	12/01/31
Stormwater equipment, series 2018	804,097	2.85% to 3.15%	06/01/28
Clean Water State Revolving Fund Loan R14510	5,482,336	3.32 %	12/01/33
Clean Water State Revolving Fund Loan R14511	14,484,130	2.48 %	TBD
Clean Water State Revolving Fund Loan R14512	18,833,534	2.44 %	12/01/37
Clean Water State Revolving Fund Loan R14513	3,939,246	1.06 %	06/01/22
Clean Water State Revolving Fund Loan R14514	21,000,000	1.93 %	TBD
Clean Water State Revolving Fund Loan R14515	13,620,000	2.00 %	06/01/38
Clean Water State Revolving Fund Loan R14516	59,349,742	1.00 %	TBD
Clean Water State Revolving Fund Loan R14517	5,450,000	1.60 %	TBD
Clean Water State Revolving Fund Loan R14518	7,895,000	1.60 %	TBD

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 12 - Long-Term Debt (Continued)

<u>Business-type activities:</u>	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due within</u> <u>one year</u>
Full faith & credit obligations:					
Airport, series 2010, refinance series 1999	\$ 262,000	\$ -	\$ (130,000)	\$ 132,000	\$ 132,000
Water RZEDB, series 2010	1,868,420	-	(112,087)	1,756,333	113,853
Sewer RZEDB, series 2010	8,716,580	-	(522,913)	8,193,667	531,147
Sewer, series 2012, refinance series 2002	1,985,000	-	(305,000)	1,680,000	315,000
Revenue bonds:					
Sewer, series 2008	6,925,000	-	(455,000)	6,470,000	475,000
Water, series 2016	49,910,000	-	(1,545,000)	48,365,000	1,600,000
Notes payable:					
Pacific Aviation Composites	66,357	-	(66,357)	-	-
Airport Eastside Improvement	615,964	-	(82,462)	533,502	35,027
Stormwater equipment, series 2018	-	804,097	-	804,097	68,504
Clean Water State Revolving Fund Loan R14510	4,850,191	-	(210,850)	4,639,341	232,036
Clean Water State Revolving Fund Loan R14511	13,631,830	852,300	-	14,484,130	-
Clean Water State Revolving Fund Loan R14512	18,833,534	-	-	18,833,534	764,612
Clean Water State Revolving Fund Loan R14513	2,923,715	-	(318,031)	2,605,684	641,128
Clean Water State Revolving Fund Loan R14514	-	1,955,948	-	1,955,948	-
Clean Water State Revolving Fund Loan R14515	12,221,694	801,261	-	13,022,955	274,676
Clean Water State Revolving Fund Loan R14516	34,864,978	12,769,065	-	47,634,043	-
Clean Water State Revolving Fund Loan R14517	-	868,048	-	868,048	-
Clean Water State Revolving Fund Loan R14518	1,426,169	3,583,340	-	5,009,509	-
Long-term debt obligations	59,101,432	21,634,059	(3,747,700)	176,987,791	5,182,983
Premiums and discounts	11,628,696	-	(613,252)	11,015,444	610,423
	<u>\$70,730,128</u>	<u>\$21,634,059</u>	<u>\$ (4,360,952)</u>	<u>\$ 188,003,235</u>	<u>\$ 5,793,406</u>

<u>Total long-term debt obligations:</u>	<u>Governmental</u> <u>activities</u>	<u>Business-type</u> <u>activities</u>	<u>Total</u>	<u>Due within one</u> <u>year</u>
Full faith & credit	\$ 18,733,000	\$ 11,762,000	\$ 30,495,000	\$ 3,085,000
Revenue bonds	-	54,835,000	54,835,000	2,075,000
Notes payable	25,915,694	110,390,791	136,306,485	4,911,238
General obligation bonds	20,545,000	-	20,545,000	1,170,000
Long-term debt obligations	65,193,694	176,987,791	242,181,485	11,241,238
Premiums and discounts	1,360,388	11,015,444	12,375,832	736,293
Total long-term debt obligations	<u>\$ 66,554,082</u>	<u>\$ 188,003,235</u>	<u>\$ 254,557,317</u>	<u>\$ 11,977,531</u>

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 12 -Long-Term Debt (Continued)

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

Year ending June 30	Governmental activities		Business-type activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 6,058,255	\$ 2,249,348	\$ 5,182,983	\$ 5,207,727	\$ 11,241,238	\$ 7,457,075
2020	6,316,831	2,150,806	9,225,417	7,667,535	15,542,248	9,818,341
2021	13,369,869	2,131,715	10,353,941	6,289,535	23,723,810	8,421,250
2022	5,784,851	1,609,077	10,779,513	5,656,288	16,564,364	7,265,365
2023	5,550,969	1,407,230	10,381,631	5,339,622	15,932,600	6,746,852
2024-2028	25,283,772	3,974,442	54,183,528	21,799,418	79,467,300	25,773,860
2029-2033	9,238,475	625,100	56,326,895	12,900,326	65,565,370	13,525,426
2034-2038	-	-	53,818,585	4,333,916	53,818,585	4,333,916
2039-2040	-	-	4,962,493	83,393	4,962,493	83,393
	<u>\$ 71,603,022</u>	<u>\$ 14,147,718</u>	<u>\$215,214,986</u>	<u>\$ 69,277,760</u>	<u>\$286,818,008</u>	<u>\$ 83,425,478</u>

Debt service requirements include the entire principal for debt issued but not fully drawn. For governmental activities, this includes \$6.4 million of the enterprise resource project, series 2018 note payable. For business-type activities, this includes \$38.2 million on DEQ loans.

The balance of unamortized premiums and discounts on long-term debt issuances is \$12,375,832, which is amortized over the life of the associated debt.

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

Full Faith & Credit Obligations

The City has 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 stated interest rates on specific maturities ranging from 0.75% to 6.20% and maturities through fiscal year 2030.

Revenue Bonds

The City has issued revenue bonds to provide funds for major expansions of the City's 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 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, 2018.

The City has pledged future water reclamation customer revenues, net of operating expenses, to repay \$6.5 million in sewer (water reclamation) revenue bonds issued in 2008. Proceeds from the bonds provided financing for the expansion and improvement of existing water reclamation system. The bonds are payable solely from water reclamation customer net revenues and are payable through 2029. Annual principal and interest payments on the bonds are expected to require less than 3 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,036,349. Principal and interest paid for the current year and total customer net revenues were \$728,306 and \$21,458,161, respectively.

The City has pledged future water customer revenues, net of operating expenses, to repay \$48.4 million in water revenue bonds issued in 2016. Proceeds from the bonds provided financing for the expansion and improvement of the existing water system. The bonds are payable solely from water customer net revenues and are payable through 2037. Annual principal and interest payments on the bonds are expected to require less than 34 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$74,800,525. Principal and interest

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 12 -Long-Term Debt (Continued)

Revenue Bonds (Continued)

paid for the currently year and total customer net revenues were \$3,936,425 and \$11,694,908, respectively.

Notes Payable and Other Debt

The City has long-term notes payable to the State of Oregon Business Development Department (OBDD) and the Oregon Department of Environmental Quality (ODEQ) to provide funding for airport, water and water reclamation infrastructure improvements. The notes have maturities through fiscal year 2038 and stated interest rates on specific maturities of 1.00% to 5.01%. Revenues from the airport, water, and water reclamation operations are utilized to repay the respective notes.

The City has long-term notes payable to the Bank of New York, Cashmere Valley Bank, Columbia Bank, and First Interstate Bank, to provide funding for fire equipment, facilities, transportation, and the ERP. The notes have maturities through fiscal year 2032 and stated interest rates on specific maturities of 1.50% to 4.00%.

New Debt Issuance

On April 19, 2018, the City issued \$7,035,850 in full faith and credit obligations, series 2018 with an interest rate of 2.85% to 3.15% and maturity in fiscal year 2028. The proceeds of the obligations are being used to finance the acquisition of road maintenance equipment, stormwater and other equipment, and to refund outstanding bonds issued to finance the cost of licensing and installation of ERP software, related training and implementation costs, and all necessary equipment.

On April 19, 2018, the City entered into a full faith and credit note, series 2018 in an amount not to exceed \$7.0 million. The proceeds of the obligation are being used to finance the costs of licensing and installation of ERP software and related training and implementation costs and necessary equipment. The note bears an interest rate of 1.85%. Interest accrues on each draw and is payable semi-annually. The final maturity date is June 1, 2021. At June 30, 2018, existing draws totaled \$590,763.

The City has a loan with the Oregon Infrastructure Authority with an original loan amount of \$867,335 funded through Oregon Bond Bank Revenue Bonds. On April 10, 2018, the City participated in the State of Oregon's refunding of State Bonds. The refunding increased the interest rate on the loan from 4.375% to 5.00% and reduced the principal balance due by \$52,253. The increased interest is offset by the reduced principal, resulting in a net savings of \$38,120.

Note 13 -Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases insurance policies from commercial carriers and pays annual premiums for the following coverages: general and automobile liability limit of \$10,000,000 per occurrence or \$30,000,000 in the aggregate; and auto liability in the amount of \$10,000,000 per occurrence, commercial property policy, including building and contents, of \$200,000,000; a cyber liability up to \$1,000,000; crime coverage in the amount of \$500,000; airport liability in the amount of \$10,000,000; pollution coverage in the amount of \$2,000,000 per occurrence and \$4,000,000 in the aggregate, and various real, personal and inland marine property coverage for actual replacement cost. The City carries a public employee dishonesty bond for claims up to \$100,000 covering the Finance Director and Assistant Finance Director. Additionally, the City carries a \$1,000,000 policy for workers' compensation. Employee health, life and disability coverages are also maintained. There has been no significant reduction in insurance coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance limits in any of the past three fiscal years.

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

A liability for workers' compensation claims is established if information indicates that it is probable that a liability has

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 13 -Risk Management (Continued)

been incurred at the date of the financial statements and the amount of the loss is reasonably estimable.

Fiscal Year	Balance at July 1	Claims Incurred and Changes in Estimate	Claims Paid	Balance at June 30
2015-16	\$ 612,266	\$ 115,710	\$ (130,068)	\$ 597,908
2016-17	597,908	(65,642)	(31,109)	501,157
2017-18	501,157	80,345	(82,009)	499,493

The City has a high-deductible health insurance plan. The City shares responsibility for 62.5% of the co-insurance claims on this plan with employees. The City has recognized an estimated co-insurance liability of \$36,600 for the probable and reasonable co-insurance claims.

Note 14 -Tax Abatements

As of June 30, 2018, the City provides tax abatements through four programs:

Nonprofit low income rental (ORS 307.541) - In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating the property tax burden on those agencies that provide this type of housing.

Charitable, nonprofit organizations that provide housing to low-income persons are eligible, and must be certified by the Internal Revenue Service as 501(c)(3) or (4) organization. Organizations must own or have a leasehold interest in the property or participate in a partnership as long as the nonprofit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline. Vacant land intended to be developed as low-income housing is also eligible for the exemption.

Housing for low income rental (ORS 307.517) - An exemption is allowed for property or a portion of property if it meets certain criteria. The property must be offered for rent or held for the purpose of developing low income rental housing, be occupied by low income persons, and have a rent required payment that reflects the full value of the tax exemption.

Enterprise zones (ORS 285C.175) - The Oregon Enterprise Zone program is a State of Oregon economic development program that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for up to 5 years after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

Construction in process in enterprise zones (ORS 285C.170) - The Oregon Enterprise Zone program is a State of Oregon economic development program that allows for property tax exemptions. A Construction-in-Process exemption is available for qualifying properties currently under construction in an Enterprise Zone.

To qualify, the property must be owned or leased by an authorized business that is contractually obligated to own or lease the property until placed in service, it may not be previously subject to exemption as a commercial facility (ORS 307.330), and may not be operated, in all or part, as a hotel, motel, or destination resort.

Property may be exempt for no more than two tax years, which must be consecutive, and is not dependent on the property already receiving or being qualified to receive the Enterprise Zone exemption.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 14 - Tax Abatements (Continued)

Tax Abatement Program	Estimated Taxes Abated During 2017-18
Nonprofit low income rental	\$ 44,063
Housing for low income rental	9,464
Enterprise zones	148,558
Construction in process in enterprise zones	99,597
Total	\$ 301,682

Note 15 - Pension Plan

Plan Description

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

Benefits provided

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

Pension Benefits

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

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

Death Benefits

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

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

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 15 - Pension Plan (Continued)

Benefits provided (Continued)

1. Tier One/Tier Two Retirement Benefit ORS Chapter 238 (Continued)

- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

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

Benefit Changes

After retirement, members may choose to continue participation in a variable equities investment account and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits

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

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

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

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

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

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

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 15 - Pension Plan (Continued)

Benefits provided (Continued)

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2018 were \$7,503,113. The rates in effect for the fiscal year ended June 30, 2018 were 20.73 percent for Tier One/Tier Two Members, 12.13 percent for OPSRP Pension Program General Service Members, 16.9 percent for OPSRP Pension Program Police and Fire Members, and 6 percent for OPSRP Individual Account Program Members.

Pension Liabilities, Pension Expense, and Deferred Outflows/(Inflows) of Resources Related to Pensions

At June 30, 2018, the City reported a liability of \$53,855,238 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City's proportion was 0.3995 percent, which increased 0.0217 percent from its proportion measured as of June 30, 2016. The changes from the prior year are primarily due to changes in the estimates and assumptions used by the PERS actuary.

For the year ended June 30, 2018, the City's recognized a pension expense of \$12,409,463. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 15 - Pension Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/(Inflows) of Resources Related to Pensions
(Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,604,462	\$ -
Changes of assumptions	9,816,849	-
Net difference between projected and actual earnings on pension plan investments	554,835	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,508,354	60
Differences between employer contributions and proportionate share of contributions	<u>1,965,261</u>	<u>182,117</u>
Total (prior to post-measurement date contributions)	16,449,761	182,177
Contributions subsequent to the measurement date	<u>7,503,113</u>	-
Net deferred outflows/(inflows) of resources	<u>\$ 23,952,874</u>	<u>\$ 182,177</u>

\$7,503,113 of the amount reported as deferred outflows of resources are City contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Total amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Outflow/(Inflow) of Resources</u>
2019	\$ 3,356,066
2020	7,722,428
2021	5,521,634
2022	(591,264)
2023	258,720
Total	<u>\$ 16,267,584</u>

Actuarial Assumptions

The employer contribution rates effective July 1, 2017, through June 30, 2018, were set using the Entry Age Normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The economic assumptions used for the actuarial valuation are shown below:

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 15 - Pension Plan (Continued)

Actuarial Assumptions (Continued)

Valuation Date	December 31, 2015 rolled forward to June 30, 2017
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period: Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Investment Rate of Return	7.50 percent
Projected Salary Increases	3.50 percent
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage of the RP-2000 Sex distinct, generational per Scale BB, disabled mortality table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00 %	4.00 %
Short-Term Bonds	8.00 %	3.60 %
Intermediate-Term Bonds	3.00 %	5.40 %
High Yield Bonds	1.00 %	6.20 %

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 15 - Pension Plan (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Large/Mid Cap US Equities	15.80 %	6.70 %
Small Cap US Equities	1.30 %	7.00 %
Micro Cap US Equities	1.30 %	7.00 %
Developed Foreign Equities	13.00 %	6.70 %
Emerging Foreign Equities	4.10 %	7.30 %
Non-US Small Cap Equities	1.90 %	7.20 %
Private Equities	17.50 %	8.00 %
Real Estate (Property)	10.00 %	5.80 %
Real Estate (REITS)	2.50 %	6.70 %
Hedge Fund of Funds - Diversified	2.50 %	4.60 %
Hedge Fund - Event-driven	0.60 %	6.70 %
Timber	1.90 %	5.90 %
Farmland	1.90 %	6.40 %
Infrastructure	3.80 %	7.10 %
Commodities	1.90 %	4.60 %
Total	100.00 %	
Assumed Inflation - Mean		2.50 %

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	<u>1% Decrease (6.5%)</u>	<u>Discount Rates (7.5%)</u>	<u>1% Increase (8.5%)</u>
The City's proportionate share of the net pension liability (asset)	\$ 91,779,154	\$ 53,855,238	\$ 22,143,816

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report that can be obtained at <http://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 15 - Pension Plan (Continued)

Funding Policy

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

Note 16 - Other Post Employment Benefits (OPEB)

The City has adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The OPEB for the City combines three separate plans. The City provides an implicit rate subsidy for retiree Health Insurance Continuation premiums, a stand-alone plan for employees meeting certain eligibility requirements, and a contribution to the State of Oregon's OPERS cost-sharing multiple-employer defined benefit plan.

Employees covered by benefit terms: At June 30, 2018 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	110
Inactive employees entitled to but not yet receiving benefit payments	15
Active participants	584
	709

Health Insurance Continuation and Stand Alone Plans

Plan Description

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

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

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.

Total OPEB Liability

The City's total OPEB liability at June 30, 2018 was \$40,298,039. The liability was determined by an actuarial valuation dated June 30, 2016 with a measurement date of June 30, 2018.

The total OPEB liability in the June 30, 2016 actuarial valuation was determined using the following actuarial

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

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

Health Insurance Continuation and Stand Alone Plans (Continued)

Total OPEB Liability (Continued)

assumptions and other inputs based on the most recent actuarial experience study for Oregon PERS.

Actuarial Assumptions:	
Inflation Rate	2.50 percent per year
Discount rate at municipal bond rate:	3.50 percent
Healthcare cost trend rates:	5.00-6.40 percent
Mortality	Post Retirement Mortality used is based on RP 2000 Healthy Annuitant with General Projection using Sex distinct, generational per Scale BB. Active Mortality is a percentage of healthy retirees that vary by group, as described in the valuation

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at 6/30/2017	\$ 38,246,251
Changes for the year:	
Service cost	1,509,570
Interest	1,350,885
Benefit payments	(808,667)
Net change in Total OPEB liability	<u>2,051,788</u>
Balance at 6/30/2018	<u>\$ 40,298,039</u>
Covered employee payroll	46,751,374
Total OPEB liability as a percentage of covered employee payroll	86.20 %

Changes in assumptions

The actuarial cost method was changed from Projected Unit Credit to Entry Age Normal to conform with GASB 75.

The interest rate for discounting future liabilities was lowered to match municipal bond rates as outlined in GASB 75.

Premium increase rates were modified slightly to reflect current anticipated experience.

Demographic assumptions were revised to match (as closely as possible) those developed in the most recent Oregon PERS experience study.

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using discount rate that is 1-percentage-point lower (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)
Total OPEB liability (asset)	\$ 48,590,204	\$ 40,298,039	\$ 33,808,360

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5% decreasing to 4.0%) or 1-percentage-point higher (7.5% decreasing to 6.0%) than the current healthcare cost trend rates:

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

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

Health Insurance Continuation and Stand Alone Plans (Continued)

Total OPEB Liability (Continued)

	Cost		
	1% Decrease (5.5% Graded Down to 4.0%)	Trend Rate (6.5% Graded Down to 5.0%)	1% Increase (7.5% Graded down to 6.0%)
Total OPEB liability (asset)	\$ 32,699,394	\$ 40,298,039	\$ 50,421,221

OPERS Retirement Health Insurance Account (RHIA)

Plan Description

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

Funding Policy

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

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59% of annual covered payroll for Tier 1 & 2 and 0.49% for OPSRP. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined by PERS as an amount that is expected to finance the costs of benefits earned by employees during the year. The City's contributions to RHIA for the year ended June 30, 2018 was \$217,236.

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At June 30, 2018 the City reported an asset of \$178,712 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation date as of December 31, 2015. The City's proportionate share of the RHIA net OPEB asset has been determined based on the City's contributions to the RHIA program (as reported by PERS) during the measurement period ending on the corresponding measurement date. The City's proportionate share at June 30, 2017 and June 30, 2016 was 0.42821716% and 0.42428630%, respectively.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

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

OPERS Retirement Health Insurance Account (RHIA) (Continued)

	Net OPEB Asset	Allocation
Governmental Activities	\$ 153,728	86 %
Business-type Activities	24,984	14 %
Government-wide	<u>\$ 178,712</u>	<u>100 %</u>

For the year ended June 30, 2018, the City recognized and OPEB asset of \$178,712, and reported deferred outflows of resources and deferred inflows of resources related to the Retiree Health Insurance Account OPEB from the following sources:

	Total OPEB Liability/(Asset)
Balance at 6/30/2017	\$ 115,220
Employer's proportionate share of collective system OPEB expenses (income)	959
Change in proportionate share	288
Benefit payments	(295,179)
Net OPEB Obligation - end of year	<u>\$ (178,712)</u>

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ -	\$ 82,770
Change in proportionate share	779	-
Total	779	82,770
Contributions subsequent to the measurement date	217,236	-
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 218,015</u>	<u>\$ 82,770</u>

\$217,236 of the amount reported as deferred outflows of resources are City contributions subsequent to the measurement date that will be recognized as an increase of the net OPEB asset in the year ended June 30, 2019. Total amounts reported as net deferred outflows/(inflows) of resources related to OPEB will be recognized in OPEB expense in future years as follows:

Fiscal Year Ended June 30	Net Deferred Outflow/(Inflow) of Resources
2019	\$ (20,404)
2020	(20,404)
2021	(20,489)
2022	(20,692)
Total	<u>\$ (81,989)</u>

The City's funding policy provides for actuarially determined annual contributions, which include the normal cost and amortization of the unfunded actuarial accrued liability.

Sensitivity of the City's proportionate share of the net OPEB liability/(asset), as well as what the City's proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that in one percentage point lower (6.50%) or on percentage point higher (8.50%).

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

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

OPERS Retirement Health Insurance Account (RHIA) (Continued)

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's Proportionate Share of the Net OPEB Liability (Asset)	\$ 24,912	\$ (178,712)	\$ (351,908)

Actuarial Assumptions

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

Valuation Date	December 31, 2015
Measurement Date	June 30, 2017
Experience Study	2014, published September 23, 2015
Actuarial Assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Long-term expected rate of return	7.50 percent
Discount rate	7.50 percent
Projected salary increases	3.50 percent
Retiree healthcare participation	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex-distinct generational per Scale BB, disabled mortality table.</p>

Note 17 - Deferred Compensation Plan

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

Note 18 - Commitment and Contingencies

At June 30, 2018 the City was significantly committed on outstanding construction, engineering, consulting, service and equipment purchase contracts as follows:

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 18 -Commitment and Contingencies (Continued)

Governmental activities:	
Streets & Operations Fund	\$ 3,554,913
Internal Service Funds	1,119,000
Nonmajor Governmental Funds	<u>3,394,750</u>
	<u>\$ 8,068,663</u>
Business-type activities:	
Water Reclamation Fund	27,433,074
Nonmajor Business-type Funds	<u>1,018,346</u>
	<u>\$ 28,451,420</u>

The City has agreements to reimburse various developers for the construction of certain transportation, water and water reclamation infrastructure through system development charges or recovery fees collected from properties established as reimbursement or recovery areas. As of June 30, 2018 amounts collected and potentially due to developers totaled \$101,448 and are recorded as a liability in the System Development Charges Fund.

The City is in a contract dispute with the general contractor, Apollo, Inc., on a major upgrade to the City's sewer treatment plant. Apollo has filed suit in Deschutes County Circuit Court seeking \$8 million in damages on a variety of claims. The parties had tried to mediate a resolution to the dispute, but remain millions apart. There is some chance of a judgment against the City, but any judgment would likely be substantially less than the claimed amount.

The City has had a few tort claims and court complaints filed against it that are being defended and covered by the City's insurance carrier, Citycounty Insurance Services (CIS). Some of these claims are related to excessive force or wrongful death claims. Because of the insurance coverage, these cases do not create a risk of direct financial loss, other than the extent of the City's insurance deductible.

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

Note 19 -Subsequent Events

On July 28, 2017, the PERS Board adopted a 7.20% assumed rate. The adopted assumed rate will be effective January 1, 2018. Based on the sensitivity analysis provided by OPERS, this could have a significant impact on the City's reported Net Pension Liability.

Note 20 -Related Parties

As a result of receiving an offer from Roats Water System, Inc and Avion Water Co., the City sold a portion of its water system in fiscal year 2016-17 to Roats Water System, Inc. and Avion Water Co. A related party transaction occurred due to a City Council Member, now mayor, Casey Roats, serving as the Vice President of Roats Water System, Inc.

Note 21 -Restatement

GASB Statement No. 75, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. This statement provides guidance for accounting for net OPEB liabilities, including definition of balances to be included in deferred inflows and deferred outflows of resources. The City adopted this new pronouncement in the current year and, accordingly, has restated amounts of effected balances within the government-wide financial statements as of June 30, 2017:

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2018

Note 21 -Restatement (Continued)

	Governmental Activities	Business-Type Activities	Total
Net Position - beginning (as originally reported)	\$ 534,181,074	\$ 402,908,867	\$ 937,089,941
Restatement of total OPEB liability/(asset) - HIC	(15,345,779)	(3,492,040)	(18,837,819)
Restatement of net OPEB liability/(asset) - RHIA	271,137	44,067	315,204
Net Position - beginning (as restated)	<u>\$ 519,106,432</u>	<u>\$ 399,460,894</u>	<u>\$ 918,567,326</u>

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.

Streets & Operations Fund

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

Fire / Emergency Medical Service Fund

This fund accounts for the fire suppression, prevention, and emergency medical services which are funded primarily by general fund discretionary revenues, fire protection contracts, charges for emergency medical services, property taxes, and transient room taxes.

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.

City of Bend, Oregon
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<u>Revenues</u>						
Property taxes:						
Current year's property tax levy	\$ 59,368,600	\$ 59,449,600	\$ 29,332,992	\$ -	\$ 29,332,992	\$ (30,116,608)
Delinquent property taxes	1,194,900	1,194,900	611,697	-	611,697	(583,203)
Room taxes	13,067,700	13,067,700	6,482,666	-	6,482,666	(6,585,034)
Franchise fees	12,687,600	12,687,600	6,707,684	-	6,707,684	(5,979,916)
Intergovernmental	6,197,367	6,197,367	4,340,718	-	4,340,718	(1,856,649)
Licenses and permits	232,000	232,000	103,767	-	103,767	(128,233)
Charges for services:						
Charges to others	704,700	704,700	369,930	-	369,930	(334,770)
Charges to other City funds	121,000	121,000	-	-	-	(121,000)
Fines and forfeitures	1,994,300	1,994,300	1,088,986	-	1,088,986	(905,314)
Investment income	318,100	318,100	194,550	-	194,550	(123,550)
Miscellaneous	36,000	36,000	38,135	-	38,135	2,135
Total Revenues	95,922,267	96,003,267	49,271,125	-	49,271,125	(46,732,142)
<u>Expenditures</u>						
Accessibility program	539,790	539,790	241,637	-	241,637	298,153
Municipal court program	1,304,736	1,435,536	643,042	-	643,042	792,494
Code enforcement program	1,233,225	1,233,225	587,796	-	587,796	645,429
Community projects program	2,813,000	3,090,600	1,616,197	-	1,616,197	1,474,403
Police program	48,748,039	48,748,039	23,245,599	-	23,245,599	25,502,440
Growth management program	3,049,242	3,079,242	909,932	-	909,932	2,169,310
Contingency	5,614,234	2,488,434	-	-	-	2,488,434
Total Expenditures	63,302,266	60,614,866	27,244,203	-	27,244,203	33,370,663
Excess (deficiency) of revenues over (under) expenditures	32,620,001	35,388,401	22,026,922	-	22,026,922	(13,361,479)
<u>Other Financing Sources (Uses)</u>						
Proceeds from sale of assets	-	3,876,000	1,928,635	-	1,928,635	(1,947,365)
Insurance proceeds	-	-	12,416	-	12,416	12,416
Advances to other governments	(100,000)	(210,000)	(131,000)	-	(131,000)	79,000
Repayments from other governments	120,000	120,000	30,000	-	30,000	(90,000)
Payment of interfund loan	(700,000)	(3,550,000)	(2,449,000)	-	(2,449,000)	1,101,000
Interfund loan repayments	1,029,300	1,029,300	-	-	-	(1,029,300)
Transfers in	52,000	52,000	21,741	-	21,741	(30,259)
Transfers out	(41,804,250)	(52,214,326)	(29,245,919)	-	(29,245,919)	22,968,407
Total Other Financing Sources (Uses)	(41,402,950)	(50,897,026)	(29,833,127)	-	(29,833,127)	21,063,899
Net changes in fund balance	(8,782,949)	(15,508,625)	(7,806,205)	-	(7,806,205)	38,402,231
Beginning Fund Balance	8,782,949	15,508,625	16,113,187	-	14,788,777	(719,848)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 8,306,982	\$ -	\$ 8,306,982	\$ 8,306,982

Continued on next page

City of Bend, Oregon
General Fund (Continued)
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

Ending Fund Balance - Budgetary Basis (1)	\$	11,130,394
Capitalized amounts reported as assets on GAAP basis		4,487,276
Advances to other governments reported as other financing uses on the budgetary basis are reported as receivables on the GAAP basis		131,000
Repayments from other governments reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis		(30,000)
Advances to other funds reported as other financing uses on the budgetary basis are reported as assets on the GAAP basis		2,449,000
Combined Ending Fund Balance - GAAP Basis	\$	<u><u>18,167,670</u></u>

(1) Includes: General Fund and General Fund Stabilization Fund (page 152).

