

City of Bend, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for fiscal year ended June 30, 2019





CITY OF BEND

CITY OF BEND, OREGON

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

Prepared by the City of Bend Finance Department

Sharon Wojda, Chief Financial Officer

City of Bend, Oregon
For the Year Ended June 30, 2019
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INTRODUCTORY SECTION



CITY OF BEND

December 27, 2019

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Bend, Oregon (the City) for the fiscal year ended June 30, 2019.

This report presents the City's financial position as of June 30, 2019 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, 2019. 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, along with an 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 4 immediately following the independent auditor's report.

City Profile

The City is located in Central Oregon, just east of the Cascade mountain range and encompasses an area of 36.21 square miles which includes an Urban Growth Boundary (UGB) expansion that brought an additional 2,380 acres of property into the City's boundary in 2016. 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 preliminary population estimate for Bend as of July 1, 2019 is 91,385. 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-Redmond Metropolitan Statistical Area (Bend MSA).

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MAYOR
Sally Russell

MAYOR PRO TEM
Bruce Abernethy

CITY COUNCILORS
Barb Campbell
Gena Goodman-Campbell
Justin Livingston
Bill Moseley
Chris Piper

CITY MANAGER
Eric King

Incorporated in 1905, Bend is organized under a council/manager form of government and is served by a seven-member City Council. Following a city charter change approved by voters in May 2018, beginning with the November 2018 election, the Mayor and City Councilors are elected to four-year terms. The mayor was elected in a general election to a four-year term that began January 2019 and Councilors select a mayor pro-tem among themselves. 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 663 full-time equivalent employees (FTE) as of June 30, 2019.

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. BURA is currently managing two urban renewal areas, and advisory committee is evaluating a third urban renewal area for potential adoption in 2020. 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 appraisal of budgets. The law mandates public involvement in budget preparation and public exposure of its proposed programs. The law also requires that the budget be balanced. A budget is prepared for each fund requiring appropriations. Expenditure budgets for the 2017-19 biennium 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 supports a strong economy in its leisure and hospitality industries, it has shown its ability to promote and support growth in a variety of other industries, most notably the high-tech and health care sectors. Bend ranks No. 1 in both five-year job growth and in five-year wage growth per the Milken Institute's 2018 Best-Performing Cities report released in January 2019. The employment and economic bases have expanded to include a variety of businesses serving tourism, government, healthcare, utilities, high-tech, bio-science and microbreweries.

Due to this expanding job growth, the City 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. According to the City's Affordable Housing Manager, the rental vacancy rates were less than 1% in the most recent year for which the City has data. Median single-family home sale prices remain strong in Bend, reaching \$465,000 in 2019 (Central Oregon Association of Realtors, 2019 Quarter 3 Report), a 7% increase from this time last year. According to Compass Real Estate Commercial Services, retail and office sectors continue to experience historically low vacancy rates: 3.9% for office space and 1.6% for industrial space during the third quarter of 2019.

The unemployment rate in the Bend MSA held steady at a historically low level of 3.9% in June 2019 (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 2018 Best-Performing Cities report, Bend-Redmond ranked the best-performing small city in the U.S. for the third year in a row, primarily due to its unrivaled job growth. The area ranked first in one-year wage growth and second in one-year job growth and a number of high-tech industries. The report stated that Bend-Redmond benefits from its strong high-tech performance and its investment in its knowledge-economy with the Oregon State University-Cascades Innovation Co-Lab that serves as an incubator and education resource for entrepreneurs. The Central Oregon economy is vibrant and has been able to diversify its economic base with new waves of innovation.

To maintain service levels while addressing significant economic growth, the City has hired additional staff to meet the growing workload. Total staffing levels are at 663 FTE as of June 30, 2019, with the greatest staffing increases occurring 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 discusses 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 maintains and updates long-term financial models on an annual basis for the following funds and programs: General Fund, airport, police, fire, transportation, water, water reclamation and stormwater. The financial models are updated 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 also 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.

Major Initiatives for 2019-2021 Biennium

As the City continued progress toward City Council’s top goals and priorities for the 2017-2019 biennium, Council also started goal-setting for the upcoming 2019-2021 biennium. The Council elicited input from the community and then conducted a series of work sessions to ensure the budget and the Council’s goals reflected community priorities. The 2019-2021 Council goals expand upon and refine many of the 2017-2019 goals and can be summarized in 4 main categories:

- Economic Vitality – with a focus on housing, jobs, and managing growth, increase the supply of shovel ready land available for housing and employment
- Transportation & Infrastructure – to address congestion relief, neighborhood safety, streets, sewer and water investment and mobility options
- Public Safety & Health – to ensure good response times, traffic safety, crime prevention, wildfire resiliency and homelessness and mental health partnerships
- Effective & Efficient City Operations – to promote data and technology investments, community participation, public facility planning and diversity, equity and inclusion (DEI) programs

A number of significant initiatives, outlined below, are underway in Bend to accomplish the Councils goals and vision for the future.

Economic Vitality

The City's Urban Growth Boundary expansion in 2016 provided a 10% increase in the City's land supply. The 2017-2019 biennium invested considerable time in planning the use of this land to achieve Council's goals. The 2019-2021 biennium will progress from planning to implementation of this growth. Council has prioritized the southeast expansion area and the central core of the City as the most ready for redevelopment. Work to expand these areas includes detailed land use and financial plans to ensure growth in an efficient and cost effective manner. Juniper Ridge is being readied for employment development. In addition, the City won a pilot project proposal to expand the UGB for affordable housing, in partnership with a developer for 241 deed-restricted homes, 155 mid-range affordable homes and 80 market-rate units. City code was amended to remove development barriers for additional housing supply and permitted 2,640 multi-family units. Future goals are to permit over 3,000 housing units City-wide and to implement tax exemption programs to promote affordable housing.

Responsible stewardship of this growth includes goals to adopt and implement a Community Climate Action Plan and ensure growth takes into consideration natural resources and reflects a triple bottom line approach. To accomplish this, the City hired an employee to focus on sustainability and natural resources issues. A greenhouse inventory has also been completed and other actions have already seen a reduction in energy costs of 13%.

Transportation and Infrastructure

The City has heard from community members, and transportation infrastructure is a key priority for many. With significant accomplishments through June 30, 2019 to expand and improve the City's Utility System, Council has set 2019-2021 goals to invest in similar expansion and improvements in the Transportation System.

Efforts to plan and implement robust and resilient infrastructure investments include completing the Transportation System Plan (TSP) and leveraging funding sources that result in a ballot measure for a General Obligation (GO) Bond in 2020. Improvements are also needed to ensure the City's utility infrastructure keeps pace with community needs, and parking management changes are needed to be responsive to changing community demands.

The City is in the process of updating the TSP, which is part of the City's Comprehensive Plan. The TSP is dedicated to planning for transportation needs over the next 20 years. It analyzes current and projected transportation conditions, and describes a feasible financial plan to accomplish the needed projects over the 20 year planning horizon. The TSP balances the needs of drivers, transit users, freight movement and people who walk and bicycle. The funding plan is designed to be equitable, balanced and resilient to ensure sustainable funding. One of the funding sources Council is considering, is a GO Bond that would be proposed to the voters in 2020.

Improvements have also been made in the City's pavement condition index (a measurement of road quality), which increased from 70 to 73 during the 2017-2019 biennium, indicating roads are getting better overall throughout the City. Due to continued investments in street maintenance programs, further improvements in the street condition are projected, with a PCI target of 75 over the next two years.

Council also has a goal to develop a community-wide parking program as well as modernization of parking management, and continue investments in water, sewer, and stormwater treatment systems to keep pace with the growing demand, regulatory requirements, and maintenance needs.

Public Safety & Health

Public safety continues to be one of Council's highest priorities. Ongoing programs such as the Basic Life Support and Quick Response Vehicle Programs are 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.

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. 2019-2021 goals include preservation of current service levels and response times; seeking opportunities to connect residents and businesses to mental health and homelessness resources; the addition of a new Fire station in the core of Bend; an increase in traffic safety programs by 20%; development of fire resilience plans and attention to issues such as livability and crime in the downtown area.

Effective & Efficient City Operations

To accomplish the numerous and ambitious goals adopted by City Council, City management depends on a well-run and efficient support system to develop and implement those goals. During the 2017-2019 biennium, the City revitalized all of its 13 Neighborhood Association and promoted community participation in the development of goals and programs. Future goals include an increase in community participation through support and improvement in the effectiveness of those Neighborhood Associations, the development of a diversity, equity and inclusion program beginning with an organization assessment and formation of a task force to identify needs and priorities of underrepresented communities. The City has and will continue to modernize its technology and has developed a data and analytics team headed by a newly hired innovation officer to develop City-wide data management and programs to make forward-thinking and data-informed decisions more consistently. A new goal in 2019-2021 will start planning to address facility constraints at City Hall and Public Works campuses.

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, 2019. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit). The auditor's report on the financial statements and required supplementary information is included in the Financial Section of this report. The auditor's reports related specifically to the single audit are included in the Compliance Section.

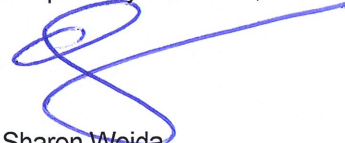
Certificate of Achievement – The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bend for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. 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 26 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. The City believes 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 Kymala Lovisone, Eric Baird 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
Chief Financial Officer



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, 2018

Christopher P. Morill

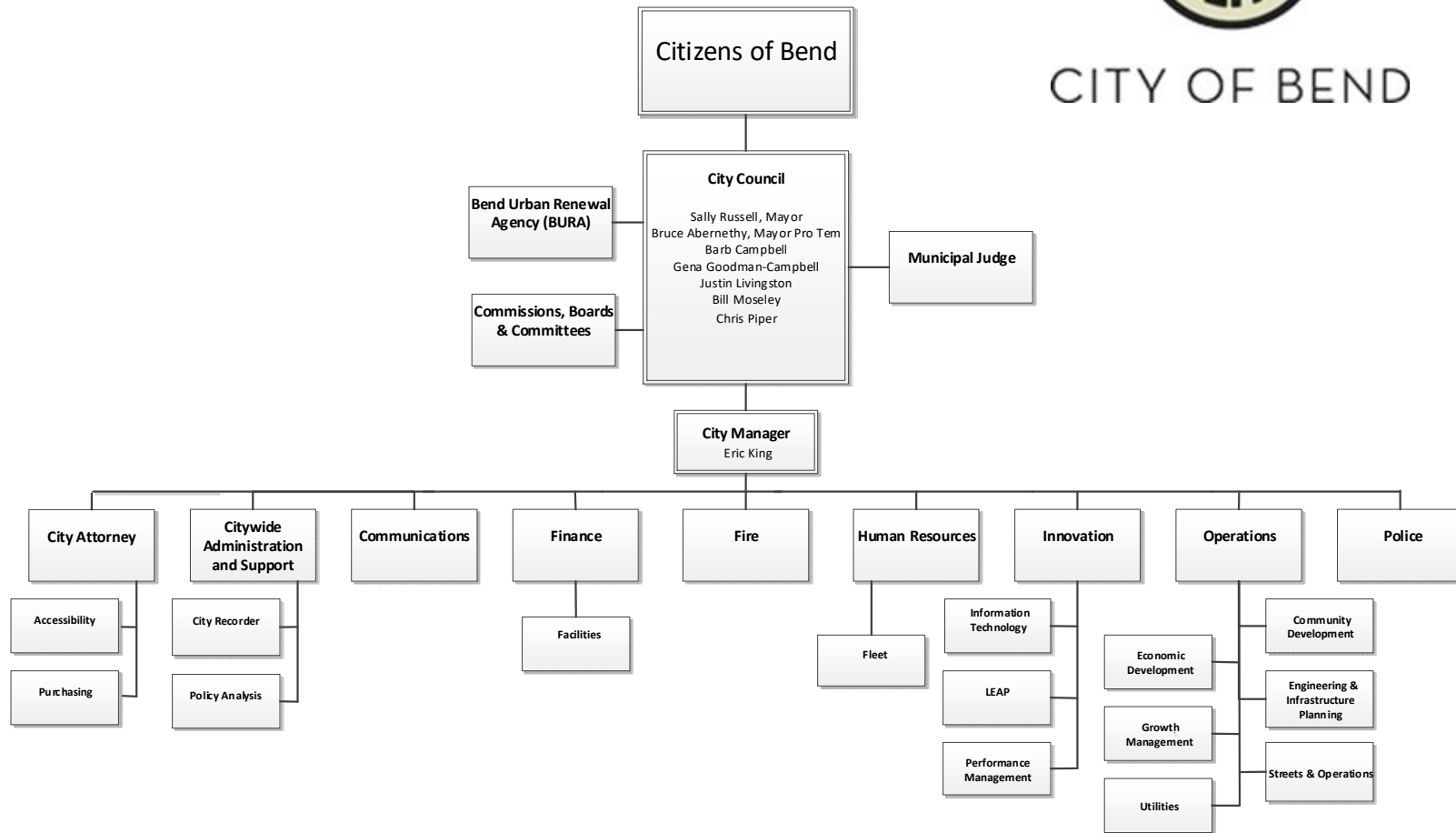
Executive Director/CEO

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City of Bend Organizational Chart



CITY OF BEND



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THE CITY OF BEND, OREGON

City Officials as of June 30, 2019



Sally Russell
Mayor – December 2022



Bruce Abernethy
Mayor Pro Tem – December 2020

COUNCIL MEMBERS & TERM EXPIRATION



Barb Campbell
Councilor – December 2022



Gena Goodman-Campbell
Councilor – December 2022



Justin Livingston
Councilor – December 2020



Bill Moseley
Councilor – December 2020



Chris Piper
Councilor – December 2020

CITY MANAGER

Eric King

CHIEF FINANCIAL OFFICER

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, 2019, 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, 2019, 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.

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 15 and 69 through 72 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 64 through 68 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 183 and 184, 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 73 through 145, 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.

Report on Other Legal and Regulatory Requirements

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the City's 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, 2019, 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, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2019

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, 2019. 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 \$987.3 million (net position). As shown on Table 1-A, \$125.8 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 \$35.5 million from fiscal year 2017-18 consisting of an increase of \$2.8 million in the net position of governmental activities, and an increase in net position of the business-type activities of \$32.9 million.
- The City's liabilities and deferred inflows totaled \$379.9 million at fiscal year-end. This increase of \$7.4 million from the prior year is due mainly to increases of \$5.0 million in the net pension liability, \$2.6 million in total OPEB liability and \$3.7 million in deferred inflows related to both pension and OPEB liabilities, offset by a decrease of \$3.8 million in debt.
- The City's governmental funds reported combined ending fund balances of \$87.1 million, a decrease of \$2.9 million, in comparison to fiscal year 2017-18. Of the combined ending governmental fund balances, \$41.8 million, or 48.0%, 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 \$13.4 million or 44.4% 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.

Note 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 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2019

Overview of the Financial Statements (Continued)

Note 1. Government-wide Financial Statements (Continued)

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 16 - 17 of this report.

Note 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2019

Overview of the Financial Statements (Continued)

Note 2. Fund Financial Statements (Continued)

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 26 governmental funds. The governmental fund statements present five major funds separately: General Fund, Streets & Operations Fund, Fire/Emergency Medical Services Fund, System Development Charges (SDC) Fund, and the Transportation Construction Fund. The other 21 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 18 - 21 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 22 - 26 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.

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 27 of this report.

Note 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 28 - 63 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2019

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 \$987.3 million at June 30, 2019, an increase of \$35.6 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 30
(in millions)^

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|----------------------------|-----------------|-----------------------------|-----------------|-----------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Current and other assets | \$ 137.8 | \$ 137.0 | \$ 135.9 | \$ 129.6 | \$ 273.7 | \$ 266.6 |
| Capital assets | 528.5 | 523.2 | 536.1 | 510.1 | 1,064.6 | 1,033.3 |
| Total assets | <u>666.3</u> | <u>660.2</u> | <u>672.0</u> | <u>639.7</u> | <u>1,338.3</u> | <u>1,299.9</u> |
| Deferred outflows of resources | 25.0 | 20.9 | 3.9 | 3.3 | 28.9 | 24.2 |
| Total deferred outflows of resources | <u>25.0</u> | <u>20.9</u> | <u>3.9</u> | <u>3.3</u> | <u>28.9</u> | <u>24.2</u> |
| Current liabilities | 22.8 | 19.9 | 15.2 | 15.2 | 38.0 | 35.1 |
| Non-current liabilities | 142.8 | 141.4 | 194.8 | 195.3 | 337.6 | 336.7 |
| Total liabilities | <u>165.6</u> | <u>161.3</u> | <u>210.0</u> | <u>210.5</u> | <u>375.6</u> | <u>371.8</u> |
| Deferred inflows of resources | 3.4 | 0.3 | 0.9 | 0.4 | 4.3 | 0.7 |
| Total deferred inflows of resources | <u>3.4</u> | <u>0.3</u> | <u>0.9</u> | <u>0.4</u> | <u>4.3</u> | <u>0.7</u> |
| Net position | | | | | | |
| Net investment in capital assets | 481.5 | 461.7 | 346.3 | 321.7 | 827.8 | 783.4 |
| Restricted | 29.2 | 51.2 | 4.5 | 4.6 | 33.7 | 55.8 |
| Unrestricted | 11.6 | 6.7 | 114.2 | 105.8 | 125.8 | 112.5 |
| Total net position | <u>\$ 522.3</u> | <u>\$ 519.6</u> | <u>\$ 465.0</u> | <u>\$ 432.1</u> | <u>\$ 987.3</u> | <u>\$ 951.7</u> |

^Actual amounts may vary due to rounding.

Capital assets increased \$31.3 million as a result of extensive work on the City's transportation, water and water reclamation infrastructure as discussed on page 13. Included in current and other assets above, restricted and unrestricted cash and investments increased \$5.8 million in large part due to revenues from system development charges that were unspent at year end, but collected for debt service.

Debt decreased by \$3.8 million as discussed in further detail in the debt administration section on page .

The majority of the net position, (83.8%), 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
Fiscal Year Ended June 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Analysis of Changes in Net Position

The following is a comparison between the June 30, 2019 and 2018 Statement of Activities.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------------|----------------------------|-----------------|-----------------------------|-----------------|-----------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 35.7 | \$ 33.0 | \$ 56.8 | \$ 52.5 | \$ 92.5 | \$ 85.5 |
| Operating grants and contributions | 15.7 | 18.2 | - | - | 15.7 | 18.2 |
| Capital grants and contributions | 20.3 | 20.8 | 10.4 | 11.2 | 30.7 | 32.0 |
| General revenues: | | | | | | |
| Taxes | 47.8 | 45.1 | - | - | 47.8 | 45.1 |
| Franchise fees | 9.6 | 9.0 | - | - | 9.6 | 9.0 |
| Unrestricted investment income | 4.8 | 0.7 | 4.7 | 0.4 | 9.6 | 1.1 |
| Total revenues | 133.9 | 126.8 | 71.9 | 64.1 | 205.9 | 190.9 |
| Expenses | | | | | | |
| Governmental Activities: | | | | | | |
| General government | 26.1 | 20.5 | - | - | 26.1 | 20.5 |
| Public safety | 47.1 | 49.0 | - | - | 47.1 | 49.0 |
| Public ways and facilities | 29.5 | 28.5 | - | - | 29.5 | 28.5 |
| Community and economic development | 16.5 | 16.2 | - | - | 16.5 | 16.2 |
| Permanent maintenance | - * | - * | - | - | - | - |
| Urban renewal | 0.3 * | - * | - | - | 0.3 | - |
| Interest on long-term debt | 1.7 | 1.9 | - | - | 1.7 | 1.9 |
| Business-type activities: | | | | | | |
| Water | - | - | 19.5 | 16.8 | 19.5 | 16.8 |
| Water reclamation | - | - | 22.7 | 18.4 | 22.7 | 18.4 |
| Airport | - | - | 1.6 | 1.3 | 1.6 | 1.3 |
| Cemetery | - | - | 0.2 | 0.2 | 0.2 | 0.2 |
| Downtown parking | - | - | 1.5 | 1.3 | 1.5 | 1.3 |
| Stormwater | - | - | 3.4 | 3.5 | 3.4 | 3.5 |
| Total expenses | 121.2 | 116.1 | 48.9 | 41.4 | 170.2 | 157.7 |
| Revenues over expenses | 12.7 | 10.6 | 23.0 | 22.6 | 35.5 | 33.2 |
| Transfers | (9.9) | (10.1) | 9.9 | 10.1 | - | - |
| Change in net position | 2.8 | 0.5 | 32.9 | 32.6 | 35.5 | 33.2 |
| Net position, beginning | 519.5 | 534.2 | 432.1 | 402.9 | 951.6 | 937.1 |
| Restatement** | - | (15.1) | - | (3.4) | - | (18.5) |
| Net position, ending | \$ 522.3 | \$ 519.5 | \$ 465.0 | \$ 432.1 | \$ 987.1 | \$ 951.8 |

*Actual amount is too small to report

^Actual amounts vary due to rounding

**FY 2018 net position was restated due to the implementation of GASB 75

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2019

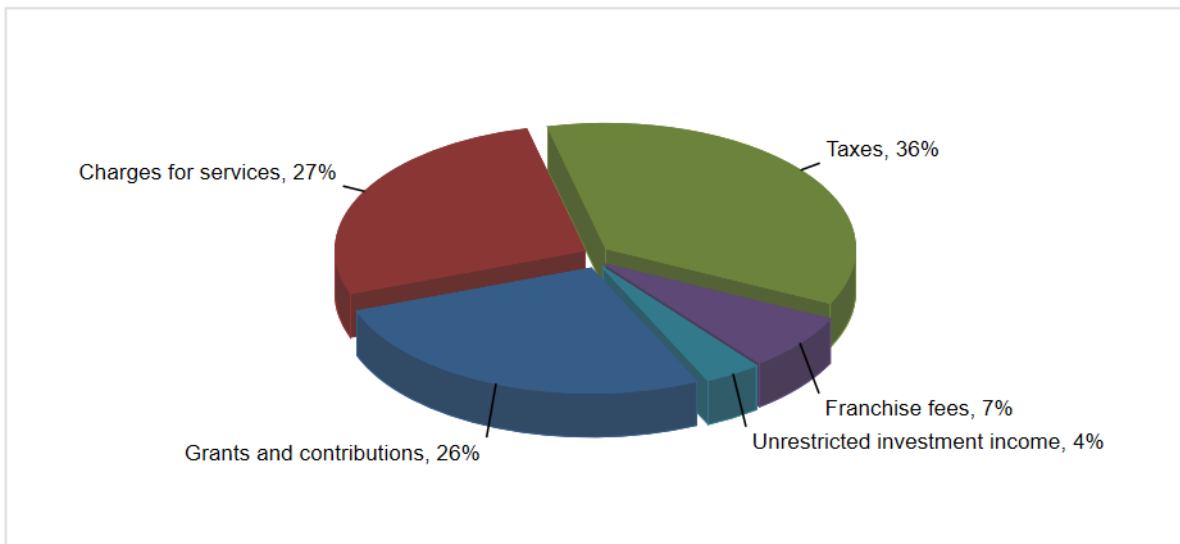
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities

Governmental activities increased the City's net position by \$2.8 million for the year ended June 30, 2019. Key elements of the increase are as follows:

- Program revenues decreased by \$(0.3) million. Charges for services increased \$2.7 million due to increased system development charges, building permit charges and planning fees. Capital and operating grants and contributions decreased \$(3.0) million because the City received a large one-time FEMA grant in 2017-2018 that was not repeated in 2018-2019 and due to decreases in CDBG grant receipts because the City was using program income rather than new funds for affordable housing distributions.
- Taxes, franchise fees, and investment income increased \$7.4 million due to increases in property taxes of \$2.3 million, increases of \$1.0 million in room tax and franchise fee receipts, and \$4.0 million increase in unrestricted investment income.
- Governmental expenses increased by \$5.1 million, primarily in the general government and public ways and facilities due to increased costs in staffing and professional services as the City increased service levels in those areas.