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

City of Bend, Oregon
Streets & Operations Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<u>Revenues</u>						
Franchise fees	\$ 2,994,100	\$ 2,994,100	\$ 811,972	\$ -	\$ 811,972	\$ (2,182,128)
Intergovernmental:						
State highway fund apportionment	9,800,237	9,800,237	5,511,823	-	5,511,823	(4,288,414)
Grants and agreements	1,380,000	1,380,000	897,690	-	897,690	(482,310)
Charges for services:						
Charges to other City funds	496,000	496,000	141,157	-	141,157	(354,843)
Investment income	128,600	128,600	14,848	-	14,848	(113,752)
Miscellaneous	44,000	44,000	15,033	-	15,033	(28,967)
Total Revenues	14,842,937	14,842,937	7,392,523	-	7,392,523	(7,450,414)
<u>Expenditures</u>						
Current:						
Personnel services	9,236,700	9,237,900	4,155,731	-	4,155,731	5,082,169
Materials and services	5,245,019	5,143,819	1,791,508	-	1,791,508	3,352,311
Interfund charges	4,131,530	4,131,530	1,972,784	-	1,972,784	2,158,746
Debt service	554,600	554,600	199,625	-	199,625	354,975
Capital outlay	15,822,041	15,922,041	6,414,537	-	6,414,537	9,507,504
Contingency	542,802	542,802	-	-	-	542,802
Total Expenditures	35,532,692	35,532,692	14,534,185	-	14,534,185	20,998,507
Excess (deficiency) of revenues over (under) expenditures	(20,689,755)	(20,689,755)	(7,141,662)	-	(7,141,662)	13,548,093
<u>Other Financing Sources (Uses)</u>						
Proceeds from sale of assets	-	-	5,063	-	5,063	5,063
Issuance of long-term debt	1,273,800	1,273,800	1,206,146	-	1,206,146	(67,654)
Transfers in	13,161,768	13,161,768	6,785,406	-	6,785,406	(6,376,362)
Total Other Financing Sources (Uses)	14,435,568	14,435,568	7,996,615	-	7,996,615	(6,438,953)
Net changes in fund balance	(6,254,187)	(6,254,187)	854,953	-	854,953	7,109,140
Beginning Fund Balance (Deficit)	6,254,187	6,254,187	5,827,832	-	5,827,832	(426,355)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 6,682,785	\$ -	\$ 6,682,785	\$ 6,682,785

City of Bend, Oregon
Fire / Emergency Medical Services Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Property taxes:						
Current year's property tax levy	\$ 4,279,400	\$ 4,292,700	\$ 2,114,554	\$ -	\$ 2,114,554	\$ (2,178,146)
Delinquent property taxes	57,400	57,400	42,833	-	42,833	(14,567)
Room taxes	395,300	395,300	193,785	-	193,785	(201,515)
Intergovernmental	7,809,600	9,786,346	5,596,033	-	5,596,033	(4,190,313)
Charges for services:						
Charges to others	8,389,400	8,396,700	3,700,811	-	3,700,811	(4,695,889)
Charges to other City funds	9,000	9,000	4,728	-	4,728	(4,272)
Contributions	1,800	1,800	976	-	976	(824)
Investment income	129,699	129,699	26,082	-	26,082	(103,617)
Miscellaneous	-	60,000	73,143	-	73,143	13,143
Total Revenues	21,071,599	23,128,945	11,752,945	-	11,752,945	(11,376,000)
<u>Expenditures</u>						
Current:						
Personnel services	35,971,200	36,753,900	18,882,478	-	18,882,478	17,871,422
Materials and services	3,769,185	5,647,474	3,531,117	-	3,531,117	2,116,357
Interfund charges	4,453,210	4,597,210	2,168,139	-	2,168,139	2,429,071
Debt service	1,156,152	1,156,152	575,923	-	575,923	580,229
Capital outlay	839,350	1,628,950	225,467	-	225,467	1,403,483
Contingency	5,980,228	4,560,485	-	-	-	4,560,485
Reserved for maintenance	100,000	100,000	-	-	-	100,000
Total Expenditures	52,269,325	54,444,171	25,383,124	-	25,383,124	29,061,047
Excess (deficiency) of revenues over (under) expenditures	(31,197,726)	(31,315,226)	(13,630,179)	-	(13,630,179)	17,685,047
<u>Other Financing Sources (Uses)</u>						
Proceeds from sale of assets	-	36,500	67,797	-	67,797	31,297
Issuance of long-term debt	406,000	406,000	-	-	-	(406,000)
Transfers in	26,363,000	26,444,000	12,936,293	-	12,936,293	(13,507,707)
Transfers out	(79,450)	(79,450)	(35,301)	-	(35,301)	44,149
Total Other Financing Sources (Uses)	26,689,550	26,807,050	12,968,789	-	12,968,789	(13,838,261)
Net changes in fund balance	(4,508,176)	(4,508,176)	(661,390)	-	(661,390)	3,846,786
Beginning Fund Balance (Deficit)	4,508,176	4,508,176	4,470,880	-	4,470,880	(37,296)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 3,809,490	\$ -	\$ 3,809,490	\$ 3,809,490

City of Bend, Oregon
System Development Charges (SDC) Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
System development charges	\$ 32,170,984	\$ 33,405,384	\$ 15,220,497	\$ -	\$ 15,220,497	\$ (18,184,887)
Loan repayments	-	-	3,974	-	3,974	3,974
Investment income	298,900	298,900	130,735	-	130,735	(168,165)
Total Revenues	32,469,884	33,704,284	15,355,206	-	15,355,206	(18,349,078)
<u>Expenditures</u>						
Current:						
Interfund charges	784,900	784,900	172,345	-	172,345	612,555
Reserves	9,497,427	8,658,067	-	-	-	(8,658,067)
Total Expenditures	10,282,327	9,442,967	172,345	-	172,345	9,270,622
Excess (deficiency) of revenues over (under) expenditures	22,187,557	24,261,317	15,182,861	-	15,182,861	(9,078,456)
<u>Other Financing Sources (Uses)</u>						
Transfers out	(37,122,191)	(39,195,951)	(16,067,373)	-	(16,067,373)	23,128,578
Total Other Financing Sources (Uses)	(37,122,191)	(39,195,951)	(16,067,373)	-	(16,067,373)	23,128,578
Net changes in fund balance	(14,934,634)	(14,934,634)	(884,512)	-	(884,512)	14,050,122
Beginning Fund Balance (Deficit)	14,934,634	14,934,634	17,327,250	-	17,327,250	2,392,616
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 16,442,738	\$ -	\$ 16,442,738	\$ 16,442,738

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

Fiscal year ended	City's proportion of the net pension liability/(asset) (1)	City's proportionate share of the net pension liability/(asset) (1)	City's covered payroll	City's proportionate share of the net pension (asset)/liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension (asset)/liability
2016	0.37689702	21,639,397	33,753,314	64.11%	91.90%
2017	0.37779751	56,716,178	35,860,584	158.16%	80.53%
2018	0.39951843	53,855,238	38,825,140	138.71%	83.12%

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

Oregon Public Employee Retirement Pension Plan (OPERS)
Schedule of the City's Pension Plan Contributions
For the last three years

Fiscal year ended	Contractually required contributions (1)	Contributions in relation to the contractually required contributions	Contribution deficiency / (excess)	City's covered payroll	Contributions as a percentage of its covered payroll
2016	5,005,056	(5,005,056)	- \$	35,860,584	13.96%
2017	5,338,248	(5,338,248)	-	38,825,140	13.75%
2018	7,503,113	(7,503,113)	-	46,751,374	16.05%

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

Oregon Public Employee Retirement Health Insurance Account (OPERS RHIA)
Schedule of the City's Proportionate Share of Net OPEB Liability/(Asset)
For the last three years

Fiscal year ended	City's proportion of the net pension (asset)/liability (1)	City's proportionate share of the net pension liability/(asset) (1)	City's covered payroll	City's proportionate share of the net pension (asset)/liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension (asset)/liability
2016	(2) -	-	-	-	-%
2017	0.42428630	115,220	35,860,584	0.32	94.14%
2018	0.42821716	(178,712)	38,825,140	(0.46)	108.88%

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

(2) Actuarial information not available

Oregon Public Employee Retirement Health Insurance Account (OPERS RHIA)
Schedule of the City's OPEB Plan Contributions
For the last three years

Fiscal year ended	Statutorily required contributions (1)	Contributions in relation to the statutorily required contributions	Contribution deficiency / (excess)	City's covered payroll	Contributions as a percentage of its covered payroll
2016	(2) -	-	-	-	-%
2017	(2) -	-	-	-	-%
2018	217,236	(217,236)	-	46,751,374	0.46%

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

(2) Actuarial information not available

City of Bend, Oregon
Health Insurance Continuation and Stand Alone Plans (HIC)
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
For the last ten years

	2018
Total OPEB liability - beginning	\$38,246,251
Service cost	1,509,570
Interest	1,350,885
Benefit payments	<u>(808,667)</u>
Net change in total OPEB liability	<u>2,051,788</u>
Total OPEB liability - ending	\$40,298,039
Covered employee payroll	46,751,374
Total OPEB liability as a percentage of covered employee payroll	86.20 %

City of Bend, Oregon
Notes to the Required Supplementary Information
Fiscal Year Ended June 30, 2018

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

Note 1. Budgetary Information

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

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

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

Appropriations lapse at the end of the biennium for goods or services not yet received. The City Council may modify the budget by transferring appropriations between levels of control and by adopting supplemental budgets. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publications in newspapers and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. Supplemental appropriations were approved by the City Council for the 2015-17 biennium. All appropriations terminate on June 30, 2017.

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OTHER SUPPLEMENTARY INFORMATION

City of Bend, Oregon
General Fund and Major Special Revenue Funds
Schedule of Expenditures and Other Uses by Appropriation Levels
For the biennium ended June 30, 2018

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<u>General Fund</u>			
Code enforcement program	\$ 1,037,125	\$ 485,512	\$ 551,613
Community projects program	3,090,600	1,616,197	1,474,403
Growth management program	2,521,642	629,424	1,892,218
Accessibility program	393,890	169,937	223,953
Municipal court program	1,081,436	478,842	602,594
Police program	42,697,339	20,366,691	22,330,648
Transfers	63,278,726	35,323,518	27,955,208
Contingency	2,488,434	-	2,488,434
Total General Fund	<u>\$ 116,589,192</u>	<u>\$ 59,070,121</u>	<u>\$ 57,519,071</u>
<u>Streets & Operations Fund</u>			
Infrastructure program	\$ 30,303,760	\$ 12,361,776	\$ 17,941,984
Debt service	554,600	199,625	354,975
Transfers	4,131,530	1,972,784	2,158,746
Contingency	542,802	-	542,802
Total Streets & Operations Fund	<u>\$ 35,532,692</u>	<u>\$ 14,534,185</u>	<u>\$ 20,998,507</u>
<u>Fire / Emergency Medical Services Fund</u>			
Public Safety program	\$ 44,030,324	\$ 22,639,062	\$ 21,391,262
Debt service	1,156,152	575,923	580,229
Transfers	4,676,660	2,203,440	2,473,220
Contingency	4,560,485	-	4,560,485
Reserves	100,000	-	100,000
Total Fire / Emergency Medical Services Fund	<u>\$ 54,523,621</u>	<u>\$ 25,418,425</u>	<u>\$ 29,105,196</u>
<u>System Development Charges (SDC) Fund</u>			
Transfers	\$ 39,980,851	\$ 16,239,718	\$ 23,741,133
Reserves	8,658,067	-	8,658,067
Total System Development Charges (SDC) Fund	<u>\$ 48,638,918</u>	<u>\$ 16,239,718</u>	<u>\$ 32,399,200</u>

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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, system development charges, and proceeds from the issuance of debt.

City of Bend, Oregon
Water Fund
Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	Biennium Budget		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues						
Intergovernmental	\$ 79,600	\$ 79,600	\$ 40,470	\$ -	\$ 40,470	\$ (39,130)
Charges for services:						
Charges to others	41,729,900	41,729,900	19,560,080	-	19,560,080	(22,169,820)
Charges to other City funds	355,800	355,800	169,416	-	169,416	(186,384)
Loan repayments	182,000	182,000	91,769	-	91,769	(90,231)
Investment income	691,000	691,000	283,947	-	283,947	(407,053)
Miscellaneous	32,400	32,400	21,282	-	21,282	(11,118)
Total Revenues	43,070,700	43,070,700	20,166,964	-	20,166,964	(22,903,736)
Expenses						
Current:						
Personnel services	9,781,900	9,769,900	4,481,621	-	4,481,621	5,288,279
Materials and services	9,726,600	9,987,200	3,674,876	-	3,674,876	6,312,324
Interfund charges	7,591,050	7,591,050	3,728,653	-	3,728,653	3,862,397
Debt service	8,285,800	8,285,800	4,139,521	-	4,139,521	4,146,279
Capital outlay	7,368,000	7,540,400	2,072,028	-	2,072,028	5,468,372
Restatement	4,394,000	3,484,000	-	-	-	3,484,000
Reserved for rate stabilization	1,500,000	1,500,000	-	-	-	1,500,000
Reserved for construction	41,673,709	41,673,709	-	-	-	41,673,709
Total Expenses	90,321,059	89,832,059	18,096,699	-	18,096,699	71,735,360
Excess (deficiency) of revenues over (under) expenses	(47,250,359)	(46,761,359)	2,070,265	-	2,070,265	48,831,624
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	-	41,530	-	41,530	41,530
Transfers in	7,293,400	7,293,400	3,256,261	-	3,256,261	(4,037,139)
Transfers out	(505,000)	(1,415,000)	(102,500)	-	(102,500)	1,312,500
Total Other Financing Sources (Uses)	6,788,400	5,878,400	3,195,291	-	3,195,291	(2,683,109)
Net changes in fund balance	(40,461,959)	(40,882,959)	5,265,556	-	5,265,556	46,148,515
Beginning Fund Balance (Deficit)	40,461,959	40,882,959	43,850,273	-	43,850,273	2,967,314
Restatement	-	-	205,550	-	205,550	205,550
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 49,321,379	\$ -	\$ 49,321,379	\$ 49,321,379

Reconciliation of Budgetary basis to GAAP basis

Ending Fund Balance Budgetary Basis	\$ 49,321,379
Capital assets, net of accumulated depreciation	170,290,912
Deferred outflows from pensions	1,255,131
Deferred outflows from OPEB	11,424
Long-term debt	(61,008,626)
Other post-employment benefits payable	(2,102,253)
Net pension obligation	(2,822,014)
Deferred inflows from pensions	(9,547)
Deferred Inflow from OPEB	(4,338)
Deferred inflows from debt refunding	(341,132)
Ending Fund Balance GAAP Basis	\$ 154,590,934

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

City of Bend, Oregon
Water Reclamation Fund
Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<u>Revenues</u>						
Intergovernmental	\$ 363,300	\$ 363,300	\$ 186,613	\$ -	\$ 186,613	\$ (176,687)
Charges for services:						
Charges to others	53,032,900	53,032,900	26,829,939	-	26,829,939	(26,202,961)
Charges to other City funds	50,900	50,900	23,467	-	23,467	(27,433)
Loan repayments	-	-	26,246	-	26,246	26,246
Investment income	451,200	451,200	160,163	-	160,163	(291,037)
Miscellaneous	38,000	38,000	14,409	-	14,409	(23,591)
Total Revenues	53,936,300	53,936,300	27,240,837	-	27,240,837	(26,695,463)
<u>Expenses</u>						
Current:						
Personnel services	12,261,100	12,249,100	5,648,754	-	5,648,754	6,600,346
Materials and services	7,470,620	7,037,120	2,678,205	-	2,678,205	4,358,915
Interfund charges	11,554,500	11,554,500	5,682,038	-	5,682,038	5,872,462
Debt service	11,516,700	14,972,900	3,855,383	-	3,855,383	11,117,517
Capital outlay	63,521,300	69,800,400	21,854,632	-	21,854,632	47,945,768
Contingency	3,870,300	3,870,300	-	-	-	3,870,300
Reserved for rate stabilization	1,000,000	1,000,000	-	-	-	1,000,000
Restatement	1,952,500	1,952,500	-	-	-	1,952,500
Reserved for construction	40,396,945	36,940,745	-	-	-	36,940,745
Total Expenses	153,543,965	159,377,565	39,719,012	-	39,719,012	119,658,553
Excess (deficiency) of revenues over (under) expenses	(99,607,665)	(105,441,265)	(12,478,175)	-	(12,478,175)	92,963,090
<u>Other Financing Sources (Uses)</u>						
Proceeds from sale of assets	-	-	40,620	-	40,620	40,620
Issuance of long-term debt	33,500,000	39,333,600	20,829,961	-	20,829,961	(18,503,639)
Transfers in	12,500,900	12,500,900	6,980,316	-	6,980,316	(5,520,584)
Transfers out	(205,000)	(205,000)	(102,500)	-	(102,500)	102,500
Total Other Financing Sources (Uses)	45,795,900	51,629,500	27,748,397	-	27,748,397	(23,881,103)
Net changes in fund balance	(53,811,765)	(53,811,765)	15,270,222	-	15,270,222	69,081,987
Beginning Fund Balance (Deficit)	53,811,765	53,811,765	47,894,025	-	47,894,025	(5,917,740)
Restatement	-	-	128,464	-	128,464	128,464
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 63,292,711	\$ -	\$ 63,292,711	\$ 63,292,711

Reconciliation of Budgetary basis to GAAP basis

Ending Fund Balance Budgetary Basis	\$ 63,292,711
Capital assets, net of accumulated depreciation	267,126,903
Deferred outflows from pensions	1,585,679
Deferred outflows from OPEB	14,431
Long-term debt	(125,523,873)
Other post-employment benefits payable	(2,655,899)
Net pension obligation	(3,565,217)
Deferred inflows from pensions	(12,061)
Deferred Inflow from OPEB	(5,478)
Ending Fund Balance GAAP Basis	\$ 200,257,197

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

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City of Bend, Oregon
Other Major Funds
Schedule of Expenses and Other Uses by Appropriation Levels
For the biennium ended June 30, 2018

	<u>Appropriation</u>	<u>Actual Expenses</u>	<u>Variance Positive (Negative)</u>
<u>Water Fund</u>			
Infrastructure program	\$ 27,297,500	\$ 10,228,525	\$ 17,068,975
Debt service	8,285,800	4,139,521	4,146,279
Transfers	9,006,050	3,831,153	5,174,897
Contingency	3,484,000	-	3,484,000
Reserves	43,173,709	-	43,173,709
Total Water Fund	<u>\$ 91,247,059</u>	<u>\$ 18,199,199</u>	<u>\$ 73,047,860</u>
<u>Water Reclamation Fund</u>			
Infrastructure program	\$ 89,086,620	\$ 30,181,591	\$ 58,905,029
Debt service	14,972,900	3,855,383	11,117,517
Transfers	11,759,500	5,784,538	5,974,962
Contingency	3,870,300	-	3,870,300
Reserves	39,893,245	-	39,893,245
Total Water Reclamation Fund	<u>\$ 159,582,565</u>	<u>\$ 39,821,512</u>	<u>\$ 119,761,053</u>

NONMAJOR GOVERNMENTAL FUNDS

City of Bend, Oregon
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Cemetery Permanent Maintenance Fund	Total Nonmajor Governmental Funds
Assets					
Pooled cash and investments	\$ 9,559,177	\$ -	\$ 9,359,215	\$ -	\$ 18,918,392
Restricted cash and investments	16,020,053	6,955,093	5,498,490	647,442	29,121,078
Receivables:					
Taxes	-	92,109	-	-	92,109
Accounts, net	466,315	-	200,336	-	666,651
Assessments receivable, net	38,092	-	-	-	38,092
Loans and notes receivable, net	10,570,545	-	-	-	10,570,545
Due from other governments	25,289	-	-	-	25,289
Total Assets	\$ 36,679,471	\$ 7,047,202	\$ 15,058,041	\$ 647,442	\$ 59,432,156
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities					
Accounts payable	\$ 606,203	\$ -	\$ 2,162,364	\$ -	\$ 2,768,567
Salaries and benefits payable	147,477	-	14,165	-	161,642
Retainage payable	-	-	195,801	-	195,801
Deposits - restricted	713,422	-	-	-	713,422
Unearned revenue	2,807	-	-	-	2,807
Due to other funds	29,511	-	-	-	29,511
Total Liabilities	1,499,420	-	2,372,330	-	3,871,750
Deferred Inflows of Resources					
Unavailable revenue - property taxes	-	68,782	-	-	68,782
Unavailable revenue - assessments & loans	10,591,567	-	-	-	10,591,567
Total Deferred Inflows of Resources	10,591,567	68,782	-	-	10,660,349
Fund Balances (Deficits)					
Nonspendable:					
Permanent maintenance funds	-	-	-	627,085	627,085
Restricted for:					
External grantor covenant	694,344	-	-	-	694,344
Outside debt covenant	-	4,293,305	-	-	4,293,305
Outside construction covenant	-	-	2,920,291	-	2,920,291
State law revenue restriction	14,525,738	-	-	20,357	14,546,095
Committed:					
Affordable housing	2,344,056	-	-	-	2,344,056
Reserves for police operations	643,318	-	-	-	643,318
Assigned:					
Construction activities	-	-	8,332,506	-	8,332,506
Planning support services	6,263,349	-	-	-	6,263,349
Community development contracts	117,679	-	-	-	117,679
Debt service	-	2,685,115	-	-	2,685,115
Unassigned	-	-	1,432,914	-	1,432,914
Total Fund Balances (Deficits)	24,588,484	6,978,420	12,685,711	647,442	44,900,057
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 36,679,471	\$ 7,047,202	\$ 15,058,041	\$ 647,442	\$ 59,432,156

City of Bend, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2018

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Cemetery Permanent Maintenance Fund	Total Nonmajor Governmental Funds
Revenues					
Property taxes	\$ -	\$ 3,282,479	\$ -	\$ -	\$ 3,282,479
Room taxes	3,023,489	-	-	-	3,023,489
Franchise fees	-	-	1,515,174	-	1,515,174
Intergovernmental	489,996	241,428	44,679	-	776,103
Assessments	241,780	-	-	-	241,780
Licenses and permits	6,285,746	-	-	-	6,285,746
Charges for services	7,647,450	1,275,990	6,040	-	8,929,480
Contributions	50,531	-	82,416	-	132,947
Loan repayments	425,245	-	-	-	425,245
Permanent maintenance fees	-	-	-	4,506	4,506
Investment income	124,293	53,951	106,551	18,739	303,534
Miscellaneous	1,209	-	100	-	1,309
Total Revenues	<u>18,289,739</u>	<u>4,853,848</u>	<u>1,754,960</u>	<u>23,245</u>	<u>24,921,792</u>
Expenditures					
Current:					
General government	-	24,100	-	-	24,100
Public safety	-	7,100	-	-	7,100
Public ways and facilities	-	-	2,471,418	-	2,471,418
Community and economic development	16,890,683	-	-	-	16,890,683
Permanent maintenance	-	-	-	5,257	5,257
Urban renewal	95,265	-	3,558	-	98,823
Debt service:					
Principal	-	2,638,393	1,415,014	-	4,053,407
Interest	-	1,618,532	198,487	-	1,817,019
Capital outlay	53,272	-	7,233,345	-	7,286,617
Total Expenditures	<u>17,039,220</u>	<u>4,288,125</u>	<u>11,321,822</u>	<u>5,257</u>	<u>32,654,424</u>
Excess (deficiency) of revenues over expenditures	1,250,519	565,723	(9,566,862)	17,988	(7,732,632)
Other Financing Sources (Uses)					
Proceeds from sale of assets	10,687	-	-	-	10,687
Transfers in	2,278,420	7,100	7,750,467	-	10,035,987
Transfers out	(200,304)	-	(344,429)	(24,873)	(569,606)
Total Other Financing Sources (Uses)	<u>2,088,803</u>	<u>7,100</u>	<u>7,406,038</u>	<u>(24,873)</u>	<u>9,477,068</u>
Net change in fund balances	3,339,322	572,823	(2,160,824)	(6,885)	1,744,436
Fund Balances (Deficits), July 1, 2017	21,249,162	6,405,597	14,846,535	654,327	43,155,621
Fund Balances (Deficits), June 30, 2018	<u>\$ 24,588,484</u>	<u>\$ 6,978,420</u>	<u>\$ 12,685,711</u>	<u>\$ 647,442</u>	<u>\$ 44,900,057</u>

NONMAJOR SPECIAL REVENUE FUNDS

BURA General Fund

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

Energy American Recovery and Reinvestment Act (ARRA) Grant Fund

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

Helen Lorenz Estate Fund

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

Building Fund

This fund accounts for the City's building permitting, 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 planning activities. Revenues include plan review fees and transfers from other City Funds.

Private Development Engineering Fund

This fund is responsible for ensuring that all public improvements made in conjunction with community development are constructed to development standards so they can be accepted into the inventory of public assets for perpetuity. Revenue is mainly generated by user fees

Community Development Block Grant Fund

This fund accounts for monies received from federal Community Development Block Grants. Revenues include grant receipts, as well as loan repayments from prior loan 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 1/5 of 1% of the total building permit valuation for all building permits issued. Expenditures are for housing opportunities for residents at or below 80% of the median income.

Business Advocacy Fund

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

Tourism Fund

This fund accounts for tourism promotion 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.

Police Reserve Fund

This fund accounts for the reserves of the police department.

City of Bend, Oregon
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2018

	<u>BURA General Fund</u>	<u>Energy ARRA Grant Fund</u>	<u>Helen Lorenz Estate Fund</u>
<u>Assets</u>			
Pooled cash and investments	\$ -	\$ -	\$ -
Restricted cash and investments	588,863	59,633	38,810
Receivables:			
Accounts, net	-	-	29,511
Assessments receivable, net	-	-	-
Loans and notes receivable, net	-	152,689	-
Due from other governments	-	-	-
Total Assets	<u>\$ 588,863</u>	<u>\$ 212,322</u>	<u>\$ 68,321</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)</u>			
<u>Liabilities</u>			
Accounts payable	\$ -	\$ -	\$ -
Salaries and benefits payable	1,201	-	-
Deposits - restricted	-	-	38,810
Unearned revenue	-	-	-
Due to other funds	-	-	29,511
Total Liabilities	<u>1,201</u>	<u>-</u>	<u>68,321</u>
Deferred Inflows of Resources	-	152,689	-
<u>Fund Balances (Deficits)</u>			
Restricted for:			
External grantor covenant	-	59,633	-
State law revenue restriction	587,662	-	-
Committed:			
Affordable housing	-	-	-
Reserves for police operations	-	-	-
Assigned:			
Planning support services	-	-	-
Community development contracts	-	-	-
Total Fund Balances (Deficits)	<u>587,662</u>	<u>59,633</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 588,863</u>	<u>\$ 212,322</u>	<u>\$ 68,321</u>

City of Bend, Oregon
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	Building Fund	Planning Fund	Private Development Engineering Fund	Community Development Block Grant Fund	Affordable Housing Fund
Assets					
Pooled cash and investments	\$ -	\$ 4,716,144	\$ 1,646,823	\$ -	\$ 2,346,757
Restricted cash and investments	13,789,143	102,041	571,820	624,926	-
Receivables:					
Accounts, net	1,007	-	-	-	-
Assessments receivable, net	-	-	-	-	-
Loans and notes receivable, net	-	-	-	5,174,093	5,243,763
Due from other governments	-	-	-	25,289	-
Total Assets	\$ 13,790,150	\$ 4,818,185	\$ 2,218,643	\$ 5,824,308	\$ 7,590,520
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities					
Accounts payable	\$ 10,054	\$ 7,537	\$ 30,666	\$ 13,137	\$ 334
Salaries and benefits payable	76,439	36,489	24,926	2,367	2,367
Deposits - restricted	751	102,041	571,820	-	-
Unearned revenue	1,007	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	88,251	146,067	627,412	15,504	2,701
Deferred Inflows of Resources	-	-	-	5,174,093	5,243,763
Fund Balances (Deficits)					
Restricted for:					
External grantor covenant	-	-	-	634,711	-
State law revenue restriction	13,701,899	-	-	-	-
Committed:					
Affordable housing	-	-	-	-	2,344,056
Reserves for police operations	-	-	-	-	-
Assigned:					
Planning support services	-	4,672,118	1,591,231	-	-
Community development contracts	-	-	-	-	-
Total Fund Balances (Deficits)	13,701,899	4,672,118	1,591,231	634,711	2,344,056
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 13,790,150	\$ 4,818,185	\$ 2,218,643	\$ 5,824,308	\$ 7,590,520

City of Bend, Oregon
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2018

	Business Advocacy Fund	Tourism Fund	Economic Improvement District Fund	Police Reserve Fund	Total Special Revenue Funds
Assets					
Pooled cash and investments	\$ 133,912	\$ -	\$ 72,223	\$ 643,318	\$ 9,559,177
Restricted cash and investments	-	244,817	-	-	16,020,053
Receivables:					
Accounts, net	-	435,797	-	-	466,315
Assessments receivable, net	-	-	38,092	-	38,092
Loans and notes receivable, net	-	-	-	-	10,570,545
Due from other governments	-	-	-	-	25,289
Total Assets	\$ 133,912	\$ 680,614	\$ 110,315	\$ 643,318	\$ 36,679,471
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities					
Accounts payable	\$ 10,745	\$ 444,437	\$ 89,293	\$ -	\$ 606,203
Salaries and benefits payable	3,688	-	-	-	147,477
Deposits - restricted	-	-	-	-	713,422
Unearned revenue	1,800	-	-	-	2,807
Due to other funds	-	-	-	-	29,511
Total Liabilities	16,233	444,437	89,293	-	1,499,420
Deferred Inflows of Resources	-	-	21,022	-	10,591,567
Fund Balances (Deficits)					
Restricted for:					
External grantor covenant	-	-	-	-	694,344
State law revenue restriction	-	236,177	-	-	14,525,738
Committed:					
Affordable housing	-	-	-	-	2,344,056
Reserves for police operations	-	-	-	643,318	643,318
Assigned:					
Planning support services	-	-	-	-	6,263,349
Community development contracts	117,679	-	-	-	117,679
Total Fund Balances (Deficits)	117,679	236,177	-	643,318	24,588,484
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 133,912	\$ 680,614	\$ 110,315	\$ 643,318	\$ 36,679,471

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, 2018

	<u>BURA General Fund</u>	<u>Energy ARRA Grant Fund</u>	<u>Helen Lorenz Estate Fund</u>
<u>Revenues</u>			
Room taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Assessments	-	-	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Contributions	-	-	50,531
Loan repayments	-	12,138	-
Investment income	1,384	665	-
Miscellaneous	-	-	-
Total Revenues	<u>1,384</u>	<u>12,803</u>	<u>50,531</u>
<u>Expenditures</u>			
Current:			
Community and economic development	-	-	-
Urban renewal	95,265	-	-
Capital outlay	-	-	-
Total Expenditures	<u>95,265</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(93,881)	12,803	50,531
<u>Other Financing Sources (Uses)</u>			
Proceeds from sale of assets	-	-	-
Transfers in	359,487	-	-
Transfers out	-	(50,000)	(53,034)
Total Other Financing Sources (Uses)	<u>359,487</u>	<u>(50,000)</u>	<u>(53,034)</u>
Net change in fund balances	265,606	(37,197)	(2,503)
Fund Balances (Deficits), July 1, 2017	322,056	96,830	2,503
Fund Balances (Deficits), June 30, 2018	<u>\$ 587,662</u>	<u>\$ 59,633</u>	<u>\$ -</u>

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, 2018

	Building Fund	Planning Fund	Private Development Engineering Fund	Community Development Block Grant Fund	Affordable Housing Fund
Revenues					
Room taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	489,996	-
Assessments	-	-	-	-	-
Licenses and permits	5,459,306	97,695	419,945	-	-
Charges for services	1,785,483	2,738,726	1,787,922	-	1,335,319
Contributions	-	-	-	-	-
Loan repayments	-	-	-	140,367	272,740
Investment income	76,435	22,329	450	6,988	13,828
Miscellaneous	-	-	44	-	1,165
Total Revenues	7,321,224	2,858,750	2,208,361	637,351	1,623,052
Expenditures					
Current:					
Community and economic development	6,250,558	2,599,693	1,819,704	598,835	1,733,366
Urban renewal	-	-	-	-	-
Capital outlay	53,272	-	-	-	-
Total Expenditures	6,303,830	2,599,693	1,819,704	598,835	1,733,366
Excess (deficiency) of revenues over expenditures	1,017,394	259,057	388,657	38,516	(110,314)
Other Financing Sources (Uses)					
Proceeds from sale of assets	-	-	10,687	-	-
Transfers in	24,046	553,000	1,191,887	65,000	-
Transfers out	-	(31,262)	-	-	(65,000)
Total Other Financing Sources (Uses)	24,046	521,738	1,202,574	65,000	(65,000)
Net change in fund balances	1,041,440	780,795	1,591,231	103,516	(175,314)
Fund Balances (Deficits), July 1, 2017	12,660,459	3,891,323	-	531,195	2,519,370
Fund Balances (Deficits), June 30, 2018	\$ 13,701,899	\$ 4,672,118	\$ 1,591,231	\$ 634,711	\$ 2,344,056

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, 2018

	Business Advocacy Fund	Tourism Fund	Economic Improvement District Fund	Police Reserve Fund	Total Special Revenue Funds
Revenues					
Room taxes	\$ -	\$ 3,023,489	\$ -	\$ -	\$ 3,023,489
Intergovernmental	-	-	-	-	489,996
Assessments	-	-	241,780	-	241,780
Licenses and permits	308,800	-	-	-	6,285,746
Charges for services	-	-	-	-	7,647,450
Contributions	-	-	-	-	50,531
Loan repayments	-	-	-	-	425,245
Investment income	897	(2,744)	339	3,722	124,293
Miscellaneous	-	-	-	-	1,209
Total Revenues	<u>309,697</u>	<u>3,020,745</u>	<u>242,119</u>	<u>3,722</u>	<u>18,289,739</u>
Expenditures					
Current:					
Community and economic development	398,234	3,248,174	242,119	-	16,890,683
Urban renewal	-	-	-	-	95,265
Capital outlay	-	-	-	-	53,272
Total Expenditures	<u>398,234</u>	<u>3,248,174</u>	<u>242,119</u>	<u>-</u>	<u>17,039,220</u>
Excess (deficiency) of revenues over expenditures	(88,537)	(227,429)	-	3,722	1,250,519
Other Financing Sources (Uses)					
Proceeds from sale of assets	-	-	-	-	10,687
Transfers in	85,000	-	-	-	2,278,420
Transfers out	(1,008)	-	-	-	(200,304)
Total Other Financing Sources (Uses)	<u>83,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,088,803</u>
Net change in fund balances	(4,545)	(227,429)	-	3,722	3,339,322
Fund Balances (Deficits), July 1, 2017	122,224	463,606	-	639,596	21,249,162
Fund Balances (Deficits), June 30, 2018	<u>\$ 117,679</u>	<u>\$ 236,177</u>	<u>\$ -</u>	<u>\$ 643,318</u>	<u>\$ 24,588,484</u>

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, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<u>Revenues</u>						
Investment income	\$ 6,100	\$ 6,100	\$ 1,384	\$ -	\$ 1,384	\$ (4,716)
Total Revenues	<u>6,100</u>	<u>6,100</u>	<u>1,384</u>	<u>-</u>	<u>1,384</u>	<u>(4,716)</u>
<u>Expenditures</u>						
Current:						
Personnel services	128,700	330,408	64,426	-	64,426	265,982
Materials and services	135,700	662,692	25,539	-	25,539	637,153
Interfund charges	10,400	10,400	5,300	-	5,300	5,100
Reserves	40,594	40,594	-	-	-	40,594
Total Expenditures	<u>315,394</u>	<u>1,044,094</u>	<u>95,265</u>	<u>-</u>	<u>95,265</u>	<u>948,829</u>
Excess (deficiency) of revenues over (under) expenditures	(309,294)	(1,037,994)	(93,881)	-	(93,881)	944,113
<u>Other Financing Sources (Uses)</u>						
Transfers in	-	728,700	359,487	-	359,487	(369,213)
Transfers out	(8,260)	(8,260)	-	-	-	8,260
Total Other Financing Sources (Uses)	<u>(8,260)</u>	<u>720,440</u>	<u>359,487</u>	<u>-</u>	<u>359,487</u>	<u>(360,953)</u>
Net changes in fund balance	(317,554)	(317,554)	265,606	-	265,606	583,160
Beginning Fund Balance (Deficit)	317,554	317,554	322,056	-	322,056	4,502
Ending Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 587,662</u>	<u>\$ -</u>	<u>\$ 587,662</u>	<u>\$ 587,662</u>

City of Bend, Oregon
Energy ARRA Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<u>Revenues</u>						
Loan repayments	\$ -	\$ -	\$ 12,138	\$ -	\$ 12,138	\$ 12,138
Investment income	500	500	665	-	665	165
Total Revenues	500	500	12,803	-	12,803	12,303
<u>Expenditures</u>						
Current:						
Materials and services	99,454	454	-	-	-	454
Total Expenditures	99,454	454	-	-	-	454
Excess (deficiency) of revenues over (under) expenditures	(98,954)	46	12,803	-	12,803	12,757
<u>Other Financing Sources (Uses)</u>						
Transfers out	-	(99,000)	(50,000)	-	(50,000)	49,000
Total Other Financing Sources (Uses)	-	(99,000)	(50,000)	-	(50,000)	49,000
Net changes in fund balance	(98,954)	(98,954)	(37,197)	-	(37,197)	61,757
Beginning Fund Balance (Deficit)	98,954	98,954	96,830	-	96,830	(2,124)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 59,633	\$ -	\$ 59,633	\$ 59,633

City of Bend, Oregon
Helen Lorenz Estate Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Contributions	\$ 122,000	\$ 122,000	\$ 50,531	\$ -	\$ 50,531	\$ (71,469)
Investment income	2,000	2,000	-	-	-	(2,000)
Total Revenues	124,000	124,000	50,531	-	50,531	(73,469)
<u>Expenditures</u>						
Reserves	4,739	4,739	-	-	-	4,739
Total Expenditures	4,739	4,739	-	-	-	4,739
Excess (deficiency) of revenues over (under) expenditures	119,261	119,261	50,531	-	50,531	(68,730)
<u>Other Financing Sources (Uses)</u>						
Transfers out	(122,000)	(122,000)	(53,034)	-	(53,034)	68,966
Total Other Financing Sources (Uses)	(122,000)	(122,000)	(53,034)	-	(53,034)	68,966
Net changes in fund balance	(2,739)	(2,739)	(2,503)	-	(2,503)	236
Beginning Fund Balance (Deficit)	2,739	2,739	2,503	-	2,503	(236)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of Bend, Oregon
Building Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Licenses and permits	\$ 10,557,800	\$ 10,557,800	\$ 5,459,306	\$ -	\$ 5,459,306	\$ (5,098,494)
Charges for services:						
Charges to others	2,963,000	2,963,000	1,785,483	-	1,785,483	(1,177,517)
Investment income	311,100	311,100	76,435	-	76,435	(234,665)
Miscellaneous	4,000	4,000	-	-	-	(4,000)
Total Revenues	13,835,900	13,835,900	7,321,224	-	7,321,224	(6,514,676)
<u>Expenditures</u>						
Current:						
Personnel services	10,071,100	10,517,800	4,159,964	-	4,159,964	6,357,836
Materials and services	2,064,236	1,972,236	506,829	-	506,829	1,465,407
Interfund charges	2,825,800	3,467,800	1,583,765	-	1,583,765	1,884,035
Capital outlay	32,000	124,000	53,272	-	53,272	70,728
Contingency	11,688,647	10,599,947	-	-	-	10,599,947
Total Expenditures	26,681,783	26,681,783	6,303,830	-	6,303,830	20,377,953
Excess (deficiency) of revenues over (under) expenditures	(12,845,883)	(12,845,883)	1,017,394	-	1,017,394	13,863,277
<u>Other Financing Sources (Uses)</u>						
Transfers in	-	-	24,046	-	24,046	24,046
Total Other Financing Sources (Uses)	-	-	24,046	-	24,046	24,046
Beginning Fund Balance (Deficit)	12,845,883	12,845,883	12,660,459	-	12,660,459	(185,424)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 13,701,899	\$ -	\$ 13,701,899	\$ 13,701,899

City of Bend, Oregon
Planning Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Intergovernmental	\$ 20,000	\$ 20,000	\$ -	\$ -	\$ -	\$ (20,000)
Licenses and permits	151,900	151,900	97,695	-	97,695	(54,205)
Charges for services:						
Charges to others	5,011,400	5,011,400	2,738,726	-	2,738,726	(2,272,674)
Investment income	102,800	102,800	22,329	-	22,329	(80,471)
Total Revenues	5,286,100	5,286,100	2,858,750	-	2,858,750	(2,427,350)
<u>Expenditures</u>						
Current:						
Personnel services	3,832,900	4,203,400	1,788,559	-	1,788,559	2,414,841
Materials and services	479,513	487,313	223,102	-	223,102	264,211
Interfund charges	1,121,400	1,228,400	588,032	-	588,032	640,368
Capital outlay	32,000	32,000	-	-	-	32,000
Contingency	4,593,824	4,108,524	-	-	-	4,108,524
Total Expenditures	10,059,637	10,059,637	2,599,693	-	2,599,693	7,459,944
Excess (deficiency) of revenues over (under) expenditures	(4,773,537)	(4,773,537)	259,057	-	259,057	5,032,594
<u>Other Financing Sources (Uses)</u>						
Transfers in	1,123,000	1,123,000	553,000	-	553,000	(570,000)
Transfers out	(51,400)	(51,400)	(31,262)	-	(31,262)	20,138
Total Other Financing Sources (Uses)	1,071,600	1,071,600	521,738	-	521,738	(549,862)
Net changes in fund balance	(3,701,937)	(3,701,937)	780,795	-	780,795	4,482,732
Beginning Fund Balance (Deficit)	3,701,937	3,701,937	3,891,323	-	3,891,323	189,386
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 4,672,118	\$ -	\$ 4,672,118	\$ 4,672,118

City of Bend, Oregon
Private Development Engineering Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<u>Revenues</u>						
Licenses and permits	\$ 951,400	\$ 951,400	\$ 419,945	\$ -	\$ 419,945	\$ (531,455)
Charges for services:						
Charges to others	3,828,100	3,828,100	1,787,922	-	1,787,922	(2,040,178)
Investment income	9,600	9,600	450	-	450	(9,150)
Miscellaneous	-	-	44	-	44	44
Total Revenues	4,789,100	4,789,100	2,208,361	-	2,208,361	(2,580,739)
<u>Expenditures</u>						
Current:						
Personnel services	3,263,700	3,395,000	1,334,508	-	1,334,508	2,060,492
Materials and services	275,327	275,327	123,275	-	123,275	152,052
Interfund charges	766,700	830,900	361,921	-	361,921	468,979
Capital outlay	32,000	32,000	-	-	-	32,000
Contingency	2,273,489	2,209,289	-	-	-	2,209,289
Total Expenditures	6,611,216	6,742,516	1,819,704	-	1,819,704	4,922,812
Excess (deficiency) of revenues over (under) expenditures	(1,822,116)	(1,953,416)	388,657	-	388,657	2,342,073
<u>Other Financing Sources (Uses)</u>						
Proceeds from sale of assets	-	-	10,687	-	10,687	10,687
Transfers in	1,822,116	1,953,416	1,191,887	-	1,191,887	(761,529)
Total Other Financing Sources (Uses)	1,822,116	1,953,416	1,202,574	-	1,202,574	(750,842)
Net changes in fund balance	-	-	1,591,231	-	1,591,231	1,591,231
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,591,231	\$ -	\$ 1,591,231	\$ 1,591,231

City of Bend, Oregon
Community Development Block Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<u>Revenues</u>						
Intergovernmental	\$ 1,288,200	\$ 1,343,300	\$ 489,996	\$ -	\$ 489,996	\$ (853,304)
Loan repayments	16,200	37,700	140,367	-	140,367	102,667
Investment income	6,400	6,400	6,988	-	6,988	588
Total Revenues	1,310,800	1,387,400	637,351	-	637,351	(750,049)
<u>Expenditures</u>						
Current:						
Personnel services	355,100	355,100	146,117	-	146,117	208,983
Materials and services	1,131,400	1,747,378	437,118	-	437,118	1,310,260
Interfund charges	31,100	31,100	15,600	-	15,600	15,500
Contingency	459,378	-	-	-	-	-
Total Expenditures	1,976,978	2,133,578	598,835	-	598,835	1,534,743
Excess (deficiency) of revenues over (under) expenditures	(666,178)	(746,178)	38,516	-	38,516	784,694
<u>Other Financing Sources (Uses)</u>						
Interfund loan proceeds	200,000	200,000	-	-	-	(200,000)
Interfund loan repayments	(200,000)	(200,000)	-	-	-	200,000
Transfers in	215,000	215,000	65,000	-	65,000	(150,000)
Total Other Financing Sources (Uses)	215,000	215,000	65,000	-	65,000	(150,000)
Net changes in fund balance	(451,178)	(531,178)	103,516	-	103,516	634,694
Beginning Fund Balance (Deficit)	451,178	531,178	531,195	-	531,195	17
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 634,711	\$ -	\$ 634,711	\$ 634,711

City of Bend, Oregon
Affordable Housing Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	Biennium Budget		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues						
Charges for services	\$ 2,235,600	\$ 2,235,600	\$ 1,335,319	\$ -	\$ 1,335,319	\$ (900,281)
Loan repayments	198,000	198,000	272,740	-	272,740	74,740
Investment income	58,000	58,000	13,828	-	13,828	(44,172)
Miscellaneous	-	-	1,165	-	1,165	1,165
Total Revenues	2,491,600	2,491,600	1,623,052	-	1,623,052	(868,548)
Expenditures						
Current:						
Personnel services	290,000	290,000	124,810	-	124,810	165,190
Materials and services	2,459,500	2,911,700	1,590,356	-	1,590,356	1,321,344
Interfund charges	36,400	36,400	18,200	-	18,200	18,200
Contingency	1,557,785	1,557,785	-	-	-	1,557,785
Total Expenditures	4,343,685	4,795,885	1,733,366	-	1,733,366	3,062,519
Excess (deficiency) of revenues over (under) expenditures	(1,852,085)	(2,304,285)	(110,314)	-	(110,314)	2,193,971
Other Financing Sources (Uses)						
Transfers out	(215,000)	(215,000)	(65,000)	-	(65,000)	150,000
Total Other Financing Sources (Uses)	(215,000)	(215,000)	(65,000)	-	(65,000)	150,000
Net changes in fund balance	(2,067,085)	(2,519,285)	(175,314)	-	(175,314)	2,343,971
Beginning Fund Balance (Deficit)	2,067,085	2,519,285	2,519,370	-	2,519,370	85
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 2,344,056	\$ -	\$ 2,344,056	\$ 2,344,056

City of Bend, Oregon
Business Advocacy Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Licenses and permits	\$ 637,200	\$ 637,200	\$ 308,800	\$ -	\$ 308,800	\$ (328,400)
Investment income	3,800	3,800	897	-	897	(2,903)
Total Revenues	641,000	641,000	309,697	-	309,697	(331,303)
<u>Expenditures</u>						
Current:						
Personnel services	403,000	403,000	199,510	-	199,510	203,490
Materials and services	325,500	325,500	151,224	-	151,224	174,276
Interfund charges	95,700	95,700	47,500	-	47,500	48,200
Contingency	141,570	141,570	-	-	-	141,570
Total Expenditures	965,770	965,770	398,234	-	398,234	567,536
Excess (deficiency) of revenues over (under) expenditures	(324,770)	(324,770)	(88,537)	-	(88,537)	236,233
<u>Other Financing Sources (Uses)</u>						
Transfers in	172,000	172,000	85,000	-	85,000	(87,000)
Transfers out	(1,900)	(1,900)	(1,008)	-	(1,008)	892
Total Other Financing Sources (Uses)	170,100	170,100	83,992	-	83,992	(86,108)
Net changes in fund balance	(154,670)	(154,670)	(4,545)	-	(4,545)	150,125
Beginning Fund Balance (Deficit)	154,670	154,670	122,224	-	122,224	(32,446)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 117,679	\$ -	\$ 117,679	\$ 117,679

City of Bend, Oregon
Tourism Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Room taxes	\$ 6,114,100	\$ 6,114,100	\$ 3,023,489	\$ -	\$ 3,023,489	\$ (3,090,611)
Investment income	-	-	(2,744)	-	(2,744)	(2,744)
Total Revenues	6,114,100	6,114,100	3,020,745	-	3,020,745	(3,093,355)
<u>Expenditures</u>						
Current:						
Materials and services	6,198,824	6,198,824	3,192,878	-	3,192,878	3,005,946
Interfund charges	172,500	172,500	55,296	-	55,296	117,204
Total Expenditures	6,371,324	6,371,324	3,248,174	-	3,248,174	3,123,150
Excess (deficiency) of revenues over (under) expenditures	(257,224)	(257,224)	(227,429)	-	(227,429)	29,795
Beginning Fund Balance (Deficit)	257,224	257,224	463,606	-	463,606	206,382
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 236,177	\$ -	\$ 236,177	\$ 236,177

City of Bend, Oregon
Economic Improvement District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Assessments	\$ 341,000	\$ 395,900	\$ 241,780	\$ -	\$ 241,780	\$ (154,120)
Investment income	800	800	339	-	339	(461)
Total Revenues	341,800	396,700	242,119	-	242,119	(154,581)
<u>Expenditures</u>						
Current:						
Materials and services	324,800	376,900	230,030	-	230,030	146,870
Interfund charges	17,000	19,800	12,089	-	12,089	7,711
Total Expenditures	341,800	396,700	242,119	-	242,119	154,581
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

City of Bend, Oregon
Police Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Investment income	\$ 16,800	\$ 16,800	\$ 3,722	\$ -	\$ 3,722	\$ (13,078)
Total Revenues	<u>16,800</u>	<u>16,800</u>	<u>3,722</u>	<u>-</u>	<u>3,722</u>	<u>(13,078)</u>
<u>Expenditures</u>						
Reserves	662,148	662,148	-	-	-	662,148
Total Expenditures	<u>662,148</u>	<u>662,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>662,148</u>
Excess (deficiency) of revenues over (under) expenditures	(645,348)	(645,348)	3,722	-	3,722	649,070
Beginning Fund Balance (Deficit)	645,348	645,348	639,596	-	639,596	(5,752)
Ending Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 643,318</u>	<u>\$ -</u>	<u>\$ 643,318</u>	<u>\$ 643,318</u>

City of Bend, Oregon
Nonmajor Special Revenue Funds
Schedule of Expenditures and Other Uses by Appropriation Levels
For the biennium ended June 30, 2018

	Appropriation	Actual Expenditures	Variance Positive (Negative)
<u>BURA General Fund</u>			
Community & Economic Development Program	\$ 993,100	\$ 89,965	\$ 903,135
Transfers	18,660	5,300	13,360
Reserves	40,594	-	40,594
Total BURA General Fund	<u>\$ 1,052,354</u>	<u>\$ 95,265</u>	<u>\$ 957,089</u>
<u>Energy ARRA Grant Fund</u>			
Administration & Central Services Program	\$ 454	-	\$ 454
Transfers	99,000	50,000	49,000
Total Energy ARRA Grant Fund	<u>\$ 99,454</u>	<u>\$ 50,000</u>	<u>\$ 49,454</u>
<u>Helen Lorenz Estate Fund</u>			
Transfers	\$ 122,000	\$ 53,034	\$ 68,966
Reserves	4,739	-	4,739
Total Helen Lorenz Estate Fund	<u>\$ 126,739</u>	<u>\$ 53,034</u>	<u>\$ 73,705</u>
<u>Building Fund</u>			
Community & Economic Development Program	\$ 12,614,036	\$ 4,720,065	\$ 7,893,971
Transfers	3,467,800	1,583,765	1,884,035
Contingency	10,599,947	-	10,599,947
Total Building Fund	<u>\$ 26,681,783</u>	<u>\$ 6,303,830</u>	<u>\$ 20,377,953</u>
<u>Planning Fund</u>			
Community & Economic Development Program	\$ 4,722,713	\$ 2,011,661	\$ 2,711,052
Transfers	1,279,800	619,294	660,506
Contingency	4,108,524	-	4,108,524
Total Planning Fund	<u>\$ 10,111,037</u>	<u>\$ 2,630,955</u>	<u>\$ 7,480,082</u>
<u>Private Development Engineering Fund</u>			
Community & Economic Development Program	\$ 3,702,327	\$ 1,457,783	\$ 2,244,544
Transfers	830,900	361,921	468,979
Contingency	2,209,289	-	2,209,289
Total Private Development Engineering Fund	<u>\$ 6,742,516</u>	<u>\$ 1,819,704</u>	<u>\$ 4,922,812</u>
<u>Affordable Housing Fund</u>			
Community & Economic Development Program	\$ 3,201,700	\$ 1,715,166	\$ 1,486,534
Transfers	251,400	83,200	168,200
Contingency	1,557,785	-	1,557,785
Total Affordable Housing Fund	<u>\$ 5,010,885</u>	<u>\$ 1,798,366</u>	<u>\$ 3,212,519</u>

City of Bend, Oregon
Nonmajor Special Revenue Funds
Schedule of Expenditures and Other Uses by Appropriation Levels (Continued)
For the biennium ended June 30, 2018

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<u>Community Development Block Grant Fund</u>			
Community & Economic Development Program	\$ 2,102,478	\$ 583,235	\$ 1,519,243
Interfund loan repayments	200,000	-	200,000
Transfers	31,100	15,600	15,500
Total Community Development Block Grant Fund	<u>\$ 2,333,578</u>	<u>\$ 598,835</u>	<u>\$ 1,734,743</u>
<u>Business Advocacy Fund</u>			
Community & Economic Development Program	\$ 728,500	\$ 350,734	\$ 377,766
Transfers	97,600	48,508	49,092
Contingency	141,570	-	141,570
Total Business Advocacy Fund	<u>\$ 967,670</u>	<u>\$ 399,242</u>	<u>\$ 568,428</u>
<u>Tourism Fund</u>			
Community & Economic Development Program	\$ 6,198,824	\$ 3,192,878	\$ 3,005,946
Transfers	172,500	55,296	117,204
Total Tourism Fund	<u>\$ 6,371,324</u>	<u>\$ 3,248,174</u>	<u>\$ 3,123,150</u>
<u>Economic Improvement District Fund</u>			
Community & Economic Development Program	\$ 376,900	\$ 230,030	\$ 146,870
Transfers	19,800	12,089	7,711
Total Economic Improvement District Fund	<u>\$ 396,700</u>	<u>\$ 242,119</u>	<u>\$ 154,581</u>
<u>Police Reserve Fund</u>			
Reserves	\$ 662,148	\$ -	\$ 662,148
Total Police Reserve Fund	<u>\$ 662,148</u>	<u>\$ -</u>	<u>\$ 662,148</u>

NONMAJOR DEBT SERVICE FUNDS

Murphy Crossing Urban Renewal Debt Service Fund

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

Fire Station Debt Service Fund

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

PERS Debt Service Fund

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

Juniper Ridge Urban Renewal Debt Service Fund

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

General Obligation Bond Debt Service Fund

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

City of Bend, Oregon
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2018

	<u>Murphy Crossing Urban Renewal Debt Service Fund</u>	<u>Fire Station Debt Service Fund</u>	<u>PERS Debt Service Fund</u>
<u>Assets</u>			
Restricted cash and investments	\$ 630,783	\$ 9,775	\$ 2,685,115
Receivables:			
Taxes	8,963	-	-
Total Assets	<u>\$ 639,746</u>	<u>\$ 9,775</u>	<u>\$ 2,685,115</u>
<u>Deferred Inflows of Resources and Fund Balances (Deficits)</u>			
Deferred Inflows of Resources			
Unavailable revenue - property taxes	\$ 6,566	\$ -	\$ -
Total Deferred Inflows of Resources	<u>6,566</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)			
Restricted for:			
Outside debt covenant	633,180	9,775	-
Assigned:			
Debt service	-	-	2,685,115
Total Fund Balances (Deficits)	<u>633,180</u>	<u>9,775</u>	<u>2,685,115</u>
Total Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 639,746</u>	<u>\$ 9,775</u>	<u>\$ 2,685,115</u>

City of Bend, Oregon
Combining Balance Sheet (Continued)
Nonmajor Debt Service Funds
June 30, 2018

	Juniper Ridge Urban Renewal Debt Service Fund	General Obligation Bond Debt Service Fund	Total Debt Service Funds
<u>Assets</u>			
Restricted cash and investments	\$ 2,330,393	\$ 1,299,027	\$ 6,955,093
Receivables:			
Taxes	28,198	54,948	92,109
Total Assets	\$ 2,358,591	\$ 1,353,975	\$ 7,047,202
<u>Deferred Inflows of Resources and Fund Balances (Deficits)</u>			
Deferred Inflows of Resources			
Unavailable revenue - property taxes	\$ 21,158	\$ 41,058	\$ 68,782
Total Deferred Inflows of Resources	21,158	41,058	68,782
Fund Balances (Deficits)			
Restricted for:			
Outside debt covenant	2,337,433	1,312,917	4,293,305
Assigned:			
Debt service	-	-	2,685,115
Total Fund Balances (Deficits)	2,337,433	1,312,917	6,978,420
Total Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 2,358,591	\$ 1,353,975	\$ 7,047,202

City of Bend, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
Nonmajor Debt Service Funds
For the fiscal year ended June 30, 2018

	Murphy Crossing Urban Renewal Debt Service Fund	Fire Station Debt Service Fund	PERS Debt Service Fund
<u>Revenues</u>			
Property taxes	\$ 364,945	\$ -	\$ -
Intergovernmental	-	241,428	-
Charges for services	-	-	1,275,990
Investment income	4,016	725	17,366
Total Revenues	<u>368,961</u>	<u>242,153</u>	<u>1,293,356</u>
<u>Expenditures</u>			
Current:			
General government	-	-	24,100
Public safety	-	7,100	-
Debt service:			
Principal	176,866	185,000	565,000
Interest	66,815	56,428	698,235
Total Expenditures	<u>243,681</u>	<u>248,528</u>	<u>1,287,335</u>
Excess (deficiency) of revenues over expenditures	125,280	(6,375)	6,021
<u>Other Financing Sources (Uses)</u>			
Transfers in	-	7,100	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,100</u>	<u>-</u>
Net change in fund balances	125,280	725	6,021
Fund Balances (Deficits), July 1, 2017	507,900	9,050	2,679,094
Fund Balances (Deficits), June 30, 2018	<u>\$ 633,180</u>	<u>\$ 9,775</u>	<u>\$ 2,685,115</u>

City of Bend, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) (Continued)
Nonmajor Debt Service Funds
For the fiscal year ended June 30, 2018

	Juniper Ridge Urban Renewal Debt Service Fund	General Obligation Bond Debt Service Fund	Total Debt Service Funds
<u>Revenues</u>			
Property taxes	\$ 983,966	\$ 1,933,568	\$ 3,282,479
Intergovernmental	-	-	241,428
Charges for services	-	-	1,275,990
Investment income	13,547	18,297	53,951
Total Revenues	997,513	1,951,865	4,853,848
<u>Expenditures</u>			
Current:			
General government	-	-	24,100
Public safety	-	-	7,100
Debt service:			
Principal	576,527	1,135,000	2,638,393
Interest	94,004	703,050	1,618,532
Total Expenditures	670,531	1,838,050	4,288,125
Excess (deficiency) of revenues over expenditures	326,982	113,815	565,723
<u>Other Financing Sources (Uses)</u>			
Transfers in	-	-	7,100
Total Other Financing Sources (Uses)	-	-	7,100
Net change in fund balances	326,982	113,815	572,823
Fund Balances (Deficits), July 1, 2017	2,010,451	1,199,102	6,405,597
Fund Balances (Deficits), June 30, 2018	\$ 2,337,433	\$ 1,312,917	\$ 6,978,420

City of Bend, Oregon
Murphy Crossing Urban Renewal Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<u>Revenues</u>						
Property taxes	\$ 501,600	\$ 501,600	\$ 364,945	\$ -	\$ 364,945	\$ (136,655)
Investment income	13,500	13,500	4,016	-	4,016	(9,484)
Total Revenues	<u>515,100</u>	<u>515,100</u>	<u>368,961</u>	<u>-</u>	<u>4,016</u>	<u>(374,429)</u>
<u>Expenditures</u>						
Debt service	487,500	487,500	243,681	-	243,681	243,819
Reserved for debt service	536,150	536,150	-	-	-	536,150
Total Expenditures	<u>1,023,650</u>	<u>1,023,650</u>	<u>243,681</u>	<u>-</u>	<u>243,681</u>	<u>779,969</u>
Excess (deficiency) of revenues over (under) expenditures	(508,550)	(508,550)	125,280	-	(239,665)	405,540
Beginning Fund Balance (Deficit)	508,550	508,550	507,900	-	507,900	(650)
Ending Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633,180</u>	<u>\$ -</u>	<u>\$ 268,235</u>	<u>\$ 404,890</u>

City of Bend, Oregon
Fire Station Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<u>Revenues</u>						
Intergovernmental	\$ 485,600	\$ 485,600	\$ 241,428	\$ -	\$ 241,428	\$ (244,172)
Investment income	800	800	725	-	725	(75)
Total Revenues	486,400	486,400	242,153	-	242,153	(244,247)
<u>Expenditures</u>						
Current:						
Materials and services	800	800	-	-	-	800
Interfund charges	14,600	14,600	7,100	-	7,100	7,500
Debt service	485,600	485,600	241,428	-	241,428	244,172
Reserved for debt service	8,110	8,110	-	-	-	8,110
Total Expenditures	509,110	509,110	248,528	-	248,528	260,582
Excess (deficiency) of revenues over (under) expenditures	(22,710)	(22,710)	(6,375)	-	(6,375)	16,335
<u>Other Financing Sources (Uses)</u>						
Transfers in	14,600	14,600	7,100	-	7,100	(7,500)
Total Other Financing Sources (Uses)	14,600	14,600	7,100	-	7,100	(7,500)
Net changes in fund balance	(8,110)	(8,110)	725	-	725	8,835
Beginning Fund Balance (Deficit)	8,110	8,110	9,050	-	9,050	940
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 9,775	\$ -	\$ 9,775	\$ 9,775

City of Bend, Oregon
PERS Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Charges for services:						
Charges to other City funds	\$ 2,755,532	\$ 2,755,532	\$ 1,275,990	\$ -	\$ 1,275,990	\$ (1,479,542)
Investment income	70,700	70,700	17,366	-	17,366	(53,334)
Total Revenues	2,826,232	2,826,232	1,293,356	-	1,293,356	(1,532,876)
<u>Expenditures</u>						
Current:						
Interfund charges	49,700	49,700	24,100	-	24,100	25,600
Debt service	2,578,400	2,578,400	1,263,235	-	1,263,235	1,315,165
Reserved for debt service	2,944,051	2,944,051	-	-	-	2,944,051
Total Expenditures	5,572,151	5,572,151	1,287,335	-	1,287,335	4,284,816
Excess (deficiency) of revenues over (under) expenditures	(2,745,919)	(2,745,919)	6,021	-	6,021	2,751,940
Beginning Fund Balance (Deficit)	2,745,919	2,745,919	2,679,094	-	2,679,094	(66,825)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 2,685,115	\$ -	\$ 2,685,115	\$ 2,685,115

City of Bend, Oregon
Juniper Ridge Urban Renewal Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Property taxes:						
Current year's property tax levy	\$ 2,018,600	\$ 2,018,600	\$ 961,812	\$ -	\$ 961,812	\$ (1,056,788)
Delinquent property taxes	27,000	27,000	22,154	-	22,154	(4,846)
Investment income	59,700	59,700	13,547	-	13,547	(46,153)
Total Revenues	2,105,300	2,105,300	997,513	-	997,513	(1,107,787)
<u>Expenditures</u>						
Debt service	1,148,243	1,398,243	670,531	-	670,531	727,712
Reserved for debt service	3,097,173	2,847,173	-	-	-	2,847,173
Total Expenditures	4,245,416	4,245,416	670,531	-	670,531	3,574,885
Excess (deficiency) of revenues over (under) expenditures	(2,140,116)	(2,140,116)	326,982	-	326,982	3,528,732
Beginning Fund Balance (Deficit)	2,140,116	2,140,116	2,010,451	-	2,010,451	(129,665)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 2,337,433	\$ -	\$ 2,337,433	\$ 2,337,433

City of Bend, Oregon
General Obligation Bond Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
Revenues						
Property taxes:						
Current year's property tax levy	\$ 3,680,000	\$ 3,680,000	\$ 1,890,938	\$ -	\$ 1,890,938	\$ (1,789,062)
Delinquent property taxes	100,200	100,200	42,630	-	42,630	(57,570)
Investment income	30,400	30,400	18,297	-	18,297	(12,103)
Total Revenues	3,810,600	3,810,600	1,951,865	-	1,951,865	(1,858,735)
Expenditures						
Current:						
Materials and services	1,000	1,000	-	-	-	1,000
Debt service	3,677,100	3,677,100	1,838,050	-	1,838,050	1,839,050
Reserved for debt service	1,303,488	1,303,488	-	-	-	1,303,488
Total Expenditures	4,981,588	4,981,588	1,838,050	-	1,838,050	3,143,538
Excess (deficiency) of revenues over (under) expenditures	(1,170,988)	(1,170,988)	113,815	-	113,815	1,284,803
Beginning Fund Balance (Deficit)	1,170,988	1,170,988	1,199,102	-	1,199,102	28,114
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,312,917	\$ -	\$ 1,312,917	\$ 1,312,917

City of Bend, Oregon
Nonmajor Debt Service Funds
Schedule of Expenditures and Other Uses by Appropriation Levels
For the biennium ended June 30, 2018