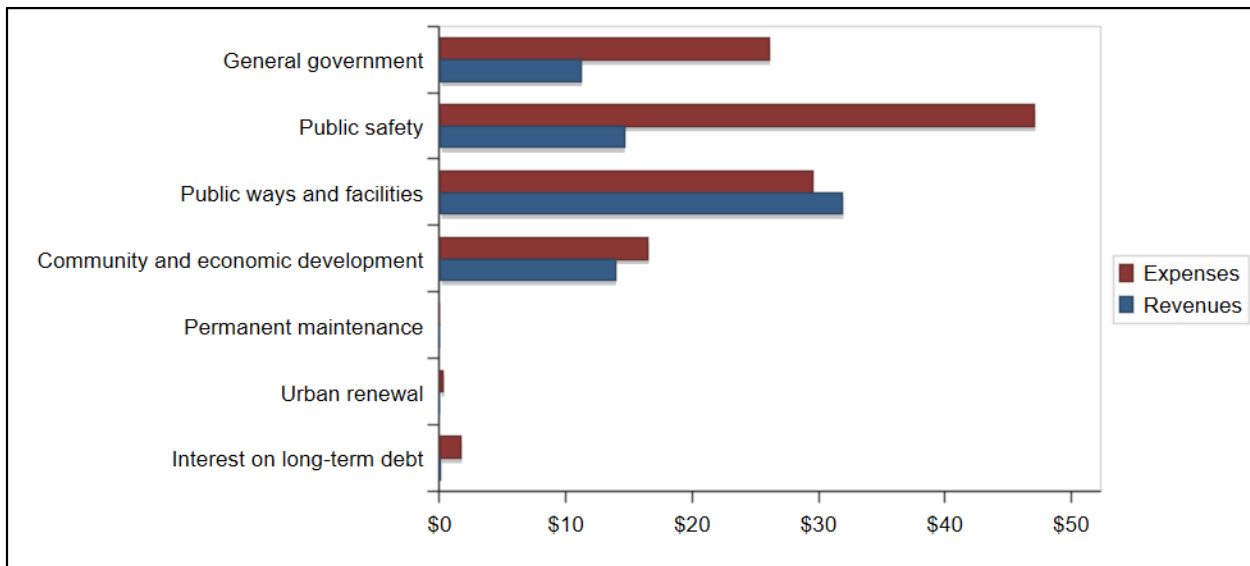
GOVERNMENTAL REVENUES BY TYPE



MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2019

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

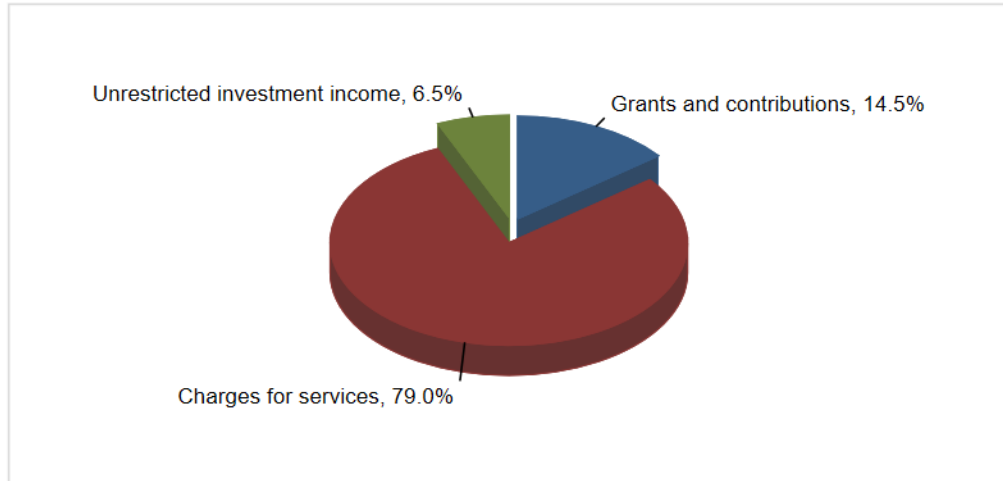
As shown in Table 2-A, business-type activities increased the City's net position by \$32.9 million. Water and water reclamation contributed \$10.4 million and \$19.9 million, respectively. Total revenues from business-type activities increased by \$7.8 million from the prior year. Increases in charges for services of \$4.3 million are primarily due to higher water reclamation rates (2.9%) and water rates (2.0%). Capital grants and contributions decreased by \$0.8 million due to less grant funding in the Airport as its large construction project wraps up, offset by increased developer contributed assets in both the water and water reclamation funds.

Business-type expenses increased overall by \$7.5 million. Increased depreciation accounts for \$4.4 million of this increase, due to newly constructed capital assets in the water and water reclamation funds being placed in service. In addition, routine costs materials for operations and maintenance increased in those funds also.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2019

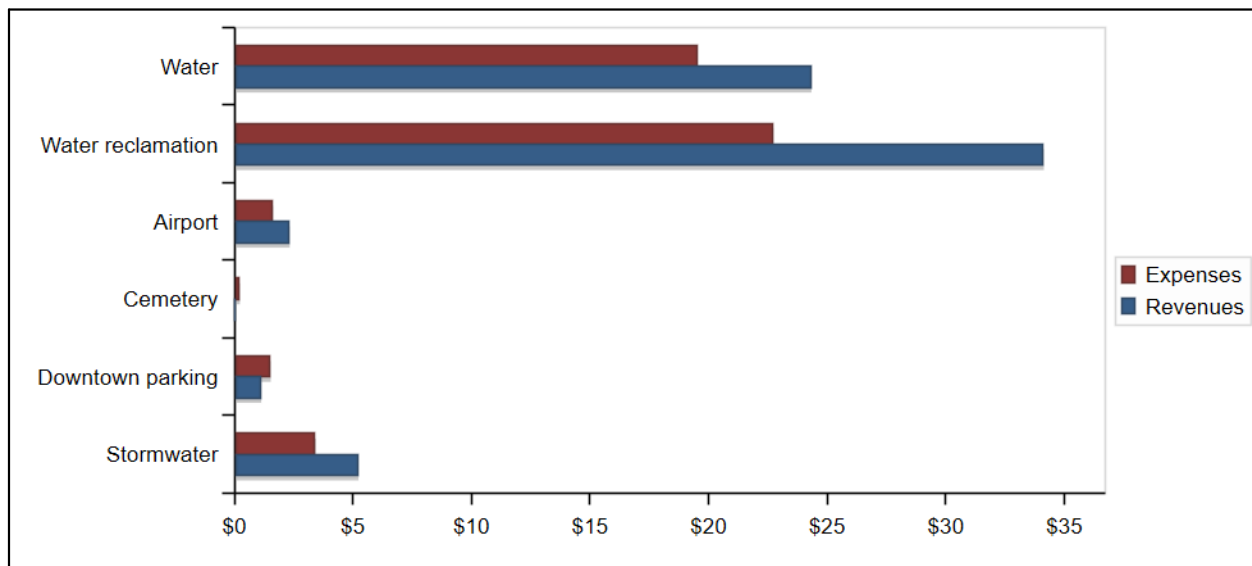
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)
Business-type Activities (Continued)

BUSINESS-TYPE ACTIVITIES REVENUES BY TYPE



As shown in the pie chart above, charges for services accounted for 79.0% of total business-type revenue in fiscal year 2018-19 compared to 81.9% in fiscal year 2017-18.

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

Fiscal Year Ended June 30, 2019

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 \$87.1 million which is a decrease of \$2.9 million from the prior fiscal year. This a decrease is due mainly expenditures in public safety and public ways and facilities increasing by approximately \$1.7 million more than the related increase in revenues as the City increased staffing in these areas to address public needs. In addition, debt proceeds of \$1.2 million occurred in 2017-2018 that were not repeated in 2018-2019.

Of the combined ending fund balance of \$87.1 million, \$5.1 million was nonspendable related to the assets held for resale and the Cemetery Permanent Maintenance Fund; \$28.6 million was restricted by creditors, grantors or by law; \$11.6 million was committed to specific purposes through City Council adopted resolution or ordinance; \$28.4 million was assigned by intent of the City to a specific purpose; and \$13.4 million was unassigned and available for spending by the City within the purposes specified for the City's funds.

The General Fund is the primary operating fund of the City. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$13.4 million, up \$3.0 million (28.8%) from the previous year. The unassigned fund balance represents 71.7% of total General Fund requirements.

The other major governmental funds are the Streets & Operations Fund, Fire/Emergency Medical Services (EMS) Fund, the System Development Charges (SDC) Fund and the Transportation Construction Fund. The Streets & Operation Fund's ending fund balance decreased by \$5.0 million due to increased spending on capital projects. The Fire/EMS Fund's ending fund balance increased by \$0.5 million which is consistent with the prior fiscal years. The SDC Fund's ending fund balance decreased by \$2.3 million due to increased transfers out to Transportation Construction, Water, and Water Reclamation for allowable capital projects.

The Transportation Construction Fund was elevated to a major fund in 2018-2019 due to increased activities in the fund. The fund balance increased by \$1.8 million. Revenues increased by \$2.3 million as a result of an increase in franchise fees directed toward transportation projects and an increase in system development charges. Expenditures increased by \$4.2 million as those increased revenues were spent on capital projects.

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 \$51.1 million, an increase of \$5.5 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 \$3.6 million of revenue and developer contributed infrastructure totaled \$3.2 million.

In the Water Reclamation Fund, the unrestricted net position at the end of the year amounted to \$58.3 million, an increase of \$4.3 million. Overall net position increased \$19.9 million. In addition, SDC's generated \$6.3 million of revenue and developer contributed infrastructure totaled \$4.6 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 12.5% and decreased in the Water Reclamation Funds by 10.0% in fiscal year 2018-19 over fiscal year 2017-18.

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
Fiscal Year Ended June 30, 2019

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget

The budgetary statement for the General Fund, which is located on page 64, shows the original budget, final budget, actual revenues and expenditures, and transfers in and out for the fiscal year ended June 30, 2019. During the 2017-2019 biennial budget cycle, General Fund budgeted resources changed as follows:

- Budgeted resources increased by \$4.6 million. \$3.9 million of that was due to one-time sales of assets held for resale and the balance was increases in property tax and intergovernmental revenues.
- Budgeted expenditures increased by \$11.1 million, of which \$10.8 million was due to an increase in transfers out to other funds. During the biennium, \$6.7 million of cash was transferred from the General Fund to the new Internal Service Fund - OPEB to create Council-approved reserves for addressing the City's OPEB liability. Another \$3.6 million was transferred from the General Fund to the Urban Renewal General Fund and Juniper Ridge Construction Fund representing the proceeds of sale of the land in the Juniper Ridge Urban Growth Boundary that Council provided for urban renewal.

CAPITAL ASSETS

As of June 30, 2019 the City had invested \$1,064.5 million in capital assets, net of depreciation, as reflected in the following table. This represents a net increase (additions, disposals and depreciation) of \$31.4 million. Governmental capital assets totaled \$528.4 million while business-type capital assets totaled \$536.2 million.

Capital Assets as of June 30 (in millions)

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------|----------------------------|-----------------|-----------------------------|-----------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land including right-of-way | \$ 149.4 | \$ 147.9 | \$ 6.4 | \$ 6.4 | \$ 155.8 | \$ 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 | 13.5 | 14.3 | 16.2 | 16.8 | 29.7 | 31.1 |
| Infrastructure | 308.4 | 302.6 | 421.8 | 250.1 | 730.2 | 552.7 |
| Vehicles and equipment | 9.8 | 10.8 | 3.3 | 3.3 | 13.1 | 14.1 |
| Software | - | - | - | (0.3) | - | (0.3) |
| Construction in progress | 46.6 | 46.8 | 87.0 | 232.3 | 133.6 | 279.1 |
| | <u>\$ 528.4</u> | <u>\$ 523.1</u> | <u>\$ 536.2</u> | <u>\$ 510.0</u> | <u>\$ 1,064.5</u> | <u>\$ 1,033.1</u> |

Major construction projects affecting capital assets for fiscal year 2018-19 are as follows:

- Street Construction - Improvement of various street infrastructure projects added \$7.9 million to capital assets. Projects included paving projects designed to improve and extend the life of approximately 120 lane miles of street surfaces. Developer constructed street infrastructure contributed to the City totaled \$3.6 million in the current year.
- Transportation Construction - \$7.3 million went to construction of new streets and transportation projects. Major projects included completion of the 14th Street extension, substantial progress on the Empire Corridor Modernization improvements, including the Empire and Purcell Roundabout and the Murphy Corridor improvements including the Murphy and 15th and Murphy and Parrell Roundabouts.
- Water Fund Improvements - \$4.1 million was expended on water Improvements 2018-2019 included upgrades to the Overturf Reservoir, water line upgrades in connection with the 14th Street Reconstruction project and improvements to the Empire and Murphy Corridors. Developer constructed water infrastructure contributed to the City totaled \$3.2 million in the current year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2019

CAPITAL ASSETS (Continued)

- Water Reclamation Fund Improvements added to capital assets in 2018-2019 were \$19.5 million. Significant projects were the Plant Interceptor Rehabilitation project, Capacity Improvements, the Phase I of the North Interceptor project, Collection System Enhancements and several individual Pump Station Upgrades and Decommissionings.

Please refer to Note 5 on page 41 of the basic financial statements for further detailed information on capital assets.

DEBT ADMINISTRATION

As of June 30, 2019, the City had \$250.7 million in long-term debt and unamortized premiums and discounts, a decrease of \$(3.8) million from the prior year. The City has an unamortized balance of premiums and discounts on long-term debt issuances of \$11.6 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 30
(in millions)

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|----------------------------|----------------|-----------------------------|-----------------|-----------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Full faith & credit obligations | \$ 16.7 | \$ 18.7 | \$ 10.7 | \$ 11.8 | \$ 27.4 | \$ 30.5 |
| Revenue bonds | - | - | 46.8 | 54.8 | 46.8 | 54.8 |
| Notes payable | 23.8 | 25.9 | 121.7 | 110.4 | 145.5 | 136.3 |
| General obligation debt | 19.4 | 20.5 | - | - | 19.4 | 20.5 |
| | <u>59.9</u> | <u>65.1</u> | <u>179.2</u> | <u>177.0</u> | <u>239.1</u> | <u>242.1</u> |
| Unamortized premiums & discounts | 1.2 | 1.4 | 10.4 | 11.0 | 11.6 | 12.4 |
| Total Outstanding Debt | <u>\$ 61.1</u> | <u>\$ 66.5</u> | <u>\$ 189.6</u> | <u>\$ 188.0</u> | <u>\$ 250.7</u> | <u>\$ 254.5</u> |

The significant changes in long-term debt include proceeds of \$13.3 million for drawdowns of notes payable from the State of Oregon Department of Environmental Quality to fund construction on the water reclamation system and \$1.0 million in full faith and credit debt to finance the ERP project. This increase was offset by \$17.4 million in scheduled principal payments and to call the outstanding 2008 revenue bonds in the water reclamation fund.

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 2018-19 value, the City's debt limitation is \$600.7 million. The City is well within its debt limitation with an amount of outstanding debt subject to this limitation of \$17.9 million.

The City of Bend's long-term bonds are rated by Moody's Investors Service as follows:

| Issue Type | Global Scale Rating |
|--|---------------------|
| General Obligation Bonds | Aa2 |
| Full Faith and Credit Obligation Bonds | Aa2 |
| Water Revenue Bond | Aa2 |

There are currently no sewer revenue bonds outstanding, but before being paid off during 2018-2019, they were also rated Aa2.

The full faith and credit obligations were upgraded by Moody's from Aa3 to Aa2 in February 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2019

DEBT ADMINISTRATION (Continued)

Debt Limitation Ratings (Continued)

The 2016 Water revenue bonds are also rated by Standard & Poor's as AA, which is comparable with Moody's rating of Aa2.

Please refer to Note 11 on pages 45 - 50 of the basic financial statements for further detailed information on long-term debt.

ECONOMIC FACTORS AND OUTLOOK FOR NEXT BIENNIUM

The population of the City of Bend as of July 1, 2019, was 91,385, which is 48% of the population of Deschutes County. As noted in the Transmittal Letter, Bend continues to be one of the fastest growing cities in the country. Bend's population increased over 11% in the last 10 years and has grown over 64% in the last 20 years. This level of growth has put a huge demand on City services and City resources.

In the past decade, the City has responded to this escalating need by first addressing infrastructure needs in its essential services: water and sewer utilities, street and public safety. City Council has now encompassed a more aggressive approach in addressing the City's other top priorities: transportation and housing supply. The 2019-2021 biennial budget represents an aggressive approach in addressing the community's top priorities: investing in transportation and increasing housing supply. In addition to increases in fees to support these investments, the City is pursuing creative approaches through public/private partnerships. Such partnerships are also foundational to tackling emerging issues facing our local community such as homelessness, mental health, and diversity, equity and inclusion (DEI) initiatives. Much work remains to plan for continued growth, including a long-term transportation plan and related funding package, as well as improvements to City facilities. The 2019-2021 biennial budget sets the course for these long-term plans and investments.

City Council has set ambitious goals during the upcoming 2019-2021 biennium, which is reflected in a biennial budget that proposes a 78% increase in capital improvement spending from the 2017-2019 biennial budget. The City's five year Capital Improvement Program calls for spending \$74 million on transportation projects, \$18 million in water system projects and \$127 million in water reclamation projects. To accomplish these goals, as well as the increased needs in public safety and public ways and facilities, Council has approved a 6% increase in staffing over the upcoming biennium.

To meet this increased expenditure level, the City will leverage fee and rate increases to issue over \$109M of debt to ensure today's and future generations equally share in paying for investment and replacement of aging infrastructure, facilities and equipment. These fee adjustments include increases to utility rates, system development charges, and franchise fees. Responding to the community's desire for a higher level of core services, including street operations and maintenance, required a continued decrease in the ending General Fund reserve balance (from 17% of total expenditures in the original 2017-2019 biennial budget to 16% in the 2019-2021 biennium). This approach is part of an overall financial strategy to reduce certain reserve levels given ongoing street maintenance needs and the relative higher cost of deferment.

Bend is evolving into a City of 100,000. We are catching up to growth and creating long-term plans for investments in transportation and other necessary infrastructure. The 2019-2021 biennial budget continues our path to balanced economic development, environmental stewardship, housing affordability and our community heritage that preserves our strength as a desirable, friendly and livable City. We are in a healthy financial position. Staff continues to work with the City Council to address community priorities while maintaining the financial health of our organization and being good stewards of the public funds that are entrusted to us.

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 Chief Financial Officer, at 710 NW Wall Street, Bend, Oregon 97703. The telephone number for the City's Finance Department is 541-388-5509.