	Appropriation	Actual Expenditures	Variance Positive (Negative)
<u>Murphy Crossing Urban Renewal Debt Service Fund</u>			
Debt service	\$ 487,500	\$ 243,681	\$ 243,819
Reserves	536,150	-	536,150
Total Murphy Crossing Urban Renewal Debt Service Fund	<u>\$ 1,023,650</u>	<u>\$ 243,681</u>	<u>\$ 779,969</u>
<u>Fire Station Debt Service Fund</u>			
Public Safety Program	\$ 800	-	\$ 800
Debt service	485,600	241,428	244,172
Transfers	14,600	7,100	7,500
Reserves	8,110	-	8,110
Total Fire Station Debt Service Fund	<u>\$ 509,110</u>	<u>\$ 248,528</u>	<u>\$ 260,582</u>
<u>PERS Debt Service Fund</u>			
Debt service	\$ 2,578,400	\$ 1,263,235	\$ 1,315,165
Transfers	49,700	24,100	25,600
Reserves	2,944,051	-	2,944,051
Total PERS Debt Service Fund	<u>\$ 5,572,151</u>	<u>\$ 1,287,335</u>	<u>\$ 4,284,816</u>
<u>Juniper Ridge Urban Renewal Debt Service Fund</u>			
Debt service	\$ 1,398,243	\$ 670,531	\$ 727,712
Reserves	2,847,173	-	2,847,173
Total Juniper Ridge Urban Renewal Debt Service Fund	<u>\$ 4,245,416</u>	<u>\$ 670,531</u>	<u>\$ 3,574,885</u>
<u>General Obligation Bond Debt Service Fund</u>			
Infrastructure Program	\$ 1,000	-	\$ 1,000
Debt service	3,677,100	1,838,050	1,839,050
Reserves	1,303,488	-	1,303,488
Total General Obligation Bond Debt Service Fund	<u>\$ 4,981,588</u>	<u>\$ 1,838,050</u>	<u>\$ 3,143,538</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Local Improvement District Construction Fund

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

Murphy Crossing Urban Renewal Construction Fund

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

Juniper Ridge Urban Renewal Construction Fund

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

Accessibility Construction Fund

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

Transportation Construction Fund

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

General Obligation Bond Construction Fund

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

City of Bend, Oregon
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2018

	Local Improvement District Construction Fund	Murphy Crossing Urban Renewal Construction Fund	Juniper Ridge Urban Renewal Construction Fund
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<u>Assets</u>			
Pooled cash and investments	\$ -	\$ -	\$ -
Restricted cash and investments	605,063	193,000	1,432,914
Receivables:			
Accounts, net	-	-	-
Total Assets	<u>\$ 605,063</u>	<u>\$ 193,000</u>	<u>\$ 1,432,914</u>
<u>Liabilities and Fund Balances (Deficits)</u>			
<u>Liabilities</u>			
Accounts payable	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-
Retainage payable	-	11,011	-
Total Liabilities	<u>-</u>	<u>11,011</u>	<u>-</u>
Fund Balances (Deficits)			
Restricted for:			
Outside construction covenant	-	181,989	-
Committed:			
Assigned:			
Construction activities	605,063	-	-
Unassigned	-	-	1,432,914
Total Fund Balances (Deficits)	<u>605,063</u>	<u>181,989</u>	<u>1,432,914</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 605,063</u>	<u>\$ 193,000</u>	<u>\$ 1,432,914</u>

City of Bend, Oregon
Combining Balance Sheet (Continued)
Nonmajor Capital Projects Funds
June 30, 2018

	Accessibility Construction Fund	Transportation Construction Fund	General Obligation Bond Construction Fund	Total Capital Projects Funds
<u>Assets</u>				
Pooled cash and investments	\$ -	\$ 9,359,215	\$ -	\$ 9,359,215
Restricted cash and investments	1,109,502	-	2,158,011	5,498,490
Receivables:				
Accounts, net	100,168	100,168	-	200,336
Total Assets	<u>\$ 1,209,670</u>	<u>\$ 9,459,383</u>	<u>\$ 2,158,011</u>	<u>\$ 15,058,041</u>
<u>Liabilities and Fund Balances (Deficits)</u>				
<u>Liabilities</u>				
Accounts payable	\$ 209,019	\$ 1,254,904	\$ 698,441	\$ 2,162,364
Salaries and benefits payable	1,124	13,041	-	14,165
Retainage payable	11,814	88,277	84,699	195,801
Total Liabilities	<u>221,957</u>	<u>1,356,222</u>	<u>783,140</u>	<u>2,372,330</u>
Fund Balances (Deficits)				
Restricted for:				
Outside construction covenant	-	1,363,431	1,374,871	2,920,291
Committed:				
Assigned:				
Construction activities	987,713	6,739,730	-	8,332,506
Unassigned	-	-	-	1,432,914
Total Fund Balances (Deficits)	<u>987,713</u>	<u>8,103,161</u>	<u>1,374,871</u>	<u>12,685,711</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 1,209,670</u>	<u>\$ 9,459,383</u>	<u>\$ 2,158,011</u>	<u>\$ 15,058,041</u>

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, 2018

	Local Improvement District Construction Fund	Murphy Crossing Urban Renewal Construction Fund	Juniper Ridge Urban Renewal Construction Fund
<u>Revenues</u>			
Franchise fees	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Contributions	-	-	-
Investment income	3,500	1,286	(1,562)
Miscellaneous	-	-	-
Total Revenues	<u>3,500</u>	<u>1,286</u>	<u>(1,562)</u>
<u>Expenditures</u>			
Current:			
Public ways and facilities	-	-	-
Urban renewal	-	-	3,558
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	35,491	-
Total Expenditures	<u>-</u>	<u>35,491</u>	<u>3,558</u>
Excess (deficiency) of revenues over expenditures	3,500	(34,205)	(5,120)
<u>Other Financing Sources (Uses)</u>			
Transfers in	-	-	1,437,944
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,437,944</u>
Net change in fund balances	3,500	(34,205)	1,432,824
Fund Balances (Deficits), July 1, 2017	601,563	216,194	90
Fund Balances (Deficits), June 30, 2018	<u>\$ 605,063</u>	<u>\$ 181,989</u>	<u>\$ 1,432,914</u>

City of Bend, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits) (Continued)
Nonmajor Capital Projects Funds
For the fiscal year ended June 30, 2018

	Accessibility Construction Fund	Transportation Construction Fund	General Obligation Bond Construction Fund	Total Capital Projects Funds
<u>Revenues</u>				
Franchise fees	\$ 761,482	\$ 753,692	\$ -	\$ 1,515,174
Intergovernmental	35,079	9,600	-	44,679
Charges for services	-	6,040	-	6,040
Contributions	-	82,416	-	82,416
Investment income	9,533	62,506	31,288	106,551
Miscellaneous	-	100	-	100
Total Revenues	<u>806,094</u>	<u>914,354</u>	<u>31,288</u>	<u>1,754,960</u>
<u>Expenditures</u>				
Current:				
Public ways and facilities	179,149	2,292,269	-	2,471,418
Urban renewal	-	-	-	3,558
Debt service:				
Principal	225,000	1,190,014	-	1,415,014
Interest	83,463	115,024	-	198,487
Capital outlay	912,808	3,333,868	2,951,178	7,233,345
Total Expenditures	<u>1,400,420</u>	<u>6,931,175</u>	<u>2,951,178</u>	<u>11,321,822</u>
Excess (deficiency) of revenues over expenditures	(594,326)	(6,016,821)	(2,919,890)	(9,566,862)
<u>Other Financing Sources (Uses)</u>				
Transfers in	335,000	5,834,120	143,403	7,750,467
Transfers out	-	(344,429)	-	(344,429)
Total Other Financing Sources (Uses)	<u>335,000</u>	<u>5,489,691</u>	<u>143,403</u>	<u>7,406,038</u>
Net change in fund balances	(259,326)	(527,130)	(2,776,487)	(2,160,824)
Fund Balances (Deficits), July 1, 2017	1,247,039	8,630,291	4,151,358	14,846,535
Fund Balances (Deficits), June 30, 2018	<u>\$ 987,713</u>	<u>\$ 8,103,161</u>	<u>\$ 1,374,871</u>	<u>\$ 12,685,711</u>

City of Bend, Oregon
Local Improvement District Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Investment income	\$ 15,800	\$ 15,800	\$ 3,500	\$ -	\$ 3,500	\$ (12,300)
Total Revenues	<u>15,800</u>	<u>15,800</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>	<u>(12,300)</u>
<u>Expenditures</u>						
Current:						
Personnel services	182,000	182,000	-	-	-	182,000
Reserves	440,766	440,766	-	-	-	440,766
Total Expenditures	<u>622,766</u>	<u>622,766</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>622,766</u>
Excess (deficiency) of revenues over (under) expenditures	(606,966)	(606,966)	3,500	-	3,500	610,466
Beginning Fund Balance (Deficit)	<u>606,966</u>	<u>606,966</u>	<u>601,563</u>	<u>-</u>	<u>601,563</u>	<u>(5,403)</u>
Ending Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 605,063</u>	<u>\$ -</u>	<u>\$ 605,063</u>	<u>\$ 605,063</u>

City of Bend, Oregon
Murphy Crossing Urban Renewal Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Investment income	\$ 23,800	\$ 23,800	\$ 1,286	\$ -	\$ 1,286	\$ (22,514)
Total Revenues	<u>23,800</u>	<u>23,800</u>	<u>1,286</u>	<u>-</u>	<u>1,286</u>	<u>(22,514)</u>
<u>Expenditures</u>						
Capital outlay	15,000	55,000	35,491	-	35,491	19,509
Contingency	100,208	100,208	-	-	-	100,208
Total Expenditures	<u>115,208</u>	<u>155,208</u>	<u>35,491</u>	<u>-</u>	<u>35,491</u>	<u>119,717</u>
Excess (deficiency) of revenues over (under) expenditures	(91,408)	(131,408)	(34,205)	-	(34,205)	97,203
Beginning Fund Balance (Deficit)	91,408	131,408	216,194	-	216,194	84,786
Ending Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,989</u>	<u>\$ -</u>	<u>\$ 181,989</u>	<u>\$ 181,989</u>

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, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<u>Revenues</u>						
Investment income	\$ -	\$ -	\$ (1,562)	\$ -	\$ (1,562)	\$ (1,562)
Total Revenues	-	-	(1,562)	-	(1,562)	(1,562)
<u>Expenditures</u>						
Current:						
Materials and services	8,300	8,300	3,558	-	3,558	4,742
Total Expenditures	8,300	8,300	3,558	-	3,558	4,742
Excess (deficiency) of revenues over (under) expenditures	(8,300)	(8,300)	(5,120)	-	(5,120)	3,180
<u>Other Financing Sources (Uses)</u>						
Transfers in	8,260	8,260	1,437,944	-	1,437,944	1,429,684
Total Other Financing Sources (Uses)	8,260	8,260	1,437,944	-	1,437,944	1,429,684
Net changes in fund balance	(40)	(40)	1,432,824	-	1,432,824	1,432,864
Beginning Fund Balance (Deficit)	40	40	90	-	90	50
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,432,914	\$ -	\$ 1,432,914	\$ 1,432,914

City of Bend, Oregon
Accessibility Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<u>Revenues</u>						
Franchise fees	\$ 1,400,000	\$ 1,400,000	\$ 761,482	\$ -	\$ 761,482	\$ (638,518)
Intergovernmental	65,900	65,900	35,079	-	35,079	(30,821)
Charges to other City funds	6,225	6,225	-	-	-	(6,225)
Investment income	21,900	21,900	9,533	-	9,533	(12,367)
Total Revenues	1,494,025	1,494,025	806,094	-	806,094	(687,931)
<u>Expenditures</u>						
Current:						
Personnel services	123,200	123,200	59,429	-	59,429	63,771
Materials and services	30,369	21,369	5,557	-	5,557	15,812
Interfund charges	294,100	294,100	114,163	-	114,163	179,937
Debt service	617,700	617,700	308,463	-	308,463	309,237
Capital outlay	1,515,000	1,631,000	912,808	-	912,808	718,192
Contingency	10,000	10,000	-	-	-	10,000
Reserved for construction	654,265	654,265	-	-	-	654,265
Total Expenditures	3,244,634	3,351,634	1,400,420	-	1,400,420	1,951,214
Excess (deficiency) of revenues over (under) expenditures	(1,750,609)	(1,857,609)	(594,326)	-	(594,326)	1,263,283
<u>Other Financing Sources (Uses)</u>						
Transfers in	670,000	670,000	335,000	-	335,000	(335,000)
Total Other Financing Sources (Uses)	670,000	670,000	335,000	-	335,000	(335,000)
Net changes in fund balance	(1,080,609)	(1,187,609)	(259,326)	-	(259,326)	928,283
Beginning Fund Balance (Deficit)	1,080,609	1,187,609	1,247,039	-	1,247,039	59,430
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 987,713	\$ -	\$ 987,713	\$ 987,713

City of Bend, Oregon
Transportation Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	Biennium Budget		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues						
Franchise fees	\$ -	\$ -	\$ 753,692	\$ -	\$ 753,692	\$ 753,692
Intergovernmental	-	-	9,600	-	9,600	9,600
Charges for services:						
Charges to other City funds	34,289	2,242,289	6,040	-	6,040	(2,236,249)
Contributions	-	1,400,000	82,416	-	82,416	(1,317,584)
Investment income	197,500	197,500	62,506	-	62,506	(134,994)
Miscellaneous	-	-	100	-	100	100
Total Revenues	231,789	3,839,789	914,354	-	914,354	(2,925,435)
Expenditures						
Current:						
Personnel services	1,499,600	1,499,600	662,918	-	662,918	836,682
Materials and services	3,284,611	3,533,061	887,551	-	887,551	2,645,510
Interfund charges	1,733,864	1,609,414	741,800	-	741,800	867,614
Debt service	2,608,000	2,608,000	1,305,038	-	1,305,038	1,302,962
Capital outlay	12,680,330	18,587,290	3,333,868	-	3,333,868	15,253,422
Contingency	607,404	607,404	-	-	-	607,404
Reserves	-	1,077,071	-	-	-	1,077,071
Reserved for developer exaction	4,523,773	3,191,394	-	-	-	3,191,394
Total Expenditures	26,937,582	32,713,234	6,931,175	-	6,931,175	25,782,059
Excess (deficiency) of revenues over (under) expenditures	(26,705,793)	(28,873,445)	(6,016,821)	-	(6,016,821)	22,856,624
Other Financing Sources (Uses)						
Transfers in	18,718,691	20,792,451	5,834,120	-	5,834,120	(14,958,331)
Transfers out	(351,821)	(381,929)	(344,429)	-	(344,429)	37,500
Total Other Financing Sources (Uses)	18,366,870	20,410,522	5,489,691	-	5,489,691	(14,920,831)
Net changes in fund balance	(8,338,923)	(8,462,923)	(527,130)	-	(527,130)	7,935,793
Beginning Fund Balance (Deficit)	8,338,923	8,462,923	8,630,291	-	8,630,291	167,368
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 8,103,161	\$ -	\$ 8,103,161	\$ 8,103,161

City of Bend, Oregon
General Obligation Bond Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Investment income	\$ 42,100	\$ 42,100	\$ 31,288	\$ -	\$ 31,288	\$ (10,812)
Total Revenues	<u>42,100</u>	<u>42,100</u>	<u>31,288</u>	<u>-</u>	<u>31,288</u>	<u>(10,812)</u>
<u>Expenditures</u>						
Capital outlay	3,531,039	4,500,347	2,951,178	-	2,951,178	1,549,169
Total Expenditures	<u>3,531,039</u>	<u>4,500,347</u>	<u>2,951,178</u>	<u>-</u>	<u>2,951,178</u>	<u>1,549,169</u>
Excess (deficiency) of revenues over (under) expenditures	(3,488,939)	(4,458,247)	(2,919,890)	-	(2,919,890)	1,538,357
<u>Other Financing Sources (Uses)</u>						
Transfers in	276,821	306,929	143,403	-	143,403	(163,526)
Total Other Financing Sources (Uses)	<u>276,821</u>	<u>306,929</u>	<u>143,403</u>	<u>-</u>	<u>143,403</u>	<u>(163,526)</u>
Net changes in fund balance	(3,212,118)	(4,151,318)	(2,776,487)	-	(2,776,487)	1,374,831
Beginning Fund Balance (Deficit)	3,212,118	4,151,318	4,151,358	-	4,151,358	40
Ending Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,374,871</u>	<u>\$ -</u>	<u>\$ 1,374,871</u>	<u>\$ 1,374,871</u>

City of Bend, Oregon
Nonmajor Capital Projects Funds
Schedule of Expenditures and Other Uses by Appropriation Levels
For the biennium ended June 30, 2018

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<u>Local Improvement District Construction Fund</u>			
Infrastructure Program	\$ 182,000	\$ -	\$ 182,000
Reserves	440,766	-	440,766
Total Local Improvement District Construction Fund	<u>\$ 622,766</u>	<u>\$ -</u>	<u>\$ 622,766</u>
<u>Murphy Crossing Urban Renewal Construction Fund</u>			
Community & Economic Development Program	\$ 55,000	\$ 35,491	\$ 19,509
Contingency	100,208	-	100,208
Total Murphy Crossing Urban Renewal Construction Fund	<u>\$ 155,208</u>	<u>\$ 35,491</u>	<u>\$ 119,717</u>
<u>Juniper Ridge Urban Renewal Construction Fund</u>			
Community & Economic Development Program	\$ 8,300	\$ 3,558	\$ 4,742
Total Juniper Ridge Urban Renewal Construction Fund	<u>\$ 8,300</u>	<u>\$ 3,558</u>	<u>\$ 4,742</u>
<u>Accessibility Construction Fund</u>			
Infrastructure Program	\$ 1,775,569	\$ 977,794	\$ 797,775
Debt service	617,700	308,463	309,237
Transfers	294,100	114,163	179,937
Contingency	10,000	-	10,000
Reserves	654,265	-	654,265
Total Accessibility Construction Fund	<u>\$ 3,351,634</u>	<u>\$ 1,400,420</u>	<u>\$ 1,951,214</u>
<u>Transportation Construction Fund</u>			
Infrastructure Program	\$ 23,619,951	\$ 4,884,337	\$ 18,735,614
Debt service	2,608,000	1,305,038	1,302,962
Transfers	1,991,343	1,086,229	905,114
Contingency	607,404	-	607,404
Reserves	4,268,465	-	4,268,465
Total Transportation Construction Fund	<u>\$ 33,095,163</u>	<u>\$ 7,275,604</u>	<u>\$ 25,819,559</u>
<u>General Obligation Bond Construction Fund</u>			
Infrastructure Program	\$ 4,500,347	\$ 2,951,178	\$ 1,549,169
Total General Obligation Bond Construction Fund	<u>\$ 4,500,347</u>	<u>\$ 2,951,178</u>	<u>\$ 1,549,169</u>

NONMAJOR PERMANENT FUNDS

Cemetery Permanent Maintenance Fund

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

City of Bend, Oregon
Cemetery Permanent Maintenance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Permanent maintenance fees	\$ 20,300	\$ 20,300	\$ 4,506	\$ -	\$ 4,506	\$ (15,794)
Investment income	42,000	42,000	18,739	-	18,739	(23,261)
Total Revenues	62,300	62,300	23,245	-	23,245	(39,055)
<u>Expenditures</u>						
Current:						
Materials and services	10,800	10,800	5,257	-	5,257	5,543
Reserved for permanent maintenance	656,526	656,526	-	-	-	656,526
Total Expenditures	667,326	667,326	5,257	-	5,257	662,069
Excess (deficiency) of revenues over (under) expenditures	(605,026)	(605,026)	17,988	-	17,988	623,014
<u>Other Financing Sources (Uses)</u>						
Transfers out	(31,200)	(31,200)	(24,873)	-	(24,873)	6,327
Total Other Financing Sources (Uses)	(31,200)	(31,200)	(24,873)	-	(24,873)	6,327
Net changes in fund balance	(636,226)	(636,226)	(6,885)	-	(6,885)	629,341
Beginning Fund Balance (Deficit)	636,226	636,226	654,327	-	654,327	18,101
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 647,442	\$ -	\$ 647,442	\$ 647,442

City of Bend, Oregon
Nonmajor Permanent Funds
Schedule of Expenses and Other Uses by Appropriation Levels
For the biennium ended June 30, 2018

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<u>Cemetery Permanent Maintenance Fund</u>			
Infrastructure Program	\$ 10,800	\$ 5,257	\$ 5,543
Transfers	31,200	24,873	6,327
Reserves	<u>656,526</u>	-	<u>656,526</u>
Total Cemetery Permanent Maintenance Fund	<u>\$ 698,526</u>	<u>\$ 30,130</u>	<u>\$ 668,396</u>

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 revenues 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 Fund Net Position
Nonmajor Enterprise Funds
June 30, 2018

	Airport Fund	Cemetery Fund	Downtown Parking Fund	Stormwater Fund	Total Nonmajor Nonmajor Enterprise Funds
Assets					
Current assets:					
Pooled cash and investments	\$ 276	\$ 19,472	\$ 2,109,330	\$ 6,631,555	\$ 8,760,633
Receivables:					
Accounts, net	10,671	-	106,963	542,703	660,337
Due from other governments	3,288,423	-	-	-	3,288,423
Total Current Assets	3,299,370	19,472	2,216,293	7,174,258	12,709,393
Noncurrent assets:					
Restricted cash and investments	17,262	-	16,793	-	34,055
Capital assets, net	31,003,317	107,129	12,178,392	29,377,941	72,666,779
Net OPEB asset	661	304	232	2,591	3,788
Total Noncurrent Assets	31,021,240	107,433	12,195,417	29,380,532	72,704,622
Total Assets	34,320,610	126,905	14,411,710	36,554,790	85,414,015
Deferred Outflows of Resources					
Deferred outflows from pensions	88,626	40,720	31,138	347,316	507,800
Deferred outflows from OPEB	807	371	283	3,161	4,622
Total Deferred Outflows of Resources	89,433	41,091	31,421	350,477	512,422
Liabilities					
Current liabilities:					
Accounts payable	970,651	538	67,662	117,516	1,156,367
Salaries and benefits payable	4,751	2,020	4,055	18,649	29,475
Retainage payable	321,561	-	-	2,367	323,928
Other accrued liabilities:					
Compensated absences	17,488	15,746	9,929	69,801	112,964
Interest payable	2,072	-	-	2,355	4,427
Insurance claims	14	-	31	662	707
Other	67,358	-	-	-	67,358
Deposits - restricted	17,262	-	16,793	-	34,055
Due to other funds	2,449,000	-	-	-	2,449,000
Current portion of long term debt, net	168,167	-	-	68,504	236,671
Total Current Liabilities	4,018,324	18,304	98,470	279,854	4,414,952
Noncurrent liabilities:					
Advances from other funds	1,000,000	-	-	-	1,000,000
Net pension liability	199,264	91,554	70,013	780,901	1,141,732
Net OPEB liability	149,103	68,507	52,387	584,322	854,319
Long-term debt, net	498,475	-	-	735,593	1,234,068
Total Noncurrent liabilities	1,846,842	160,061	122,400	2,100,816	4,230,119
Total Liabilities	5,865,166	178,365	220,870	2,380,670	8,645,071
Deferred Inflows of Resources					
Deferred inflows from pensions	674	310	237	2,641	3,862
Deferred inflows from OPEB	306	141	107	1,200	1,754
Total Deferred Inflows of Resources	980	451	344	3,841	5,616
Net Position (Deficit)					
Net investment in capital assets	30,336,675	107,129	12,178,392	28,573,844	71,196,040
Unrestricted (deficit)	(1,792,778)	(117,949)	2,043,525	5,946,912	6,079,710
Total Net Position (Deficit)	\$ 28,543,897	\$ (10,820)	\$ 14,221,917	\$ 34,520,756	\$ 77,275,750

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City of Bend, Oregon
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Nonmajor Enterprise Funds
For the fiscal year ended June 30, 2018

	Airport Fund	Cemetery Fund	Downtown Parking Fund	Stormwater Fund	Total Nonmajor Nonmajor Enterprise Funds
<u>Operating Revenues</u>					
Charges for services	\$ 875,809	\$ 60,959	\$ 1,099,123	\$ 3,771,661	\$ 5,807,552
Miscellaneous	7,530	-	747	303	8,580
Total Operating Revenues	<u>883,339</u>	<u>60,959</u>	<u>1,099,870</u>	<u>3,771,964</u>	<u>5,816,132</u>
<u>Operating Expenses</u>					
Salaries and benefits	288,288	126,225	193,421	1,298,343	1,906,277
Materials and supplies	106,248	36,778	507,665	317,178	967,869
Internal services	221,214	47,375	218,559	665,216	1,152,364
Depreciation	709,791	12,669	363,211	1,046,161	2,131,832
Total Operating Expenses	<u>1,325,541</u>	<u>223,047</u>	<u>1,282,856</u>	<u>3,326,898</u>	<u>6,158,342</u>
Operating income (loss)	(442,202)	(162,088)	(182,986)	445,066	(342,210)
<u>Nonoperating Revenues (Expenses)</u>					
Investment income	(30,989)	24	10,303	25,637	4,975
Insurance proceeds	40,000	-	-	-	40,000
Interest expense	(41,006)	-	-	(2,355)	(43,361)
Amortization	3,968	-	-	-	3,968
Gain (loss) on disposal of assets	-	-	(12,411)	(207,567)	(219,978)
Total Nonoperating Revenues (Expenses)	<u>(28,027)</u>	<u>24</u>	<u>(2,108)</u>	<u>(184,285)</u>	<u>(214,396)</u>
Income (loss) before contributions and transfers	(470,229)	(162,064)	(185,094)	260,781	(556,606)
<u>Contributions and Transfers</u>					
Capital grants and contributions	3,425,138	-	-	971,847	4,396,985
Forgiveness of debt	52,253	-	-	-	52,253
Transfers in	-	128,073	-	-	128,073
Restatement	-	-	-	(37,500)	(37,500)
Total Contributions and Transfers	<u>3,477,391</u>	<u>128,073</u>	<u>-</u>	<u>934,347</u>	<u>4,539,811</u>
Change in net position	3,007,162	(33,991)	(185,094)	1,195,128	3,983,205
Net Position (Deficit), July 1, 2017	<u>25,623,769</u>	<u>75,204</u>	<u>14,439,326</u>	<u>33,672,167</u>	<u>73,810,466</u>
Restatement	(87,034)	(52,033)	(32,315)	(346,539)	(517,921)
Net Position, July 1, 2017 as restated	<u>25,536,735</u>	<u>23,171</u>	<u>14,407,011</u>	<u>33,325,628</u>	<u>73,292,545</u>
Net Position (Deficit), June 30, 2018	<u>\$ 28,543,897</u>	<u>\$ (10,820)</u>	<u>\$ 14,221,917</u>	<u>\$ 34,520,756</u>	<u>\$ 77,275,750</u>

City of Bend, Oregon
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the fiscal year ended June 30, 2018

	Airport Fund	Cemetery Fund	Downtown Parking Fund	Stormwater Fund	Total
<u>Cash Flows from Operating Activities</u>					
Cash received from customers	\$ 914,573	\$ 60,959	\$ 1,127,682	\$ 3,695,344	\$ 5,798,558
Cash received from interfund services provided	-	-	-	24,957	24,957
Cash paid to employees for services	(265,908)	(104,432)	(153,636)	(1,164,175)	(1,688,151)
Cash paid to suppliers for goods and services	(652,352)	(46,291)	(450,602)	(259,582)	(1,408,827)
Cash paid for interfund services used	(221,214)	(47,375)	(218,559)	(665,216)	(1,152,364)
Net Cash from Operating Activities	<u>(224,901)</u>	<u>(137,139)</u>	<u>304,885</u>	<u>1,631,328</u>	<u>1,574,173</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Transfers from other funds	-	128,073	-	-	128,073
Transfers to other funds	-	-	-	(37,500)	(37,500)
Net Cash from Noncapital Financing Activities	<u>-</u>	<u>128,073</u>	<u>-</u>	<u>(37,500)</u>	<u>90,573</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Issuance of debt	2,449,000	-	-	804,097	3,253,097
Principal payments on capital debt	(3,230,456)	-	-	-	(3,230,456)
Interest payments on capital debt	(53,329)	-	-	-	(53,329)
Acquisition and construction of capital assets	(4,550,771)	(19,314)	(65,299)	(591,177)	(5,226,561)
Advances from other funds for capital activities	1,000,000	-	-	-	1,000,000
Capital grants and contributions	4,218,758	-	-	-	4,218,758
Insurance proceeds	40,000	-	-	-	40,000
Proceeds from retirement of assets	-	-	-	7,700	7,700
Net Cash from Capital and Related Financing Activities	<u>(126,798)</u>	<u>(19,314)</u>	<u>(65,299)</u>	<u>220,620</u>	<u>9,209</u>
<u>Cash flows from investing activities</u>					
Investment income	(30,989)	24	10,303	25,637	4,975
Net change in pooled cash and investments	(382,688)	(28,356)	249,889	1,840,085	1,678,930
Pooled Cash and Investments, July 1, 2017	400,226	47,828	1,876,234	4,791,470	7,115,758
Pooled Cash and Investments, June 30, 2018	<u>\$ 17,538</u>	<u>\$ 19,472</u>	<u>\$ 2,126,123</u>	<u>\$ 6,631,555</u>	<u>\$ 8,794,688</u>

City of Bend, Oregon
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the fiscal year ended June 30, 2018

	<u>Airport Fund</u>	<u>Cemetery Fund</u>	<u>Downtown Parking Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<u>Reconciliation of Operating Income (Loss) to</u>					
<u>Net Cash Provided (Used) by Operating</u>					
<u>Activities</u>					
Operating income (loss)	\$ (442,202)	\$ (162,088)	\$ (182,986)	\$ 445,066	\$ (342,210)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	709,791	12,669	363,211	1,046,161	2,131,832
Change in:					
Accounts receivable	30,189	-	32,821	(51,663)	11,347
Accounts payable	(546,104)	(9,513)	57,063	57,596	(440,958)
Salaries and benefits payable	408	963	3,216	4,469	9,056
Pension benefits	9,709	18,055	23,772	65,242	116,778
Other post-employment benefits	8,098	3,720	2,846	31,730	46,394
Compensated absences payable	4,199	(945)	9,929	32,306	45,489
Insurance claims payable	(34)	-	22	421	409
Prepays and deposits payable	1,045	-	(5,009)	-	(3,964)
Net Cash Provided (Used) by Operating Activities	<u>\$ (224,901)</u>	<u>\$ (137,139)</u>	<u>\$ 304,885</u>	<u>\$ 1,631,328</u>	<u>\$ 1,574,173</u>

Noncash Capital and Related Financing Activities

The City received donated stormwater infrastructure totaling \$971,847 in the current year.

Acquisition of capital assets financed through accounts payable or retainage payable for the current year totaled \$1,752,683 in the Airport Fund, and \$22,476 in the Stormwater Fund.