BASIC FINANCIAL STATEMENTS

City of Bend, Oregon
Statement of Net Position
June 30, 2019

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------|
| Assets | | | |
| Pooled cash and investments | \$ 61,164,298 | \$ 115,555,540 | \$ 176,719,838 |
| Receivables, net | 9,966,856 | 9,034,413 | 19,001,269 |
| Due from other governments | 1,908,637 | 6,813,142 | 8,721,779 |
| Advances to/from other funds | 1,915,000 | (1,915,000) | - |
| Restricted cash and investments | 45,499,289 | 4,762,891 | 50,262,180 |
| Other assets | 302,363 | 69,416 | 371,779 |
| Assessments receivable | 47,489 | 64,135 | 111,624 |
| Loans and notes receivable | 12,126,386 | 1,409,418 | 13,535,804 |
| Assets held for resale | 4,487,276 | - | 4,487,276 |
| Non-depreciable capital assets | 196,754,139 | 94,734,422 | 291,488,561 |
| Depreciable capital assets, net | 331,664,321 | 441,355,910 | 773,020,231 |
| Net OPEB Asset | 433,250 | 67,560 | 500,810 |
| Total Assets | 666,269,304 | 671,951,847 | 1,338,221,151 |
| Deferred Outflows of Resources | | | |
| Deferred outflows from pensions | 24,206,234 | 3,774,617 | 27,980,851 |
| Deferred outflows from OPEB | 715,754 | 111,615 | 827,369 |
| Deferred outflows from debt refunding | 69,004 | - | 69,004 |
| Total Deferred Outflows of Resources | 24,990,992 | 3,886,232 | 28,877,224 |
| Liabilities | | | |
| Accounts payable | 8,116,402 | 2,587,239 | 10,703,641 |
| Other liabilities | 7,296,721 | 3,876,298 | 11,173,019 |
| Due to developers | 34,968 | - | 34,968 |
| Deposits | 821,610 | 259,887 | 1,081,497 |
| Long-term debt due or payable within one year | 6,451,307 | 8,404,406 | 14,855,713 |
| Net pension liability | 50,932,950 | 7,942,265 | 58,875,215 |
| Total OPEB liability | 37,132,284 | 5,790,252 | 42,922,536 |
| Long-term debt due or payable after one year | 54,734,845 | 181,093,840 | 235,828,685 |
| Total Liabilities | 165,521,087 | 209,954,187 | 375,475,274 |
| Deferred Inflows of Resources | | | |
| Deferred inflows from pensions | 3,130,754 | 488,195 | 3,618,949 |
| Deferred inflows from OPEB | 304,679 | 47,513 | 352,192 |
| Deferred inflows from debt refunding | 41,606 | 316,765 | 358,371 |
| Total Deferred Inflows of Resources | 3,477,039 | 852,473 | 4,329,512 |
| Net Position | | | |
| Net investment in capital assets | 481,502,934 | 346,275,321 | 827,778,255 |
| Restricted for: | | | |
| Debt service | 5,292,750 | 4,503,004 | 9,795,754 |
| Capital projects | 18,213,654 | 5,606 | 18,219,260 |
| Affordable housing | 3,214,844 | - | 3,214,844 |
| Tourism | 1,171,680 | - | 1,171,680 |
| Permanent maintenance | 680,364 | - | 680,364 |
| Urban renewal | 459,028 | - | 459,028 |
| Grant activity | 160,711 | - | 160,711 |
| Unrestricted | 11,566,206 | 114,247,488 | 125,813,694 |
| Total Net Position | \$ 522,262,171 | \$ 465,031,419 | \$ 987,293,590 |

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, 2019

| | 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 | \$ 26,144,584 | \$ 11,072,506 | \$ 127,451 | \$ - | \$ (14,944,627) | \$ - | \$ (14,944,627) |
| Public safety | 47,115,005 | 6,381,401 | 8,233,077 | - | (32,500,527) | - | (32,500,527) |
| Public ways and facilities | 29,454,521 | 5,110,164 | 6,490,720 | 20,313,165 | 2,459,528 | - | 2,459,528 |
| Community and economic development | 16,511,704 | 13,117,495 | 813,041 | - | (2,581,168) | - | (2,581,168) |
| Permanent maintenance | 5,065 | 6,386 | - | - | 1,321 | - | 1,321 |
| Urban renewal | 310,295 | 101 | - | - | (310,194) | - | (310,194) |
| Interest on long-term debt | 1,747,178 | - | - | - | (1,747,178) | - | (1,747,178) |
| Total Governmental Activities | 121,288,352 | 35,688,053 | 15,664,289 | 20,313,165 | (49,622,845) | - | (49,622,845) |
| Business-Type Activities: | | | | | | | |
| Water | 19,487,352 | 21,098,711 | - | 3,243,255 | - | 4,854,614 | 4,854,614 |
| Water reclamation | 22,716,981 | 29,532,280 | - | 4,601,326 | - | 11,416,625 | 11,416,625 |
| Airport | 1,624,579 | 893,357 | - | 1,429,151 | - | 697,929 | 697,929 |
| Cemetery | 175,576 | 73,413 | - | - | - | (102,163) | (102,163) |
| Downtown parking | 1,522,041 | 1,097,133 | - | 5,320 | - | (419,588) | (419,588) |
| Stormwater | 3,431,611 | 4,077,487 | - | 1,143,695 | - | 1,789,571 | 1,789,571 |
| Total Business-Type Activities | 48,958,140 | 56,772,381 | - | 10,422,747 | - | 18,236,988 | 18,236,988 |
| Total Activities | \$ 170,246,492 | \$ 92,460,434 | \$ 15,664,289 | \$ 30,735,912 | (49,622,845) | 18,236,988 | (31,385,857) |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purpose | | | | | 34,043,215 | - | 34,043,215 |
| Property taxes, levied for debt service | | | | | 3,531,197 | - | 3,531,197 |
| Room taxes | | | | | 10,239,111 | - | 10,239,111 |
| Franchise fees | | | | | 9,649,765 | - | 9,649,765 |
| Unrestricted investment income | | | | | 4,797,438 | 4,726,083 | 9,523,521 |
| Transfers | | | | | (9,944,467) | 9,944,467 | - |
| Total General Revenues and Transfers | | | | | 52,316,259 | 14,670,550 | 66,986,809 |
| Change in Net Position | | | | | 2,693,414 | 32,907,538 | 35,600,952 |
| Net Position, July 1, 2018 | | | | | 519,568,757 | 432,123,881 | 951,692,638 |
| Net Position, June 30, 2019 | | | | | \$ 522,262,171 | \$ 465,031,419 | \$ 987,293,590 |

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

City of Bend, Oregon
Balance Sheet
Governmental Funds
June 30, 2019

| | General Fund* | Streets & Operations Fund | Fire / Emergency Medical Services Fund | System Development Charges (SDC) Fund | Transportation Construction Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------------------|--|--|--|-----------------------------------|--------------------------------|
| Assets | | | | | | | |
| Pooled cash and investments | \$ 10,528,566 | \$ 5,271,647 | \$ 4,168,949 | \$ - | \$ 8,958,237 | \$ 30,265,036 | \$ 59,192,435 |
| Restricted cash and investments | 1,021,754 | 28,790 | - | 14,144,385 | 2,788,141 | 8,732,636 | 26,715,706 |
| Receivables: | | | | | | | |
| Taxes | 841,761 | - | 59,865 | - | - | 93,297 | 994,923 |
| Accounts, net | 3,811,271 | 97,714 | 2,643,780 | 65,446 | 190,318 | 604,398 | 7,412,927 |
| Assessments receivable, net | - | - | - | - | - | 47,489 | 47,489 |
| Loans and notes receivable, net | 639,656 | - | - | 600,125 | - | 10,886,605 | 12,126,386 |
| Interest | 1,026,360 | - | - | - | - | - | 1,026,360 |
| Due from other funds | 925,927 | - | 25,973 | - | - | - | 951,900 |
| Due from other governments | 626,330 | 1,235,530 | - | - | - | 3,517 | 1,865,377 |
| Assets held for resale | 4,487,276 | - | - | - | - | - | 4,487,276 |
| Total Assets | \$ 23,908,901 | \$ 6,633,681 | \$ 6,898,567 | \$ 14,809,956 | \$ 11,936,696 | \$ 50,632,978 | \$ 114,820,779 |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | | | |
| (Deficits) | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | \$ 836,940 | \$ 3,913,049 | \$ 357,832 | \$ 21,976 | \$ 1,784,380 | \$ 511,023 | \$ 7,425,200 |
| Salaries and benefits payable | 320,973 | 72,633 | 292,248 | - | 10,883 | 137,247 | 833,984 |
| Retainage payable | - | 215,543 | 7,798 | - | 255,181 | 17,030 | 495,552 |
| Due to developers | - | - | - | 34,968 | - | - | 34,968 |
| Other accrued liabilities | 661,745 | - | - | - | - | 113 | 661,858 |
| Deposits - restricted | 182,741 | 28,790 | - | - | - | 601,571 | 813,102 |
| Unearned revenue | - | - | - | - | - | 963 | 963 |
| Due to other funds | - | - | - | - | - | 36,900 | 36,900 |
| Total Liabilities | 2,002,399 | 4,230,015 | 657,878 | 56,944 | 2,050,444 | 1,304,847 | 10,302,527 |
| Deferred Inflows of Resources | | | | | | | |
| Unavailable revenue - property taxes | 605,469 | - | 42,826 | - | - | 66,876 | 715,171 |
| Unavailable revenue - ambulance billings | - | - | 1,866,537 | - | - | - | 1,866,537 |
| Unavailable revenue - assessments & loans | 2,614,555 | 681,445 | - | 665,571 | - | 10,919,240 | 14,880,811 |
| Total Deferred Inflows of Resources | 3,220,024 | 681,445 | 1,909,363 | 665,571 | - | 10,986,116 | 17,462,519 |
| Fund Balances (Deficits): | | | | | | | |
| Nonspendable | 4,487,276 | - | - | - | - | 633,471 | 5,120,747 |
| Restricted | 839,013 | - | - | 14,087,441 | 2,788,141 | 10,844,965 | 28,559,560 |
| Committed | - | - | 4,331,326 | - | - | 7,291,682 | 11,623,008 |
| Assigned | - | 1,722,221 | - | - | 7,098,111 | 19,571,897 | 28,392,229 |
| Unassigned | 13,360,189 | - | - | - | - | - | 13,360,189 |
| Total Fund Balances (Deficits) | 18,686,478 | 1,722,221 | 4,331,326 | 14,087,441 | 9,886,252 | 38,342,015 | 87,055,733 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) | \$ 23,908,901 | \$ 6,633,681 | \$ 6,898,567 | \$ 14,809,956 | \$ 11,936,696 | \$ 50,632,978 | \$ 114,820,779 |

* The General Fund presented here includes the General Fund Stabilization Fund. Details of the combination are at page 142.

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, 2019

| | |
|---|-----------------------|
| Total Fund Balances (Deficits) | \$ 87,055,733 |
| 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. | 505,128,149 |
| 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 | 116,113 |
| Deferred outflows of refunded debt | 61,413 |
| 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 | 715,171 |
| Unavailable assessments and loans | 14,880,811 |
| Other unavailable revenues | 1,867,500 |
| Liabilities and deferred inflows of resources that are not due and payable in the current period, are not reported in the funds: | |
| Interest payable | (167,270) |
| Accrued compensated absences | (3,656,893) |
| Net pension activity | (23,676,135) |
| Other post-employment benefits | (28,775,334) |
| Accrued health insurance benefits | (14,704) |
| Long-term debt | (47,140,209) |
| Deferred inflows of refunded debt | (8,980) |
| 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. | <u>15,876,806</u> |
| Total Net Position | <u>\$ 522,262,171</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, 2019

| | General Fund* | Streets & Operations Fund | Fire / Emergency Medical Services Fund | System Development Charges (SDC) Fund | Transportation Construction Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|---------------------------|--|---------------------------------------|----------------------------------|-----------------------------|--------------------------|
| Revenues | | | | | | | |
| Taxes | \$ 38,606,411 | \$ - | \$ 2,497,024 | \$ - | \$ - | \$ 6,728,570 | \$ 47,832,005 |
| Franchise fees | 6,627,854 | 872,207 | - | - | 1,352,106 | 797,598 | 9,649,765 |
| Intergovernmental | 3,856,938 | 6,459,432 | 4,066,963 | - | 72,012 | 289,169 | 14,744,514 |
| Assessments | - | - | - | - | - | 218,128 | 218,128 |
| Licenses and permits | 98,323 | - | - | - | - | 5,903,149 | 6,001,472 |
| Charges for services | 544,527 | 162,232 | 4,403,317 | - | 9,079 | 8,604,686 | 13,723,841 |
| System development charges | - | - | - | 16,392,316 | - | - | 16,392,316 |
| Contributions | - | 2,200 | 958 | - | 1,673,484 | 62,900 | 1,739,542 |
| Fines and forfeitures | 1,301,271 | - | - | - | - | - | 1,301,271 |
| Loan repayments | - | - | - | 5,658 | - | 251,879 | 257,537 |
| Permanent maintenance fees | - | - | - | - | - | 6,386 | 6,386 |
| Investment income | 585,987 | 226,538 | 165,620 | 1,276,026 | 59,660 | 1,639,618 | 3,953,449 |
| Miscellaneous | 3,507 | 37,227 | 38,410 | - | 489 | 943 | 80,576 |
| Total Revenues | 51,624,818 | 7,759,836 | 11,172,292 | 17,674,000 | 3,166,830 | 24,503,026 | 115,900,802 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | 2,485,817 | - | - | - | - | 26,100 | 2,511,917 |
| Public safety | 25,342,794 | - | 23,139,376 | - | - | 7,500 | 48,489,670 |
| Public ways and facilities | - | 9,070,702 | - | 184,424 | 2,430,547 | 169,268 | 11,854,941 |
| Community and economic development | 1,888,229 | - | - | - | - | 16,746,448 | 18,634,677 |
| Permanent maintenance | - | - | - | - | - | 5,065 | 5,065 |
| Urban renewal | - | - | - | - | - | 226,679 | 226,679 |
| Debt service: | | | | | | | |
| Principal | - | 297,756 | 477,278 | - | 1,215,339 | 3,196,500 | 5,186,873 |
| Interest | - | 46,612 | 102,846 | - | 87,299 | 1,601,292 | 1,838,049 |
| Capital outlay | 380,748 | 9,894,345 | 602,509 | - | 7,338,902 | 1,996,786 | 20,213,290 |
| Total Expenditures | 30,097,588 | 19,309,415 | 24,322,009 | 184,424 | 11,072,087 | 23,975,638 | 108,961,161 |
| Excess (deficiency) of revenues over (under) expenditures | 21,527,230 | (11,549,579) | (13,149,717) | 17,489,576 | (7,905,257) | 527,388 | 6,939,641 |
| Other Financing Sources (Uses) | | | | | | | |
| Proceeds from sale of capital assets | | | | | | | |
| | 5,662 | 34,262 | 7,101 | - | - | - | 47,025 |
| Transfers in | 595,658 | 6,611,888 | 13,710,973 | - | 9,974,622 | 1,735,452 | 32,628,593 |
| Transfers out | (21,609,742) | (57,135) | (46,521) | (19,844,873) | (286,274) | (717,721) | (42,562,266) |
| Total Other Financing Sources (Uses) | (21,008,422) | 6,589,015 | 13,671,553 | (19,844,873) | 9,688,348 | 1,017,731 | (9,886,648) |
| Net change in fund balances | 518,808 | (4,960,564) | 521,836 | (2,355,297) | 1,783,091 | 1,545,119 | (2,947,007) |
| Fund Balances (Deficits), July 1, 2018 | 18,167,670 | 6,682,785 | 3,809,490 | 16,442,738 | 8,103,161 | 36,796,896 | 90,002,740 |
| Fund Balances (Deficits), June 30, 2019 | \$ 18,686,478 | \$ 1,722,221 | \$ 4,331,326 | \$ 14,087,441 | \$ 9,886,252 | \$ 38,342,015 | \$ 87,055,733 |

*The General Fund presented here includes the General Fund Stabilization Fund. Details of the combination are at page 143.

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, 2019

| | | |
|--|---------------------|---------------------|
| Net Change in Fund Balance | | \$ (2,947,007) |
| 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 | \$ 20,213,290 | |
| Capital asset disposals/transfers | (195,270) | |
| Depreciation | <u>(18,655,251)</u> | 1,362,769 |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | | 4,930,553 |
| 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 principal repayments | | 5,186,873 |
| 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 | | 15,371 |
| Amortization of bond premiums and discounts | | 102,244 |
| Amortization of deferred inflows | | 4,490 |
| Amortization of deferred outflows | | (6,824) |
| Accrued pension expense | | (2,902,757) |
| Accrued compensated absences | | (786,463) |
| Accrued OPEB expense | | (1,166,329) |
| Accrued health insurance benefits | | 6,505 |
| 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>(1,106,011)</u> |
| Change in Net Position | | <u>\$ 2,693,414</u> |

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

City of Bend, Oregon
Statement of Net Position
Proprietary Funds
June 30, 2019

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities | |
|--|---|------------------------------|---------------------------------|-------------------------------|---------------------------|
| | Water Fund | Water Reclamation Fund | Nonmajor Enterprise Funds | Total Proprietary Funds | Internal Service Funds |
| Assets | | | | | |
| Current assets: | | | | | |
| Pooled cash and investments | \$ 51,383,157 | \$ 57,098,167 | \$ 7,074,216 | \$ 115,555,540 | \$ 20,746,938 |
| Receivables: | | | | | |
| Accounts, net | 3,526,762 | 4,603,055 | 786,276 | 8,916,093 | 416,533 |
| Interest | 37,917 | 80,403 | - | 118,320 | - |
| Due from other governments | - | 5,821,492 | 991,650 | 6,813,142 | 43,260 |
| Other assets | 29,840 | - | - | 29,840 | 348 |
| Prepays and deposits | 39,576 | - | - | 39,576 | 302,015 |
| Total Current Assets | 55,017,252 | 67,603,117 | 8,852,142 | 131,472,511 | 21,509,094 |
| Noncurrent assets: | | | | | |
| Restricted cash and investments | 224,588 | 4,503,004 | 35,299 | 4,762,891 | 8,508 |
| Assessments receivable, net | - | 64,135 | - | 64,135 | - |
| Loans and notes receivable, net | 1,400,000 | 9,418 | - | 1,409,418 | - |
| Advances to other funds | - | - | - | - | 1,000,000 |
| Capital assets, net | 172,935,442 | 286,946,912 | 76,207,978 | 536,090,332 | 23,290,311 |
| Net OPEB asset | 25,792 | 31,502 | 10,266 | 67,560 | 89,697 |
| Total Noncurrent Assets | 174,585,822 | 291,554,971 | 76,253,543 | 542,394,336 | 24,388,516 |
| Total Assets | 229,603,074 | 359,158,088 | 85,105,685 | 673,866,847 | 45,897,610 |
| Deferred Outflows of Resources | | | | | |
| Deferred outflows from pensions | 1,441,014 | 1,759,996 | 573,607 | 3,774,617 | 5,011,371 |
| Deferred outflows from OPEB | 42,610 | 52,043 | 16,962 | 111,615 | 148,183 |
| Deferred outflows from debt refunding | - | - | - | - | 7,591 |
| Total Deferred Outflows of Resources | 1,483,624 | 1,812,039 | 590,569 | 3,886,232 | 5,167,145 |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 756,012 | 1,594,234 | 236,993 | 2,587,239 | 691,202 |
| Salaries and benefits payable | 71,457 | 91,423 | 26,834 | 189,714 | 270,633 |
| Retainage payable | 109,867 | 1,952,994 | 37,493 | 2,100,354 | 4,094 |
| Other accrued liabilities: | | | | | |
| Compensated absences | 274,445 | 344,252 | 124,135 | 742,832 | 1,127,796 |
| Interest payable | 206,885 | 424,615 | 5,760 | 637,260 | 44,959 |
| Insurance claims | 1,334 | 1,634 | 747 | 3,715 | 18,978 |
| Other | - | 141,747 | 60,676 | 202,423 | - |
| Deposits - restricted | 224,588 | - | 35,299 | 259,887 | 8,508 |
| Due to other funds | - | - | 915,000 | 915,000 | - |
| Current portion of advances from other funds | - | - | 100,000 | 100,000 | - |
| Current portion of long term debt, net | 2,374,437 | 5,926,559 | 103,410 | 8,404,406 | 1,122,801 |
| Total Current Liabilities | 4,019,025 | 10,477,458 | 1,646,347 | 16,142,830 | 3,288,971 |
| Noncurrent liabilities: | | | | | |
| Advances from other funds | - | - | 900,000 | 900,000 | - |
| Net pension liability | 3,032,074 | 3,703,249 | 1,206,942 | 7,942,265 | 10,544,551 |
| Net OPEB liability | 2,210,512 | 2,699,828 | 879,912 | 5,790,252 | 7,687,428 |
| Long-term debt, net | 56,327,399 | 123,635,783 | 1,130,658 | 181,093,840 | 12,923,142 |
| Total Noncurrent Liabilities | 61,569,985 | 130,038,860 | 4,117,512 | 195,726,357 | 31,155,121 |
| Total Liabilities | 65,589,010 | 140,516,318 | 5,763,859 | 211,869,187 | 34,444,092 |

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

Continued on next page

City of Bend, Oregon
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2019

| | 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 | 186,376 | 227,632 | 74,187 | 488,195 | 648,155 |
| Deferred inflows from OPEB | 18,138 | 22,153 | 7,222 | 47,513 | 63,076 |
| Deferred inflows from debt refunding | 316,765 | - | - | 316,765 | 32,626 |
| Total Deferred Inflows of Resources | <u>521,279</u> | <u>249,785</u> | <u>81,409</u> | <u>852,473</u> | <u>743,857</u> |
| <u>Net Position (Deficit)</u> | | | | | |
| Net investment in capital assets | 113,916,841 | 157,384,570 | 74,973,910 | 346,275,321 | 9,219,333 |
| Restricted for: | | | | | |
| Outside construction covenant | 541 | 5,065 | - | 5,606 | - |
| Debt service | - | 4,503,004 | - | 4,503,004 | - |
| Committed: | | | | | |
| Other post employment benefit liability | - | - | - | - | 9,583,422 |
| Unrestricted (deficit) | <u>51,059,027</u> | <u>58,311,385</u> | <u>4,877,076</u> | <u>114,247,488</u> | <u>(2,925,949)</u> |
| Total Net Position | <u>\$ 164,976,409</u> | <u>\$ 220,204,024</u> | <u>\$ 79,850,986</u> | <u>\$ 465,031,419</u> | <u>\$ 15,876,806</u> |

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

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City of Bend, Oregon
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2019

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities |
|--|---|-----------------------|----------------------|-----------------------|----------------------------|
| | Water | Water | Nonmajor | Total | Internal Service Funds |
| | Fund | Reclamation Fund | Enterprise Funds | Proprietary Funds | |
| <u>Operating Revenues</u> | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ 123,906 |
| Licenses and permits | - | - | - | - | 236,675 |
| Charges for services | 21,005,396 | 29,497,005 | 6,129,201 | 56,631,602 | 25,876,618 |
| Rental income | - | - | - | - | 2,247,325 |
| Loan repayments | 91,000 | 6,688 | - | 97,688 | - |
| Insurance settlements and refunds | - | - | - | - | 900 |
| Miscellaneous | 39,915 | 13,012 | 18,754 | 71,681 | 278,640 |
| Total Operating Revenues | 21,136,311 | 29,516,705 | 6,147,955 | 56,800,971 | 28,764,064 |
| <u>Operating Expenses</u> | | | | | |
| Salaries and benefits | 4,989,917 | 5,995,649 | 1,871,629 | 12,857,195 | 18,153,177 |
| Materials and supplies | 3,913,214 | 3,165,978 | 1,278,898 | 8,358,090 | 6,573,649 |
| Internal services | 3,322,473 | 4,091,867 | 1,273,396 | 8,687,736 | 2,517,212 |
| Insurance premiums and claims | - | - | - | - | 1,872,527 |
| Depreciation | 5,302,135 | 6,421,863 | 2,344,011 | 14,068,009 | 1,242,996 |
| Total Operating Expenses | 17,527,739 | 19,675,357 | 6,767,934 | 43,971,030 | 30,359,561 |
| Operating income (loss) | 3,608,572 | 9,841,348 | (619,979) | 12,829,941 | (1,595,497) |
| <u>Nonoperating Revenues (Expenses)</u> | | | | | |
| Investment income | 2,033,792 | 2,312,574 | 379,717 | 4,726,083 | 830,776 |
| Insurance proceeds | 15,494 | - | - | 15,494 | 71,732 |
| Interest expense | (2,421,560) | (3,017,329) | (47,282) | (5,486,171) | (409,867) |
| Amortization | 617,304 | 24,371 | 1,140 | 642,815 | 25,293 |
| Gain (loss) on disposal of assets | (188,862) | (3,233) | 4,258 | (187,837) | (21,380) |
| Total Nonoperating Revenues (Expenses) | 56,168 | (683,617) | 337,833 | (289,616) | 496,554 |
| Income (loss) before contributions and transfers | 3,664,740 | 9,157,731 | (282,146) | 12,540,325 | (1,098,943) |
| <u>Contributions and Transfers</u> | | | | | |
| Capital grants and contributions | 3,243,255 | 4,601,325 | 2,578,166 | 10,422,746 | - |
| Proceeds from sale of capital assets | - | - | - | - | 3,727 |
| Transfers in | 3,579,980 | 6,322,754 | 316,716 | 10,219,450 | 450,455 |
| Transfers out | (102,500) | (134,983) | (37,500) | (274,983) | (461,250) |
| Total Contributions and Transfers | 6,720,735 | 10,789,096 | 2,857,382 | 20,367,213 | (7,068) |
| Change in net position | 10,385,475 | 19,946,827 | 2,575,236 | 32,907,538 | (1,106,011) |
| Net Position, July 1, 2018 | 154,590,934 | 200,257,197 | 77,275,750 | 432,123,881 | 16,982,817 |
| Net Position, June 30, 2019 | \$ 164,976,409 | \$ 220,204,024 | \$ 79,850,986 | \$ 465,031,419 | \$ 15,876,806 |

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, 2019

| | <u>Business-type Activities - Enterprise Funds</u> | | | | Governmental Activities - Internal Service Fund |
|--|--|------------------------------|---------------------------------|-------------------------------|--|
| | Water Fund | Water Reclamation Fund | Nonmajor Enterprise Funds | Total Proprietary Funds | |
| <u>Cash Flows from Operating Activities</u> | | | | | |
| Cash received from customers | \$ 20,248,777 | \$ 28,671,281 | \$ 5,993,212 | \$ 54,913,270 | \$ 615,262 |
| Cash received from interfund services provided | 199,874 | 25,575 | 23,366 | 248,815 | 27,883,628 |
| Cash paid to employees for services | (4,747,200) | (5,822,900) | (1,781,088) | (12,351,188) | (16,640,303) |
| Cash paid to suppliers for goods and services | (3,982,781) | (3,148,479) | (2,182,474) | (9,313,734) | (8,223,513) |
| Cash paid for interfund services used | (3,322,473) | (4,091,867) | (1,273,396) | (8,687,736) | (2,517,212) |
| Cash receipts from operating grants or subsidies | - | - | - | - | 123,906 |
| Net Cash From Operating Activities | <u>8,396,197</u> | <u>15,633,610</u> | <u>779,620</u> | <u>24,809,427</u> | <u>1,241,768</u> |
| <u>Cash Flows from Noncapital Financing Activities</u> | | | | | |
| Transfers from other funds | 3,547,497 | 6,322,754 | 316,716 | 10,186,967 | 450,455 |
| Transfers to other funds | (102,500) | (102,500) | (37,500) | (242,500) | (461,250) |
| Net Cash from Noncapital Financing Activities | <u>3,444,997</u> | <u>6,220,254</u> | <u>279,216</u> | <u>9,944,467</u> | <u>(10,795)</u> |
| <u>Cash Flows from Capital and Related Financing Activities</u> | | | | | |
| Issuance of debt | - | 13,291,439 | 915,000 | 14,206,439 | 994,191 |
| Principal payments on capital debt | (1,713,853) | (9,228,599) | (2,684,531) | (13,626,983) | (1,049,378) |
| Interest payments on capital debt | (2,427,623) | (4,317,872) | (45,949) | (6,791,444) | (399,859) |
| Acquisition and construction of capital assets | (4,820,269) | (22,024,059) | (5,038,220) | (31,882,548) | (1,622,215) |
| Capital grants and contributions | 40,856 | 639 | 3,725,924 | 3,767,419 | (19,103) |
| Insurance proceeds | 15,494 | - | - | 15,494 | 71,732 |
| Proceeds from sale of assets | 5,950 | 19,940 | 4,050 | 29,940 | 3,727 |
| Net Cash from Capital and Related Financing Activities | <u>(8,899,445)</u> | <u>(22,258,512)</u> | <u>(3,123,726)</u> | <u>(34,281,683)</u> | <u>(2,020,905)</u> |
| <u>Cash Flows from Investing Activities</u> | | | | | |
| Investment income | 2,033,792 | 2,312,574 | 379,717 | 4,726,083 | 830,776 |
| Net Cash from Investing Activities | <u>2,033,792</u> | <u>2,312,574</u> | <u>379,717</u> | <u>4,726,083</u> | <u>830,776</u> |
| Net change in pooled cash and investments | 4,975,541 | 1,907,926 | (1,685,173) | 5,198,294 | 40,844 |
| Pooled Cash and Investments, July 1, 2018 | 46,632,204 | 59,693,245 | 8,794,688 | 115,120,137 | 20,714,602 |
| Pooled Cash and Investments, June 30, 2019 | <u>\$ 51,607,745</u> | <u>\$ 61,601,171</u> | <u>\$ 7,109,515</u> | <u>\$ 120,318,431</u> | <u>\$ 20,755,446</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, 2019

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) | \$ 3,608,572 | \$ 9,841,348 | \$ (619,979) | \$ 12,829,941 | \$ (1,595,497) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | | |
| Depreciation | 5,302,135 | 6,421,863 | 2,344,011 | 14,068,009 | 1,242,996 |
| Change in: | | | | | |
| Accounts receivable | (684,391) | (835,411) | (125,939) | (1,645,741) | (142,379) |
| Loan, notes and assessments receivable | - | 4,061 | - | 4,061 | - |
| Prepays and deposits | 102 | - | - | 102 | (2,069) |
| Accounts payable | (69,567) | 17,499 | (903,576) | (955,644) | 317,076 |
| Salaries and benefits payable | (10,134) | (11,781) | (2,641) | (24,556) | (30,598) |
| Pension benefits | 159,253 | 158,349 | 62,856 | 380,458 | 1,012,163 |
| Other post-employment benefits | 82,467 | 12,427 | 19,115 | 114,009 | 789,481 |
| Compensated absences payable | 11,466 | 14,570 | 11,171 | 37,207 | 130,198 |
| Insurance claims payable | (335) | (816) | 40 | (1,111) | (482,783) |
| Prepays and deposits payable | (3,371) | 11,501 | (5,438) | 2,692 | 3,180 |
| | \$ 8,396,197 | \$ 15,633,610 | \$ 779,620 | \$ 24,809,427 | \$ 1,241,768 |

Noncash Capital and Related Financing Activities

The City received donated Water, Water Reclamation, and Nonmajor Enterprise Funds infrastructure totaling \$3,202,399, \$4,422,547, \$1,143,695, respectively, in the current year.

Acquisition of capital assets financed through accounts payable and retainage payable for the current year totaled \$492,158 in the Water Fund, \$3,316,923 in the Water Reclamation Fund, \$152,342 in the Nonmajor Enterprise Funds, and \$116,603 in the Internal Service Funds.

The net book value of capital assets contributed to other funds, or gain/(loss) on disposal was \$(156,379) in the Water Fund, \$(35,714) in the Water Reclamation Fund, \$9,577 in the Nonmajor Enterprise Funds, and \$(17,651) 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, \$5,821,492 was not received.

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

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City of Bend, Oregon
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

| | Agency Fund |
|---------------------------|-------------|
| <u>Assets</u> | |
| Cash and investments | \$ 471,687 |
| Accounts, net | 22,457 |
| Total Assets | 494,144 |
| <u>Liabilities</u> | |
| Amounts held for others | 494,144 |
| Total Liabilities | 494,144 |
| Fiduciary Net Position | \$ - |

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

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

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, 2019

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, 2019

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, 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.

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 SDC Fund, and proceeds from borrowings.

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

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

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

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

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

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.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary Funds (Continued)

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.

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

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Investments (Continued)

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, 2019, the City had \$50,262,180 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.

Assessment receivables consist of assessments in both governmental funds for downtown economic improvements and enterprise funds for local utility improvements and are reported net of an allowance for uncollectible amounts based on past performance of uncollectible accounts.

Governmental fund loans and notes receivable consist of grant-funded loans for building permits and energy efficiency upgrades (which due upon sale or transfer of the property), community block development loans to qualified individuals to promote affordable housing and affordable housing loans to qualified organizations to build affordable housing in the City. Other loans consist of promissory notes for system development charges, for the sale of transit facilities and for the sale of water system assets, with terms ranging from 1 to 20 years and interest ranging from 0% to 7%. Loans are secured by the liens on real property.

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 as deferred inflows 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 recognitions 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 - LaPine School District for school safety resource officers.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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 and other accrued liabilities not included in short-term or long-term liabilities. The City also reports retainage payable in connection with vendor contracts.

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 SDC 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.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Pension Plan (Continued)

For this 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 15 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, 2019, the City implemented the following GASB Pronouncements:

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 Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. Issued April 2018, the primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The following GASB pronouncements have been issued, but are not effective as of 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.

GASB Statement No 91, Conduit Debt Obligations. Issued May 2019, the primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 will be effective for the City for fiscal year ending June 30, 2021.

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.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Net Position/Fund Balance

Net Position

In the financial statements, assets in excess of liabilities are presented in one of two ways depending on the measurement focus of the statement. On the Statement of Net Position for government-wide reporting and for the proprietary funds and fiduciary funds' Statement of Fiduciary Net Position, net position is segregated into three categories: net investment in capital assets; restricted net position; and unrestricted net position.

Net investment in capital assets represents total capital assets less accumulated depreciation and capital related debt and net of unspent bond proceeds. Deferred outflows of resources and deferred inflows of resources directly related debt should also be included in this section. Significant unspent deferred inflows of resources should not be included.

Restricted net position represents net position that is not subject solely to the government's own discretion. Restrictions may be placed on net position by an external third party that provided the resources, by laws or regulations of other governments, by enabling legislation, by endowment agreements, or by the nature of the asset. Unspent bond proceeds for capital projects are used in the calculation of restricted net position.

Unrestricted surplus (deficit) net position represent amounts not included in other categories.

Fund Balance

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.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position/Fund Balance (Continued)

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. Per the City Council adopted fiscal policies, the City will maintain General Fund unassigned reserves of at least 17% of the operating budget of the General Fund for the 2017-2019 biennium. Reserve balances in the General Fund Stabilization Fund will be considered when evaluating total General Fund reserve levels. Funding of General Fund reserves will generally come from excess revenues over expenditures or one-time revenues. Ending reserve levels will be evaluated annually and undesignated reserve balances in excess of the 17% target will be dedicated to improving the condition of the City's street and transportation system. The reserve balances in the General Fund and the General Stabilization Fund were \$9,858,162 and \$3,502,027 as of June 30, 2019 and represents 26% of the General Fund annual operating budget for the 2017-2019 biennium. The reserves at the end of the 2017-2019 biennium exceeded the target of 17%, and use of those reserves is reflected in the 2019-2021 biennial budget. During June 2019, the City Council amended the fiscal policies to reduce the targeted ending reserve balance from 17% to 16% of the General Fund operating budget for the 2019-2021 biennium. The reduction in reserves is related to increased funding for transportation system improvements.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position/Fund Balance (Continued)

Governmental fund balances by classification for the fiscal year ended June 30, 2019, were as follows:

| | General Fund | Streets & Operations Fund | Fire / Emergency Medical Services Fund | System Development Charges (SDC) Fund | Transportation Construction Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|----------------------------------|----------------------|---------------------------------|--|--|--|-----------------------------------|--------------------------------|
| Fund Balances (Deficits) | | | | | | | |
| Nonspendable | | | | | | | |
| Assets held for resale | \$ 4,487,276 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,487,276 |
| Permanent maintenance funds | - | - | - | - | - | 633,471 | 633,471 |
| Restricted for | | | | | | | |
| External grantor covenant | - | - | - | - | - | 160,711 | 160,711 |
| Outside debt covenant | - | - | - | - | - | 5,292,750 | 5,292,750 |
| Outside construction covenant | - | - | - | - | 2,788,141 | 1,338,072 | 4,126,213 |
| State law revenue restriction | 839,013 | - | - | 14,087,441 | - | 4,053,432 | 18,979,886 |
| Committed | | | | | | | |
| Fire service agreements | - | - | 4,331,326 | - | - | - | 4,331,326 |
| Reserves for police operations | - | - | - | - | - | 7,291,682 | 7,291,682 |
| Assigned | | | | | | | |
| Construction activities | - | 1,722,221 | - | - | 7,098,111 | 1,959,210 | 10,779,542 |
| Building support services | - | - | - | - | - | 13,980,313 | 13,980,313 |
| Community development operations | - | - | - | - | - | 128,890 | 128,890 |
| Debt service | - | - | - | - | - | 2,832,849 | 2,832,849 |
| Reserves for police operations | - | - | - | - | - | 670,635 | 670,635 |
| Unassigned | 13,360,189 | - | - | - | - | - | 13,360,189 |
| Total Fund Balances (Deficits) | <u>\$ 18,686,478</u> | <u>\$ 1,722,221</u> | <u>\$ 4,331,326</u> | <u>\$ 14,087,441</u> | <u>\$ 9,886,252</u> | <u>\$ 38,342,015</u> | <u>\$ 87,055,733</u> |

Stewardship

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 2017-19 biennium. All appropriations terminate on June 30, 2019.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 2 - Cash and Investments

At June 30, 2019, the City's cash and investments are comprised of the following:

| | | |
|--|----|---------------------------|
| Cash on hand | \$ | 4,396 |
| Deposits with financial institutions | | 7,119,473 |
| Deposits with trust custodians | | 700,919 |
| Investments: | | |
| State of Oregon Local Government Investment Pool | | 27,233,639 |
| U.S. agency obligations | | 180,037,386 |
| Obligations of the States of Oregon, California and Washington | | 5,352,700 |
| Corporate notes | | 7,005,192 |
| Total pooled cash and investments | \$ | <u><u>227,453,705</u></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 | \$ 61,164,298 | \$ 115,555,540 | \$ 471,687 | \$ 177,191,525 |
| Restricted cash and investments | 45,499,289 | 4,762,891 | - | 50,262,180 |
| | <u><u>\$ 106,663,587</u></u> | <u><u>\$ 120,318,431</u></u> | <u><u>\$ 471,687</u></u> | <u><u>\$ 227,453,705</u></u> |

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, 2019 was \$12,376,491, of these deposits \$12,126,491 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> | Actual at June 30, 2019 | Actual at June 30, 2019 |
|---------------------|------------------------------|----------------------------|
| Less than 30 days | \$ 4,995,625 | 3 % |
| Less than 12 months | 36,887,683 | 19 % |
| Less than 18 months | 22,044,057 | 11 % |
| Less than 7 years | 128,467,913 | 67 % |
| | <u><u>\$ 192,395,278</u></u> | <u><u>100 %</u></u> |

As of June 30, 2019 the weighted-average maturity of the City's investment portfolio was 1.88 years.

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.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 2 - Cash and Investments (Continued)

Credit Risk (Continued)

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, 2019, the City was in compliance with the above policy requirements with commercial paper and corporate bonds totaling 4% 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, 2019 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)* | \$ 180,037,386 | \$ 5,352,700 | \$ 1,997,620 |
| High Grade (AA, Aa, AA)* | - | - | 5,007,572 |
| | <u>\$ 180,037,386</u> | <u>\$ 5,352,700</u> | <u>\$ 7,005,192</u> |

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

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy limits its exposure to custodial credit risk by requiring that all security transactions entered into by the City be conducted on a delivery-versus-payment basis. Securities are to be held by a third party custodian in a segregated account in the City's name. 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, 2019, 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.

| | <u>Total</u> | <u>Quoted Prices in Active Markets (Level 1)</u> | <u>Other Observable Inputs (Level 2)</u> | <u>Unobservable Inputs (Level 3)</u> |
|---------------------------|-----------------------|--|--|--|
| June 30, 2019 | | | | |
| US Treasury Securities | \$ 32,106,448 | \$ 32,106,448 | \$ - | \$ - |
| Federal Agency Securities | 147,930,938 | - | 147,930,938 | - |
| Corporate Notes | 7,005,192 | - | 7,005,192 | - |
| Municipal Bonds | 5,352,700 | - | 5,352,700 | - |
| Total assets | <u>\$ 192,395,278</u> | <u>\$ 32,106,448</u> | <u>\$ 160,288,830</u> | <u>\$ -</u> |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 3 - Receivables

Receivables as of June 30, 2019 are as follows:

| | Governmental Activities | | | | | | | Total |
|---------------------------------|-------------------------|---------------------------|--|---------------------------------------|----------------------------------|-------------------|------------------------|---------------------|
| | General Fund | Streets & Operations Fund | Fire / Emergency Medical Services Fund | System Development Charges (SDC) Fund | Transportation Construction Fund | Other Funds | Internal Service Funds | |
| Taxes receivable | \$ 2,529,943 | \$ 71,812 | \$ 88,634 | \$ - | \$ 233,608 | \$ 683,521 | \$ - | \$ 3,607,518 |
| Accounts receivable | 5,952,200 | 57,729 | 6,761,171 | 65,446 | 2,533 | 42,789 | 416,676 | 13,298,544 |
| Interest receivable | 1,026,360 | - | - | - | - | - | - | 1,026,360 |
| Assessments receivable | - | - | - | - | - | 47,489 | - | 47,489 |
| Total receivables | 9,508,503 | 129,541 | 6,849,805 | 65,446 | 236,141 | 773,799 | 416,676 | 17,979,911 |
| Allowance for doubtful accounts | (3,829,111) | (31,827) | (4,146,160) | - | (45,823) | (28,615) | (143) | (8,081,679) |
| Receivables, net | <u>\$ 5,679,392</u> | <u>\$ 97,714</u> | <u>\$ 2,703,645</u> | <u>\$ 65,446</u> | <u>\$ 190,318</u> | <u>\$ 745,184</u> | <u>\$ 416,533</u> | <u>\$ 9,898,232</u> |

| | Business-type Activities | | | Total |
|---------------------------------|--------------------------|------------------------|---------------------------|---------------------|
| | Water Fund | Water Reclamation Fund | Nonmajor Enterprise Funds | |
| Accounts receivable | \$ 4,367,204 | \$ 5,659,489 | \$ 943,869 | \$ 10,970,562 |
| Interest receivable | 37,917 | 80,403 | - | 118,320 |
| Total receivables | 4,405,121 | 5,739,892 | 943,869 | 11,088,882 |
| Allowance for doubtful accounts | (840,442) | (1,056,434) | (157,593) | (2,054,469) |
| Receivables, net | <u>\$ 3,564,679</u> | <u>\$ 4,683,458</u> | <u>\$ 786,276</u> | <u>\$ 9,034,413</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, 2019:

| | Governmental Activities | Business-type Activities |
|---|-------------------------|--------------------------|
| <u>Assessments Receivable</u> | | |
| Assessments receivable for downtown economic improvements | \$ 47,489 | \$ - |
| Assessments receivable for local improvements, 10 year terms with 5% to 7.0% interest | - | 81,356 |
| Allowance for uncollectible assessments | - | (17,221) |
| Total assessments receivable | <u>47,489</u> | <u>64,135</u> |

Loans and Notes Receivable

| | | |
|---|----------------------|---------------------|
| Promissory notes receivable for system development charges, 1 to 10 year terms with 1.5% to 7.0% interest | 600,125 | 12,557 |
| Promissory notes receivable for building permits and energy efficiency upgrade deferrals due upon property sale/transfer, 0% interest | 149,891 | - |
| Community development block grant loans to qualified individuals or organizations, various terms with 0% to 2% interest | 5,280,136 | - |
| Affordable housing loans to qualified organizations, various terms with various interest | 5,456,578 | - |
| 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 | - | (3,139) |
| Total loans and notes receivable | <u>12,126,386</u> | <u>1,409,418</u> |
| Total assessments, loans and notes receivables | <u>\$ 12,173,875</u> | <u>\$ 1,473,553</u> |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

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, 2018 | Increases | Decreases | Balance June 30, 2019 |
|--------------------------------|-------------------------|-----------|-----------|--------------------------|
| Assets held for resale | \$ 4,487,276 | \$ - | \$ - | \$ 4,487,276 |