City of Bend, Oregon
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the fiscal year ended June 30, 2018
Airport Fund

Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Budgeted Amounts</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues						
Intergovernmental	\$ 3,367,200	\$ 5,022,003	\$ 3,425,138	\$ -	\$ 3,425,138	\$ (1,596,865)
Charges for services	2,155,000	2,155,000	816,627	-	816,627	(1,338,373)
Rental income:						
Rental income from others	129,600	129,600	59,182	-	59,182	(70,418)
Investment income	24,800	24,800	(30,989)	-	(30,989)	(55,789)
Miscellaneous	11,000	11,000	7,530	-	7,530	(3,470)
Total Revenues	5,687,600	7,342,403	4,277,488	-	4,277,488	(3,064,915)
Expenses						
Current:						
Personnel services	640,500	640,500	270,481	-	270,481	370,019
Materials and services	291,500	291,500	106,248	-	106,248	185,252
Interfund charges	478,380	488,380	238,104	-	238,104	250,276
Capital outlay	3,491,600	6,146,403	4,673,551	-	4,673,551	1,472,852
Debt service	960,200	6,360,200	3,250,682	-	3,250,682	3,109,518
Contingency	427,077	417,077	-	-	-	417,077
Total Expenses	6,289,257	14,344,060	8,539,066	-	8,539,066	5,804,994
Excess (deficiency) of revenues over (under) expenses	(601,657)	(7,001,657)	(4,261,578)	-	(4,261,578)	2,740,079
Other Financing Sources (Uses)						
Insurance proceeds	-	-	40,000	-	40,000	40,000
Issuance of short-term debt	-	2,400,000	2,377,000	-	2,377,000	(23,000)
Interfund loan proceeds	500,000	1,950,000	1,072,000	-	1,072,000	(878,000)
Interfund loan repayments	-	(450,000)	-	-	-	450,000
Transfers out	(329,300)	(329,300)	-	-	-	329,300
Total Other Financing Sources (Uses)	170,700	3,570,700	3,489,000	-	3,489,000	(81,700)
Net changes in fund balance	(430,957)	(3,430,957)	(772,578)	-	(772,578)	2,658,379
Beginning Fund Balance (Deficit)	430,957	3,430,957	2,713,547	-	2,713,547	(717,410)
Restatement	-	-	(25,494)	-	(25,494)	(25,494)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,915,475	\$ -	\$ 1,915,475	\$ 1,915,475

Reconciliation of Budgetary basis to GAAP basis

Ending Fund Balance Budgetary Basis	\$ 1,915,475
Capital assets, net of accumulated depreciation	31,003,317
Deferred outflows from pensions	88,626
Deferred outflows from OPEB	807
Advance from other funds	(1,000,000)
Long-term debt	(3,115,642)
Other post-employment benefits payable	(148,442)
Net pension obligation	(199,264)
Deferred inflows from pensions	(674)
Deferred Inflow from OPEB	(306)
Ending Fund Balance GAAP Basis	\$ 28,543,897

City of Bend, Oregon
Cemetery Fund
Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Budgeted Amounts</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Burial and lot fees	\$ 260,600	\$ 260,600	\$ 60,959	\$ -	\$ 60,959	\$ (199,641)
Investment income	800	800	24	-	24	(776)
Total Revenues	261,400	261,400	60,983	-	60,983	(200,417)
<u>Expenses</u>						
Current:						
Personnel services	213,100	213,100	104,450	-	104,450	108,650
Materials and services	119,100	119,100	36,778	-	36,778	82,322
Interfund charges	90,000	90,000	47,375	-	47,375	42,625
Capital outlay	21,000	21,000	19,315	-	19,315	1,685
Contingency	5,105	5,105	-	-	-	5,105
Total Expenses	448,305	448,305	207,918	-	207,918	240,387
Excess (deficiency) of revenues over (under) expenses	(186,905)	(186,905)	(146,935)	-	(146,935)	39,970
<u>Other Financing Sources (Uses)</u>						
Transfers in	166,900	166,900	128,073	-	128,073	(38,827)
Total Other Financing Sources (Uses)	166,900	166,900	128,073	-	128,073	(38,827)
Net changes in fund balance	(20,005)	(20,005)	(18,862)	-	(18,862)	1,143
Beginning Fund Balance (Deficit)	20,005	20,005	20,025	-	20,025	20
Restatement	-	-	4	-	4	4
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 1,167	\$ -	\$ 1,167	\$ 1,167

Reconciliation of Budgetary basis to GAAP basis

Ending Fund Balance Budgetary Basis	\$ 1,167
Capital assets, net of accumulated depreciation	107,129
Deferred outflows from pensions	40,720
Deferred outflows from OPEB	371
Other post-employment benefits payable	(68,203)
Net pension obligation	(91,554)
Deferred inflows from pensions	(310)
Deferred Inflow from OPEB	(141)
Ending Fund Balance GAAP Basis	\$ (10,820)

City of Bend, Oregon
Downtown Parking Fund
Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Budgeted Amounts</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Licenses and permits	\$ 43,800	\$ 43,800	\$ 7,779	\$ -	\$ 7,779	\$ (36,021)
Fines and lot rental fees	1,884,000	1,884,000	1,091,344	-	1,091,344	(792,656)
Investment income	45,000	45,000	10,303	-	10,303	(34,697)
Miscellaneous	800	800	747	-	747	(53)
Total Revenues	1,973,600	1,973,600	1,110,173	-	1,110,173	(863,427)
<u>Expenses</u>						
Current:						
Personnel services	532,900	465,305	166,803	-	166,803	298,502
Materials and services	1,064,050	1,097,250	507,665	-	507,665	589,585
Interfund charges	445,380	445,380	218,559	-	218,559	226,821
Capital outlay	-	202,395	65,299	-	65,299	137,096
Contingency	277,083	277,083	-	-	-	277,083
Reserved for construction	1,270,000	1,270,000	-	-	-	1,270,000
Reserved for maintenance	200,000	200,000	-	-	-	200,000
Total Expenses	3,789,413	3,957,413	958,326	-	958,326	2,999,087
Excess (deficiency) of revenues over (under) expenses	(1,815,813)	(1,983,813)	151,847	-	151,847	2,135,660
Beginning Fund Balance (Deficit)	1,815,813	1,983,813	1,984,232	-	1,984,232	419
Restatement	-	-	(1,463)	-	(1,463)	(1,463)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 2,134,616	\$ -	\$ 2,134,616	\$ 2,134,616

Reconciliation of Budgetary basis to GAAP basis

Ending Fund Balance Budgetary Basis	\$ 2,134,616
Capital assets, net of accumulated depreciation	12,178,392
Deferred outflows from pensions	31,138
Deferred outflows from OPEB	283
Other post-employment benefits payable	(52,155)
Net pension obligation	(70,013)
Deferred inflows from pensions	(237)
Deferred Inflow from OPEB	(107)
Ending Fund Balance GAAP Basis	\$ 14,221,917

City of Bend, Oregon
Stormwater Fund
Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	Budgeted Amounts		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues						
Charges for services:						
Charges to others	\$ 7,452,000	\$ 7,452,000	\$ 3,746,704	\$ -	\$ 3,746,704	\$ (3,705,296)
Charges to other City funds	39,300	39,300	24,957	-	24,957	(14,343)
Investment income	112,100	112,100	25,637	-	25,637	(86,463)
Miscellaneous	-	-	303	-	303	303
Total Revenues	7,603,400	7,603,400	3,797,601	-	3,797,601	(3,805,799)
Expenses						
Current:						
Personnel services	2,702,700	2,711,700	1,201,371	-	1,201,371	1,510,329
Materials and services	1,236,700	1,027,700	317,178	-	317,178	710,522
Interfund charges	1,584,000	1,584,000	781,968	-	781,968	802,032
Debt service	156,200	156,200	2,355	-	2,355	153,845
Capital outlay	2,292,000	2,591,700	476,792	-	476,792	2,114,908
Contingency	800,000	800,000	-	-	-	800,000
Reserved for construction	3,295,505	1,997,505	-	-	-	1,997,505
Restatement	12,067,105	10,868,805	2,779,664	-	2,779,664	8,089,141
Excess (deficiency) of revenues over (under) expenses	(4,463,705)	(3,265,405)	1,017,937	-	1,017,937	4,283,342
Other Financing Sources (Uses)						
Proceeds from sale of assets	-	-	7,700	-	7,700	7,700
Issuance of long-term debt	820,000	820,000	804,097	-	804,097	(15,903)
Transfers in	350	350	-	-	-	(350)
Transfers out	(1,135,000)	(2,433,000)	(37,500)	-	(37,500)	2,395,500
Total Other Financing Sources (Uses)	(314,650)	(1,612,650)	774,297	-	774,297	2,386,947
Net changes in fund balance	(4,778,355)	(4,878,055)	1,792,234	-	1,792,234	6,670,289
Beginning Fund Balance (Deficit)	4,778,355	4,878,055	5,174,441	-	5,174,441	296,386
Restatement	-	-	(3,767)	-	(3,767)	(3,767)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 6,962,908	\$ -	\$ 6,962,908	\$ 6,962,908

Reconciliation of Budgetary basis to GAAP basis

Ending Fund Balance Budgetary Basis	\$ 6,962,908
Capital assets, net of accumulated depreciation	29,377,941
Deferred outflows from pensions	347,316
Deferred outflows from OPEB	3,161
Long-term debt	(804,097)
Other post-employment benefits payable	(581,731)
Net pension obligation	(780,901)
Deferred inflows from pensions	(2,641)
Deferred Inflow from OPEB	(1,200)
Ending Fund Balance GAAP Basis	\$ 34,520,758

City of Bend, Oregon
Nonmajor Enterprise Funds
Schedule of Expenses and Other Uses by Appropriation Levels
For the biennium ended June 30, 2018

	<u>Appropriation</u>	<u>Actual Expenses</u>	<u>Variance Positive (Negative)</u>
<u>Airport Fund</u>			
Community & Economic Development Program	\$ 7,078,403	\$ 5,050,280	\$ 2,028,123
Debt service	6,360,200	3,250,682	3,109,518
Transfers	817,680	238,104	579,576
Contingency	417,077	-	417,077
Total Airport Fund	<u>\$ 14,673,360</u>	<u>\$ 8,539,066</u>	<u>\$ 6,134,294</u>
<u>Cemetery Fund</u>			
Infrastructure Program	\$ 353,200	\$ 160,543	\$ 192,657
Transfers	90,000	47,375	42,625
Contingency	5,105	-	5,105
Total Cemetery Fund	<u>\$ 448,305</u>	<u>\$ 207,918</u>	<u>\$ 240,387</u>
<u>Downtown Parking Fund</u>			
Community & Economic Development Program	\$ 1,764,950	\$ 739,767	\$ 1,025,183
Transfers	445,380	218,559	226,821
Contingency	277,083	-	277,083
Reserves	1,470,000	-	1,470,000
Total Downtown Parking Fund	<u>\$ 3,957,413</u>	<u>\$ 958,326</u>	<u>\$ 2,999,087</u>
<u>Stormwater Fund</u>			
Infrastructure Program	\$ 6,331,100	\$ 1,995,341	\$ 4,335,759
Debt service	156,200	2,355	153,845
Transfers	4,017,000	819,468	3,197,532
Contingency	800,000	-	800,000
Reserves	1,997,505	-	1,997,505
Total Stormwater Fund	<u>\$ 13,301,805</u>	<u>\$ 2,817,164</u>	<u>\$ 10,484,641</u>

INTERNAL SERVICE FUNDS

Internal Service Fund - City Wide Administration

Administration and Central Services Program

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

Internal Service Fund - Department Administration

Administration and Central Services Program

To account for the maintenance and service of all City vehicles and heavy equipment, excluding the police department fleet. Revenue is generated by charges to the departments receiving service.

Community and Economic Development Program

To account for the support services provided to the operational divisions within the Community Development Department: Building, Planning, and Private Development Engineering.

Infrastructure Program

Thee Utilities Laboratory and Engineering & Infrastructure Planning activities provide services to the other City departments or function. Revenue is generated from overhead allocation through the City's cost allocation plan to the departments or funds receiving services.

Internal Service Fund - OPEB

Administration and Central Services Program

To account for the accumulation of reserves for future payments of OPEB liabilities. Revenue is from charges to other funds.

City of Bend, Oregon
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2018

	Internal Service Fund - City Wide Administration	Internal Service Fund - Departmental Administration	Internal Service Fund - OPEB	Total Internal Service Funds
<u>Assets</u>				
Current assets:				
Pooled cash and investments	\$ 9,762,286	\$ 3,045,638	\$ 7,901,350	\$ 20,709,274
Receivables:				
Accounts, net	274,154	-	-	274,154
Due from other governments	24,157	-	-	24,157
Other assets	-	348	-	348
Prepays and deposits	299,946	-	-	299,946
Total Current Assets	10,360,543	3,045,986	7,901,350	21,307,879
Noncurrent assets:				
Restricted cash and investments	2,500	2,828	-	5,328
Advances to other funds	1,000,000	-	-	1,000,000
Capital assets, net	22,518,342	331,728	-	22,850,070
Net OPEB asset	19,068	11,259	-	30,327
Total Noncurrent Assets	23,539,910	345,815	-	23,885,725
Total Assets	33,900,453	3,391,801	7,901,350	45,193,604
<u>Deferred Outflows of Resources</u>				
Deferred outflows from pensions	2,555,771	1,509,031	-	4,064,802
Deferred outflows from OPEB	23,262	13,734	-	36,996
Deferred outflows from debt refunding	8,434	-	-	8,434
Total Deferred Outflows of Resources	2,587,467	1,522,765	-	4,110,232
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	223,909	73,577	-	297,486
Salaries and benefits payable	181,311	116,996	-	298,307
Other accrued liabilities:				
Compensated absences	601,069	396,529	-	997,598
Interest payable	34,951	-	-	34,951
Insurance claims	499,593	5,092	-	504,685
Deposits - restricted	2,500	2,828	-	5,328
Current portion of long term debt, net	1,073,004	-	-	1,073,004
Total Current Liabilities	2,616,337	595,022	-	3,211,359
Noncurrent liabilities:				
Net pension liability	5,746,355	3,392,880	-	9,139,235
Net OPEB liability	4,299,801	2,538,776	-	6,838,577
Long-term debt, net	13,051,752	-	-	13,051,752
Total Noncurrent Liabilities	23,097,908	5,931,656	-	29,029,564
Total Liabilities	25,714,245	6,526,678	-	32,240,923
<u>Deferred Inflows of Resources</u>				
Deferred inflows from pensions	19,437	11,478	-	30,915
Deferred inflows from OPEB	8,832	5,214	-	14,046
Deferred inflows from debt refunding	35,136	-	-	35,136
Total Deferred Inflows of Resources	63,405	16,692	-	80,097
<u>Net Position (Deficit)</u>				
Net investment in capital assets	8,366,884	331,728	-	8,698,612
Committed:				
Other post employment benefit liability	-	-	7,901,350	7,901,350
Unrestricted (deficit)	2,343,386	(1,960,531)	-	382,854
Total Net Position (Deficit)	\$ 10,710,270	\$ (1,628,803)	\$ 7,901,350	\$ 16,982,816

City of Bend, Oregon
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the fiscal year ended June 30, 2018

	Internal Service Fund - City Wide Administration	Internal Service Fund - Departmental Administration	Internal Service Fund - OPEB	Total Internal Service Funds
<u>Operating Revenues</u>				
Intergovernmental	\$ 40,293	\$ -	\$ -	\$ 40,293
Licenses and permits	-	216,678	-	216,678
Charges for services	14,327,794	5,232,510	1,304,702	20,865,006
Rental income:				
Rental income from others	52,165	-	-	52,165
Rental income from other City funds	2,862,100	-	-	2,862,100
Miscellaneous	382,066	2,326	-	384,392
Total Operating Revenues	<u>17,664,418</u>	<u>5,451,514</u>	<u>1,304,702</u>	<u>24,420,634</u>
<u>Expenses</u>				
Salaries and benefits	9,272,235	4,119,666	-	13,391,901
Materials and supplies	4,738,453	1,410,268	-	6,148,721
Internal services	1,503,167	1,149,751	-	2,652,918
Insurance premiums and claims	1,962,514	-	-	1,962,514
Depreciation	1,206,431	67,544	-	1,273,975
Total Expenses	<u>18,682,800</u>	<u>6,747,229</u>	<u>-</u>	<u>25,430,029</u>
Operating income (loss)	(1,018,382)	(1,295,715)	1,304,702	(1,009,395)
<u>Nonoperating Revenues (Expenses)</u>				
Investment income	50,177	30,935	(54,028)	27,084
Insurance proceeds	259,348	-	-	259,348
Interest expense	(303,838)	-	-	(303,838)
Amortization	25,293	-	-	25,293
Gain (loss) on disposal of assets	-	(37,216)	-	(37,216)
Total Nonoperating Revenues (Expenses)	<u>30,980</u>	<u>(6,281)</u>	<u>(54,028)</u>	<u>(29,329)</u>
Income (loss) before contributions and transfers	(987,402)	(1,301,996)	1,250,674	(1,038,724)
<u>Contributions and Transfers</u>				
Proceeds from sale of assets	-	2,585	-	2,585
Transfers in	542,655	75,184	6,650,676	7,268,515
Transfers out	(677,023)	(864,654)	-	(1,541,677)
Total Contributions and Transfers	<u>(134,368)</u>	<u>(786,885)</u>	<u>6,650,676</u>	<u>5,729,423</u>
Change in net position	(1,121,770)	(2,088,881)	7,901,350	4,690,699
Net Position (Deficit), July 1, 2017	<u>14,350,466</u>	<u>1,920,791</u>	<u>-</u>	<u>16,271,257</u>
Restatement	(2,518,426)	(1,460,713)	-	(3,979,139)
Net Position, July 1, 2017 as restated	<u>11,832,040</u>	<u>460,078</u>	<u>-</u>	<u>12,292,118</u>
Net Position (Deficit), June 30, 2018	<u>\$ 10,710,270</u>	<u>\$ (1,628,803)</u>	<u>\$ 7,901,350</u>	<u>\$ 16,982,817</u>

City of Bend, Oregon
Combining Statement of Cash Flows
Internal Service Fund
For the fiscal year ended June 30, 2018

	Internal Service Fund - City Wide Administration	Internal Service Fund - Departmental Administration	Internal Service Fund - OPEB	Total
<u>Cash Flows from Operating Activities</u>				
Cash received from customers	\$ 1,586,993	\$ (273,586)	\$ -	\$ 1,313,407
Cash received from interfund services provided	17,001,620	5,232,510	1,304,702	23,538,832
Cash paid to employees for services	(8,402,554)	(3,562,225)	-	(11,964,779)
Cash paid to suppliers for goods and services	(6,970,290)	(1,428,798)	-	(8,399,088)
Cash paid for interfund services used	(1,503,167)	(1,149,751)	-	(2,652,918)
	40,293	-	-	40,293
Net Cash from Operating Activities	<u>1,752,895</u>	<u>(1,181,850)</u>	<u>1,304,702</u>	<u>1,875,747</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers from other funds	542,655	75,184	6,650,676	7,268,515
Transfers to other funds	(677,023)	(864,654)	-	(1,541,677)
Net Cash from Noncapital Financing Activities	<u>(134,368)</u>	<u>(789,470)</u>	<u>6,650,676</u>	<u>5,726,838</u>
<u>Cash Flows from Capital and Related Financing Activities</u>				
Issuance of debt	6,703,245	-	-	6,703,245
Principal payments on capital debt	(5,605,295)	-	-	(5,605,295)
Interest payments on capital debt	(314,991)	-	-	(314,991)
Acquisition and construction of capital assets	(2,698,330)	(166,355)	-	(2,864,685)
Advances from other funds for capital activities	(1,000,000)	-	-	(1,000,000)
Capital grants and contributions	(24,157)	-	-	(24,157)
Insurance proceeds	259,348	-	-	259,348
Proceeds from retirement of assets	-	2,585	-	2,585
Net Cash from Capital and Related Financing Activities	<u>(2,680,180)</u>	<u>(163,770)</u>	<u>-</u>	<u>(2,843,950)</u>
<u>Cash Flows from Investing Activities</u>				
Investment income	50,177	30,935	(54,028)	27,084
Net Cash from Investing Activities	<u>50,177</u>	<u>30,935</u>	<u>(54,028)</u>	<u>27,084</u>
Net change in pooled cash and investments	(1,011,476)	(2,104,155)	7,901,350	4,785,719
Pooled Cash and Investments, July 1, 2017	10,776,262	5,152,621	-	15,928,883
Pooled Cash and Investments, June 30, 2018	<u>\$ 9,764,786</u>	<u>\$ 3,048,466</u>	<u>\$ 7,901,350</u>	<u>\$ 20,714,602</u>

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City of Bend, Oregon
Combining Statement of Cash Flows (Continued)
Internal Service Fund
For the fiscal year ended June 30, 2018

	Internal Service Fund - City Wide Administration	Internal Service Fund - Departmental Administration	Internal Service Fund - OPEB	Total
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>				
Operating income (loss)	\$ (1,018,382)	\$ (1,295,716)	\$ 1,304,702	\$ (1,009,396)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	1,206,431	67,544	-	1,273,975
Change in:				
Accounts receivable	968,576	-	-	968,576
Prepays and deposits	(574)	-	-	(574)
Accounts payable	(237,932)	(18,529)	-	(256,461)
Salaries and benefits payable	50,311	45,136	-	95,447
Pension benefits	437,782	307,085	-	744,867
Other post-employment benefits	233,487	121,143	-	354,630
Compensated absences payable	118,374	84,077	-	202,451
Insurance claims payable	(1,664)	-	-	(1,664)
Prepays and deposits payable	(3,514)	(492,590)	-	(496,104)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,752,895</u>	<u>\$ (1,181,850)</u>	<u>\$ 1,304,702</u>	<u>\$ 1,875,747</u>

Noncash Capital and Related Financing Activities

Acquisition of capital assets financed through accounts payable or retainage payable for the current year totaled \$97,354 in the City-Wide Administration Fund, and \$28,750 in the Departmental Administration Fund.

City of Bend, Oregon
Internal Service Fund - City Wide Administration
Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget
	Original	Final				Positive (Negative)
<u>Revenues</u>						
Intergovernmental	\$ -	\$ 125,000	\$ 40,293	\$ -	\$ 40,293	\$ (84,707)
Charges for services:						
Charges to others	650,651	650,651	188,274	-	188,274	(462,377)
Charges to other City funds	30,125,680	30,152,180	14,139,520	-	14,139,520	(16,012,660)
Rental income:						
Rental income from others	-	-	52,165	-	52,165	52,165
Rental income from other City funds	5,058,300	5,058,300	2,862,100	-	2,862,100	(2,196,200)
Investment income	263,500	263,500	50,177	-	50,177	(213,323)
Miscellaneous	323,000	323,000	382,066	-	382,066	59,066
Total Revenues	36,421,131	36,572,631	17,714,595	-	17,714,595	(18,858,036)
<u>Expenses</u>						
Current:						
Personnel services	20,928,300	21,016,125	9,748,982	-	9,748,982	11,267,143
Materials and services	14,535,427	15,106,857	6,702,631	-	6,702,631	8,404,226
Interfund charges	2,938,162	2,938,162	1,503,167	-	1,503,167	1,434,995
Debt service	7,534,068	7,565,268	5,922,133	-	5,922,133	1,643,135
Capital outlay	3,302,500	3,498,600	1,550,318	-	1,550,318	1,948,282
Contingency	660,092	294,292	-	-	-	294,292
Reserved for construction	594,103	594,103	-	-	-	594,103
Restatement	300,000	300,000	-	-	-	300,000
Reserves	5,728,826	5,728,826	-	-	-	5,728,826
Total Expenses	56,521,478	57,042,233	25,427,231	-	25,427,231	31,615,002
Excess (deficiency) of revenues over (under) expenses	(20,100,347)	(20,469,602)	(7,712,636)	-	(7,712,636)	12,756,966
<u>Other Financing Sources (Uses)</u>						
Insurance proceeds	-	233,800	259,348	-	259,348	25,548
Issuance of short-term debt	3,859,400	3,859,400	-	-	-	(3,859,400)
Issuance of long-term debt	5,075,000	5,075,000	6,690,245	-	6,690,245	1,615,245
Payment of interfund loan	-	(1,000,000)	(1,000,000)	-	(1,000,000)	-
Interfund loan repayments	26,000	26,000	13,000	-	13,000	(13,000)
Transfers in	958,850	1,057,850	542,655	-	542,655	(515,195)
Transfers out	(1,212,618)	(1,212,618)	(677,023)	-	(677,023)	535,595
Total Other Financing Sources (Uses)	8,706,632	8,039,432	5,828,225	-	5,828,225	(2,211,207)
Net changes in fund balance	(11,393,715)	(12,430,170)	(1,884,411)	-	(1,884,411)	10,545,759
Beginning Fund Balance (Deficit)	11,393,715	12,430,170	11,908,022	-	11,908,022	(522,148)
Restatement	-	-	(704,311)	-	(704,311)	(704,311)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 9,319,300	\$ -	\$ 9,319,300	\$ 9,319,300

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City of Bend, Oregon
Internal Service Fund - City Wide Administration
Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual (Continued)
For the fiscal year ended June 30, 2018

Reconciliation of Budgetary basis to GAAP basis

Ending Fund Balance Budgetary Basis	\$ 9,319,300
Advance to other funds	1,000,000
Capital assets, net of accumulated depreciation	22,518,342
Deferred outflows from pensions	2,555,771
Deferred outflows from OPEB	23,262
Deferred outflows from debt refunding	8,434
Long-term debt	(14,124,756)
Other post-employment benefits payable	(4,280,733)
Net pension obligation	(5,746,355)
Deferred inflows from pensions	(19,437)
Deferred Inflow from OPEB	(8,832)
Deferred inflows from debt refunding	(35,136)
Insurance claims	<u>(499,593)</u>
Ending Fund Balance GAAP Basis	<u>\$ 10,710,270</u>

City of Bend, Oregon
Internal Service Fund - Departmental Administration
Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget
	Original	Final				Positive (Negative)
<u>Revenues</u>						
Licenses and permits	\$ 385,900	\$ 385,900	\$ 216,678	\$ -	\$ 216,678	\$ (169,222)
Charges for services:						
Charges to others	1,600	1,600	-	-	-	(1,600)
Charges to other City funds	15,491,450	15,919,250	7,615,910	-	7,615,910	(8,303,340)
Investment income	91,200	91,200	30,935	-	30,935	(60,265)
Miscellaneous	1,000	1,100	2,326	-	2,326	1,226
Total Revenues	15,971,150	16,399,050	7,865,849	-	7,865,849	(8,533,201)
<u>Expenses</u>						
Current:						
Personnel services	12,888,000	13,499,600	5,961,327	-	5,961,327	7,538,273
Materials and services	3,011,824	3,278,651	1,491,869	-	1,491,869	1,786,782
Interfund charges	2,186,200	2,244,500	1,149,751	-	1,149,751	1,094,749
Capital outlay	586,200	703,173	236,778	-	236,778	466,395
Contingency	577,579	407,679	-	-	-	407,679
Total Expenses	19,249,803	20,133,603	8,839,725	-	8,839,725	11,293,878
Excess (deficiency) of revenues over (under) expenses	(3,278,653)	(3,734,553)	(973,876)	-	(973,876)	2,760,677
<u>Other Financing Sources (Uses)</u>						
Proceeds from sale of assets	-	-	2,585	-	2,585	2,585
Transfers in	28,500	484,400	75,184	-	75,184	(409,216)
Transfers out	(1,155,716)	(1,155,716)	(864,654)	-	(864,654)	291,062
Total Other Financing Sources (Uses)	(1,127,216)	(671,316)	(786,885)	-	(786,885)	(115,569)
Net changes in fund balance	(4,405,869)	(4,405,869)	(1,760,761)	-	(1,760,761)	2,645,108
Beginning Fund Balance (Deficit)	4,405,869	4,405,869	4,222,213	-	4,222,213	(183,656)
Restatement	-	-	(46,169)	-	(46,169)	(46,169)
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 2,415,283	\$ -	\$ 2,415,283	\$ 2,415,283

Reconciliation of Budgetary basis to GAAP basis

Ending Fund Balance Budgetary Basis	\$ 2,415,283
Capital assets, net of accumulated depreciation	331,728
Deferred outflows from pensions	1,509,031
Deferred outflows from OPEB	13,734
Other post-employment benefits payable	(2,527,517)
Net pension obligation	(3,392,880)
Deferred inflows from pensions	(11,478)
Deferred Inflow from OPEB	(5,214)
Transfer GAAP vacation accrual to governmental fund	38,509
Ending Fund Balance GAAP Basis	\$ (1,628,803)

City of Bend, Oregon
Internal Service Fund - OPEB
Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>				Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final	FY2017-18 Actual	FY2018-19 Actual		
<u>Revenues</u>						
Charges for services:						
Charges to other City funds	\$ -	\$ 2,800,000	\$ 1,304,702	\$ -	\$ 1,304,702	\$ (1,495,298)
Investment income	-	-	(54,028)	-	(54,028)	(54,028)
Total revenues	-	2,800,000	1,250,674	-	1,250,674	(1,549,326)
<u>Expenses</u>						
Reserves for Future Liability	-	9,450,676	-	-	-	9,450,676
Total expenses	-	9,450,676	-	-	-	9,450,676
Excess (deficiency) of revenues over (under) expenditures	-	(6,650,676)	1,250,674	-	1,250,674	7,901,350
<u>Other Financing Sources (Uses)</u>						
Transfers in	-	6,650,676	6,650,676	-	6,650,676	-
Total Other Financing Sources (Uses)	-	6,650,676	6,650,676	-	6,650,676	-
Net changes in fund balance	-	-	7,901,350	-	7,901,350	7,901,350
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
Ending Fund Balance (Deficit)	\$ -	\$ -	\$ 7,901,350	\$ -	\$ 7,901,350	\$ 7,901,350

City of Bend, Oregon
Internal Service Funds
Schedule of Expenses and Other Uses by Appropriation Levels
For the biennium ended June 30, 2018

	<u>Appropriation</u>	<u>Actual Expenses</u>	<u>Variance Positive (Negative)</u>
<u>Internal Service Fund - City Wide Administration</u>			
Administrative & Central Services Program	\$ 39,621,582	\$ 18,001,931	\$ 21,619,651
Debt service	7,565,268	5,922,133	1,643,135
Transfers	5,150,780	3,180,190	1,970,590
Contingency	294,292	-	294,292
Reserves	6,622,929	-	6,622,929
Total Internal Service Fund - City Wide Administration	<u>\$ 59,254,851</u>	<u>\$ 27,104,254</u>	<u>\$ 32,150,597</u>
<u>Internal Service Fund - Departmental Administration</u>			
Administration & Central Services Program	\$ 4,475,482	\$ 2,170,572	\$ 2,304,910
Community & Economic Development Program	3,060,700	1,413,712	1,646,988
Infrastructure Program	9,945,242	4,105,690	5,839,552
Transfers	3,400,216	2,014,405	1,385,811
Contingency	407,679	-	407,679
Total Internal Service Fund - Departmental Administration	<u>\$ 21,289,319</u>	<u>\$ 9,704,379</u>	<u>\$ 11,584,940</u>
<u>Internal Service Fund - OPEB</u>			
Reserves	\$ 9,450,676	\$ -	\$ 9,450,676
Total Internal Service Fund - OPEB	<u>\$ 9,450,676</u>	<u>\$ -</u>	<u>\$ 9,450,676</u>

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AGENCY FUND

Agency Fund

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

City of Bend, Oregon
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the fiscal year ended June 30, 2018

	Balance July 01, 2017	Additions	Deductions	Balance June 30, 2018
<u>Assets</u>				
Cash and investments	\$ 1,635,814	\$ 6,986,978	\$ (7,945,427)	\$ 677,365
Taxes receivable	-	64,235	(41,828)	22,407
Total Assets	<u>\$ 1,635,814</u>	<u>\$ 7,051,213</u>	<u>\$ (7,987,255)</u>	<u>\$ 699,772</u>
<u>Liabilities</u>				
Amounts held for others	\$ 1,635,814	\$ 15,767,237	\$ (16,703,279)	\$ 699,772
Total Liabilities	<u>\$ 1,635,814</u>	<u>\$ 15,767,237</u>	<u>\$ (16,703,279)</u>	<u>\$ 699,772</u>