Note 5 - Capital Assets

Governmental capital asset activity for the year ended June 30, 2019 was as follows:

| <u>Governmental activities</u> | Balance July 1, 2018 | Increases | Decreases | Adjustments | Balance June 30, 2019 |
|---|-------------------------|---------------------|---------------------|---------------------|--------------------------|
| Capital assets not depreciated: | | | | | |
| Land including right-of-way | \$ 147,922,243 | \$ - | \$ - | \$ 1,494,617 | \$ 149,416,860 |
| Land use rights | 9,994 | - | - | - | 9,994 |
| Works of art | 719,215 | - | - | - | 719,215 |
| Construction in progress | 46,837,293 | 20,491,480 | (339,753) | (20,380,951) | 46,608,069 |
| Total capital assets not depreciated | <u>195,488,745</u> | <u>20,491,480</u> | <u>(339,753)</u> | <u>(18,886,334)</u> | <u>196,754,138</u> |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 26,160,728 | - | (62,129) | 224,078 | 26,322,677 |
| Infrastructure | 540,985,733 | 3,931,838 | - | 18,763,282 | 563,680,853 |
| Vehicles and equipment | 26,454,475 | 1,191,432 | (893,816) | (124,567) | 26,627,524 |
| Software | 1,555,612 | - | (675,983) | - | 879,629 |
| Total capital assets being depreciated | <u>595,156,548</u> | <u>5,123,270</u> | <u>(1,631,928)</u> | <u>18,862,793</u> | <u>617,510,683</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | 11,816,549 | 946,972 | (5,415) | 96,563 | 12,854,669 |
| Infrastructure | 238,429,434 | 16,886,371 | - | (241) | 255,315,564 |
| Vehicles and equipment | 15,663,765 | 2,060,650 | (808,053) | (119,863) | 16,796,499 |
| Software | 1,551,356 | 4,256 | (675,983) | - | 879,629 |
| Total accumulated depreciation | <u>267,461,104</u> | <u>19,898,249</u> | <u>(1,489,451)</u> | <u>(23,541)</u> | <u>285,846,361</u> |
| Total capital assets being depreciated, net | <u>327,695,444</u> | <u>(14,774,979)</u> | <u>(142,477)</u> | <u>18,886,334</u> | <u>331,664,322</u> |
| Governmental activities capital assets, net | <u>\$ 523,184,189</u> | <u>\$ 5,716,501</u> | <u>\$ (482,230)</u> | <u>\$ -</u> | <u>\$ 528,418,460</u> |

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

| | |
|--|----------------------|
| <u>Governmental activities</u> | |
| General government | \$ 1,242,996 |
| Public safety | 1,254,325 |
| Public ways and facilities | 17,272,227 |
| Community and economic development | 125,651 |
| Urban renewal | 3,050 |
| Governmental activities depreciation expense | <u>\$ 19,898,249</u> |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 5 - Capital Assets (Continued)

Business-type capital asset activity for the year ended June 30, 2019 was as follows:

| <u>Business-type activities</u> | Balance July 1, 2018 | Increases | Decreases | Adjustments | Balance June 30, 2019 |
|---|-------------------------|----------------------|---------------------|----------------------|--------------------------|
| 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 | 232,297,675 | 29,809,025 | (201,040) | (174,948,822) | 86,956,838 |
| Total capital assets not depreciated | <u>240,075,261</u> | <u>29,809,025</u> | <u>(201,040)</u> | <u>(174,948,822)</u> | <u>94,734,424</u> |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 25,323,240 | - | - | - | 25,323,240 |
| Vehicles and equipment | 13,346,192 | 1,096,792 | (99,089) | (546,709) | 13,797,186 |
| Software | 698,111 | - | - | - | 698,111 |
| Water Infrastructure | 127,404,948 | 3,306,419 | - | 80,007,564 | 210,718,931 |
| Water reclamation infrastructure | 166,980,442 | 4,422,547 | - | 92,495,136 | 263,898,125 |
| Stormwater Infrastructure | 44,811,487 | 1,143,695 | - | 1,223,316 | 47,178,498 |
| Other infrastructure | 27,947,283 | 507,723 | - | 1,792,669 | 30,247,675 |
| Total capital assets being depreciated | <u>406,511,703</u> | <u>10,477,176</u> | <u>(99,089)</u> | <u>174,971,976</u> | <u>591,861,766</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | 8,545,860 | 581,593 | - | - | 9,127,453 |
| Vehicles and equipment | 10,055,350 | 839,225 | (79,657) | (324,915) | 10,490,003 |
| Software | 692,864 | 4,431 | - | - | 697,295 |
| Water Infrastructure | 39,044,035 | 5,071,500 | (7,815) | 32,552 | 44,140,272 |
| Water reclamation infrastructure | 57,724,635 | 5,945,670 | (200) | 315,904 | 63,986,009 |
| Stormwater infrastructure | 16,856,151 | 970,936 | - | (387) | 17,826,700 |
| Other infrastructure | 3,583,472 | 654,654 | - | - | 4,238,126 |
| Total accumulated depreciation | <u>136,502,367</u> | <u>14,068,009</u> | <u>(87,672)</u> | <u>23,154</u> | <u>150,505,858</u> |
| Total capital assets being depreciated, net | <u>270,009,336</u> | <u>(3,590,833)</u> | <u>(11,417)</u> | <u>174,948,822</u> | <u>441,355,908</u> |
| Business-type activities capital assets, net | <u>\$ 510,084,597</u> | <u>\$ 26,218,192</u> | <u>\$ (212,457)</u> | <u>\$ -</u> | <u>\$ 536,090,332</u> |

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

| | |
|---|----------------------|
| <u>Business-type activities</u> | |
| Water | \$ 5,302,135 |
| Water reclamation | 6,421,863 |
| Nonmajor: | |
| Airport | 865,365 |
| Cemetery | 10,107 |
| Downtown Parking | 366,393 |
| Stormwater | 1,102,146 |
| Business-type activities depreciation expense | <u>\$ 14,068,009</u> |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

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, 2019 totaled \$244,018. Minimum future lease payments not including annual consumer price index adjustments are \$246,210 each fiscal year from 2020 through 2050.

The City leases a building from Wall Street-Cookson, LLC. The term of the lease is five years, expiring June 2024 with options to renew for two successive terms of two years each. Rental expense for the fiscal year ended June 30, 2019 totaled \$263,074 and lease payments are due monthly. Minimum future lease payments not including annual consumer price index adjustments total \$1,776,360 for the remaining five years.

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, 2019 is \$788,891. Cost of leased assets totaled \$2,347,061 at June 30, 2019 with a carrying amount of \$966,537 and current year depreciation of \$41,460. Minimum future lease payments not including annual consumer price index adjustments are \$788,891 each fiscal year from 2020 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 | \$ 915,000 |
| Due to the Fire/Emergency Medical Services Fund from the Nonmajor Governmental Funds | 25,973 |
| Due to the Internal Service Fund - City Wide Administration from Nonmajor Enterprise Funds | 1,000,000 |

Note 9 - Interfund Transfers

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. During the fiscal year ended June 30, 2019, 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.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 9 - Interfund Transfers (Continued)

The composition of interfund transfers for the year ended June 30, 2019, is as follows:

| | Governmental activities | | | | | | |
|----------------------------------|-------------------------|---------------------------|--|---------------------------------------|----------------------------------|-----------------------------|------------------------|
| | General Fund | Streets & Operations Fund | Fire / Emergency Medical Services Fund | System Development Charges (SDC) Fund | Transportation Construction Fund | Nonmajor Governmental Funds | Internal Service Funds |
| Governmental activities: | | | | | | | |
| General | \$ 140,401 | \$ 57,135 | \$ 39,021 | \$ - | \$ - | \$ 161,630 | \$ 197,471 |
| Streets & Operations | 6,594,000 | - | - | - | - | - | 17,888 |
| Fire / EMS | 13,685,000 | - | - | - | - | 25,973 | - |
| Transportation Construction | - | - | - | 9,974,622 | - | - | - |
| Nonmajor Governmental | 887,900 | - | 7,500 | - | 286,274 | 299,726 | 11,552 |
| Internal Services | - | - | - | - | - | 216,117 | 234,339 |
| Business-type activities: | | | | | | | |
| Water | - | - | - | 3,547,497 | - | - | - |
| Water Reclamation | - | - | - | 6,322,754 | - | - | - |
| Nonmajor Enterprise | 302,441 | - | - | - | - | 14,275 | - |
| Total transfers out | <u>\$ 21,609,742</u> | <u>\$ 57,135</u> | <u>\$ 46,521</u> | <u>\$ 19,844,873</u> | <u>\$ 286,274</u> | <u>\$ 717,721</u> | <u>\$ 461,250</u> |

| | Business-type activities | | | |
|----------------------------------|--------------------------|------------------------|---------------------------|----------------------|
| | Water Fund | Water Reclamation Fund | Nonmajor Enterprise Funds | Total transfers in |
| Governmental activities: | | | | |
| General | \$ - | \$ - | \$ - | \$ 595,658 |
| Streets & Operations | - | - | - | 6,611,888 |
| Fire / EMS | - | - | - | 13,710,973 |
| Transportation Construction | - | - | - | 9,974,622 |
| Nonmajor Governmental | 102,500 | 102,500 | 37,500 | 1,735,452 |
| Internal Services | - | - | - | 450,456 |
| Business-type activities: | | | | |
| Water | - | 32,483 | - | 3,579,980 |
| Water Reclamation | - | - | - | 6,322,754 |
| Nonmajor Enterprise | - | - | - | 316,716 |
| Total transfers out | <u>\$ 102,500</u> | <u>\$ 134,983</u> | <u>\$ 37,500</u> | <u>\$ 43,298,499</u> |

Note 10 - Compensated Absences

Changes in compensated absences during the fiscal year ended June 30, 2019 were as follows and are included in other liabilities on the Statement of Net Position:

| | Balance July 1, 2018 | Earned | Used | Balance June 30, 2019 | Due within one year |
|--------------------------|----------------------|---------------------|-----------------------|-----------------------|---------------------|
| Governmental activities | \$ 4,339,338 | \$ 5,435,087 | \$ (4,989,736) | \$ 4,784,689 | \$ 4,784,689 |
| Business-type activities | 705,625 | 865,625 | (828,418) | 742,832 | 742,832 |
| | <u>\$ 5,044,963</u> | <u>\$ 6,300,712</u> | <u>\$ (5,818,154)</u> | <u>\$ 5,527,521</u> | <u>\$ 5,527,521</u> |

The City considers all outstanding balances as current; historically balances have been paid out within the year.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 11 - 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 obligation bonds: | | | |
| Pension obligation bonds, series 2004 | \$ 13,725,000 | 2.13% to 6.095% | 06/01/28 |
| 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 |
| Direct borrowing and direct placement obligations: | | | |
| 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 |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 11 - Long-Term Debt (Continued)

| <u>Governmental activities:</u> | <u>Balance</u> <u>July 1, 2018</u> | <u>Additions</u> | <u>Reductions/ Adjustments</u> | <u>Balance</u> <u>June 30, 2019</u> | <u>Due within</u> <u>one year</u> |
|---|---------------------------------------|-------------------|------------------------------------|--|--------------------------------------|
| Full faith & credit obligation bonds: | | | | | |
| Pension obligation bonds, series 2004 | \$ 10,965,000 | \$ - | \$ (650,000) | \$ 10,315,000 | \$ 750,000 |
| Fire stations, series 2010, refinance series 1999 | 1,510,000 | - | (225,000) | 1,285,000 | 235,000 |
| Transportation system, series 2010, refinance series 2000 | 1,238,000 | - | (398,000) | 840,000 | 410,000 |
| Accessibility, series 2010 | 1,565,000 | - | (235,000) | 1,330,000 | 240,000 |
| Street equipment, series 2012 | 395,000 | - | (195,000) | 200,000 | 200,000 |
| Police facility, series 2012, refinance series 2002 | 3,060,000 | - | (290,000) | 2,770,000 | 300,000 |
| General obligation bonds: | | | | | |
| General obligation bonds, series 2012 | 20,545,000 | - | (1,170,000) | 19,375,000 | 1,205,000 |
| Direct borrowing and direct placement obligations: | | | | | |
| Transportation, series 2013, refinance series 2003 | 2,914,194 | - | (817,339) | 2,096,855 | 829,368 |
| Juniper ridge, series 2013, refinance line of credit | 2,103,972 | - | (369,963) | 1,734,009 | 375,310 |
| Murphy crossing urban renewal, series 2015 | 2,388,217 | - | (358,914) | 2,029,303 | 194,883 |
| Fire equipment, series 2015B | 2,281,795 | - | (301,130) | 1,980,665 | 308,716 |
| Fire equipment and police expansion, series 2016, refinance series 2006 | 2,420,000 | - | (190,000) | 2,230,000 | 190,000 |
| Cooley road, police expansion, series 2016, refinance series 2008 | 2,715,000 | - | (245,000) | 2,470,000 | 250,000 |
| Fire equipment and facilities, series 2016 | 4,270,000 | - | (260,000) | 4,010,000 | 270,000 |
| Streets, ERP refunding, series 2018 | 6,231,753 | - | (530,905) | 5,700,848 | 567,160 |
| Enterprise resource project, series 2018 | 590,763 | 994,191 | - | 1,584,954 | - |
| Long-term debt obligations | 65,193,694 | 994,191 | (6,236,251) | 59,951,634 | 6,325,437 |
| Premiums and discounts | 1,360,388 | - | (125,870) | 1,234,518 | 125,870 |
| | <u>\$ 66,554,082</u> | <u>\$ 994,191</u> | <u>\$ (6,362,121)</u> | <u>\$ 61,186,152</u> | <u>\$ 6,451,307</u> |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 11 - Long-Term Debt (Continued)

| <u>Business-type activities:</u> | <u>Original Issue</u> | <u>Interest Rate</u> | <u>Maturity</u> |
|--|-----------------------|----------------------|-----------------|
| Full faith & credit obligation bonds: | | | |
| 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% | 11/01/28 |
| Water, series 2016 | 49,910,000 | 3.00% to 5.00% | 12/01/36 |
| Direct borrowing and direct placement obligations: | | | |
| Airport Eastside Improvement | 867,335 | 4.00% to 5.00% | 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 |
| Clean Water State Revolving Fund Loan R14519 | 8,000,000 | 1.27 % | TBD |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 11 - Long-Term Debt (Continued)

| <u>Business-type activities:</u> | Balance July 1, 2018 | Additions | Reductions/ Adjustments | Balance June 30, 2019 | Due within one year |
|--|-------------------------|---------------------|----------------------------|--------------------------|------------------------|
| Full faith & credit obligation bonds: | | | | | |
| Airport, series 2010, refinance series 1999 | \$ 132,000 | \$ - | \$ (132,000) | \$ - | \$ - |
| Water RZEDB, series 2010 | 1,756,333 | - | (113,853) | 1,642,480 | 116,500 |
| Sewer RZEDB, series 2010 | 8,193,667 | - | (531,147) | 7,662,520 | 543,500 |
| Sewer, series 2012, refinance series 2002 | 1,680,000 | - | (315,000) | 1,365,000 | 325,000 |
| Revenue bonds: | | | | | |
| Sewer, series 2008 | 6,470,000 | - | (6,470,000) | - | - |
| Water, series 2016 | 48,365,000 | - | (1,600,000) | 46,765,000 | 1,665,000 |
| Direct borrowing and direct placement obligations: | | | | | |
| Airport Eastside Improvement | 533,502 | - | (35,027) | 498,475 | 30,228 |
| Stormwater equipment, series 2018 | 804,097 | - | (68,504) | 735,593 | 73,182 |
| Clean Water State Revolving Fund Loan R14510 | 4,639,341 | - | (232,036) | 4,407,305 | 239,804 |
| Clean Water State Revolving Fund Loan R14511 | 14,484,130 | - | - | 14,484,130 | 585,709 |
| Clean Water State Revolving Fund Loan R14512 | 18,833,534 | - | (764,612) | 18,068,922 | 783,382 |
| Clean Water State Revolving Fund Loan R14513 | 2,605,684 | - | (641,128) | 1,964,556 | 647,942 |
| Clean Water State Revolving Fund Loan R14514 | 1,955,948 | 6,279,380 | - | 8,235,328 | - |
| Clean Water State Revolving Fund Loan R14515 | 13,022,955 | - | (274,676) | 12,748,279 | 557,619 |
| Clean Water State Revolving Fund Loan R14516 | 47,634,043 | 88,847 | - | 47,722,890 | 2,228,115 |
| Clean Water State Revolving Fund Loan R14517 | 868,048 | 5,840,526 | - | 6,708,574 | - |
| Clean Water State Revolving Fund Loan R14518 | 5,009,509 | 636,462 | - | 5,645,971 | - |
| Clean Water State Revolving Fund Loan R14519 | - | 446,224 | - | 446,224 | - |
| Long-term debt obligations | 176,987,791 | 13,291,439 | (11,177,983) | 179,101,247 | 7,795,981 |
| Premiums and discounts | 11,015,444 | - | (618,448) | 10,396,996 | 608,425 |
| | <u>\$ 188,003,235</u> | <u>\$13,291,439</u> | <u>\$(11,796,431)</u> | <u>\$ 189,498,243</u> | <u>\$ 8,404,406</u> |

| <u>Total long-term debt obligations:</u> | Governmental activities | Business-type activities | Total | Due within one year |
|---|----------------------------|-----------------------------|-----------------------|------------------------|
| Full faith & credit obligation bonds | \$ 16,740,000 | \$ 10,670,000 | \$ 27,410,000 | \$ 3,120,000 |
| Revenue bonds | - | 46,765,000 | 46,765,000 | 1,665,000 |
| Direct borrowing and direct placement obligations | 23,836,634 | 121,666,247 | 145,502,881 | 8,131,418 |
| General obligation bonds | 19,375,000 | - | 19,375,000 | 1,205,000 |
| Long-term debt obligations | 59,951,634 | 179,101,247 | 239,052,881 | 14,121,418 |
| Premiums and discounts | 1,234,518 | 10,396,996 | 11,631,514 | 734,295 |
| Total long-term debt obligations | <u>\$ 61,186,152</u> | <u>\$ 189,498,243</u> | <u>\$ 250,684,395</u> | <u>\$ 14,855,713</u> |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 11 - 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 |
| 2020 | \$ 6,325,437 | \$ 2,040,496 | \$ 7,795,981 | \$ 5,018,146 | \$ 14,121,418 | \$ 7,058,642 |
| 2021 | 7,959,764 | 1,847,097 | 8,413,417 | 5,121,609 | 16,373,181 | 6,968,706 |
| 2022 | 5,789,960 | 1,604,004 | 9,068,999 | 4,917,105 | 14,858,959 | 6,521,109 |
| 2023 | 5,556,177 | 1,402,022 | 8,633,730 | 4,650,260 | 14,189,907 | 6,052,282 |
| 2024 | 5,629,526 | 1,201,306 | 8,490,988 | 4,386,919 | 14,120,514 | 5,588,225 |
| 2025-2029 | 21,925,770 | 2,992,971 | 45,933,791 | 17,701,784 | 67,859,561 | 20,694,755 |
| 2030-2034 | 6,765,000 | 369,709 | 49,150,975 | 9,912,877 | 55,915,975 | 10,282,586 |
| 2035-2039 | - | - | 39,773,342 | 2,469,722 | 39,773,342 | 2,469,722 |
| 2040-2041 | - | - | 1,840,028 | 31,828 | 1,840,028 | 31,828 |
| | <u>\$ 59,951,634</u> | <u>\$ 11,457,605</u> | <u>\$ 179,101,251</u> | <u>\$ 54,210,250</u> | <u>\$ 239,052,885</u> | <u>\$ 65,667,855</u> |

Debt service requirements include the principal outstanding at June 30, 2019 for debt issued but not fully drawn. Amortization is estimated based on debt terms.

The balance of unamortized premiums and discounts on long-term debt issuances is \$11,631,514, 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 Obligation Bonds

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 2031.

General Obligation Bonds

The City has issued general obligation (GO) bonds to finance the cost of capital construction and capital improvement to City streets, including new construction and improvements and repairs to city streets, bicycle lanes, sidewalks and related improvements and to repay interim financing. The GO bonds are for governmental activities only. Original issue amount was \$26,805,000 with interest rates ranging between 2.00% 4.00% and maturities going through fiscal year 2032. The City is authorized to levy ad valorem taxes sufficient to pay the debt service of the bonds.

Revenue Bonds

In December of 2018, the City called the remaining \$6.0 million of outstanding bonds in its sewer (water reclamation) revenues bonds. After payment of principal and accrued interest, the City recognized interest savings of \$1.4 million.

The City has pledged future water customer revenues, net of operating expenses, to repay \$46.8 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 fiscal year 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 \$70,864,275. Principal and interest paid for the current year and total customer net revenues were \$3,936,250 and \$14,335,516, respectively.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 11 - Long-Term Debt (Continued)

Direct Borrowing and Direct Placement Obligations

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. Obligation maturities range from fiscal year 2023 through fiscal year 2039 and stated interest rates on specific maturities are 1.00% to 5.00%. Revenues from the airport, water, and water reclamation operations are utilized to repay the respective obligations.

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%.

Outstanding obligations from direct borrowings and direct placements related to governmental activities of \$7,840,832 and business-type activities of \$498,475 contain provisions that, in the event of default, outstanding become immediately due if the City 1) fails to make any payment when due, 2) fails to comply with other terms, obligations, covenants or conditions contained in the notes; 3) makes material false or misleading statements, 4) becomes insolvent, is appointed a receiver, commences bankruptcy proceeding or forfeiture; 5) an adverse material change in the City's financial condition occurs.

New Debt Issuance

On April 8, 2019, the City secured a CWSRF loan (R14519) of \$8,000,000 from ODEQ for decommission of the existing water reclamation pump station. The loan is secured by sewer system revenues and has a repayment period of 20 years with no prepayment penalties. The loan has an interest rate of 1.27% and an annual fee of 0.5% of the outstanding loan amount. The loan is drawn on a reimbursement basis and as of June 30, 2019, there is an outstanding balance of \$446,224.

Note 12 - 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 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 |
|-------------|-------------------|--|-------------|--------------------|
| 2016-17 | \$ 597,908 | \$ (65,642) | \$ (31,109) | \$ 501,157 |
| 2017-18 | 501,157 | 80,345 | (82,009) | 499,493 |
| 2018-19 | 499,493 | (444,600) | (38,183) | 16,710 |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 12 - Risk Management (Continued)

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 13 - Tax Abatements

As of June 30, 2019, 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.

| Tax Abatement Program | Estimated Taxes Abated During 2018-19 |
|---|---|
| Nonprofit low income rental | \$ 45,406 |
| Housing for low income rental | 9,931 |
| Enterprise zones | 272,934 |
| Construction in process in enterprise zones | - |
| Total | \$ 328,271 |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 14 - 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
- 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

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.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 14 - Pension Plan (Continued)

Benefits provided (Continued)

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.

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.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 14 - Pension Plan (Continued)

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, 2018. Employer contributions for the year ended June 30, 2019 were \$8,021,340. The rates in effect for the fiscal year ended June 30, 2019 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, 2019, the City reported a liability of \$58,875,215 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. 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, 2018, the City's proportion was 0.3886 percent, which increased 0.0109 percent from its proportion measured as of June 30, 2017. 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, 2019, the City's recognized a pension expense of \$12,416,360. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 2,002,759 | \$ - |
| Changes of assumptions | 13,688,375 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 2,614,392 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 1,154,952 | 898,322 |
| Differences between employer contributions and proportionate share of contributions | <u>3,113,425</u> | <u>106,235</u> |
| Total (prior to post-measurement date contributions) | 19,959,511 | 3,618,949 |
| Contributions subsequent to the measurement date | <u>8,021,340</u> | - |
| Net deferred outflows/(inflows) of resources | <u>\$ 27,980,851</u> | <u>\$ 3,618,949</u> |

\$8,021,340 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, 2020. 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> |
|--------------------------------|---|
| 2020 | \$ 8,366,444 |
| 2021 | 6,226,674 |
| 2022 | 275,735 |
| 2023 | 1,089,003 |
| 2024 | 382,706 |
| Total | <u>\$ 16,340,562</u> |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 14 - Pension Plan (Continued)

Actuarial Assumptions

The employer contribution rates effective July 1, 2018, through June 30, 2019, 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:

| | |
|-----------------------------------|--|
| Valuation Date | December 31, 2016 rolled forward to June 30, 2018 |
| Experience Study Report | 2016, published July 2017 |
| 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 | 7.20 percent |
| Projected Salary Increases | 3.50 percent |
| Cost of Living Adjustments (COLA) | Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with mono decision; blend based on service. |
| Mortality | <p>Healthy retirees and beneficiaries: RP-2014 Sex Distinct, generational with unisex, social security data scale, with collar adjustments and set backs as described in the valuation.</p> <p>Active members: RP-2014 Sex distinct, generational with unisex, social security data scale, with collar adjustments and set backs as described in valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, Sex distinct, generational with unisex, social security data scale.</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 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

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 2015 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

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 14 - Pension Plan (Continued)

Long-Term Expected Rate of Return (Continued)

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 % | 3.50 % |
| Short-Term Bonds | 8.00 % | 3.40 % |
| Intermediate-Term Bonds | 3.00 % | 5.10 % |
| High Yield Bonds | 1.00 % | 6.50 % |
| Large/Mid Cap US Equities | 15.80 % | 6.30 % |
| Small Cap US Equities | 1.30 % | 6.70 % |
| Micro Cap US Equities | 1.30 % | 6.80 % |
| Developed Foreign Equities | 13.10 % | 6.70 % |
| Emerging Foreign Equities | 4.10 % | 7.50 % |
| Non-US Small Cap Equities | 1.90 % | 7.00 % |
| Private Equities | 17.50 % | 7.80 % |
| Real Estate (Property) | 10.00 % | 5.50 % |
| Real Estate (REITS) | 2.50 % | 6.40 % |
| Hedge Fund of Funds - Diversified | 2.50 % | 4.10 % |
| Hedge Fund - Event-driven | 0.60 % | 5.90 % |
| Timber | 1.90 % | 5.60 % |
| Farmland | 1.90 % | 6.20 % |
| Infrastructure | 3.80 % | 6.60 % |
| Commodities | 1.90 % | 3.80 % |
| Assumed Inflation - Mean | | 2.50 % |

Discount Rate

The discount rate used to measure the total pension liability was 7.2 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 7.2 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 (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate.

| | <u>1% Decrease (6.2%)</u> | <u>Discount Rates (7.2%)</u> | <u>1% Increase (8.2%)</u> |
|---|---------------------------|------------------------------|---------------------------|
| The City's proportionate share of the net pension liability (asset) | \$ 98,391,602 | \$ 58,875,215 | \$ 26,257,666 |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 14 - Pension Plan (Continued)

Pension Plan Fiduciary Net Position

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

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 15 - 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, 2019 the following employees were covered by the benefit terms:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefit payments | 119 |
| Inactive employees entitled to but not yet receiving benefit payments | 23 |
| Active participants | 676 |
| | 818 |

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.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

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

Health Insurance Continuation and Stand Alone Plans (Continued)

Total OPEB Liability

The City's total OPEB liability at June 30, 2019 was \$42,922,536. The liability was determined by an actuarial valuation dated July 1, 2018 with a measurement date of June 30, 2019.

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial 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: | 5.00-7.00 percent |
| Mortality | Post Retirement Mortality used is based on RP 2014 Healthy Annuitant with General Projection using Sex distinct, generational, unisex Social Security data valuation. |

Changes in Total OPEB Liability

| | |
|--|-------------------------|
| | Total OPEB Liability |
| Balance at 6/30/2018 | \$ 40,298,039 |
| Changes for the year: | |
| Service cost | 1,562,405 |
| Interest | 1,450,435 |
| Differences between expected and actual experience | (237,439) |
| Changes of assumptions | 687,979 |
| Benefit payments | (838,883) |
| Net change in Total OPEB liability | <u>2,624,497</u> |
| Balance at 6/30/2019 | <u>\$ 42,922,536</u> |
| Covered employee payroll | 50,507,661 |
| Total OPEB liability as a percentage of covered employee payroll | 84.98 % |

| | | |
|--|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ - | \$ 211,057 |
| Changes of assumptions | <u>611,537</u> | <u>-</u> |
| Net Deferred Outflow/(Inflow) of Resources | <u>\$ 611,537</u> | <u>\$ 211,057</u> |

| | |
|------------------------|---|
| Year Ending June 30 | Net Deferred Outflow/(Inflow) of Resources |
| 2020 | \$ 50,060 |
| 2021 | 50,060 |
| 2022 | 50,060 |
| 2023 | 50,060 |
| 2024 | 50,060 |
| Thereafter | <u>150,180</u> |
| Total | <u>\$ 400,480</u> |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

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

Health Insurance Continuation and Stand Alone Plans (Continued)

Total OPEB Liability (Continued)

Changes of assumptions

The interest rate for discounting future liabilities was changed to reflect current municipal bond rates.

The payroll growth and salary merit assumptions were changed to match the assumption used in the valuation of Oregon PERS.

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

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

Coverage lapse rates were introduced to better reflect observed and anticipated experience.

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) | \$ 52,085,143 | \$ 42,992,536 | \$ 36,980,044 |

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 (6.0% decreasing to 4.0%) or 1-percentage-point higher (8.0% decreasing to 6.0%) than the current healthcare cost trend rates:

| | 1% Decrease (6.0% Graded Down to 4.0%) | Cost Trend Rate (7.0% Graded Down to 5.0%) | 1% Increase (8.0% Graded down to 6.0%) |
|------------------------------|--|---|--|
| Total OPEB liability (asset) | \$ 35,905,424 | \$ 42,992,536 | \$ 53,769,673 |

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

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

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

OPERS Retirement Health Insurance Account (RHIA) (Continued)

Funding Policy (Continued)

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, 2019 was \$215,341.

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

At June 30, 2019 the City reported an asset of \$500,810 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, 2016. 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, 2018 and June 30, 2017 was 0.44864579% and 0.428217160%, respectively.

| | <u>Net OPEB Asset</u> | <u>Allocation</u> |
|--------------------------|-----------------------|-------------------|
| Governmental Activities | \$ 433,250 | 87 % |
| Business-type Activities | 67,560 | 13 % |
| Government-wide | <u>\$ 500,810</u> | <u>100 %</u> |

For the year ended June 30, 2019, the City recognized and OPEB asset of \$500,810, and reported deferred outflows of resources and deferred inflows of resources related to the Retiree Health Insurance Account OPEB from the following sources:

| | |
|--|--------------------------|
| | <u>Total OPEB</u> |
| | <u>Liability/(Asset)</u> |
| Balance at 6/30/2018 | \$ (178,172) |
| Employer's proportionate share of collective system OPEB expenses (income) | (47,005) |
| Change in proportionate share | (1,099) |
| Benefit payments | (274,534) |
| Net OPEB Obligation - end of year | <u>\$ (500,810)</u> |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

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

OPERS Retirement Health Insurance Account (RHIA) (Continued)

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ - | \$ 28,382 |
| Changes of assumption | - | 1,589 |
| Net difference between projected and actual earnings on investments | - | 107,974 |
| Change of proportionate share | 491 | 3,190 |
| Total | 491 | 141,135 |
| Contributions subsequent to the measurement date | 215,341 | - |
| Net Deferred Outflow/(Inflow) of Resources | \$ 215,832 | \$ 141,135 |

\$215,341 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, 2020. 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 |
|------------------------------|---|
| 2020 | \$ 46,543 |
| 2021 | 46,628 |
| 2022 | 36,739 |
| 2023 | 10,734 |
| Total | \$ 140,644 |

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%).

| | 1% Decrease (6.50%) | Discount Rate (7.50%) | 1% Increase (8.50%) |
|--|------------------------|--------------------------|------------------------|
| District's Proportionate Share of the Net OPEB Liability (Asset) | \$ (291,596) | \$ (500,810) | \$ (678,894) |

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.

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

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

OPERS Retirement Health Insurance Account (RHIA) (Continued)

Funding Policy (Continued)

| | |
|-----------------------------------|---|
| Valuation Date | December 31, 2016 |
| Measurement Date | June 30, 2018 |
| Experience Study | 2016, published July 2017 |
| Actuarial Assumptions: | |
| Actuarial cost method | Entry Age Normal |
| Inflation rate | 2.50 percent |
| Long-term expected rate of return | 7.20 percent |
| Discount rate | 7.20 percent |
| Projected salary increases | 3.50 percent |
| Retiree healthcare participation | Not applicable |
| Mortality | Healthy retirees and beneficiaries: RP-2010 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. |
| | Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. |
| | 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. |

Note 16 - Deferred Compensation Plan

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

Note 17 - Commitment and Contingencies

At June 30, 2019 the City was significantly committed on outstanding construction, engineering, consulting, service and equipment purchase contracts as follows:

| | |
|----------------------------------|----------------------|
| Governmental activities: | |
| General Fund | \$ 2,097,038 |
| Streets & Operations Fund | 3,317,541 |
| Transportation Construction Fund | 10,435,160 |
| Internal Service Funds | 1,625,997 |
| | <u>\$ 17,475,736</u> |
| Business-type activities: | |
| Water Fund | \$ 2,926,835 |
| Water Reclamation Fund | 35,668,155 |
| | <u>\$ 38,594,990</u> |

City of Bend, Oregon
Notes to Financial Statements
For the Year Ended June 30, 2019

Note 17 - Commitment and Contingencies (Continued)

The City expects to use fee revenues and/or discretionary funds to meet the commitments in the General and Streets & Operations Funds and system revenues to meet the commitments in the Water Fund. Debt proceeds will be used for commitments in the Transportation Construction, Internal Service and Water Reclamation Funds.

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, 2019 amounts collected and potentially due to developers totaled \$34,968 and are recorded as a liability in the System Development Charges Fund.

As of June 30, 2019, the City was in a contract dispute with the general contractor, Apollo, Inc., on a major upgrade to the City's sewer treatment plant. Apollo had filed suit in Deschutes County Circuit Court seeking damages on a variety of claims, and the City had its own counterclaims. The parties participated in a mediation in July 2019, and resolved all remaining claims in August 2019, see Note 18.

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.

In conjunction with one lawsuit that is with the Court of Appeals, that court required a letter of credit in an amount equal to the judgement of approximately \$340,000. The City has supplied such letter of credit, the bank required and the City provided, a hold on an equal amount of funds in its cash operating account. Those funds are reflected in the governmental activities as restricted cash and restricted net position.

Note 18 - Subsequent Events

In July 2019, the City reached a settlement in its ongoing contract dispute with Apollo, Inc., a general contractor regarding a major upgrade to the City's sewer treatment plant. Parties agreed that the City would make a final payment of \$3.2 million to settle all outstanding claims outstanding. Payment was made in August 2019.

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REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS

General Fund

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

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.

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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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget Over/Under |
|--|------------------------|---------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Property taxes: | | | | | | |
| Current year's property tax levy | \$ 59,368,600 | \$ 59,854,600 | \$ 29,332,992 | \$ 31,224,140 | \$ 60,557,132 | \$ 702,532 |
| Delinquent property taxes | 1,194,900 | 1,194,900 | 611,697 | 542,544 | 1,154,241 | (40,659) |
| Room taxes | 13,067,700 | 13,067,700 | 6,482,666 | 6,839,727 | 13,322,393 | 254,693 |
| Franchise fees | 12,687,600 | 12,687,600 | 6,707,684 | 6,627,854 | 13,335,538 | 647,938 |
| Intergovernmental | 6,197,367 | 6,399,367 | 4,340,718 | 3,856,938 | 8,197,656 | 1,798,289 |
| Licenses and permits | 232,000 | 232,000 | 103,767 | 98,323 | 202,090 | (29,910) |
| Charges for services: | | | | | | |
| Charges to others | 704,700 | 704,700 | 369,930 | 544,527 | 914,457 | 209,757 |
| Charges to other City funds | 121,000 | 121,000 | - | - | - | (121,000) |
| Fines and forfeitures | 1,994,300 | 1,994,300 | 1,088,986 | 1,301,271 | 2,390,257 | 395,957 |
| Investment income | 318,100 | 318,100 | 194,550 | 466,103 | 660,653 | 342,553 |
| Miscellaneous | 36,000 | 36,000 | 38,135 | 3,507 | 41,642 | 5,642 |
| Total Revenues | 95,922,267 | 96,610,267 | 49,271,125 | 51,504,934 | 100,776,059 | 4,165,792 |
| Expenditures | | | | | | |
| Accessibility program | 539,790 | 540,690 | 241,637 | 257,822 | 499,459 | 41,231 |
| Municipal court program | 1,304,736 | 1,489,736 | 643,042 | 798,032 | 1,441,074 | 48,662 |
| Code enforcement program | 1,233,225 | 1,229,725 | 587,796 | 576,782 | 1,164,578 | 65,147 |
| Community projects program | 2,813,000 | 3,296,200 | 1,616,197 | 1,429,963 | 3,046,160 | 250,040 |
| Police program | 48,748,039 | 49,176,339 | 23,245,599 | 25,723,542 | 48,969,141 | 207,198 |
| Growth management program | 3,049,242 | 3,084,742 | 909,932 | 1,311,447 | 2,221,379 | 863,363 |
| Contingency | 5,614,234 | 2,015,534 | - | - | - | 2,015,534 |
| Total Expenditures | 63,302,266 | 60,832,966 | 27,244,203 | 30,097,588 | 57,341,791 | 3,491,175 |
| Excess (deficiency) of revenues over (under) expenditures | 32,620,001 | 35,777,301 | 22,026,922 | 21,407,346 | 43,434,268 | 7,656,967 |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from sale of capital assets | - | 3,876,000 | 1,928,635 | 5,662 | 1,934,297 | (1,941,703) |
| Insurance proceeds | - | - | 12,416 | - | 12,416 | 12,416 |
| Advances to other governments | (100,000) | (210,000) | (131,000) | (56,000) | (187,000) | 23,000 |
| Repayments from other governments | 120,000 | 120,000 | 30,000 | 131,000 | 161,000 | 41,000 |
| Payment of interfund loan | (700,000) | (3,550,000) | (2,449,000) | (915,000) | (3,364,000) | 186,000 |
| Interfund loan repayments | 1,029,300 | 1,029,300 | - | 2,449,000 | 2,449,000 | 1,419,700 |
| Transfers in | 52,000 | 52,000 | 21,741 | 36,927 | 58,668 | 6,668 |
| Transfers out | (41,804,250) | (52,603,226) | (29,245,919) | (21,609,742) | (50,855,661) | 1,747,565 |
| Total Other Financing Sources (Uses) | (41,402,950) | (51,285,926) | (29,833,127) | (19,958,153) | (49,791,280) | 1,494,646 |
| Net changes in fund balance | (8,782,949) | (15,508,625) | (7,806,205) | 1,449,193 | (6,357,012) | 8,489,740 |
| Beginning Fund Balance | 8,782,949 | 15,508,625 | 16,105,187 | 8,298,982 | 16,105,187 | 596,562 |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 8,298,982 | \$ 9,748,175 | \$ 9,748,175 | \$ 9,748,175 |

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, 2019

| | | |
|--|----|-------------------|
| Ending Fund Balance - Budgetary Basis (1) | \$ | 13,250,202 |
| Cumulative GAAP adjustments from prior years: | | 7,045,276 |
| Advances and repayments to/from other governments reported as receivables on GAAP basis | | |
| Advances to/from other funds reported as receivables on GAAP basis | | |
| Capitalized amounts reported as assets on GAAP basis | | |
| Advances to other governments reported as other financing uses on the budgetary basis are reported as receivables on the GAAP basis | | 56,000 |
| Repayments from other governments reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis | | (131,000) |
| Advances to other funds reported as other financing uses on the budgetary basis are reported as assets on the GAAP basis | | 915,000 |
| Repayments from other funds reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis | | (2,449,000) |
| Combined Ending Fund Balance - GAAP Basis | \$ | <u>18,686,478</u> |

(1) Includes: General Fund and General Fund Stabilization Fund (page 142).

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|-------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Franchise fees | \$ 2,994,100 | \$ 2,994,100 | \$ 811,972 | \$ 872,207 | \$ 1,684,179 | \$ (1,309,921) |
| Intergovernmental: | | | | | | |
| State highway fund apportionment | 9,800,237 | 9,800,237 | 5,511,823 | 6,459,432 | 11,971,255 | 2,171,018 |
| 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 | 612,000 | 141,157 | 162,232 | 303,389 | (308,611) |
| Contributions | - | - | - | 2,200 | 2,200 | 2,200 |
| Investment income | 128,600 | 203,600 | 14,848 | 226,538 | 241,386 | 37,786 |
| Miscellaneous | 44,000 | 44,000 | 15,033 | 37,227 | 52,260 | 8,260 |
| Total Revenues | 14,842,937 | 15,033,937 | 7,392,523 | 7,759,836 | 15,152,359 | 118,422 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Personnel services | 9,236,700 | 9,337,900 | 4,155,731 | 4,602,055 | 8,757,786 | 580,114 |
| Materials and services | 5,245,019 | 5,233,819 | 1,791,508 | 2,424,869 | 4,216,377 | 1,017,442 |
| Interfund charges | 4,131,530 | 4,101,530 | 1,972,784 | 2,043,778 | 4,016,562 | 84,968 |
| Debt service | 554,600 | 554,600 | 199,625 | 344,368 | 543,993 | 10,607 |
| Capital outlay | 15,822,041 | 16,313,041 | 6,414,537 | 9,894,345 | 16,308,882 | 4,159 |
| Contingency | 542,802 | 177,802 | - | - | - | 177,802 |
| Total Expenditures | 35,532,692 | 35,718,692 | 14,534,185 | 19,309,415 | 33,843,600 | 1,875,092 |
| Excess (deficiency) of revenues over (under) expenditures | (20,689,755) | (20,684,755) | (7,141,662) | (11,549,579) | (18,691,241) | 1,993,514 |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from sale of capital assets | - | - | 5,063 | 34,262 | 39,325 | 39,325 |
| Issuance of long-term debt | 1,273,800 | 1,273,800 | 1,206,146 | - | 1,206,146 | (67,654) |
| Transfers in | 13,161,768 | 13,261,768 | 6,785,406 | 6,611,888 | 13,397,294 | 135,526 |
| Transfers out | - | (105,000) | - | (57,135) | (57,135) | 47,865 |
| Total Other Financing Sources (Uses) | 14,435,568 | 14,430,568 | 7,996,615 | 6,589,015 | 14,585,630 | 155,062 |
| Net changes in fund balance | (6,254,187) | (6,254,187) | 854,953 | (4,960,564) | (4,105,611) | 2,148,576 |
| Beginning Fund Balance (Deficit) | 6,254,187 | 6,254,187 | 5,827,832 | 6,682,785 | 5,827,832 | (426,355) |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 6,682,785 | \$ 1,722,221 | \$ 1,722,221 | \$ 1,722,221 |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|---|------------------------|-------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| <u>Revenues</u> | | | | | | |
| Property taxes: | | | | | | |
| Current year's property tax levy | \$ 4,279,400 | \$ 4,330,700 | \$ 2,114,554 | \$ 2,253,464 | \$ 4,368,018 | \$ 37,318 |
| Delinquent property taxes | 57,400 | 57,400 | 42,833 | 38,778 | 81,611 | 24,211 |
| Room taxes | 395,300 | 395,300 | 193,785 | 204,782 | 398,567 | 3,267 |
| Intergovernmental | 7,809,600 | 9,968,952 | 5,596,033 | 4,066,963 | 9,662,996 | (305,956) |
| Charges for services: | | | | | | |
| Charges to others | 8,389,400 | 8,396,700 | 3,700,811 | 4,398,589 | 8,099,400 | (297,300) |
| Charges to other City funds | 9,000 | 9,000 | 4,728 | 4,728 | 9,456 | 456 |
| Contributions | 1,800 | 1,800 | 976 | 958 | 1,934 | 134 |
| Investment income | 129,699 | 129,699 | 26,082 | 165,620 | 191,702 | 62,003 |
| Miscellaneous | - | 60,000 | 73,143 | 38,410 | 111,553 | 51,553 |
| Total Revenues | 21,071,599 | 23,349,551 | 11,752,945 | 11,172,292 | 22,925,237 | (424,314) |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| Personnel services | 35,971,200 | 37,650,600 | 18,882,478 | 18,776,058 | 37,658,536 | (7,936) |
| Materials and services | 3,769,185 | 5,647,474 | 3,531,117 | 1,916,978 | 5,448,095 | 199,379 |
| Interfund charges | 4,453,210 | 4,668,510 | 2,168,139 | 2,446,340 | 4,614,479 | 54,031 |
| Debt service | 1,156,152 | 1,156,152 | 575,923 | 580,124 | 1,156,047 | 105 |
| Capital outlay | 839,350 | 2,009,346 | 225,467 | 602,509 | 827,976 | 1,181,370 |
| Contingency | 5,980,228 | 3,648,695 | - | - | - | 3,648,695 |
| Reserved for maintenance | 100,000 | 100,000 | - | - | - | 100,000 |
| Total Expenditures | 52,269,325 | 54,880,777 | 25,383,124 | 24,322,009 | 49,705,133 | 5,175,644 |
| Excess (deficiency) of revenues over (under) expenditures | (31,197,726) | (31,531,226) | (13,630,179) | (13,149,717) | (26,779,896) | 4,751,330 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Proceeds from sale of capital assets | - | 36,500 | 67,797 | 7,101 | 74,898 | 38,398 |
| Issuance of long-term debt | 406,000 | 406,000 | - | - | - | (406,000) |
| Transfers in | 26,363,000 | 26,660,000 | 12,936,293 | 13,710,973 | 26,647,266 | (12,734) |
| Transfers out | (79,450) | (79,450) | (35,301) | (46,521) | (81,822) | (2,372) |
| Total Other Financing Sources (Uses) | 26,689,550 | 27,023,050 | 12,968,789 | 13,671,553 | 26,640,342 | (382,708) |
| Net changes in fund balance | (4,508,176) | (4,508,176) | (661,390) | 521,836 | (139,554) | 4,368,622 |
| Beginning Fund Balance (Deficit) | 4,508,176 | 4,508,176 | 4,470,880 | 3,809,490 | 4,470,880 | (37,296) |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 3,809,490 | \$ 4,331,326 | \$ 4,331,326 | \$ 4,331,326 |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|---------------------|----------------------|----------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| System development charges | \$ 32,170,984 | \$ 33,405,384 | \$ 15,220,497 | \$ 16,392,316 | \$ 31,612,813 | \$ (1,792,571) |
| Loan repayments | - | - | 3,974 | 5,658 | 9,632 | 9,632 |
| Investment income | 298,900 | 298,900 | 130,735 | 1,276,026 | 1,406,761 | 1,107,861 |
| Total Revenues | 32,469,884 | 33,704,284 | 15,355,206 | 17,674,000 | 33,029,206 | (675,078) |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Interfund charges | 784,900 | 784,900 | 172,345 | 184,424 | 356,769 | 428,131 |
| Reserves | 9,497,427 | 8,658,067 | - | - | - | 8,658,067 |
| Total Expenditures | 10,282,327 | 9,442,967 | 172,345 | 184,424 | 356,769 | 9,086,198 |
| Excess (deficiency) of revenues over (under) expenditures | 22,187,557 | 24,261,317 | 15,182,861 | 17,489,576 | 32,672,437 | 8,411,120 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers out | (37,122,191) | (39,195,951) | (16,067,373) | (19,844,873) | (35,912,246) | 3,283,705 |
| Total Other Financing Sources (Uses) | (37,122,191) | (39,195,951) | (16,067,373) | (19,844,873) | (35,912,246) | 3,283,705 |
| Net changes in fund balance | (14,934,634) | (14,934,634) | (884,512) | (2,355,297) | (3,239,809) | 11,694,825 |
| Beginning Fund Balance (Deficit) | 14,934,634 | 14,934,634 | 17,327,250 | 16,442,738 | 17,327,250 | 2,392,616 |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 16,442,738 | \$ 14,087,441 | \$ 14,087,441 | \$ 14,087,441 |