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OTHER FUNDS

City of Bend, Oregon
Combining Balance Sheet
General Fund
June 30, 2018

	General Fund	General Fund Stabilization Fund	Total General Fund
<u>Assets</u>			
Pooled cash and investments	\$ 6,883,909	\$ 2,823,412	\$ 9,707,321
Restricted cash and investments	580,369	-	580,369
Receivables:			
Taxes	1,099,757	-	1,099,757
Accounts, net	3,623,207	-	3,623,207
Loans and notes receivable, net	639,656	-	639,656
Interest	902,336	-	902,336
Due from other funds	2,449,000	-	2,449,000
Due from other governments	828,251	-	828,251
Assets held for resale	4,487,276	-	4,487,276
Total Assets	<u>\$ 21,493,761</u>	<u>\$ 2,823,412</u>	<u>\$ 24,317,173</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</u>			
Liabilities			
Accounts payable	\$ 1,707,438	\$ -	\$ 1,707,438
Salaries and benefits payable	367,111	-	367,111
Other accrued liabilities	781,806	-	781,806
Deposits - restricted	169,650	-	169,650
Total Liabilities	<u>3,026,005</u>	<u>-</u>	<u>3,026,005</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	621,180	-	621,180
Unavailable revenue - assessments & loans	2,502,318	-	2,502,318
Total Deferred Inflows of Resources	<u>3,123,498</u>	<u>-</u>	<u>3,123,498</u>
Fund Balances (Deficits)			
 Nonspendable:			
Assets held for resale	4,487,276	-	4,487,276
Restricted for	410,719	-	410,719
Committed	-	2,823,412	2,823,412
Unassigned	10,446,263	-	10,446,263
Total Fund Balances (Deficits)	<u>15,344,258</u>	<u>2,823,412</u>	<u>18,167,670</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)	<u>\$ 21,493,761</u>	<u>\$ 2,823,412</u>	<u>\$ 24,317,173</u>

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

City of Bend, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
General Fund
For the fiscal year ended June 30, 2018

	<u>General Fund</u>	<u>General Fund Stabilization Fund</u>	<u>Total General Fund</u>
<u>Revenues</u>			
Taxes	\$ 36,427,355	\$ -	\$ 36,427,355
Franchise fees	6,707,684	-	6,707,684
Intergovernmental	4,340,718	-	4,340,718
Licenses and permits	103,767	-	103,767
Charges for services	369,930	-	369,930
Fines and forfeitures	1,088,986	-	1,088,986
Investment income	194,550	14,429	208,979
Miscellaneous	38,135	-	38,135
Total Revenues	<u>49,271,125</u>	<u>14,429</u>	<u>49,285,554</u>
<u>Expenditures</u>			
Current:			
General government	2,500,876	-	2,500,876
Public safety	22,930,989	-	22,930,989
Community and economic development	1,471,309	-	1,471,309
Capital outlay	341,029	-	341,029
Total Expenditures	<u>27,244,203</u>	<u>-</u>	<u>27,244,203</u>
Excess (deficiency) of revenues over expenditures	22,026,922	14,429	22,041,351
<u>Other Financing Sources (Uses)</u>			
Insurance proceeds	12,416	-	12,416
Proceeds from sale of assets	1,860,968	-	1,860,968
Transfers in	21,741	289,783	311,524
Transfers out	<u>(29,245,919)</u>	<u>-</u>	<u>(29,245,919)</u>
Total Other Financing Sources (Uses)	<u>(27,350,794)</u>	<u>289,783</u>	<u>(27,061,011)</u>
Net change in fund balances	(5,323,872)	304,212	(5,019,660)
Fund Balances (Deficits), July 1, 2017	<u>20,668,130</u>	<u>2,519,200</u>	<u>23,187,330</u>
Fund Balances (Deficits), June 30, 2018	<u>\$ 15,344,258</u>	<u>\$ 2,823,412</u>	<u>\$ 18,167,670</u>

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

City of Bend, Oregon
General Fund Stabilization Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2018

	<u>Biennium Budget</u>		FY2017-18 Actual	FY2018-19 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<u>Revenues</u>						
Investment income	\$ 61,600	\$ 61,600	\$ 14,429	\$ -	\$ 14,429	\$ (47,171)
Total Revenues	<u>61,600</u>	<u>61,600</u>	<u>14,429</u>	<u>-</u>	<u>14,429</u>	<u>(47,171)</u>
<u>Expenditures</u>						
Reserves	3,003,440	3,003,440	-	-	-	3,003,440
Total Expenditures	<u>3,003,440</u>	<u>3,003,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,003,440</u>
Excess (deficiency) of revenues over (under) expenditures	(2,941,840)	(2,941,840)	14,429	-	14,429	2,956,269
<u>Other Financing Sources (Uses)</u>						
Transfers in	454,550	454,550	289,783	-	289,783	(164,767)
Total Other Financing Sources (Uses)	<u>454,550</u>	<u>454,550</u>	<u>289,783</u>	<u>-</u>	<u>289,783</u>	<u>(164,767)</u>
Net changes in fund balance	(2,487,290)	(2,487,290)	304,212	-	304,212	2,791,502
Beginning Fund Balance (Deficit)	2,487,290	2,487,290	2,519,200	-	2,280,990	(206,300)
Ending Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,823,412</u>	<u>\$ -</u>	<u>\$ 2,823,412</u>	<u>\$ 2,823,412</u>

City of Bend, Oregon
General Fund Stabilization Fund
Schedule of Expenditures and Other Uses by Appropriation Levels
For the biennium ended June 30, 2018

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<u>General Fund Stabilization Fund</u>			
Reserves	\$ 3,003,440	\$ -	\$ 3,003,440
Total General Fund Stabilization Fund	\$ 3,003,440	\$ -	\$ 3,003,440

OTHER FINANCIAL SCHEDULES

City of Bend, Oregon
Schedule of Property Tax Transactions
For the fiscal year ended June 30, 2018

Fiscal Year	Uncollected Balances June 30, 2017	Current Year's Levy	Adjustments, Interest and Discounts	Net Collections	Uncollected Balances June 30, 2018
Prior	\$ 4,300	\$ -	\$ 612	\$ (1,108)	\$ 3,804
2008-09	1,127	-	(9)	(71)	1,047
2009-10	1,885	-	(9)	(57)	1,819
2010-11	1,939	-	75	(313)	1,701
2011-12	2,938	-	148	(1,196)	1,890
2012-13	5,372	-	563	(3,070)	2,865
2013-14	31,787	-	4,429	(31,655)	4,561
2014-15	137,353	-	12,601	(74,431)	75,523
2015-16	214,877	-	(18,271)	(119,983)	76,623
2016-17	635,265	-	38,707	(462,553)	211,419
2017-18	-	36,279,643	(978,171)	(34,701,840)	599,632
Totals	\$ 1,036,843	\$ 36,279,643	\$ (939,325)	\$ (35,396,277)	\$ 980,884

Reconciliation to revenues:

Collections	\$ 35,396,277
Change in unavailable revenue	(11,722)
Total Property Tax Revenues	\$ 35,384,555

Summary by fund:

	<u>Revenues</u>	<u>Property Tax Receivable</u>
General Fund	\$ 29,944,689	\$ 1,099,757
Fire / Emergency Medical Services Fund	2,157,387	58,653
Juniper Ridge Urban Renewal Debt Service Fund	983,966	28,198
Murphy Crossing Urban Renewal Debt Service Fund	364,945	8,963
General Obligation Bond Debt Service Fund	1,933,568	54,948
Totals	\$ 35,384,555	\$ 1,250,519

City of Bend, Oregon
Schedule of Long-Term Debt Transactions - Principal
For the fiscal year ended June 30, 2018

<u>Series</u>	Issue Date	Final Maturity Date	Amount of Original Issue	Unmatured and Outstanding June 30, 2017	Bonds Issued	Bonds Called and Matured	Unmatured and Outstanding June 30, 2018
Full faith & credit obligation bonds:							
Pension obligation bonds, series 2004	05/27/04	06/01/28	\$ 13,725,000	\$ 11,530,000	\$ -	\$ (565,000)	\$ 10,965,000
Police expansion, Cooley Road, and fire equipment, series 2008	02/14/08	12/01/17	4,700,000	215,000	-	(215,000)	-
Fire stations, series 2010, refinance 1999	02/18/10	06/01/24	3,225,000	1,725,000	-	(215,000)	1,510,000
Accessibility, series 2010	02/18/10	06/30/24	3,265,000	1,790,000	-	(225,000)	1,565,000
Transportation system, series 2000, refinance series 2010	02/18/10	06/01/21	4,103,000	1,623,000	-	(385,000)	1,238,000
Airport, series 2010, refinance 1999	02/18/10	06/01/19	1,057,000	262,000	-	(130,000)	132,000
Water recovery zone, series 2010C	11/30/10	11/01/30	2,300,000	1,868,420	-	(112,087)	1,756,333
Water reclamation recovery zone, series 2010C	11/30/10	11/01/30	10,730,000	8,716,580	-	(522,913)	8,193,667
Street equipment, police facility, sewer, series 2012, refinance series 2002	04/01/12	12/01/26	9,280,000	5,905,000	-	(770,000)	5,135,000
Total full faith & credit obligation bonds				33,635,000	-	(3,140,000)	30,495,000
Revenue bonds:							
Water reclamation, series 2008	08/14/08	10/31/28	10,000,000	6,925,000	-	(455,000)	6,470,000
Water, series 2016	07/27/16	12/01/36	49,910,000	49,910,000	-	(1,545,000)	48,365,000
Total revenue bonds				56,835,000	-	(2,000,000)	54,835,000
General obligation bonds:							
GO Bond construction, series 2012	09/20/12	06/01/32	26,805,000	21,680,000	-	(1,135,000)	20,545,000
Total general obligation bonds				21,680,000	-	(1,135,000)	20,545,000
Notes payable:							
Cashmere Valley Bank							
Streets & stormwater equipment, ERP refunding, series 2018	04/19/18	06/01/28	7,035,850	-	7,035,850	-	7,035,850
Columbia State Bank							
Fire equipment and police expansion, series 2016, refinance series 2006	12/20/16	12/01/31	2,600,000	2,600,000	-	(180,000)	2,420,000
Cooley road, police expansion, series 2016, refinance series 2008	12/20/16	12/01/31	2,740,000	2,740,000	-	(25,000)	2,715,000
Fire equipment and facilities, series 2016	12/20/16	12/01/31	4,525,000	4,525,000	-	(255,000)	4,270,000
First Interstate Bank							
Transportation, series 2013, refinance series 2003	11/20/13	12/01/21	6,283,391	3,719,208	-	(805,014)	2,914,194
Juniper ridge, series 2013	11/22/13	12/01/23	3,700,000	2,468,293	-	(364,321)	2,103,972
Murphy Crossing urban renewal, series 2015	01/29/15	12/01/29	3,000,000	2,565,083	-	(176,866)	2,388,217
Fire engine replacement, series 2015	06/19/15	06/01/25	3,000,000	2,574,804	-	(293,009)	2,281,795
Enterprise resource project, series 2018	04/19/18	06/01/21	7,000,000	-	590,763	-	590,763
Oregon Business Development Department:							
Pacific Aviation composites	10/15/97	12/01/17	655,000	66,357	-	(66,357)	-
Airport eastside improvements	05/01/07	12/01/31	867,335	615,964	-	(82,462)	533,502
Oregon Department of Environmental Quality:							
Clean water revolving fund loan R14510	06/10/11	12/01/33	5,482,336	4,850,191	-	(210,850)	4,639,341
Clean water revolving fund loan R14511	11/01/11	TBD	14,484,130	13,631,829	852,301	-	14,484,130
Clean water revolving fund loan R14512	10/02/12	12/01/37	18,833,534	18,833,534	-	-	18,833,534
Clean water revolving fund loan R14513	02/09/15	06/01/22	3,939,246	2,923,715	-	(318,031)	2,605,684
Clean water revolving fund loan R14514	12/11/15	TBD	21,000,000	-	1,955,948	-	1,955,948
Clean water revolving fund loan R14515	03/03/16	06/01/38	13,620,000	12,221,694	801,261	-	13,022,955
Clean water revolving fund loan R14516	12/11/15	TBD	28,144,891	34,864,978	12,769,066	-	47,634,044
Clean water revolving fund loan R14517	11/29/16	TBD	5,450,000	-	868,048	-	868,048
Clean water revolving fund loan R14518	11/29/16	TBD	7,895,000	1,426,169	3,583,340	-	5,009,509
Total notes payable				110,626,819	28,456,577	(2,776,910)	136,306,486
Lines of credit							
Bank of the Cascades							
ERP software replacement	04/30/15	04/30/18	5,000,000	3,926,125	1,073,875	(5,000,000)	-
Total lines of credit				3,926,125	1,073,875	(5,000,000)	-
Total long-term debt				\$ 226,702,944	\$ 29,530,452	\$(14,051,910)	\$ 242,181,486

City of Bend, Oregon
Schedule of Long-Term Debt Transactions - Interest
For the fiscal year ended June 30, 2018

<u>Series</u>	Interest Rates on Outstanding Balances	Unmatured and Outstanding June 30, 2017	Bonds Issued	Bonds Called and Matured	Unmatured and Outstanding June 30, 2018
Full faith & credit obligation bonds:					
Pension obligation bonds, series 2004	2.13% - 6.095%	\$ 4,770,033	\$ -	\$ (698,235)	\$ 4,071,798
Fire stations, series 2010, refinance 1999	3.23 %	326,083	-	(126,266)	199,817
Accessibility, series 2010	2.62 %	359,413	-	(83,463)	275,950
Transportation system, series 2000, refinance series 2010	2.84 %	154,488	-	(62,233)	92,255
Airport, series 2010, refinance 1999	2.60 %	15,760	-	(10,480)	5,280
Water recovery zone, series 2010C	3.05 %	788,247	-	(95,526)	692,721
Water reclamation recovery zone, series 2010C	3.05 %	3,677,340	-	(445,649)	3,231,691
Street equipment, police facility, sewer, series 2012, refinance series 2002	1.66% - 2.60%	956,825	-	(200,700)	756,125
Total full faith & credit obligation bonds		11,048,189	-	(1,722,552)	9,325,637
Revenue bonds:					
Water reclamation, series 2008	3.50% - 4.50%	1,839,655	-	(273,306)	1,566,349
Water, series 2016	3.00% - 4.00%	28,826,950	-	(2,391,425)	26,435,525
Total revenue bonds		30,666,605	-	(2,664,731)	28,001,874
General obligation bonds:					
GO Bond construction, series 2012	2.62 %	5,893,750	-	(703,050)	5,190,700
Total general obligation bonds		5,893,750	-	(703,050)	5,190,700
Notes payable:					
Cashmere Valley Bank					
Streets and stormwater equipment, ERP refunding, series 2018	2.85% - 3.15%	-	1,156,649	-	1,156,649
Columbia State Bank					
Fire equipment and police expansion, series 2016, refinance series 2006	2.29 %	419,451	-	(57,471)	361,980
Cooley road, police expansion, series 2016, refinance series 2008	2.29 %	384,835	-	(62,451)	322,384
Fire equipment and facilities, series 2016	2.29 %	821,137	-	(100,689)	720,448
First Interstate Bank					
Transportation, series 2013, refinance series 2003	1.50 %	140,945	-	(52,791)	88,154
Juniper ridge, series 2013	1.50 %	131,617	-	(35,667)	95,950
Murphy crossing urban renewal, series 2015	2.65 %	495,326	-	(66,815)	428,511
Fire engine replacement, series 2015	2.65 %	299,943	-	(66,310)	233,633
Enterprise resource project, series 2018	1.85 %	-	21,000	-	21,000
Oregon Business Development Department:					
Pacific Aviation composites	5.01 %	3,385	-	(3,385)	-
Airport eastside improvements	4.00% - 4.375%	236,065	-	(26,464)	209,601
Oregon Department of Environmental Quality:					
Clean water revolving fund loan R14510	3.32 %	1,743,714	-	(197,553)	1,546,161
Clean water revolving fund loan R14511	2.48 %	5,264,357	-	-	5,264,357
Clean water revolving fund loan R14512	2.44 %	7,777,761	-	(1,839,962)	5,937,799
Clean water revolving fund loan R14513	1.06 %	147,747	-	(85,219)	62,528
Clean water revolving fund loan R14514	1.93 %	-	-	-	-
Clean water revolving fund loan R14515	2.00 %	3,640,334	-	-	3,640,334
Clean water revolving fund loan R14516	1.00 %	2,823,384	-	-	2,823,384
Clean water revolving fund loan R14517	1.60 %	-	-	-	-
Clean water revolving fund loan R14518	1.60 %	388,416	-	-	388,416
Total notes payable		24,718,417	1,177,649	(2,594,777)	23,301,289
Lines of credit					
Bank of the Cascades					
ERP software replacement	2.65 %	178,244	-	(178,244)	-
Total lines of credit		178,244	-	(178,244)	-
Total long-term debt		\$ 72,505,205	\$ 1,177,649	\$ (7,863,354)	\$ 65,819,500

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Full Faith & Credit Obligations
For the fiscal year ended June 30, 2018

Fiscal Year	Total Requirements			Pension Obligation Bonds		Fire Stations Series 2010	
	Principal	Interest	Total	Series 2004 Principal	Series 2004 Interest	Principal	Interest
2018-19	\$ 3,085,000	\$ 1,541,774	\$ 4,626,774	\$ 650,000	\$ 664,877	\$ 225,000	\$ 55,863
2019-20	3,120,000	1,411,838	4,531,838	750,000	625,779	235,000	46,863
2020-21	3,090,000	1,275,566	4,365,566	850,000	580,667	240,000	37,463
2021-22	2,855,000	1,131,783	3,986,783	965,000	529,539	260,000	29,363
2022-23	3,045,000	990,211	4,035,211	1,085,000	471,495	265,000	19,938
2023-24	2,875,000	843,713	3,718,713	1,215,000	406,232	285,000	10,331
2024-25	2,485,000	690,933	3,175,933	1,360,000	332,178	-	-
2025-26	2,675,000	551,206	3,226,206	1,515,000	249,286	-	-
2026-27	2,885,000	398,874	3,283,874	1,680,000	156,946	-	-
2027-28	1,725,000	241,053	1,966,053	895,000	54,553	-	-
2028-29	855,000	136,365	991,365	-	-	-	-
2029-30	885,000	83,723	968,723	-	-	-	-
2030-31	915,000	28,365	943,365	-	-	-	-
Total	\$ 30,495,000	\$ 9,325,404	\$ 39,820,404	\$ 10,965,000	\$ 4,071,552	\$ 1,510,000	\$ 199,821

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Full Faith & Credit Obligations (Continued)
For the fiscal year ended June 30, 2018

Fiscal Year	Accessibility Series 2010		Transportation System Series 2010		Airport Series 2010	
	Principal	Interest	Principal	Interest	Principal	Interest
2018-19	\$ 235,000	\$ 74,125	\$ 398,000	\$ 46,833	\$ 132,000	\$ 5,280
2019-20	240,000	64,138	410,000	30,913	-	-
2020-21	255,000	53,338	430,000	14,513	-	-
2021-22	265,000	41,353	-	-	-	-
2022-23	280,000	28,500	-	-	-	-
2023-24	290,000	14,500	-	-	-	-
2024-25	-	-	-	-	-	-
2025-26	-	-	-	-	-	-
2026-27	-	-	-	-	-	-
2027-28	-	-	-	-	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
Total	\$ 1,565,000	\$ 275,954	\$ 1,238,000	\$ 92,259	\$ 132,000	\$ 5,280

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Full Faith & Credit Obligations (Continued)
For the fiscal year ended June 30, 2018

Fiscal Year	Water & Sewer RZEDB Series 2010C		Street, Sewer, Police, Facilities Series 2012	
	Principal	Interest	Principal	Interest
2018-19	\$ 645,000	\$ 517,646	\$ 800,000	\$ 177,150
2019-20	660,000	491,370	825,000	152,775
2020-21	675,000	461,985	640,000	127,600
2021-22	695,000	430,128	670,000	101,400
2022-23	715,000	396,278	700,000	74,000
2023-24	735,000	359,650	350,000	53,000
2024-25	755,000	320,155	370,000	38,600
2025-26	780,000	278,320	380,000	23,600
2026-27	805,000	233,928	400,000	8,000
2027-28	830,000	186,500	-	-
2028-29	855,000	136,365	-	-
2029-30	885,000	83,723	-	-
2030-31	915,000	28,365	-	-
Total	\$ 9,950,000	\$ 3,924,413	\$ 5,135,000	\$ 756,125

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Revenue Bonds
For the fiscal year ended June 30, 2018

Fiscal Year	Total Requirements			Series 2008		Series 2016	
	Principal	Interest	Total	Principal	Interest	Principal	Interest
2018-19	\$ 2,075,000	\$ 2,591,525	\$ 4,666,525	\$ 475,000	\$ 255,275	\$ 1,600,000	\$ 2,336,250
2019-20	2,160,000	2,505,588	4,665,588	495,000	234,638	1,665,000	2,270,950
2020-21	2,255,000	2,416,050	4,671,050	520,000	213,100	1,735,000	2,202,950
2021-22	2,355,000	2,314,775	4,669,775	540,000	191,900	1,815,000	2,122,875
2022-23	2,465,000	2,199,775	4,664,775	560,000	169,900	1,905,000	2,029,875
2023-24	2,590,000	2,079,125	4,669,125	585,000	147,000	2,005,000	1,932,125
2024-25	2,715,000	1,952,450	4,667,450	605,000	123,200	2,110,000	1,829,250
2025-26	2,845,000	1,819,625	4,664,625	630,000	98,500	2,215,000	1,721,125
2026-27	2,990,000	1,680,200	4,670,200	660,000	72,700	2,330,000	1,607,500
2027-28	3,135,000	1,532,944	4,667,944	685,000	44,944	2,450,000	1,488,000
2028-29	3,290,000	1,377,569	4,667,569	715,000	15,194	2,575,000	1,362,375
2029-30	2,705,000	1,230,375	3,935,375	-	-	2,705,000	1,230,375
2030-31	2,845,000	1,091,625	3,936,625	-	-	2,845,000	1,091,625
2031-32	2,990,000	945,750	3,935,750	-	-	2,990,000	945,750
2032-33	3,145,000	792,375	3,937,375	-	-	3,145,000	792,375
2033-34	3,305,000	631,125	3,936,125	-	-	3,305,000	631,125
2034-35	3,475,000	461,625	3,936,625	-	-	3,475,000	461,625
2035-36	3,655,000	283,375	3,938,375	-	-	3,655,000	283,375
2036-37	3,840,000	96,000	3,936,000	-	-	3,840,000	96,000
Total	\$ 54,835,000	\$ 28,001,876	\$ 82,836,876	\$ 6,470,000	\$ 1,566,351	\$ 48,365,000	\$ 26,435,525

City of Bend, Oregon
Schedule of Future Debt Service Requirements of General Obligation Bonds
For the fiscal year ended June 30, 2018

Fiscal Year	Total Requirements			GO Bond Construction Series 2012	
	Principal	Interest	Total	Principal	Interest
2018-19	\$ 1,170,000	\$ 669,000	\$ 1,839,000	\$ 1,170,000	\$ 669,000
2019-20	1,205,000	633,900	1,838,900	1,205,000	633,900
2020-21	1,240,000	597,750	1,837,750	1,240,000	597,750
2021-22	1,290,000	548,150	1,838,150	1,290,000	548,150
2022-23	1,340,000	496,550	1,836,550	1,340,000	496,550
2023-24	1,395,000	442,950	1,837,950	1,395,000	442,950
2024-25	1,450,000	387,150	1,837,150	1,450,000	387,150
2025-26	1,495,000	343,650	1,838,650	1,495,000	343,650
2026-27	1,540,000	298,800	1,838,800	1,540,000	298,800
2027-28	1,585,000	252,600	1,837,600	1,585,000	252,600
2028-29	1,635,000	205,050	1,840,050	1,635,000	205,050
2029-30	1,680,000	156,000	1,836,000	1,680,000	156,000
2030-31	1,735,000	105,600	1,840,600	1,735,000	105,600
2031-32	1,785,000	53,550	1,838,550	1,785,000	53,550
Total	\$ 20,545,000	\$ 5,190,700	\$ 25,735,700	\$ 20,545,000	\$ 5,190,700

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Notes Payable
For the fiscal year ended June 30, 2018

Fiscal Year	Total Requirements			Airport Eastside Improvements 2007		Clean Water State Revolving Loan Fund Loan R14510	
	Principal	Interest	Total	Principal	Interest	Principal	Interest
2018-19	\$ 4,911,238	\$ 2,630,777	\$ 7,542,015	\$ 35,027	\$ 19,581	\$ 232,036	\$ 175,313
2019-20	9,057,248	5,135,017	14,192,265	30,228	24,079	239,804	166,385
2020-21	10,138,811	3,822,885	13,961,696	30,445	22,863	247,831	157,159
2021-22	10,064,365	3,270,659	13,335,024	30,673	21,385	256,127	147,623
2022-23	9,082,600	3,060,318	12,142,918	30,914	19,894	264,701	137,769
2023-24	9,045,698	2,866,000	11,911,698	36,166	18,392	273,562	127,584
2024-25	9,020,562	2,658,726	11,679,288	36,430	16,627	282,720	117,058
2025-26	8,835,481	2,451,019	11,286,500	36,711	14,846	292,185	106,180
2026-27	9,005,923	2,246,109	11,252,032	42,006	13,052	301,965	94,939
2027-28	9,174,637	2,036,734	11,211,371	42,312	10,996	312,073	83,321
2028-29	8,221,103	1,832,827	10,053,930	42,632	8,926	322,521	71,313
2029-30	8,220,142	1,648,065	9,868,207	42,966	6,842	333,317	58,904
2030-31	8,268,577	1,464,573	9,733,150	48,314	4,743	344,475	46,079
2031-32	8,421,837	1,278,524	9,700,361	48,678	2,380	356,007	32,825
2032-33	7,968,711	1,095,091	9,063,802	-	-	367,924	19,128
2033-34	7,938,833	916,428	8,855,261	-	-	212,093	4,581
2034-35	7,855,060	744,733	8,599,793	-	-	-	-
2035-36	7,985,794	574,561	8,560,355	-	-	-	-
2036-37	8,118,985	401,273	8,520,258	-	-	-	-
2037-38	7,644,913	224,796	7,869,709	-	-	-	-
2038-39	4,495,211	76,606	4,571,817	-	-	-	-
2039-40	467,282	6,787	474,069	-	-	-	-
Total	\$173,943,011	\$ 40,442,508	\$214,385,519	\$ 533,502	\$ 204,606	\$ 4,639,341	\$ 1,546,161

* Total Debt Service Requirements of Notes Payable includes preliminary repayment schedules for Clean Water State Revolving Fund loans which are subject to change. Final repayment schedules will be determined when the final loan amount is drawn down.

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Notes Payable (Continued)
For the fiscal year ended June 30, 2018

Fiscal Year	Clean Water State Revolving Loan Fund Loan R14511 *		Clean Water State Revolving Loan Fund Loan R14512		Clean Water State Revolving Loan Fund Loan R14513	
	Principal	Interest	Principal	Interest	Principal	Interest
2018-19	\$ -	\$ -	\$ 764,612	\$ 501,986	\$ 641,128	\$ 25,926
2019-20	291,050	1,372,352	783,382	526,477	647,942	19,112
2020-21	592,972	417,826	802,613	503,329	654,829	12,225
2021-22	607,769	400,027	822,316	479,613	661,786	5,265
2022-23	622,934	381,786	842,504	455,313	-	-
2023-24	638,479	363,088	863,186	430,419	-	-
2024-25	654,412	343,923	884,376	404,913	-	-
2025-26	670,741	324,281	906,086	378,781	-	-
2026-27	687,479	304,148	928,330	352,006	-	-
2027-28	704,634	283,513	951,119	324,576	-	-
2028-29	722,218	262,362	974,468	296,471	-	-
2029-30	740,239	240,685	998,390	267,677	-	-
2030-31	758,711	218,466	1,022,900	238,175	-	-
2031-32	777,644	195,692	1,048,010	207,950	-	-
2032-33	797,049	172,351	1,073,738	176,982	-	-
2033-34	816,938	148,427	1,100,096	145,256	-	-
2034-35	837,324	123,906	1,127,103	112,748	-	-
2035-36	858,218	98,773	1,154,772	79,444	-	-
2036-37	879,634	73,013	1,183,120	45,322	-	-
2037-38	901,585	46,609	602,413	10,361	-	-
2038-39	924,100	19,549	-	-	-	-
2039-40	-	-	-	-	-	-
Total	\$ 14,484,130	\$ 5,790,777	\$ 18,833,534	\$ 5,937,799	\$ 2,605,685	\$ 62,528

* Total Debt Service Requirements of Notes Payable includes preliminary repayment schedules for Clean Water State Revolving Fund loans which are subject to change. Final repayment schedules will be determined when the final loan amount is drawn down.

Continued on next page

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Notes Payable (Continued)
For the fiscal year ended June 30, 2018

Fiscal Year	Clean Water State Revolving Loan Fund Loan R14514 *		Clean Water State Revolving Loan Fund Loan R14515		Clean Water State Revolving Loan Fund Loan R14516 *	
	Principal	Interest	Principal	Interest	Principal	Interest
2018-19	\$ -	\$ -	\$ 274,676	\$ 750,968	\$ -	\$ 415,083
2019-20	446,041	1,183,875	557,619	314,546	2,770,954	883,337
2020-21	905,036	492,864	568,828	300,521	2,798,733	841,703
2021-22	922,588	470,743	580,260	286,215	2,826,791	799,651
2022-23	940,480	448,194	591,923	271,622	2,855,130	757,178
2023-24	958,718	425,208	603,822	256,735	2,883,752	714,281
2024-25	977,311	401,775	615,958	241,549	2,912,662	670,952
2025-26	996,264	377,888	628,339	226,058	2,941,861	627,190
2026-27	1,015,585	353,538	640,968	210,255	2,971,354	582,987
2027-28	1,035,281	328,715	653,851	194,136	3,001,141	538,344
2028-29	1,055,358	303,412	666,994	177,691	3,031,227	493,252
2029-30	1,075,824	277,618	680,401	160,916	3,061,615	447,708
2030-31	1,096,688	251,323	694,077	143,803	3,092,308	401,707
2031-32	1,117,956	224,519	708,028	126,347	3,123,309	355,244
2032-33	1,139,637	197,194	722,259	108,541	3,154,619	308,318
2033-34	1,161,738	169,340	736,777	90,375	3,186,245	260,918
2034-35	1,184,267	140,946	751,586	71,845	3,218,187	213,045
2035-36	1,207,235	112,000	766,693	52,943	3,250,450	164,691
2036-37	1,230,646	82,494	782,103	33,661	3,283,035	115,854
2037-38	1,254,512	52,416	797,793	13,990	3,315,947	66,527
2038-39	1,278,835	21,753	-	-	1,670,422	16,704
2039-40	-	-	-	-	-	-
Total	\$ 21,000,000	\$ 6,315,815	\$ 13,022,955	\$ 4,032,717	\$ 59,349,742	\$ 9,674,674

* Total Debt Service Requirements of Notes Payable includes preliminary repayment schedules for Clean Water State Revolving Fund loans which are subject to change. Final repayment schedules will be determined when the final loan amount is drawn down.

Continued on next page

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Notes Payable (Continued)
For the fiscal year ended June 30, 2018

Fiscal Year	Clean Water State Revolving Loan Fund Loan R14517 *		Clean Water State Revolving Loan Fund Loan R14518 *		Transportation System Series 2013	
	Principal	Interest	Principal	Interest	Principal	Interest
2018-19	\$ -	\$ 123,219	\$ -	\$ -	\$ 817,135	\$ 40,670
2019-20	240,215	113,493	-	-	829,368	28,436
2020-21	244,074	108,433	173,298	501,230	841,925	15,880
2021-22	247,994	103,293	350,766	159,885	425,858	3,203
2022-23	251,978	98,069	356,401	152,482	-	-
2023-24	256,026	92,761	362,126	144,961	-	-
2024-25	260,139	87,368	367,944	137,318	-	-
2025-26	264,317	81,889	373,854	129,553	-	-
2026-27	268,564	76,320	379,859	121,664	-	-
2027-28	272,878	70,663	385,962	113,647	-	-
2028-29	277,261	64,916	392,162	105,501	-	-
2029-30	281,716	59,075	398,461	97,226	-	-
2030-31	286,241	53,141	404,863	88,816	-	-
2031-32	290,839	47,112	411,366	80,272	-	-
2032-33	295,511	40,986	417,974	71,591	-	-
2033-34	300,258	34,761	424,688	62,770	-	-
2034-35	305,082	28,436	431,511	53,807	-	-
2035-36	309,983	22,010	438,443	44,700	-	-
2036-37	314,962	15,481	445,485	35,448	-	-
2037-38	320,021	8,847	452,642	26,046	-	-
2038-39	161,941	2,106	459,913	16,494	-	-
2039-40	-	-	467,282	6,787	-	-
Total	\$ 5,450,000	\$ 1,332,379	\$ 7,895,000	\$ 2,150,198	\$ 2,914,286	\$ 88,189

* Total Debt Service Requirements of Notes Payable includes preliminary repayment schedules for Clean Water State Revolving Fund loans which are subject to change. Final repayment schedules will be determined when the final loan amount is drawn down.

Continued on next page

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Notes Payable (Continued)
For the fiscal year ended June 30, 2018

Fiscal Year	Juniper Ridge Series 2013		Murphy Crossing Urban Renewal Series 2015		Fire Equipment Series 2015B	
	Principal	Interest	Principal	Interest	Principal	Interest
2018-19	\$ 369,806	\$ 30,182	\$ 181,584	\$ 62,097	\$ 300,825	\$ 58,494
2019-20	375,311	24,678	186,275	57,407	308,717	50,602
2020-21	381,025	18,963	191,397	52,284	317,085	42,234
2021-22	386,762	13,227	196,503	47,179	325,543	33,776
2022-23	392,585	7,403	201,745	41,937	334,227	25,092
2023-24	198,483	1,493	207,030	36,652	343,105	16,214
2024-25	-	-	212,649	31,032	352,295	7,024
2025-26	-	-	218,322	25,360	-	-
2026-27	-	-	224,145	19,536	-	-
2027-28	-	-	230,092	13,590	-	-
2028-29	-	-	236,262	7,419	-	-
2029-30	-	-	102,213	1,358	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
2032-33	-	-	-	-	-	-
2033-34	-	-	-	-	-	-
2034-35	-	-	-	-	-	-
2035-36	-	-	-	-	-	-
2036-37	-	-	-	-	-	-
2037-38	-	-	-	-	-	-
2038-39	-	-	-	-	-	-
2039-40	-	-	-	-	-	-
Total	\$ 2,103,972	\$ 95,946	\$ 2,388,217	\$ 395,851	\$ 2,281,797	\$ 233,436

* Total Debt Service Requirements of Notes Payable includes preliminary repayment schedules for Clean Water State Revolving Fund loans which are subject to change. Final repayment schedules will be determined when the final loan amount is drawn down.

Continued on next page

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Notes Payable (Continued)
For the fiscal year ended June 30, 2018

Fiscal Year	Fire, Police, Cooley, Facilities Series 2016		Streets& Stormwater equipment, ERP refunding, Series 2018	
	Principal	Interest	Principal	Interest
2018-19	\$ 695,000	\$ 207,417	\$ 599,409	\$ 219,841
2019-20	710,000	191,330	640,342	178,908
2020-21	730,000	174,842	658,720	160,529
2021-22	745,000	157,953	677,629	141,621
2022-23	700,000	141,408	697,078	122,171
2023-24	715,000	125,206	706,243	113,006
2024-25	735,000	108,603	728,666	90,584
2025-26	755,000	91,543	751,801	67,450
2026-27	770,000	74,082	775,668	43,582
2027-28	785,000	56,277	800,294	18,956
2028-29	500,000	41,564	-	-
2029-30	505,000	30,056	-	-
2030-31	520,000	18,320	-	-
2031-32	540,000	6,183	-	-
2032-33	-	-	-	-
2033-34	-	-	-	-
2034-35	-	-	-	-
2035-36	-	-	-	-
2036-37	-	-	-	-
2037-38	-	-	-	-
2038-39	-	-	-	-
2039-40	-	-	-	-
Total	\$ 9,405,000	\$ 1,424,784	\$ 7,035,850	\$ 1,156,648

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 170 to 178)

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 180 to 183)

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

Debt Capacity (pages 184 to 188)

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 190 to 191)

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 192 to 194)

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.

City of Bend, Oregon
Net Position by Component
Last ten fiscal years
 (accrual basis of accounting; amounts expressed in thousands)
Net Position by Component
Last Ten Fiscal Year

	2009	2010	2011	2012	2013
<u>Governmental Activities</u>					
Net investment in capital assets	\$ 493,230	\$ 485,325	\$ 484,814	\$ 474,505	\$ 474,356
Restricted	13,119	15,370	13,915	13,637	16,565
Unrestricted	20,823	24,295	27,398	30,167	29,610
Total governmental activities net position	<u>\$ 527,172</u>	<u>\$ 524,990</u>	<u>\$ 526,127</u>	<u>\$ 518,309</u>	<u>\$ 520,531</u>
<u>Business-type Activities</u>					
Net investment in capital assets	\$ 237,706	\$ 242,003	\$ 241,176	\$ 256,230	\$ 263,975
Restricted	844	936	-	676	1,289
Unrestricted	20,638	23,050	32,522	33,405	38,215
Total business-type activities net position	<u>\$ 259,188</u>	<u>\$ 265,989</u>	<u>\$ 273,698</u>	<u>\$ 290,311</u>	<u>\$ 303,479</u>
<u>Primary Government</u>					
Net investment in capital assets	\$ 730,936	\$ 727,328	\$ 725,990	\$ 730,735	\$ 738,331
Restricted	13,963	16,306	13,915	14,313	17,854
Unrestricted	41,461	47,345	59,920	63,572	67,825
Total primary government net position	<u>\$ 786,360</u>	<u>\$ 790,979</u>	<u>\$ 799,825</u>	<u>\$ 808,620</u>	<u>\$ 824,010</u>

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

	Restated 2014	2015	2016	2017	2018
<u>Governmental Activities</u>					
Net investment in capital assets	\$ 472,258	\$ 477,809	\$ 476,817	\$ 468,971	\$ 461,728
Restricted	29,652	29,319	42,451	52,371	51,169
Unrestricted	4,056	18,412	11,632	12,839	6,672
Total governmental activities net position	<u>\$ 505,966</u>	<u>\$ 525,540</u>	<u>\$ 530,900</u>	<u>\$ 534,181</u>	<u>\$ 519,569</u>
<u>Business-type Activities</u>					
Net investment in capital assets	\$ 278,857	\$ 293,753	\$ 321,457	\$ 306,517	\$ 321,740
Restricted	1,265	1,678	3,536	3,784	4,613
Unrestricted	36,565	45,677	43,822	92,608	105,771
Total business-type activities net position	<u>\$ 316,687</u>	<u>\$ 341,108</u>	<u>\$ 368,815</u>	<u>\$ 402,909</u>	<u>\$ 432,124</u>
<u>Primary Government</u>					
Net investment in capital assets	\$ 751,115	\$ 771,562	\$ 798,274	\$ 775,488	\$ 783,468
Restricted	30,917	30,997	45,987	56,155	55,782
Unrestricted	40,621	64,089	55,454	105,447	112,443
Total primary government net position	<u>\$ 822,653</u>	<u>\$ 866,648</u>	<u>\$ 899,715</u>	<u>\$ 937,090</u>	<u>\$ 951,693</u>

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

	2009	2010	2011	2012	2013
Expenses					
Governmental Activities:					
General government	\$ 17,159	\$ 16,732	\$ 18,530	\$ 21,164	\$ 15,300
Public safety	27,812	28,025	27,958	28,952	30,695
Public ways and facilities	15,691	15,699	16,042	17,318	18,208
Community and economic development	8,087	6,216	8,012	7,031	7,771
Permanent maintenance	-	-	-	-	4
Urban renewal	1,841	358	192	1,567	30
Transit	1,941	1,851	1,800	-	-
Interest on long-term debt	2,373	2,287	1,973	1,772	2,335
Total governmental activities expenses	74,904	71,168	74,507	77,804	74,343
Business-Type Activities:					
Water	\$ 10,690	\$ 12,686	\$ 12,757	\$ 11,701	\$ 12,576
Water reclamation	10,844	11,832	12,045	12,528	13,968
Airport	731	746	951	1,010	1,053
Cemetery	141	110	75	85	83
Downtown parking	881	889	878	875	869
Stormwater	1,744	2,159	2,425	2,216	2,400
Total business-type activities expenses	25,031	28,422	29,131	28,415	30,949
Total primary government expenses	\$ 99,935	\$ 99,590	\$ 103,638	\$ 106,219	\$ 105,292
Program Revenues					
Governmental Activities:					
Charges for Services:					
General government	\$ 7,065	\$ 7,598	\$ 9,661	\$ 5,404	\$ 6,475
Public safety	3,396	3,615	3,389	3,615	3,285
Public ways and facilities	1,368	1,253	1,052	1,736	2,507
Community and economic development	5,282	3,083	4,015	3,853	5,957
Permanent maintenance	-	-	11	4	6
Urban renewal	1,611	57	35	18	-
Transit	234	269	74	-	-
Operating grants and contributions	9,209	11,610	15,714	12,175	13,359
Capital grants and contributions	11,208	4,176	6,659	7,075	11,720
Total governmental activities program revenues	39,373	31,661	40,610	33,880	43,309
Business-Type Activities:					
Charges for Services:					
Water	\$ 12,020	\$ 12,689	\$ 14,068	\$ 14,809	\$ 15,815
Water reclamation	12,393	13,257	13,920	15,973	17,092
Airport	700	773	777	833	794
Cemetery	69	50	45	58	66
Downtown parking	606	551	643	569	639
Stormwater	2,405	2,465	2,515	2,519	2,534
Other business activities	-	-	139	10	-
Capital grants and contributions	9,282	3,914	2,670	7,815	2,767
Total business-type activities	37,475	33,699	34,777	42,586	39,707
Total primary government program revenues	\$ 76,848	\$ 65,360	\$ 75,387	\$ 76,466	\$ 83,016
Net Revenues (Expenses)					
Governmental Activities	\$ (35,531)	\$ (39,507)	\$ (33,897)	\$ (43,924)	\$ (31,034)
Business-Type Activities	12,444	5,277	5,646	14,171	8,758
Total primary government net revenues (expenses)	\$ (23,087)	\$ (34,230)	\$ (28,251)	\$ (29,753)	\$ (22,276)

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City of Bend, Oregon
Changes in Net Position (Continued)
Last ten fiscal years

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

	2014	2015	2016	2017	2018
Expenses					
Governmental Activities:					
General government	\$ 17,436	\$ 17,185	\$ 23,006	\$ 18,459	\$ 20,484
Public safety	30,873	26,332	44,350	41,593	49,030
Public ways and facilities	19,733	19,550	20,631	23,640	28,526
Community and economic development	8,720	7,249	14,248	15,083	16,172
Permanent maintenance	5	5	5	5	5
Urban renewal	64	41	40	53	45
Transit	-	-	-	-	-
Interest on long-term debt	2,321	2,171	2,164	2,055	1,888
Total governmental activities expenses	<u>79,152</u>	<u>72,533</u>	<u>104,444</u>	<u>100,888</u>	<u>116,150</u>
Business-Type Activities:					
Water	\$ 14,032	\$ 12,821	\$ 14,889	\$ 19,998	\$ 16,815
Water reclamation	14,427	13,196	17,197	14,196	18,393
Airport	1,243	1,279	1,359	1,394	1,357
Cemetery	134	125	149	139	212
Downtown parking	875	924	1,091	1,134	1,290
Stormwater	2,843	2,648	3,256	3,214	3,544
Total business-type activities expenses	<u>33,554</u>	<u>30,993</u>	<u>37,941</u>	<u>40,075</u>	<u>41,611</u>
Total primary government expenses	<u>\$ 112,706</u>	<u>\$ 103,526</u>	<u>\$ 142,385</u>	<u>\$ 140,963</u>	<u>\$ 157,761</u>
Program Revenues					
Governmental Activities:					
Charges for Services:					
General government	\$ 7,827	\$ 8,279	\$ 9,516	\$ 8,855	\$ 10,756
Public safety	3,255	5,052	4,865	5,181	5,997
Public ways and facilities	3,652	2,722	3,091	3,629	329
Community and economic development	8,843	9,525	11,192	11,134	15,851
Permanent maintenance	3	5	13	5	5
Urban renewal	-	-	-	-	-
Transit	-	-	-	-	-
Operating grants and contributions	12,963	11,952	13,350	14,684	18,194
Capital grants and contributions	12,725	15,661	27,301	19,299	20,791
Total governmental activities program revenues	<u>49,268</u>	<u>53,196</u>	<u>69,328</u>	<u>62,787</u>	<u>71,923</u>
Business-Type Activities:					
Charges for Services:					
Water	\$ 17,296	\$ 17,768	\$ 18,708	\$ 21,280	\$ 19,775
Water reclamation	18,487	20,327	21,543	24,062	26,930
Airport	879	911	953	858	923
Cemetery	44	79	107	70	61
Downtown parking	753	825	919	996	1,100
Stormwater	2,540	2,599	3,228	3,478	3,770
Other business activities	-	-	-	-	-
Capital grants and contributions	3,809	6,548	10,916	12,930	11,143
Total business-type activities	<u>43,808</u>	<u>49,057</u>	<u>56,374</u>	<u>63,674</u>	<u>63,702</u>
Total primary government program revenues	<u>\$ 93,076</u>	<u>\$ 102,253</u>	<u>\$ 125,702</u>	<u>\$ 126,461</u>	<u>\$ 135,625</u>
Net Revenues (Expenses)					
Governmental Activities	\$ (29,884)	\$ (19,337)	\$ (35,116)	\$ (38,101)	\$ (44,227)
Business-Type Activities	10,254	18,064	18,433	23,599	22,091
Total primary government net revenues (expenses)	<u>\$ (19,630)</u>	<u>\$ (1,273)</u>	<u>\$ (16,683)</u>	<u>\$ (14,502)</u>	<u>\$ (22,136)</u>

Continued on next page

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>General Revenues and Other Changes in Net Position</u>					
Governmental Activities:					
Taxes:					
Property taxes, levied for general purpose	\$ 24,140	\$ 25,428	\$ 25,979	\$ 25,751	\$ 25,649
Room taxes	2,938	2,966	3,407	3,575	3,945
Franchise fees	6,386	7,447	7,241	7,204	7,170
Unrestricted investment income	968	412	425	338	546
Other revenues	-	2,293	15	1,456	43
Transfers	91	(1,220)	(2,035)	(2,216)	(4,169)
Total governmental activities	<u>34,523</u>	<u>37,326</u>	<u>35,032</u>	<u>36,108</u>	<u>33,184</u>
Business-type Activities:					
Unrestricted investment income	626	304	322	225	243
Other revenues	5	-	-	-	-
Transfers	(91)	1,220	2,035	2,216	4,169
Total business-type activities	<u>540</u>	<u>1,524</u>	<u>2,357</u>	<u>2,441</u>	<u>4,412</u>
Total primary government	<u>\$ 35,063</u>	<u>\$ 38,850</u>	<u>\$ 37,389</u>	<u>\$ 38,549</u>	<u>\$ 37,596</u>
<u>Change in Net Position</u>					
Governmental Activities	\$ (1,008)	\$ (2,181)	\$ 1,135	\$ (7,816)	\$ 2,150
Business-type Activities	12,984	6,801	8,003	16,612	13,170
Total primary government	<u>\$ 11,976</u>	<u>\$ 4,620</u>	<u>\$ 9,138</u>	<u>\$ 8,796</u>	<u>\$ 15,320</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>General Revenues and Other Changes in Net Position</u>					
Governmental Activities:					
Taxes:					
Property taxes, levied for general purpose	\$ 26,753	\$ 30,179	\$ 31,971	\$ 33,316	\$ 35,340
Room taxes	4,710	6,397	7,931	8,990	9,700
Franchise fees	7,645	7,834	8,280	8,794	9,035
Unrestricted investment income	703	636	1,118	556	737
Other revenues	-	-	-	-	-
Transfers	<u>(5,246)</u>	<u>(6,135)</u>	<u>(8,821)</u>	<u>(10,273)</u>	<u>(10,122)</u>
Total governmental activities	<u>34,565</u>	<u>38,911</u>	<u>40,479</u>	<u>41,383</u>	<u>44,690</u>
Business-type Activities:					
Unrestricted investment income	290	221	453	222	449
Other revenues	-	-	-	-	-
Transfers	<u>5,246</u>	<u>6,135</u>	<u>8,821</u>	<u>10,273</u>	<u>10,122</u>
Total business-type activities	<u>5,536</u>	<u>6,356</u>	<u>9,274</u>	<u>10,495</u>	<u>10,571</u>
Total primary government	<u>\$ 40,101</u>	<u>\$ 45,267</u>	<u>\$ 49,753</u>	<u>\$ 51,878</u>	<u>\$ 55,261</u>
<u>Change in Net Position</u>					
Governmental Activities	\$ 4,681	\$ 19,574	\$ 5,363	\$ 3,282	\$ 463
Business-type Activities	<u>15,790</u>	<u>24,420</u>	<u>27,707</u>	<u>34,094</u>	<u>32,662</u>
Total primary government	<u>\$ 20,471</u>	<u>\$ 43,994</u>	<u>\$ 33,070</u>	<u>\$ 37,376</u>	<u>\$ 33,125</u>

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

	2009	2010	2011	2012	2013
<u>General Fund</u>					
Nonspendable	\$ -	\$ -	\$ 4,639	\$ 4,594	\$ 4,581
Restricted	-	-	-	-	-
Committed	-	-	1,263	1,483	1,709
Assigned	-	-	-	-	-
Unassigned	-	-	9,251	10,669	10,325
Reserved	36	4,469	-	-	-
Unreserved	6,766	8,033	-	-	-
Total general fund	<u>\$ 6,802</u>	<u>\$ 12,502</u>	<u>\$ 15,153</u>	<u>\$ 16,746</u>	<u>\$ 16,615</u>
<u>All Other Governmental Funds</u>					
Nonspendable	\$ -	\$ -	\$ 621	\$ 591	\$ 596
Restricted	-	-	7,644	6,903	26,669
Committed	-	-	10,869	11,032	12,997
Assigned	-	-	2,553	5,642	6,587
Unassigned	-	-	(316)	(340)	(360)
Reserved for:					
Debt service	7,893	5,686	-	-	-
Long-term loans and advances	967	34	-	-	-
Construction	4,271	9,858	-	-	-
Building program	955	497	-	-	-
Designations reported in:					
Special revenue funds	5,123	7,209	-	-	-
Capital projects funds	-	(223)	-	-	-
Total all other governmental funds	<u>\$ 19,209</u>	<u>\$ 23,061</u>	<u>\$ 21,371</u>	<u>\$ 23,828</u>	<u>\$ 46,489</u>

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

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

	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ 4,562	\$ 4,555	\$ 4,555	\$ 4,555	\$ 4,487
Restricted	-	-	-	-	411
Committed	1,855	2,092	2,281	2,519	2,823
Assigned	-	4,232	5,411	6,651	-
Unassigned	11,030	10,775	9,378	9,463	10,446
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total general fund	<u>\$ 17,447</u>	<u>\$ 21,654</u>	<u>\$ 21,625</u>	<u>\$ 23,188</u>	<u>\$ 18,167</u>
All Other Governmental Funds					
Nonspendable	\$ 599	\$ 605	\$ 629	\$ 633	\$ 627
Restricted	29,413	23,189	22,551	41,099	38,897
Committed	11,792	12,342	18,947	7,630	6,797
Assigned	8,254	16,794	21,925	21,420	24,081
Unassigned	(360)	(360)	(360)	-	1,433
Reserved for:					
Debt service	-	-	-	-	-
Long-term loans and advances	-	-	-	-	-
Construction	-	-	-	-	-
Building program	-	-	-	-	-
Designations reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 49,698</u>	<u>\$ 52,570</u>	<u>\$ 63,692</u>	<u>\$ 70,782</u>	<u>\$ 71,835</u>

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

	2009	2010	2011	2012	2013
Revenues					
Taxes	\$ 26,500	\$ 28,340	\$ 29,446	\$ 29,684	\$ 29,990
Franchise fees	6,386	7,447	7,211	7,188	7,154
Intergovernmental	10,171	11,347	14,439	12,444	12,745
Assessments	204	201	154	145	158
Licenses and permits	2,397	2,181	2,850	2,991	4,274
Charges for services	6,259	5,772	6,159	6,136	6,779
System development charges	2,726	2,262	3,341	4,133	7,113
Contributions	325	92	55	261	104
Fines and forfeitures	1,041	1,059	1,231	1,108	955
Loan repayments	180	1,039	476	1,131	1,189
Permanent maintenance fees	-	-	11	4	6
Investment income	730	313	341	269	473
Miscellaneous	146	99	126	83	47
Total revenues	57,065	60,152	65,840	65,577	70,987
Expenditures					
General government	\$ 651	\$ 988	\$ 1,993	\$ 2,208	\$ 2,266
Public safety	28,790	29,375	29,925	31,307	31,848
Public ways and facilities	6,214	6,462	6,458	7,714	7,771
Community and economic development	9,044	7,063	8,948	8,039	8,309
Permanent maintenance	-	-	-	-	4
Urban renewal	1,590	581	405	871	32
Transit	2,483	2,442	1,744	-	-
Debt service:					
Principal	2,693	10,068	5,993	5,372	5,606
Interest	2,429	2,167	1,981	1,755	2,275
Capital outlay	7,094	4,589	4,231	6,078	13,376
Total expenditures	60,988	63,735	61,678	63,344	71,487
Other Financing Sources (Uses)					
Proceeds from sale of assets	20	2,293	15	816	43
Premium on issuance of long-term debt	1,550	-	-	-	-
Insurance proceeds	-	55	40	25	17
Issuance of short-term debt	-	-	-	3,000	-
Issuance of long-term debt	2,700	10,602	-	1,425	26,805
Premium on issuance of long-term debt	-	244	-	103	1,550
Discount on issuance of long-term debt	-	(1)	-	-	-
Payment to bond escrow agent	-	(4,215)	-	-	-
Interfund loan proceeds	-	-	1	1	1
Transfers in	19,558	23,754	15,527	15,040	16,744
Transfers out	(19,923)	(25,520)	(18,783)	(18,591)	(22,131)
Total other financing sources (uses)	3,905	7,212	(3,200)	1,819	23,029
Net changes in fund balances (deficits)	\$ (18)	\$ 3,629	\$ 962	\$ 4,052	\$ 22,529
Debt services as a percentage of non-capital expenditures	9.5 %	20.7 %	14.0 %	12.0 %	14.0 %

Continued on next page

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

	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 31,612	\$ 36,686	\$ 39,917	\$ 42,257	\$ 45,084
Franchise fees	7,641	7,973	8,280	8,794	9,035
Intergovernmental	12,471	11,715	12,515	12,185	17,122
Assessments	175	165	171	151	242
Licenses and permits	5,860	6,946	8,247	5,798	6,390
Charges for services	8,568	9,315	10,234	12,556	13,146
System development charges	9,091	10,239	18,414	16,828	15,221
Contributions	153	415	158	249	134
Fines and forfeitures	927	900	947	1,038	1,089
Loan repayments	1,223	1,502	738	1,717	429
Permanent maintenance fees	3	5	13	5	5
Investment income	615	545	968	419	684
Miscellaneous	89	99	94	187	128
Total revenues	78,428	86,506	100,696	102,185	108,708
Expenditures					
General government	\$ 2,253	\$ 2,319	\$ 2,240	\$ 2,589	\$ 2,525
Public safety	33,924	36,474	39,357	42,008	47,520
Public ways and facilities	8,118	10,960	8,835	10,159	10,564
Community and economic development	9,505	9,880	14,504	16,180	18,362
Permanent maintenance	5	5	5	5	5
Urban renewal	66	60	41	59	99
Transit	-	-	-	-	-
Debt service:					
Principal	13,466	3,917	4,252	4,555	4,699
Interest	2,340	2,174	2,168	2,079	1,947
Capital outlay	9,814	12,922	11,967	9,147	14,268
Total expenditures	79,491	78,711	83,369	86,781	99,988
Other Financing Sources (Uses)					
Proceeds from sale of assets	565	-	53	270	1,945
Premium on issuance of long-term debt	-	-	-	-	-
Insurance proceeds	16	31	14	52	12
Issuance of short-term debt	-	-	-	-	-
Issuance of long-term debt	9,983	3,055	2,945	4,297	1,206
Premium on issuance of long-term debt	-	-	-	-	-
Discount on issuance of long-term debt	-	(3)	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Interfund loan proceeds	-	-	-	-	-
Transfers in	15,723	17,992	23,217	21,335	30,069
Transfers out	(21,772)	(24,351)	(32,464)	(30,031)	(45,918)
Total other financing sources (uses)	4,515	(3,276)	(6,235)	(4,077)	(12,686)
Net changes in fund balances (deficits)	\$ 3,452	\$ 4,519	\$ 11,092	\$ 11,327	\$ (3,967)
Debt services as a percentage of non-capital expenditures	23.0 %	9.0 %	9.0 %	8.5 %	7.8 %

City of Bend, Oregon
Assessed Value and 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	Percentage of TAV to RMV
	RMV	TAV	RMV	TAV	RMV	TAV	RMV	TAV		
2009	\$ 16,681,314	\$ 7,363,016	\$ 278,212	\$ 277,511	\$ 124,738	\$ 123,844	\$ 17,084,264	\$ 7,764,371	\$ 3.19	45.4 %
2010	14,609,907	7,713,718	264,817	264,789	130,071	129,652	15,004,795	8,108,159	3.21	54.0 %
2011	10,394,261	7,821,267	251,702	251,697	146,568	145,422	10,792,531	8,218,386	3.24	76.1 %
2012	9,470,814	7,800,935	240,955	240,950	153,200	151,612	9,864,969	8,193,497	3.23	83.1 %
2013	9,407,517	7,953,279	238,467	238,462	147,527	146,324	9,793,511	8,338,065	3.16	85.1 %
2014	10,212,590	8,390,967	235,303	235,303	154,588	153,383	10,602,481	8,779,653	3.12	82.8 %
2015	12,045,245	8,928,435	246,371	246,369	172,566	170,424	12,464,182	9,345,228	3.32	75.0 %
2016	13,832,978	9,462,467	256,270	256,259	293,708	288,363	14,382,956	10,007,089	3.30	69.6 %
2017	15,598,799	9,965,280	262,932	262,931	227,730	225,979	16,089,461	10,454,190	3.30	65.0 %
2018	17,840,968	10,555,698	287,129	287,129	232,119	230,177	18,360,216	11,073,004	3.28	60.3 %

Source:
Deschutes County Assessor's Office

City of Bend, Oregon
Property Tax Rates - Direct and Overlapping Governments
Last ten fiscal years
(amounts expressed per \$1,000 of assessed value)

Fiscal Year	City Direct Rates			Overlapping Rates							Total
	City of Bend	Bend Urban Renewal District	Total Direct	Bend Metro Park and Recreation District	Deschutes County (1)	County Library	Education Service District	Central Oregon Community College	Bend La-Pine Administrative School District #1		
2009	\$ 2.78	\$ 0.41	\$ 3.19	\$ 1.45	\$ 2.97	\$ 0.54	\$ 0.09	\$ 0.70	\$ 6.30	\$ 15.24	
2010	2.77	0.44	3.21	1.45	2.98	0.54	0.09	0.61	6.44	15.32	
2011	2.76	0.48	3.24	1.45	2.94	0.54	0.09	0.72	6.49	15.47	
2012	3.00	0.23	3.23	1.45	2.92	0.54	0.10	0.74	6.26	15.24	
2013	3.04	0.12	3.16	1.46	2.96	0.54	0.10	0.75	6.18	15.15	
2014	3.00	0.12	3.12	1.66	2.84	0.54	0.10	0.74	6.16	15.16	
2015	3.19	0.13	3.32	1.65	2.72	0.54	0.10	0.73	6.20	15.26	
2016	3.17	0.13	3.30	1.63	2.78	0.54	0.10	0.73	6.18	15.26	
2017	3.16	0.12	3.28	1.63	2.78	0.54	0.10	0.74	6.17	15.24	
2018	3.15	0.13	3.28	1.62	2.63	0.54	0.10	0.73	6.62	15.52	

Source:
Deschutes County Assessor's Office

Notes:
(1) Property tax rates are for a representative tax code area (1-001) within the City and include operating and debt service levies. Deschutes County includes the following: Deschutes County \$1.2354, Countywide Law Enforcement \$1.0095, County Extension/4H \$0.0223, and 9-1-1 \$0.581.

City of Bend, Oregon
Principle Taxpayers
For the fiscal years ended June 30, 2018 and June 30, 2009
(amounts expressed in thousands)

Taxpayer	Type of Business	2018			2009		
		Rank	Net Assessed Valuation	Percentage of Total Net Assessed Valuation (1)	Rank	Net Assessed Valuation	Percentage of Total Net Assessed Valuation (1)
TDS Baja Broadband LLC	Cable utility	1	\$ 64,378	0.6 %	8	\$ 23,034	0.3 %
Touchmark at Mount Bachelor Village LLC	Retirement community	2	47,174	0.4 %	2	34,154	0.4 %
Pacificorp (PP&L)	Electric utility	3	43,648	0.4 %		-	0.0 %
CVSC LLC	Shopping center	4	41,801	0.4 %	1	34,816	0.4 %
Suterra LLC	Biorational product	5	42,237	0.4 %		-	0.0 %
Deschutes Brewery Inc	Microbrewery	6	34,004	0.3 %	3	29,359	0.4 %
Cascade Natural Gas Corporation	Gas utility	7	30,132	0.3 %	7	24,106	0.3 %
Forum Holdings LLC	Shopping center	8	27,935	0.3 %	9	22,563	0.3 %
Deschutes Properties LLC	Real estate developer	9	26,839	0.2 %		-	0.0 %
Shepard Investment Group LLC	Real estate developer	10	22,439	0.2 %		-	0.0 %
Qwest Corporation	Telephone utility		-	- %	4	27,431	0.4 %
Bend Millwork Systems, Inc	Construction products		-	- %	5	25,837	0.3 %
Rivers Edge Investments, LLC	Real estate developer		-	- %	6	24,124	0.3 %
West Bend Property Co. LLC	Real estate developer		-	- %	10	17,207	0.2 %
Total			\$ 380,587	3.5 %		\$ 262,631	3.3 %

Source:

Deschutes County Assessor's Office

Notes:

(1) Percent of total net assessed valuation represents percent of taxpayer's net assessed value to City's total assessed value of \$11,073,004,000 for 2018 and \$7,764,371,000 for 2009.