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 six 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 |
|-------------------|--|---|------------------------|--|--|
| 2014 | \$ 0.37690343 | \$ 19,233,934 | \$ 31,848,035 | 60.39% | 91.97% |
| 2015 | 0.37690343 | (8,543,325) | 36,565,264 | (23.36)% | 103.59% |
| 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% |
| 2019 | 0.38864905 | 58,875,212 | 46,751,374 | 125.93% | 82.07% |

(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 six 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 |
|-------------------|--|---|------------------------------------|------------------------|--|
| 2014 | \$ 3,765,119 | \$ (3,765,119) | \$ - | \$ 36,565,264 | 11.82% |
| 2015 | 3,758,247 | (3,758,247) | - | 33,753,314 | 10.28% |
| 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% |
| 2019 | 8,021,340 | (8,021,340) | - | 50,507,661 | 15.88% |

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

City of Bend, Oregon
Oregon Public Employee Retirement Health Insurance Account (OPERS RHIA)
Schedule of the City's Proportionate Share of Net OPEB Liability/(Asset)
For the last four 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% |
| 2019 | 0.44864579 | (500,810) | 46,751,374 | (1.07)% | 123.99% |

(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 four 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% |
| 2019 | 215,341 | (215,341) | - | 50,507,661 | 0.43% |

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

(2) Actuarial information not available

Note: Information prior to 2016 does not exist.

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 two years

| | <u>2018</u> | <u>2019</u> |
|--|------------------|------------------|
| Total OPEB liability - beginning | \$38,246,251 | \$40,298,039 |
| Service cost | 1,509,570 | 1,562,405 |
| Interest | 1,350,885 | 1,450,435 |
| Differences between expected and actual experience | - | (237,439) |
| Changes of assumption or other input | - | 687,979 |
| Benefit payments | <u>(808,667)</u> | <u>(838,883)</u> |
| Net change in total OPEB liability | <u>2,051,788</u> | <u>2,624,497</u> |
| Total OPEB liability - ending | \$40,298,039 | \$42,922,536 |
| Covered employee payroll | 46,751,374 | 50,507,661 |
| Total OPEB liability as a percentage of covered employee payroll | 86.20 % | 84.98 % |

City of Bend, Oregon
Notes to the Required Supplementary Information
Fiscal Year Ended June 30, 2019

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 2017-19 biennium. All appropriations terminate on June 30, 2019.

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, 2019

| | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance with Final Budget - Over/Under</u> |
|--|-----------------------|----------------------------|--|
| <u>General Fund</u> | | | |
| Code enforcement program | \$ 1,031,525 | \$ 968,281 | \$ 63,244 |
| Community projects program | 3,296,200 | 3,046,160 | 250,040 |
| Growth management program | 2,521,642 | 1,659,093 | 862,549 |
| Accessibility program | 393,890 | 352,659 | 41,231 |
| Municipal court program | 1,133,436 | 1,084,774 | 48,662 |
| Police program | 42,886,339 | 42,552,616 | 333,723 |
| Transfers | 63,917,626 | 62,084,868 | 1,832,758 |
| Contingency | 2,015,534 | - | 2,015,534 |
| Total General Fund | <u>\$ 117,196,192</u> | <u>\$ 111,748,451</u> | <u>\$ 5,447,741</u> |
| | | | |
| <u>Streets & Operations Fund</u> | | | |
| Infrastructure program | \$ 30,884,760 | \$ 29,283,045 | \$ 1,601,715 |
| Debt service | 554,600 | 543,993 | 10,607 |
| Transfers | 4,206,530 | 4,073,697 | 132,833 |
| Contingency | 177,802 | - | 177,802 |
| Total Streets & Operations Fund | <u>\$ 35,823,692</u> | <u>\$ 33,900,735</u> | <u>\$ 1,922,957</u> |
| | | | |
| <u>Fire / Emergency Medical Services Fund</u> | | | |
| Public Safety program | \$ 45,307,420 | \$ 43,934,607 | \$ 1,372,813 |
| Debt service | 1,156,152 | 1,156,047 | 105 |
| Transfers | 4,747,960 | 4,696,301 | 51,659 |
| Contingency | 3,648,695 | - | 3,648,695 |
| Reserves | 100,000 | - | 100,000 |
| Total Fire / Emergency Medical Services Fund | <u>\$ 54,960,227</u> | <u>\$ 49,786,955</u> | <u>\$ 5,173,272</u> |
| | | | |
| <u>System Development Charges (SDC) Fund</u> | | | |
| Transfers | \$ 39,980,851 | \$ 36,269,015 | \$ 3,711,836 |
| Reserves | 8,658,067 | - | 8,658,067 |
| Total System Development Charges (SDC) Fund | <u>\$ 48,638,918</u> | <u>\$ 36,269,015</u> | <u>\$ 12,369,903</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, 2019

| | Biennium Budget | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|-------------------|-------------------|----------------------|----------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Intergovernmental | \$ 79,600 | \$ 79,600 | \$ 40,470 | \$ 40,856 | \$ 81,326 | \$ 1,726 |
| Charges for services: | | | | | | |
| Charges to others | 41,729,900 | 41,729,900 | 19,560,080 | 20,805,522 | 40,365,602 | (1,364,298) |
| Charges to other City funds | 355,800 | 355,800 | 169,416 | 199,874 | 369,290 | 13,490 |
| Loan repayments | 182,000 | 182,000 | 91,769 | 91,000 | 182,769 | 769 |
| Investment income | 691,000 | 691,000 | 283,947 | 2,033,792 | 2,317,739 | 1,626,739 |
| Miscellaneous | 32,400 | 32,400 | 21,282 | 39,916 | 61,198 | 28,798 |
| Total Revenues | 43,070,700 | 43,070,700 | 20,166,964 | 23,210,960 | 43,377,924 | 307,224 |
| Expenses | | | | | | |
| Current: | | | | | | |
| Personnel services | 9,781,900 | 9,769,900 | 4,481,621 | 4,723,830 | 9,205,451 | 564,449 |
| Materials and services | 9,726,600 | 9,967,200 | 3,674,876 | 3,913,214 | 7,588,090 | 2,379,110 |
| Interfund charges | 7,591,050 | 7,660,250 | 3,728,653 | 3,896,504 | 7,625,157 | 35,093 |
| Debt service | 8,285,800 | 8,285,800 | 4,139,521 | 4,135,413 | 8,274,934 | 10,866 |
| Capital outlay | 7,368,000 | 7,825,400 | 2,072,028 | 4,332,565 | 6,404,593 | 1,420,807 |
| Contingency | 4,394,000 | 3,149,800 | - | - | - | 3,149,800 |
| 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 | 21,001,526 | 39,098,225 | 50,733,834 |
| Excess (deficiency) of revenues over (under) expenses | (47,250,359) | (46,761,359) | 2,070,265 | 2,209,434 | 4,279,699 | 51,041,058 |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from sale of capital assets | - | - | 41,530 | 5,950 | 47,480 | 47,480 |
| Insurance proceeds | - | - | - | 15,494 | 15,494 | 15,494 |
| Transfers in | 7,293,400 | 7,293,400 | 3,256,261 | 3,547,497 | 6,803,758 | (489,642) |
| Transfers out | (505,000) | (1,415,000) | (102,500) | (102,500) | (205,000) | 1,210,000 |
| Total Other Financing Sources (Uses) | 6,788,400 | 5,878,400 | 3,195,291 | 3,466,441 | 6,661,732 | 783,332 |
| Net changes in fund balance | (40,461,959) | (40,882,959) | 5,265,556 | 5,675,875 | 10,941,431 | 51,824,390 |
| Beginning Fund Balance (Deficit) | 40,461,959 | 40,882,959 | 43,850,273 | 49,321,379 | 43,850,273 | 2,967,314 |
| Restatement | - | - | 205,550 | - | 205,550 | 205,550 |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 49,321,379 | \$ 54,997,254 | \$ 54,997,254 | \$ 54,997,254 |

Reconciliation of Budgetary basis to GAAP basis

| | |
|---|-----------------------|
| Ending Fund Balance Budgetary Basis | \$ 54,997,254 |
| Capital assets, net of accumulated depreciation | 172,935,442 |
| Deferred outflows from pensions | 1,441,014 |
| Deferred outflows from OPEB | 42,610 |
| Long-term debt | (58,701,836) |
| Other post-employment benefits payable | (2,184,720) |
| Net pension liability | (3,032,074) |
| Deferred inflows from pensions | (186,376) |
| Deferred Inflow from OPEB | (18,138) |
| Deferred inflows from debt refunding | (316,765) |
| Ending Fund Balance GAAP Basis | \$ 164,976,409 |

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, 2019

| | Biennium Budget | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|--------------------|--------------------|----------------------|----------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Intergovernmental | \$ 363,300 | \$ 363,300 | \$ 186,613 | \$ 178,778 | \$ 365,391 | \$ 2,091 |
| Charges for services: | | | | | | |
| Charges to others | 53,032,900 | 53,032,900 | 26,829,939 | 29,471,430 | 56,301,369 | 3,268,469 |
| Charges to other City funds | 50,900 | 50,900 | 23,467 | 25,575 | 49,042 | (1,858) |
| Loan repayments | - | - | 26,246 | 6,688 | 32,934 | 32,934 |
| Investment income | 451,200 | 451,200 | 160,163 | 2,312,574 | 2,472,737 | 2,021,537 |
| Miscellaneous | 38,000 | 38,000 | 14,409 | 13,012 | 27,421 | (10,579) |
| Total Revenues | 53,936,300 | 53,936,300 | 27,240,837 | 32,008,057 | 59,248,894 | 5,312,594 |
| Expenses | | | | | | |
| Current: | | | | | | |
| Personnel services | 12,261,100 | 12,249,100 | 5,648,754 | 5,824,873 | 11,473,627 | 775,473 |
| Materials and services | 7,470,620 | 7,077,120 | 2,678,205 | 3,165,978 | 5,844,183 | 1,232,937 |
| Interfund charges | 11,554,500 | 11,795,700 | 5,682,038 | 5,942,406 | 11,624,444 | 171,256 |
| Debt service | 11,516,700 | 21,672,900 | 3,855,383 | 12,245,928 | 16,101,311 | 5,571,589 |
| Capital outlay | 63,521,300 | 73,460,400 | 21,854,632 | 20,024,442 | 41,879,074 | 31,581,326 |
| Contingency | 3,870,300 | 3,629,100 | - | - | - | 3,629,100 |
| Reserved for rate stabilization | 1,000,000 | 1,000,000 | - | - | - | 1,000,000 |
| Reserved for debt service | 1,952,500 | 1,952,500 | - | - | - | 1,952,500 |
| Reserved for construction | 40,396,945 | 26,540,745 | - | - | - | 26,540,745 |
| Total Expenses | 153,543,965 | 159,377,565 | 39,719,012 | 47,203,627 | 86,922,639 | 72,454,926 |
| Excess (deficiency) of revenues over (under) expenses | (99,607,665) | (105,441,265) | (12,478,175) | (15,195,570) | (27,673,745) | 77,767,520 |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from sale of capital assets | - | - | 40,620 | 19,940 | 60,560 | 60,560 |
| Issuance of long-term debt | 33,500,000 | 39,333,600 | 20,829,961 | 13,291,439 | 34,121,400 | (5,212,200) |
| Transfers in | 12,500,900 | 12,500,900 | 6,980,316 | 6,322,754 | 13,303,070 | 802,170 |
| Transfers out | (205,000) | (205,000) | (102,500) | (102,500) | (205,000) | - |
| Total Other Financing Sources (Uses) | 45,795,900 | 51,629,500 | 27,748,397 | 19,531,633 | 47,280,030 | (4,349,470) |
| Net changes in fund balance | (53,811,765) | (53,811,765) | 15,270,222 | 4,336,063 | 19,606,285 | 73,418,050 |
| Beginning Fund Balance (Deficit) | 53,811,765 | 53,811,765 | 47,894,025 | 63,292,711 | 47,894,025 | (5,917,740) |
| Restatement | - | - | 128,464 | - | 128,464 | 128,464 |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 63,292,711 | \$ 67,628,774 | \$ 67,628,774 | \$ 67,628,774 |

Reconciliation of Budgetary basis to GAAP basis

| | |
|---|-----------------------|
| Ending Fund Balance Budgetary Basis | \$ 67,628,774 |
| Capital assets, net of accumulated depreciation | 286,946,912 |
| Deferred outflows from pensions | 1,759,996 |
| Deferred outflows from OPEB | 52,043 |
| Long-term debt | (129,562,342) |
| Other post-employment benefits payable | (2,668,326) |
| Net pension liability | (3,703,249) |
| Deferred inflows from pensions | (227,632) |
| Deferred Inflow from OPEB | (22,153) |
| Ending Fund Balance GAAP Basis | \$ 220,204,024 |

City of Bend, Oregon
Other Major Funds
Schedule of Expenses and Other Uses by Appropriation Levels
For the biennium ended June 30, 2019

| | <u>Appropriation</u> | <u>Actual Expenses</u> | <u>Variance with Final Budget - Over/Under</u> |
|--------------------------------------|-----------------------|----------------------------|--|
| <u>Water Fund</u> | | | |
| Infrastructure program | \$ 27,562,500 | \$ 23,198,134 | \$ 4,364,366 |
| Debt service | 8,285,800 | 8,274,934 | 10,866 |
| Transfers | 9,075,250 | 7,830,157 | 1,245,093 |
| Contingency | 3,149,800 | - | 3,149,800 |
| Reserves | 43,173,709 | - | 43,173,709 |
| Total Water Fund | <u>\$ 91,247,059</u> | <u>\$ 39,303,225</u> | <u>\$ 51,943,834</u> |
| | | | |
| <u>Water Reclamation Fund</u> | | | |
| Infrastructure program | \$ 92,786,620 | \$ 59,196,884 | \$ 33,589,736 |
| Debt service | 21,672,900 | 16,101,311 | 5,571,589 |
| Transfers | 12,000,700 | 11,829,444 | 171,256 |
| Contingency | 3,629,100 | - | 3,629,100 |
| Reserves | 29,493,245 | - | 29,493,245 |
| Total Water Reclamation Fund | <u>\$ 159,582,565</u> | <u>\$ 87,127,639</u> | <u>\$ 72,454,926</u> |

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MAJOR AND NONMAJOR GOVERNMENTAL FUNDS

City of Bend, Oregon
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Cemetery Permanent Maintenance Fund | Total Nonmajor Governmental Funds |
|--|-----------------------------|-----------------------|------------------------------|--|--|
| Assets | | | | | |
| Pooled cash and investments | \$ 25,545,475 | \$ 2,832,849 | \$ 1,886,712 | \$ - | \$ 30,265,036 |
| Restricted cash and investments | 1,424,855 | 5,266,329 | 1,361,088 | 680,364 | 8,732,636 |
| Receivables: | | | | | |
| Taxes | - | 93,297 | - | - | 93,297 |
| Accounts, net | 489,173 | - | 115,225 | - | 604,398 |
| Assessments receivable, net | 47,489 | - | - | - | 47,489 |
| Loans and notes receivable, net | 10,886,605 | - | - | - | 10,886,605 |
| Due from other governments | 3,517 | - | - | - | 3,517 |
| Total Assets | \$ 38,397,114 | \$ 8,192,475 | \$ 3,363,025 | \$ 680,364 | \$ 50,632,978 |
| Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 464,754 | \$ - | \$ 46,269 | \$ - | \$ 511,023 |
| Salaries and benefits payable | 134,803 | - | 2,444 | - | 137,247 |
| Retainage payable | - | - | 17,030 | - | 17,030 |
| Other accrued liabilities | 113 | - | - | - | 113 |
| Deposits - restricted | 601,571 | - | - | - | 601,571 |
| Unearned revenue | 963 | - | - | - | 963 |
| Due to other funds | 36,900 | - | - | - | 36,900 |
| Total Liabilities | 1,239,104 | - | 65,743 | - | 1,304,847 |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue - property taxes | - | 66,876 | - | - | 66,876 |
| Unavailable revenue - assessments & loans | 10,919,240 | - | - | - | 10,919,240 |
| Total Deferred Inflows of Resources | 10,919,240 | 66,876 | - | - | 10,986,116 |
| Fund Balances (Deficits) | | | | | |
| Nonspendable: | | | | | |
| Permanent maintenance funds | - | - | - | 633,471 | 633,471 |
| Restricted for: | | | | | |
| External grantor covenant | 160,711 | - | - | - | 160,711 |
| Outside debt covenant | - | 5,292,750 | - | - | 5,292,750 |
| Outside construction covenant | - | - | 1,338,072 | - | 1,338,072 |
| State law revenue restriction | 4,006,539 | - | - | 46,893 | 4,053,432 |
| Committed: | | | | | |
| Planning support services | 7,291,682 | - | - | - | 7,291,682 |
| Assigned: | | | | | |
| Construction activities | - | - | 1,959,210 | - | 1,959,210 |
| Building support services | 13,980,313 | - | - | - | 13,980,313 |
| Community development operations | 128,890 | - | - | - | 128,890 |
| Debt service | - | 2,832,849 | - | - | 2,832,849 |
| Reserves for police operations | 670,635 | - | - | - | 670,635 |
| Total Fund Balances (Deficits) | 26,238,770 | 8,125,599 | 3,297,282 | 680,364 | 38,342,015 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) | \$ 38,397,114 | \$ 8,192,475 | \$ 3,363,025 | \$ 680,364 | \$ 50,632,978 |

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, 2019

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Cemetery Permanent Maintenance Fund | Total Nonmajor Governmental Funds |
|---|-----------------------------|-----------------------|------------------------------|--|--|
| Revenues | | | | | |
| Property taxes | \$ - | \$ 3,533,968 | \$ - | \$ - | \$ 3,533,968 |
| Room taxes | 3,194,602 | - | - | - | 3,194,602 |
| Franchise fees | - | - | 797,598 | - | 797,598 |
| Intergovernmental | 13,863 | 244,018 | 31,288 | - | 289,169 |
| Assessments | 218,128 | - | - | - | 218,128 |
| Licenses and permits | 5,903,149 | - | - | - | 5,903,149 |
| Charges for services | 7,216,347 | 1,388,339 | - | - | 8,604,686 |
| Contributions | 62,900 | - | - | - | 62,900 |
| Loan repayments | 251,879 | - | - | - | 251,879 |
| Permanent maintenance fees | - | - | - | 6,386 | 6,386 |
| Investment income | 1,085,479 | 348,380 | 159,883 | 45,876 | 1,639,618 |
| Miscellaneous | 842 | - | 101 | - | 943 |
| Total Revenues | <u>17,947,189</u> | <u>5,514,705</u> | <u>988,870</u> | <u>52,262</u> | <u>24,503,026</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | - | 26,100 | - | - | 26,100 |
| Public safety | - | 7,500 | - | - | 7,500 |
| Public ways and facilities | - | - | 169,268 | - | 169,268 |
| Community and economic development | 16,746,448 | - | - | - | 16,746,448 |
| Permanent maintenance | - | - | - | 5,065 | 5,065 |
| Urban renewal | 149,131 | - | 77,548 | - | 226,679 |
| Debt service: | | | | | |
| Principal | - | 2,961,500 | 235,000 | - | 3,196,500 |
| Interest | - | 1,527,167 | 74,125 | - | 1,601,292 |
| Capital outlay | 71,929 | - | 1,924,857 | - | 1,996,786 |
| Total Expenditures | <u>16,967,508</u> | <u>4,522,267</u> | <u>2,480,798</u> | <u>5,065</u> | <u>23,975,638</u> |
| Excess (deficiency) of revenues over expenditures | 979,681 | 992,438 | (1,491,928) | 47,197 | 527,388 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 1,148,278 | 184,500 | 402,674 | - | 1,735,452 |
| Transfers out | (477,673) | (29,759) | (196,014) | (14,275) | (717,721) |
| Total Other Financing Sources (Uses) | <u>670,605</u> | <u>154,741</u> | <u>206,660</u> | <u>(14,275)</u> | <u>1,017,731</u> |
| Net change in fund balances | 1,650,286 | 1,147,179 | (1,285,268) | 32,922 | 1,545,119 |
| Fund Balances (Deficits), July 1, 2018 | 24,588,484 | 6,978,420 | 4,582,550 | 647,442 | 36,796,896 |
| Fund Balances (Deficits), June 30, 2019 | <u>\$ 26,238,770</u> | <u>\$ 8,125,599</u> | <u>\$ 3,297,282</u> | <u>\$ 680,364</u> | <u>\$ 38,342,015</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 in 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 1/3 of 1% of the total building permit valuation for all building permits issued. Expenditures are for housing opportunities for residents at or below 80% of 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, 2019

| | BURA General Fund | Energy ARRA Grant Fund | Helen Lorenz Estate Fund |
|--|----------------------|---------------------------|-----------------------------|
| Assets | | | |
| Pooled cash and investments | \$ - | \$ - | \$ - |
| Restricted cash and investments | 460,219 | 14,002 | 38,810 |
| Receivables: | | | |
| Accounts, net | - | - | 38,200 |
| Assessments receivable, net | - | - | - |
| Loans and notes receivable, net | - | 149,891 | - |
| Due from other governments | - | - | - |
| Total Assets | \$ 460,219 | \$ 163,893 | \$ 77,010 |
| Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) | | | |
| Liabilities | | | |
| Accounts payable | \$ 141 | \$ - | \$ - |
| Salaries and benefits payable | 1,050 | - | - |
| Other accrued liabilities | - | - | - |
| Deposits - restricted | - | - | 38,810 |
| Unearned revenue | - | - | - |
| Due to other funds | - | - | 36,900 |
| Total Liabilities | 1,191 | - | 75,710 |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - assessments & loans | - | 149,891 | 1,300 |
| Total Deferred Inflows of Resources | - | 149,891 | 1,300 |
| Fund Balances (Deficits) | | | |
| Restricted for: | | | |
| External grantor covenant | - | 14,002 | - |
| State law revenue restriction | 459,028 | - | - |
| Committed: | | | |
| Planning support services | - | - | - |
| Assigned: | | | |
| Building support services | - | - | - |
| Community development operations | - | - | - |
| Reserves for police operations | - | - | - |
| Total Fund Balances (Deficits) | 459,028 | 14,002 | - |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) | \$ 460,219 | \$ 163,893 | \$ 77,010 |

City of Bend, Oregon
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2019

| | Building Fund | Planning Fund | Private Development Engineering Fund | Community Development Block Grant Fund | Affordable Housing Fund |
|--|----------------------|---------------------|---|---|----------------------------|
| Assets | | | | | |
| Pooled cash and investments | \$ 14,055,514 | \$ 4,929,251 | \$ 2,456,077 | \$ - | \$ 3,217,440 |
| Restricted cash and investments | - | 92,296 | 469,714 | 182,209 | - |
| Receivables: | | | | | |
| Accounts, net | 418 | 545 | 1,221 | - | - |
| Assessments receivable, net | - | - | - | - | - |
| Loans and notes receivable, net | - | - | - | 5,280,136 | 5,456,578 |
| Due from other governments | - | - | - | 3,517 | - |
| Total Assets | \$ 14,055,932 | \$ 5,022,092 | \$ 2,927,012 | \$ 5,465,862 | \$ 8,674,018 |
| Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 3,379 | \$ 5,048 | \$ 35,042 | \$ 33,310 | \$ 13 |
| Salaries and benefits payable | 71,071 | 32,899 | 21,878 | 2,077 | 2,583 |
| Other accrued liabilities | - | - | - | 113 | - |
| Deposits - restricted | 751 | 92,296 | 469,714 | - | - |
| Unearned revenue | 418 | 545 | - | - | - |
| Due to other funds | - | - | - | - | - |
| Total Liabilities | 75,619 | 130,788 | 526,634 | 35,500 | 2,596 |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue - assessments & loans | - | - | - | 5,283,653 | 5,456,578 |
| Total Deferred Inflows of Resources | - | - | - | 5,283,653 | 5,456,578 |
| Fund Balances (Deficits) | | | | | |
| Restricted for: | | | | | |
| External grantor covenant | - | - | - | 146,709 | - |
| State law revenue restriction | - | - | - | - | 3,214,844 |
| Committed: | | | | | |
| Planning support services | - | 4,891,304 | 2,400,378 | - | - |
| Assigned: | | | | | |
| Building support services | 13,980,313 | - | - | - | - |
| Community development operations | - | - | - | - | - |
| Reserves for police operations | - | - | - | - | - |
| Total Fund Balances (Deficits) | 13,980,313 | 4,891,304 | 2,400,378 | 146,709 | 3,214,844 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) | \$ 14,055,932 | \$ 5,022,092 | \$ 2,927,012 | \$ 5,465,862 | \$ 8,674,018 |

City of Bend, Oregon
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2019

| | Business Advocacy Fund | Tourism Fund | Economic Improvement District Fund | Police Reserve Fund | Total Special Revenue Funds |
|--|------------------------------|-------------------|--|------------------------|--------------------------------|
| Assets | | | | | |
| Pooled cash and investments | \$ 141,374 | \$ - | \$ 75,184 | \$ 670,635 | \$ 25,545,475 |
| Restricted cash and investments | - | 167,605 | - | - | 1,424,855 |
| Receivables: | | | | | |
| Accounts, net | - | 448,789 | - | - | 489,173 |
| Assessments receivable, net | - | - | 47,489 | - | 47,489 |
| Loans and notes receivable, net | - | - | - | - | 10,886,605 |
| Due from other governments | - | - | - | - | 3,517 |
| Total Assets | \$ 141,374 | \$ 616,394 | \$ 122,673 | \$ 670,635 | \$ 38,397,114 |
| Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 9,239 | \$ 283,727 | \$ 94,855 | \$ - | \$ 464,754 |
| Salaries and benefits payable | 3,245 | - | - | - | 134,803 |
| Other accrued liabilities | - | - | - | - | 113 |
| Deposits - restricted | - | - | - | - | 601,571 |
| Unearned revenue | - | - | - | - | 963 |
| Due to other funds | - | - | - | - | 36,900 |
| Total Liabilities | 12,484 | 283,727 | 94,855 | - | 1,239,104 |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue - assessments & loans | - | - | 27,818 | - | 10,919,240 |
| Total Deferred Inflows of Resources | - | - | 27,818 | - | 10,919,240 |
| Fund Balances (Deficits) | | | | | |
| Restricted for: | | | | | |
| External grantor covenant | - | - | - | - | 160,711 |
| State law revenue restriction | - | 332,667 | - | - | 4,006,539 |
| Committed: | | | | | |
| Planning support services | - | - | - | - | 7,291,682 |
| Assigned: | | | | | |
| Building support services | - | - | - | - | 13,980,313 |
| Community development operations | 128,890 | - | - | - | 128,890 |
| Reserves for police operations | - | - | - | 670,635 | 670,635 |
| Total Fund Balances (Deficits) | 128,890 | 332,667 | - | 670,635 | 26,238,770 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) | \$ 141,374 | \$ 616,394 | \$ 122,673 | \$ 670,635 | \$ 38,397,114 |

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, 2019

| | <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 | - | - | 62,900 |
| Loan repayments | - | 2,799 | - |
| Investment income | 20,497 | 570 | - |
| Miscellaneous | - | - | - |
| Total Revenues | <u>20,497</u> | <u>3,369</u> | <u>62,900</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Community and economic development | - | - | - |
| Urban renewal | 149,131 | - | - |
| Capital outlay | - | - | - |
| Total Expenditures | <u>149,131</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | (128,634) | 3,369 | 62,900 |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers in | - | - | - |
| Transfers out | - | (49,000) | (62,900) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(49,000)</u> | <u>(62,900)</u> |
| Net change in fund balances | (128,634) | (45,631) | - |
| Fund Balances (Deficits), July 1, 2018 | 587,662 | 59,633 | - |
| Fund Balances (Deficits), June 30, 2019 | <u>\$ 459,028</u> | <u>\$ 14,002</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, 2019

| | Building Fund | Planning Fund | Private Development Engineering Fund | Community Development Block Grant Fund | Affordable Housing Fund |
|---|----------------------|---------------------|---|---|----------------------------|
| Revenues | | | | | |
| Room taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 13,863 | - | - | - |
| Assessments | - | - | - | - | - |
| Licenses and permits | 5,124,378 | 75,662 | 387,859 | - | - |
| Charges for services | 1,578,932 | 2,392,399 | 1,965,870 | - | 1,279,146 |
| Contributions | - | - | - | - | - |
| Loan repayments | - | - | - | 109,878 | 139,202 |
| Investment income | 577,871 | 207,082 | 110,491 | 8,038 | 123,503 |
| Miscellaneous | 25 | - | - | - | 817 |
| Total Revenues | 7,281,206 | 2,689,006 | 2,464,220 | 117,916 | 1,542,668 |
| Expenditures | | | | | |
| Current: | | | | | |
| Community and economic development | 6,703,605 | 2,989,524 | 2,059,490 | 631,918 | 645,880 |
| Urban renewal | - | - | - | - | - |
| Capital outlay | 46,896 | - | 25,033 | - | - |
| Total Expenditures | 6,750,501 | 2,989,524 | 2,084,523 | 631,918 | 645,880 |
| Excess (deficiency) of revenues over expenditures | 530,705 | (300,518) | 379,697 | (514,002) | 896,788 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 11,552 | 570,000 | 453,726 | 26,000 | - |
| Transfers out | (263,843) | (50,296) | (24,276) | - | (26,000) |
| Total Other Financing Sources (Uses) | (252,291) | 519,704 | 429,450 | 26,000 | (26,000) |
| Net change in fund balances | 278,414 | 219,186 | 809,147 | (488,002) | 870,788 |
| Fund Balances (Deficits), July 1, 2018 | 13,701,899 | 4,672,118 | 1,591,231 | 634,711 | 2,344,056 |
| Fund Balances (Deficits), June 30, 2019 | \$ 13,980,313 | \$ 4,891,304 | \$ 2,400,378 | \$ 146,709 | \$ 3,214,844 |

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, 2019

| | Business Advocacy Fund | Tourism Fund | Economic Improvement District Fund | Police Reserve Fund | Total Special Revenue Funds |
|---|------------------------------|-------------------|--|------------------------|--------------------------------|
| Revenues | | | | | |
| Room taxes | \$ - | \$ 3,194,602 | \$ - | \$ - | \$ 3,194,602 |
| Intergovernmental | - | - | - | - | 13,863 |
| Assessments | - | - | 218,128 | - | 218,128 |
| Licenses and permits | 315,250 | - | - | - | 5,903,149 |
| Charges for services | - | - | - | - | 7,216,347 |
| Contributions | - | - | - | - | 62,900 |
| Loan repayments | - | - | - | - | 251,879 |
| Investment income | 5,712 | 3,940 | 458 | 27,317 | 1,085,479 |
| Miscellaneous | - | - | - | - | 842 |
| Total Revenues | <u>320,962</u> | <u>3,198,542</u> | <u>218,586</u> | <u>27,317</u> | <u>17,947,189</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Community and economic development | 395,393 | 3,102,052 | 218,586 | - | 16,746,448 |
| Urban renewal | - | - | - | - | 149,131 |
| Capital outlay | - | - | - | - | 71,929 |
| Total Expenditures | <u>395,393</u> | <u>3,102,052</u> | <u>218,586</u> | <u>-</u> | <u>16,967,508</u> |
| Excess (deficiency) of revenues over expenditures | (74,431) | 96,490 | - | 27,317 | 979,681 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 87,000 | - | - | - | 1,148,278 |
| Transfers out | (1,358) | - | - | - | (477,673) |
| Total Other Financing Sources (Uses) | <u>85,642</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>670,605</u> |
| Net change in fund balances | 11,211 | 96,490 | - | 27,317 | 1,650,286 |
| Fund Balances (Deficits), July 1, 2018 | 117,679 | 236,177 | - | 643,318 | 24,588,484 |
| Fund Balances (Deficits), June 30, 2019 | <u>\$ 128,890</u> | <u>\$ 332,667</u> | <u>\$ -</u> | <u>\$ 670,635</u> | <u>\$ 26,238,770</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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Investment income | \$ 6,100 | \$ 6,100 | \$ 1,384 | \$ 20,497 | \$ 21,881 | \$ 15,781 |
| Total Revenues | <u>6,100</u> | <u>6,100</u> | <u>1,384</u> | <u>20,497</u> | <u>21,881</u> | <u>15,781</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Personnel services | 128,700 | 330,408 | 64,426 | 100,751 | 165,177 | 165,231 |
| Materials and services | 135,700 | 662,092 | 25,539 | 42,380 | 67,919 | 594,173 |
| Interfund charges | 10,400 | 11,000 | 5,300 | 6,000 | 11,300 | (300) |
| Reserves | 40,594 | 40,594 | - | - | - | 40,594 |
| Total Expenditures | <u>315,394</u> | <u>1,044,094</u> | <u>95,265</u> | <u>149,131</u> | <u>244,396</u> | <u>799,698</u> |
| Excess (deficiency) of revenues over (under) expenditures | (309,294) | (1,037,994) | (93,881) | (128,634) | (222,515) | 815,479 |
| Other Financing Sources (Uses) | | | | | | |
| 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 | (128,634) | 136,972 | 454,526 |
| Beginning Fund Balance (Deficit) | 317,554 | 317,554 | 322,056 | 587,662 | 322,056 | 4,502 |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 587,662</u> | <u>\$ 459,028</u> | <u>\$ 459,028</u> | <u>\$ 459,028</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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|-----------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| <u>Revenues</u> | | | | | | |
| Loan repayments | \$ - | \$ - | \$ 12,138 | \$ 2,799 | \$ 14,937 | \$ 14,937 |
| Investment income | 500 | 500 | 665 | 570 | 1,235 | 735 |
| Total Revenues | 500 | 500 | 12,803 | 3,369 | 16,172 | 15,672 |
| <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 | 3,369 | 16,172 | 16,126 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers out | - | (99,000) | (50,000) | (49,000) | (99,000) | - |
| Total Other Financing Sources (Uses) | - | (99,000) | (50,000) | (49,000) | (99,000) | - |
| Net changes in fund balance | (98,954) | (98,954) | (37,197) | (45,631) | (82,828) | 16,126 |
| Beginning Fund Balance (Deficit) | 98,954 | 98,954 | 96,830 | 59,633 | 96,830 | (2,124) |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 59,633 | \$ 14,002 | \$ 14,002 | \$ 14,002 |

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, 2019

| | <u>Biennium Budget</u> | | | | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | <u>Original</u> | <u>Final</u> | FY2017-18 Actual | FY2018-19 Actual | | |
| <u>Revenues</u> | | | | | | |
| Contributions | \$ 122,000 | \$ 122,000 | \$ 50,531 | \$ 62,900 | \$ 113,431 | \$ (8,569) |
| Investment income | 2,000 | 2,000 | - | - | - | (2,000) |
| Total Revenues | <u>124,000</u> | <u>124,000</u> | <u>50,531</u> | <u>62,900</u> | <u>113,431</u> | <u>(10,569)</u> |
| <u>Expenditures</u> | | | | | | |
| Reserves | 4,739 | 4,739 | - | - | - | 4,739 |
| Total Expenditures | <u>4,739</u> | <u>4,739</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,739</u> |
| Excess (deficiency) of revenues over (under) expenditures | 119,261 | 119,261 | 50,531 | 62,900 | 113,431 | (5,830) |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers out | (122,000) | (122,000) | (53,034) | (62,900) | (115,934) | 6,066 |
| Total Other Financing Sources (Uses) | <u>(122,000)</u> | <u>(122,000)</u> | <u>(53,034)</u> | <u>(62,900)</u> | <u>(115,934)</u> | <u>6,066</u> |
| 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) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|-------------------|----------------------|----------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Licenses and permits | \$ 10,557,800 | \$ 10,557,800 | \$ 5,459,306 | \$ 5,124,378 | \$ 10,583,684 | \$ 25,884 |
| Charges for services: | | | | | | |
| Charges to others | 2,963,000 | 2,963,000 | 1,785,483 | 1,578,932 | 3,364,415 | 401,415 |
| Investment income | 311,100 | 311,100 | 76,435 | 577,871 | 654,306 | 343,206 |
| Miscellaneous | 4,000 | 4,000 | - | 25 | 25 | (3,975) |
| Total Revenues | 13,835,900 | 13,835,900 | 7,321,224 | 7,281,206 | 14,602,430 | 766,530 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Personnel services | 10,071,100 | 10,517,800 | 4,159,964 | 4,493,426 | 8,653,390 | 1,864,410 |
| Materials and services | 2,064,236 | 1,972,236 | 506,829 | 543,738 | 1,050,567 | 921,669 |
| Interfund charges | 2,825,800 | 3,536,800 | 1,583,765 | 1,833,558 | 3,417,323 | 119,477 |
| Capital outlay | 32,000 | 124,000 | 53,272 | 46,896 | 100,168 | 23,832 |
| Contingency | 11,688,647 | 10,530,947 | - | - | - | 10,530,947 |
| Total Expenditures | 26,681,783 | 26,681,783 | 6,303,830 | 6,917,618 | 13,221,448 | 13,460,335 |
| Excess (deficiency) of revenues over (under) expenditures | (12,845,883) | (12,845,883) | 1,017,394 | 363,588 | 1,380,982 | 14,226,865 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | - | - | 24,046 | 11,552 | 35,598 | 35,598 |
| Transfers out | - | - | - | (96,726) | (96,726) | (96,726) |
| Total Other Financing Sources (Uses) | - | - | 24,046 | (85,174) | (61,128) | (61,128) |
| Net changes in fund balance | (12,845,883) | (12,845,883) | 1,041,440 | 278,414 | 1,319,854 | 14,165,737 |
| Beginning Fund Balance (Deficit) | 12,845,883 | 12,845,883 | 12,660,459 | 13,701,899 | 12,660,459 | (185,424) |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 13,701,899 | \$ 13,980,313 | \$ 13,980,313 | \$ 13,980,313 |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|-------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Intergovernmental | \$ 20,000 | \$ 20,000 | \$ - | \$ 13,863 | \$ 13,863 | \$ (6,137) |
| Licenses and permits | 151,900 | 151,900 | 97,695 | 75,662 | 173,357 | 21,457 |
| Charges for services: | | | | | | |
| Charges to others | 5,011,400 | 5,011,400 | 2,738,726 | 2,392,399 | 5,131,125 | 119,725 |
| Investment income | 102,800 | 142,800 | 22,329 | 207,082 | 229,411 | 86,611 |
| Total Revenues | 5,286,100 | 5,326,100 | 2,858,750 | 2,689,006 | 5,547,756 | 221,656 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Personnel services | 3,832,900 | 4,203,400 | 1,788,559 | 2,085,433 | 3,873,992 | 329,408 |
| Materials and services | 479,513 | 487,313 | 223,102 | 235,857 | 458,959 | 28,354 |
| Interfund charges | 1,121,400 | 1,256,500 | 588,032 | 668,234 | 1,256,266 | 234 |
| Capital outlay | 32,000 | 32,000 | - | - | - | 32,000 |
| Contingency | 4,593,824 | 4,080,424 | - | - | - | 4,080,424 |
| Total Expenditures | 10,059,637 | 10,059,637 | 2,599,693 | 2,989,524 | 5,589,217 | 4,470,420 |
| Excess (deficiency) of revenues over (under) expenditures | (4,773,537) | (4,733,537) | 259,057 | (300,518) | (41,461) | 4,692,076 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 1,123,000 | 1,123,000 | 553,000 | 570,000 | 1,123,000 | - |
| Transfers out | (51,400) | (91,400) | (31,262) | (50,296) | (81,558) | 9,842 |
| Total Other Financing Sources (Uses) | 1,071,600 | 1,031,600 | 521,738 | 519,704 | 1,041,442 | 9,842 |
| Net changes in fund balance | (3,701,937) | (3,701,937) | 780,795 | 219,186 | 999,981 | 4,701,918 |
| Beginning Fund Balance (Deficit) | 3,701,937 | 3,701,937 | 3