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

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy			Total Collections to Date		
		Amount	Percentage of Levy Collected	Collections in Subsequent Years	Amount	Percentage of Levy Collected	
2009	\$ 24,715	\$ 22,491	91.0 %	\$ 1,716	\$ 24,207	97.9 %	
2010	26,040	23,896	91.8 %	1,619	25,515	98.0 %	
2011	26,642	24,690	92.7 %	1,103	25,793	96.8 %	
2012	26,393	24,843	94.1 %	988	25,831	97.9 %	
2013	26,356	24,849	94.3 %	705	25,554	97.0 %	
2014	27,457	26,065	94.9 %	636	26,701	97.2 %	
2015	30,965	29,504	95.3 %	576	30,080	97.1 %	
2016	33,014	31,341	94.9 %	494	31,835	96.4 %	
2017	34,323	32,669	95.2 %	463	33,132	96.5 %	
2018	36,280	34,702	95.7 %	-	34,702	95.7 %	

Source:
Deschutes County Assessor's Office

City of Bend, Oregon
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Governmental Activities							Business-Type Activities							Total Debt Percentage of Personal Income (1)	Total Debt per Capita (1)
	Full Faith & Credit Obligation Bonds	General Obligations	Limited Tax Improvement Bonds	Urban Renewal Tax Increment Bonds	Notes Payable	Line of Credit	Premiums/ Discounts	Full Faith & Credit Obligation Bonds	Revenue Bonds	Notes Payable	Line of Credit	Premiums/ Discounts	Total Primary Government			
2009	\$ 49,781	\$ -	\$ 164	\$ 11,240	\$ -	\$ 5,200	\$ 53	\$ 1,434	\$ 24,690	\$ 1,515	\$ -	\$ 28	\$ 94,105	2.96 %	\$ 1,161	
2010	50,255	-	-	5,960	-	5,209	298	1,260	23,355	4,324	-	66	90,727	3.13 %	1,098	
2011	48,097	-	-	1,710	-	5,209	275	16,303	19,490	6,778	-	92	97,954	3.56 %	1,273	
2012	46,809	-	-	-	-	5,209	669	18,621	14,960	5,568	-	241	92,077	3.34 %	1,185	
2013	43,203	25,950	-	-	-	3,709	2,087	17,622	13,686	9,630	-	217	116,104	3.90 %	1,469	
2014	33,803	24,920	-	-	9,591	-	1,949	15,907	12,625	27,928	-	199	126,922	4.29 %	1,594	
2015	31,783	23,860	-	-	11,434	403	1,815	14,902	11,530	41,830	30,000	180	167,737	5.32 %	2,072	
2016	28,268	22,780	-	-	12,937	1,332	1,685	13,877	7,365	63,405	30,000	169	181,818	5.37 %	2,213	
2017	20,803	21,680	-	-	21,192	3,926	1,486	12,832	56,835	89,434	-	11,629	239,817	6.01 %	2,715	
2018	18,733	20,545	-	-	25,916	-	1,360	11,762	54,835	110,391	-	11,015	254,557	5.78 %	2,900	

Notes:

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

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

City of Bend, Oregon
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amounts)

Fiscal Year	General Bonded Debt Outstanding				Amounts Restricted for Debt Service	Net General Bonded Debt Outstanding	Assessed Value	Ratio of Bonded Debt to Assessed Value	Population (1)	General Bonded Debt Per Capita
	Full Faith & Credit Obligation Bonds	General Obligations	Limited Tax Improvement Bonds	Total						
2009	\$ 51,215	\$ -	\$ 164	\$ 51,379	\$ 1,878	\$ 49,501	\$ 7,764,371	\$ 0.66	80,995	634
2010	51,515	-	-	51,515	1,918	49,597	8,108,159	0.64	82,280	626
2011	64,400	-	-	64,400	1,911	62,489	8,218,386	0.78	76,639	840
2012	65,430	-	-	65,430	1,997	63,433	8,193,497	0.80	76,925	851
2013	60,825	25,950	-	86,775	1,471	85,304	8,338,066	1.04	77,455	1,120
2014	49,710	24,920	-	74,630	2,559	72,071	8,779,653	0.85	78,280	953
2015	46,685	23,860	-	70,545	2,831	67,714	9,345,229	0.75	79,985	882
2016	42,145	22,780	-	64,925	5,969	58,956	10,007,089	0.65	81,310	798
2017	33,635	21,680	-	55,315	6,406	48,909	10,454,190	0.53	83,500	662
2018	30,495	20,545	-	51,040	6,978	44,062	11,073,004	0.46	89,505	570

Notes:

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

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

City of Bend, Oregon
Computation of Direct and Overlapping Debt
For the Years Ended June 30, 2018

<u>Jurisdiction</u>	<u>Net Property - Tax Backed Debt Outstanding (1)</u>	<u>Percentage Applicable to City of Bend (2)</u>	<u>Amount Applicable to City of Bend</u>
Direct Debt			
City of Bend	\$ 51,040,000	100.00 %	\$ 51,040,000
Overlapping Debt			
Bend Metro Park & Rec District	28,014,317	96.38 %	27,000,759
Central Oregon Community College	53,230,000	42.26 %	22,496,968
Central Oregon Regional Housing Authority	4,318,601	49.79 %	2,150,253
Deschutes County	15,315,000	49.79 %	7,625,415
Deschutes Cty SD 1 (Bend-Lapine)	391,440,644	68.46 %	267,988,094
HFA Deschutes County	111,750,000	49.79 %	55,640,884
High Desert ESD	3,489,424	45.74 %	1,596,084
Total overlapping debt	<u>607,557,986</u>	<u>63.29 %</u>	<u>384,498,457</u>
Total direct debt and overlapping debt	<u>\$ 658,597,986</u>	<u>66.13 %</u>	<u>\$ 435,538,457</u>

Source:

State of Oregon, Treasury Department

Notes:

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

(1) Net property-tax backed debt includes all Full Faith and Credit Obligations, limited-tax general obligation bonds, and unlimited-tax general obligation bonds. \$11,480,000 of this total is backed by sources other than taxes. Total direct debt reported does not include Revenue Bonds and Notes Payable.

(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, 2018
Real market value	\$ 18,360,216,000
	3 %
General obligation debt limit at 3% of real market value	550,806,480
General obligation debt subject to limit per ORS 287A.050(1) *	20,545,000
Less: Funds applicable to the payment of principal thereof per ORS 287A.050(2)	
General obligation debt service fund	(1,312,918)
Net debt subject to 3% limitation	19,232,082
Legal debt margin	\$ 531,574,398
Debt capacity percent	97 %

Fiscal Year	3% Debt Limit (1)	Net Debt Subject to 3% Limit (1)	Legal Debt Margin (1)	Debt Capacity Percent
2009	\$ 512,528	\$ -	\$ 512,528	100 %
2010	450,144	-	450,144	100 %
2011	323,776	-	323,776	100 %
2012	295,949	-	295,949	100 %
2013	293,805	25,950	268,631	91 %
2014	318,074	24,920	294,035	92 %
2015	373,925	23,860	351,062	94 %
2016	431,489	22,780	354,727	82 %
2017	482,684	20,481	462,203	96 %
2018	550,806	19,232	531,574	97 %

Source:

Real Market Value obtained from Deschutes County Assessor's Office

Notes:

(1) Amounts expressed in thousands.

(2) This schedule includes corrections to prior year amounts.

* General obligation debt subject to limit per ORS 287A.050(1) includes all General Obligation bonds

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

City of Bend, Oregon
Rate Covenant - Pledged Revenue Coverage
Last ten fiscal years
(amounts expressed in thousands)

First Lien Water System Revenue Bonds

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenues Available for Debt Service	First Lien Annual Debt Service			Coverage Ratio	Monthly Metered Rate	Monthly Flat Rate
				Principal	Interest	Total			
				2009	\$ 11,958	\$ 8,246			
2010	12,819	9,670	3,149	175	142	317	9.9	17.18	20.33
2011	14,189	10,373	3,816	185	35	220	17.3	18.40	21.77
2012	14,883	9,139	5,744	-	-	-	N/A	19.69	23.29
2013	16,045	9,520	6,525	-	-	-	N/A	20.67	24.45
2014	17,610	10,892	6,718	-	-	-	N/A	21.29	N/A
2015	17,773	9,833	7,940	-	-	-	N/A	22.36	N/A
2016	18,796	11,799	6,997	-	-	-	N/A	22.02	N/A
2017	23,372	10,758	12,614	-	2,240	2,240	5.6	22.46	N/A
2018	23,649	12,227	11,422	1,545	2,388	3,933	2.9	23.37	N/A

Subordinated Lien Safe Drinking Water Loan

Fiscal Year	Net Revenue Available for Debt Service	First Lien Annual Debt Service	Net Revenue Available for Subordinated Debt Service	Subordinated Lien Annual Debt Service (3)			Coverage Ratio	Monthly Metered Rate	Monthly Flat Rate
				Principal	Interest	Total			
				2013	6,525	-			
2014	\$ 6,718	\$ -	\$ 6,718	\$ 103	\$ 111	\$ 214	31.4	\$ 21.29	\$ N/A
2015	7,940	-	7,940	108	79	187	42.5	22.36	N/A
2016	6,997	-	6,997	111	76	187	37.4	22.02	N/A
2017	12,614	2,240	10,374	114	73	187	55.5	22.46	N/A
2018	11,422	3,933	7,489	-	-	-	N/A	23.37	N/A

Notes:

Revenue bonds issued in July 2016 were issued under a new Master Bond Declaration. All revenue bonds defined under the previous Water Revenue Bond Master Resolution No. 2121 only apply to FY2015-16 and prior.

(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.

The new 2016 Water Revenue Bond series under the Master Bond Declaration includes all fees, charges, and other revenues (including System Development Charge Revenues) from operation of the water system. The Gross Revenues do not include interest income, or other earnings derived from the investment of the Bond Proceeds account, or 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 subordinated notes payable. The Safe Drinking Water Loan was paid off in July 2016. Principal and interest payments made in FY 2016-17 are excluded from the table above.

(4) Utility rates were modified on July 1, 2015 to include a base charge plus a volume charge. The metered charge represents the minimum water charge for a 3/4" meter. The additional water usage charge for FY 2016-17 of \$1.86 per 100 cubic feet of consumption within the City also applies. Other charges apply according to meter size.

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

(6) This schedule includes corrections to prior year amounts.

City of Bend, Oregon
Rate Covenant - Pledged Revenue Coverage
Last ten fiscal years
(amounts expressed in thousands)

First Lien Sewer System Revenue Bonds

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenues Available for Debt Service	First Lien Annual Debt Service (5)			Coverage Ratio	Monthly Sewer Rate
				Principal	Interest	Total		
2010	13,213	7,634	5,579	1,160	833	1,993	2.8	33.01
2011	14,071	8,130	5,941	1,200	786	1,986	3.0	35.90
2012	16,082	8,595	7,487	1,230	667	1,897	3.9	39.49
2013	17,726	9,765	7,961	1,275	521	1,796	4.4	41.86
2014	19,275	10,689	8,586	1,060	507	1,567	5.5	44.37
2015	21,179	9,622	11,557	1,095	469	1,564	7.4	48.36
2016	23,826	12,899	10,927	425	305	730	15.0	32.24
2017	24,171	10,431	13,740	440	288	728	18.9	33.49
2018	27,028	14,307	12,721	455	270	725	17.5	35.54

Subordinated Clean Water State Revolving Fund Loans

Fiscal Year	Net Revenue Available for Debt Service	First Lien Annual Debt Service	Net Revenues Available for Subordinated Debt Service	Subordinated Lien Annual Debt Service (4)			Coverage Ratio	Monthly Sewer Rate
				Principal	Interest	Total		
2014	\$ 8,586	\$ 1,567	\$ 7,019	\$ -	\$ 267	\$ 267	26.3	\$ 44.37
2015	11,557	1,564	9,993	204	677	881	11.3	48.36
2016	10,927	730	10,197	211	937	1,148	8.9	32.24
2017	13,740	728	13,012	218	1,313	1,531	8.5	33.49
2018	12,721	725	11,996	529	2,123	2,652	4.5	35.54

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) Utility rates were modified on July 1, 2015 to include a base charge plus a volume charge. The monthly sewer charge in the table represents the base charge for single residential. An additional volume charge of \$3.51 per 100 cubic feet of water use based on the Winter Quarter Average (WQA) also applies. WQA is used to exclude increased use due to irrigation. Septic sewage dumping is \$0.13/gallon.
- (4) Annual debt service on Subordinated Clean Water State Revolving Fund Loans issued pursuant to Master Resolution No. 2122. The costs of interest during construction are credited against any interest incurred pursuant to Master Resolution No. 2122.
- (5) The 2005 Sewer Revenue Bonds were paid off during FY2015-16 and debt service payments made that fiscal year are excluded from the table above.
- (6) This schedule includes corrections to prior year amounts.

City of Bend, Oregon
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Area (Square Miles)</u>	<u>Average Density (person / square miles)</u>	<u>Personal Income (2) (expressed in thousands)</u>	<u>Per Capita Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2009	80,995	32.5	2,492	\$ 2,865,415	\$ 35,378	15,834	14.7
2010	82,280	32.5	2,532	3,176,300	38,604	15,719	13.4
2011	76,639	32.5	2,358	2,896,585	37,795	15,818	12.0
2012	76,925	32.5	2,367	2,749,347	35,741	15,519	10.5
2013	77,455	32.5	2,383	2,759,607	35,629	16,473	10.0
2014	78,280	32.5	2,409	2,977,990	38,043	16,863	8.1
2015	79,985	32.5	2,461	2,955,383	36,949	17,163	6.2
2016	81,310	32.5	2,502	3,155,888	38,813	17,517	5.2
2017	83,500	32.5	2,569	3,992,052	47,809	18,375	3.8
2018	89,905	32.5	2,766	4,404,989	48,996	-	-

Source:

- (1) Population figures obtained from Portland State University Population Research Center
- (2) Per capita personal income figures are for the Bend Metropolitan Statistical Area and are obtained from the US. Department of Commerce, Bureau of Economic Analysis. Although the Bureau of Economic Analysis provides annual revisions to prior year data, the City, for consistency, continues to report the data that was originally reported in prior years.
- (3) School enrollment figures obtained from Bend-LaPine Administrative School District No. 1 and does not include alternative schools.
- (4) Unemployment rates represent June seasonally adjusted unemployment rates for the Bend Metropolitan Statistical Area obtained from the US Department of Labor, Bureau of Labor Statistics. Seasonally adjusted data for metropolitan areas and metropolitan divisions based on the 2010 Office of Management and Budget (OMB) delineations were introduced on July 1, 2015.

City of Bend, Oregon
Principal Employers
For the fiscal years ended June 30, 2018 and June 30, 2009

Employer	Product or Service	2018			2009		
		Rank	Employees	Percentage of Total City Employment (1)	Rank	Employees	Percentage of Total City Employment (1)
St. Charles Medical Center	Health care	1	3,361	4.0 %	1	3,028	4.1 %
Bend La Pine School District	Education	2	2,133	2.6 %	2	1,783	2.4 %
Deschutes County	Government	3	1,075	1.3 %	4	1,011	1.4 %
Central Oregon Community College	Education	4	999	1.2 %	-	-	- %
Mt. Bachelor	Resort	5	840	1.0 %	7	750	1.0 %
City of Bend	Government	6	661	0.8 %	-	-	- %
Safeway	Grocery chain	7	584	0.7 %	10	578	0.8 %
Deschutes National Forest	Government	8	575	0.7 %	-	-	- %
IBEX	Call center	9	540	0.6 %	-	-	- %
Summit Memorial Group	Health care	10	532	0.6 %	-	-	- %
Les Schwab	Tire manufacturer	-	-	- %	3	1,500	2.0 %
Walmart	Retailer	-	-	- %	8	700	0.9 %
Sunriver Resort	Resort	-	-	- %	5	850	1.1 %
TRG Customer Solutions	Call center	-	-	- %	9	650	0.9 %
T-Mobile	Call center	-	-	- %	6	850	1.1 %
	Total		11,300	13.5 %		11,700	15.7 %

Sources:

Economic Development for Central Oregon, 2018 Bend Profile.

Note:

(1) Percent of total city employment represents percent of employer's employees to total employment for the Bend Metropolitan Statistical Area of 83,500 for June 2018 and 73,981 for June 2009 (obtained from Bureau of Labor Statistics)

City of Bend, Oregon
Full Time Equivalent City Employees by Program
Last ten fiscal years

<u>Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government										
Administration, finance & legal	36.3	36.3	37.3	38.0	38.0	37.5	48.5	51.0	53.3	58.4
Information technology	12.5	12.5	13.0	13.0	14.0	14.0	17.0	22.0	21.0	21.0
Public works										
administration/laboratory	16.0	18.0	18.0	14.0	12.0	13.0	13.0	7.0	7.0	7.0
Facility management	5.0	5.0	5.0	4.5	3.0	3.0	4.0	5.0	5.0	6.0
Garage	8.0	8.0	8.0	8.0	7.0	6.7	6.7	7.7	7.7	9.0
Accessibility program	1.0	1.0	1.0	1.5	1.0	1.0	1.0	1.0	1.0	1.0
Economic development										
administration	2.5	2.0	1.8	2.0	2.0	2.0	2.0	2.0	3.0	1.0
Public Safety										
Police	110.0	110.0	110.0	108.0	108.0	112.0	120.0	122.0	122.0	132.0
Fire/EMS	85.8	85.8	89.8	87.8	87.5	85.5	112.7	129.7	124.7	123.1
Municipal Court	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.5
Public Ways and Facilities										
Street operations	32.0	31.0	31.0	31.0	31.0	34.5	38.5	41.0	42.0	44.0
Engineering	15.0	8.0	8.0	16.0	18.0	20.0	21.0	22.0	22.0	27.0
Community and Economic Development										
Community development										
administration	4.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-	15.0
Planning	16.0	13.0	13.0	13.0	12.0	15.0	14.0	11.0	15.0	17.0
Building	24.0	17.0	17.0	18.0	21.0	28.0	34.0	41.0	45.0	40.5
Private development engineering	-	2.0	2.0	1.0	1.0	4.0	6.0	9.0	8.0	14.0
Code enforcement	-	1.0	1.0	1.0	1.0	2.0	4.0	4.0	4.0	4.0
Growth management	-	-	-	-	-	-	8.0	8.5	9.0	9.5
Business advocacy	-	-	-	-	-	1.0	1.0	1.0	1.0	1.0
Community development block grant program	1.0	1.0	2.0	2.0	2.0	3.0	2.0	2.0	3.0	1.0
Other										
Urban renewal	1.0	-	-	-	-	-	-	-	-	-
Transit	1.0	1.0	1.0	-	-	-	-	-	-	-
Airport	1.0	1.5	1.6	1.5	1.8	1.8	1.8	2.3	2.5	2.5
Water	31.0	26.5	26.5	29.5	30.5	29.5	32.0	37.0	40.0	40.5
Water reclamation	32.0	21.5	21.5	34.0	33.0	34.0	36.0	34.0	32.0	32.5
Stormwater	4.0	3.0	6.0	6.0	6.0	6.0	6.0	8.0	8.0	8.0
Utility support division	12.5	30.5	32.5	14.5	14.5	7.5	9.5	14.0	14.0	14.0
Data support division	-	-	-	-	-	5.0	5.0	6.0	6.0	6.0
Other business-type	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	457.6	441.6	453.0	450.3	450.3	472.0	549.7	593.2	601.2	640.5

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

<u>Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public Safety										
Police:										
Physical arrest (1)	3,841	3,616	3,744	3,843	3,652	3,916	3,504	3,453	3,556	3,729
Traffic violations (1)	9,355	9,563	13,143	10,119	12,878	11,432	11,802	10,717	9,008	8,971
Calls for service	56,168	51,336	55,229	53,973	49,286	48,676	46,943	48,763	51,374	50,295
Fire/EMS:										
Fire responses	1,787	1,380	2,110	1,535	1,492	1,671	1,633	1,781	1,897	1,880
Ambulance response	5,785	6,096	6,649	6,484	6,755	7,292	7,585	7,928	8,514	8,924
Inspections conducted	3,473	2,919	2,298	2,073	1,476	1,385	1,271	2,015	1,761	1,835
Public Ways and Facilities										
Streets resurfaced (lane miles)	11.9	12.9	13.6	39.0	28.0	47.2	41.0	62.5	93.8	-
Streets cleaned (lane miles) (2)	36,058	35,850	31,165	29,000	23,111	29,930	26,107	19,912	2,987	-
Street signs repaired/replaced (3)	2,426	1,850	559	665	1,216	632	777	835	268	-
Community and Economic Development										
Permits issued	5,651	4,443	4,901	5,919	8,894	9,799	10,963	12,959	12,938	12,408
Building inspections performed	22,869	16,262	17,552	20,221	30,775	33,947	43,189	44,270	53,668	53,466
Transit (in thousands) (4)										
Total miles	318	414	416	-	-	-	-	-	-	-
Total service hours	35	35	36	-	-	-	-	-	-	-
Total rides	354	377	434	-	-	-	-	-	-	-
Water										
New connections (5)	122	107	419	147	377	667	597	769	668	641
Maximum Day Demand (MDD) (million gallons)	29.2	27.0	25.6	21.9	22.0	24.8	25.9	27.1	26.4	28.0
Water Reclamation										
New connections	208	216	260	373	566	555	1,146	1,423	776	906
Daily average treatment (million gallons)	5.8	5.6	5.4	5.5	5.4	5.7	5.8	5.8	6.0	6.0
Sewerlines cleaned (miles)	108.5	122.0	105.4	126.7	78.1	94.7	97.7	46.3	61.8	88.9
Downtown Parking										
Tickets issued	13,713	14,506	14,813	11,194	10,378	11,574	13,671	15,271	14,586	-
Permits issued	4,823	4,596	5,669	5,004	4,779	5,337	6,923	8,009	9,483	-

(1) Physical Arrests and Traffic Violation figures were corrected back to 2013 in Fiscal Year 2016

(2) Street miles swept is being tracked more accurately by job. In previous years, it was based solely on odometer readings, which did not accurately convey the lane miles swept.

(3) Street signs repaired/replaced decreased due to having less resources available.

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

(5) In FY 2016-17, the City of Bend sold a portion of the water system to two other water providers. This sale affected the number of new connections.

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

<u>Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Public Safety										
Police:										
Main station	1	1	1	1	1	1	1	1	1	1
Patrol units	31	32	37	37	37	37	37	37	37	-
Fire/EMS stations	5	5	5	5	5	5	5	5	5	5
Public Ways and Facilities										
Street (lane miles) (1)	783	825	825	831	1,157	1,157	1,161	1,143	850	-
Streetlights (2)	2,051	2,051	2,051	2,051	2,051	2,051	2,051	2,595	2,595	-
Traffic signals (3)	60	65	65	65	65	36	35	35	36	-
Transit										
Buses (4)	28	27	32	-	-	-	-	-	-	-
Airport										
Runway (feet)	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Hangars	14	15	15	15	15	15	15	15	15	15
Water										
Water mains (miles)	475	475	455	461	463	466	475	479	494	591
Reservoirs	15	18	16	16	16	16	16	16	16	16
Wells (5)	16	16	23	22	23	23	23	23	21	21
Fire hydrants	4,984	5,074	5,061	5,073	5,108	5,168	5,245	5,285	5,327	5,313
Total Reservoir Capacity (million gallons)	34.0	31.0	31.0	31.0	30.4	30.4	30.4	30.5	30.5	30.5
Service connections	22,949	23,056	23,475	23,622	23,999	23,457	24,228	24,997	24,548	25,332
Water Reclamation										
Treatment plant	1	1	1	1	1	1	1	1	1	1
Sewerlines (miles)	432	424	430	430	412	446	453	457	463	454
Large pump stations	93	88	88	88	88	88	88	88	88	82
Small pump stations	271	324	325	325	326	326	326	326	326	330
Maximum daily capacity of plant (million gallons)	12.0	12.0	12.0	12.0	12.0	12.0	12.0	20.8	20.8	20.8
Service connections	27,064	27,280	27,540	27,913	28,479	27,420	28,672	30,095	30,783	31,929
Downtown Parking										
Parking garages	1	1	1	1	1	1	1	1	1	1

(1) GIS based calculation; includes bike paths and paved shoulders

(2) Includes Cascade Electric Coop (146), Pacific Power & Light (2,103) and City of Bend (346)

(3) 2014-Removed state-owned signals from count.

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

(5) In FY 2016-17, the City of Bend sold a portion of the water system to two other water providers, this included two wells.

Compliance Section

Report of Independent Auditors on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Oregon Minimum Audit Standards

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

We have audited the basic financial statements of the City of Bend, Oregon (the City) as of and for the year ended June 30, 2018 and have issued our report thereon dated December 27, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the City’s basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-010-0000 to 162-010-0320, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

OAR	Section	Instances of Non-Compliance Identified?
162-010-0000	Preface	None Noted
162-010-0010	Definitions	None Noted
162-010-0020	Introduction	None Noted
162-010-0030	General Requirements	None Noted
162-010-0050	Financial Statements	None Noted
162-010-0115	Required Supplementary Information (RSI)	None Noted
162-010-0120	Other Supplementary Information	None Noted
162-010-0130	Schedule of Revenues, Expenditures / Expenses, and Changes in Fund Balances, / Net Assets, Budget and Actual (Each Fund)	None Noted
162-010-0140	Schedule of Accountability for Independently Elected Officials	Not applicable
162-010-0150	Schedule of Property Tax Transactions or Acreage Assessments	None Noted
162-010-0160	Schedule of Bonded or Long-Term Debt Transactions	None Noted
162-010-0170	Schedule of Future Requirements for Retirement of Bonded or Long-Term Debt	None Noted
162-010-0190	Other Financial or Statistical Information	None Noted
162-010-0200	Required Disclosures and Independent Auditors Comments	None Noted
162-010-0230	Accounting Records and Internal Control	None Noted
162-010-0240	Public Fund Deposits	None Noted
162-010-0250	Indebtedness	None Noted
162-010-0260	Budget	None Noted
162-010-0270	Insurance and Fidelity Bonds	None Noted
162-010-0280	Programs Funded from Outside Sources	None Noted
162-010-0295	Highway Funds	None Noted
162-010-0300	Investments	None Noted
162-010-0310	Public Contracts and Purchasing	None Noted
162-010-0315	State School Fund	Not applicable
162-010-0316	Public Charter Schools	Not applicable
162-010-0320	Other Comments and Disclosures	None Noted

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 test disclosed no instances of noncompliance that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and does not provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James C. Lanzarotta, Partner for
Moss Adams LLP
Eugene, Oregon
December 27, 2018

Single Audit Compliance

Report of Independent Auditors 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*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bend, Oregon (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon December 27, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams, LLP

Eugene, Oregon
December 27, 2018

Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance

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

Report on Compliance for the Major Federal Program

We have audited the City of Bend, Oregon's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended June 30, 2018. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss Adams, LLP

Eugene, Oregon
December 27, 2018

City of Bend, Oregon
Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2018

<u>Federal Grantor/ Pass-through Agency/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Number</u>	<u>Total Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
<u>U.S. Department of Housing and Urban Development</u>				
Direct				
Community Development Block Grants - Entitlement Grants Cluster				
CDBG/Entitlement Grants	14.218	n/a	\$ 532,144	\$ 429,082
Total CDBG - Entitlement Grants Cluster			<u>532,144</u>	
<u>Total Department of Housing and Urban Development</u>			<u>532,144</u>	
<u>Department of Justice</u>				
Direct				
Bureau of Justice Assistance				
Bulletproof Vest Partnership Program	16.607	n/a	5,970	-
<u>Total Department of Justice</u>			<u>5,970</u>	
<u>Department of Transportation</u>				
Direct				
Federal Aviation Administration				
Airport Improvement Program	20.106	n/a	3,425,138	-
Pass-through				
Highway Safety Cluster				
Oregon Department of Transportation				
Drug Recognition Expert	20.601	n/a	337	-
Total Highway Safety Cluster			<u>337</u>	
<u>Total Department of Transportation</u>			<u>3,425,475</u>	
<u>Department of General Services Administration</u>				
Pass-through				
Oregon Department of Administrative Services				
Donation of Federal Surplus Personal Property	39.003	n/a	31,639	-
<u>Total Department of General Services Administration</u>			<u>31,639</u>	
<u>Environmental Protection Agency</u>				
Pass-through				
Clean Water State Revolving Fund Cluster				
State of Oregon Department of Environmental Quality				
Capitalization Grants for Clean Water State Revolving Funds	66.458	R14511	287,082	-
Capitalization Grants for Clean Water State Revolving Funds	66.458	R14514	1,955,948	-
Capitalization Grants for Clean Water State Revolving Funds	66.458	R14515	774,814	-
Capitalization Grants for Clean Water State Revolving Funds	66.458	R14516	6,255,798	-
Capitalization Grants for Clean Water State Revolving Funds	66.458	R14517	868,048	-
Capitalization Grants for Clean Water State Revolving Funds	66.458	R14518	580,133	-
Total Clean Water State Revolving Fund Cluster			<u>10,721,823</u>	
<u>Total Environmental Protection Agency</u>			<u>10,721,823</u>	
<u>Department of Energy</u>				
Direct				
ARRA - Energy Efficiency and Conservation Block Grant				
Program (EECBG) (Recovery Act Funded)	81.128	n/a	8,923	-
<u>Total Department of Energy</u>			<u>8,923</u>	

City of Bend, Oregon
Schedule of Expenditures of Federal Awards (Continued)
For the fiscal year ended June 30, 2018

<u>Federal Grantor/ Pass-through Agency/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Number</u>	<u>Total Federal Expenditures</u>	<u>Amount Provided to Subrecipients</u>
<u>Executive Office of the President</u>				
Pass-through Oregon Department of Justice/Deschutes County Office of National Drug Crime Prevention - High Intensity Drug Trafficking Area Program	95.001	None	18,753	-
Total Executive Office of the President			18,753	
<u>Department of Homeland Security</u>				
Direct				
USDA - Forest Service Fire Management Assistance Grant	97.046	n/a	94,718	-
Federal Emergency Management Agency Assistance to Firefighters Grant	97.044	EMW-2016-FR-00461	\$ 1,301,364	-
Pass-through				
Federal Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared)	97.036	FEMA-DR-4328-OR	215,190	-
Total Department of Homeland Security			1,611,272	
Total Federal Expenditures			\$ 16,355,999	\$ 429,082

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the City of Bend under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - Loans Receivable

The City had the following gross loan balances from current and prior year federal expenditures outstanding at June 30, 2018.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Loans Receivable</u>
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG) (Recovery Act Funded)	81.128	\$ 152,689
Community Development Block Grants/Entitlement Grants	14.218	888,492
ARRA - Neighborhood Stabilization Program (Recovery Act Funded)	14.256	1,972,548
		<u>\$ 3,013,729</u>

Note 4 - Program Income

The City received Program Income from repayment of federally funded loans receivable and/or interest income on repaid funds which accounted for a portion of federal expenditures for the associated Federal CFDA Number.

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG) (Recovery Act Funded)	81.128	8,923
Community Development Block Grants/Entitlement Grants	14.218	42,147
		<u>\$ 51,070</u>

In addition, in fiscal year 2017-2018, the City received \$102,690 from loan repayment of federally funded Neighborhood Stabilization loans that have not yet been lent back out as of June 30, 2018.

Note 5 - Outstanding Loans

The City has an outstanding loan balance payable of \$4,639,341 in State of Oregon Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds (Federal CFDA Number 66.458, loan R14510).

The City has an outstanding loan balance payable of \$14,484,130 in State of Oregon Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds (Federal CFDA Number 66.458, loan R14511). The federally funded portion of this loan is \$6,434,138.

The City has an outstanding loan balance payable of \$18,833,534 in State of Oregon Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds (Federal CFDA Number 66.458, loan R14512). The federally funded portion of this loan is \$2,415,248.

The City has an outstanding loan balance payable of \$2,605,685 in State of Oregon Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds (Federal CFDA Number 66.458, loan R14513). The federally funded portion of this loan is \$3,636,412.

The City has an outstanding loan balance payable of \$1,955,948 in State of Oregon Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds (Federal CFDA Number 66.458, loan R14514). The federally funded portion of this loan is \$1,955,948.

The City has an outstanding loan balance payable of \$13,022,955 in State of Oregon Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds (Federal CFDA Number 66.458, loan R14515). The federally funded portion of this loan is \$8,897,507.

The City has an outstanding loan balance payable of \$47,634,044 in State of Oregon Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds (Federal CFDA Number 66.458, loan R14516). The federally funded portion of this loan is \$29,383,575.

The City has an outstanding loan balance payable of \$868,048 in State of Oregon Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds (Federal CFDA Number 66.458, loan R14517). The revenue has not been received yet, but for conservative purposes, the City is characterizing the accrual as federal funding.

The City has an outstanding loan balance payable of \$5,009,509 in State of Oregon Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds (Federal CFDA Number 66.458, loan R14518). The revenue has not been received yet, but for conservative purposes, the City is characterizing the accrual as federal funding.

CITY OF BEND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
66.458	Clean Water States Revolving Fund Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported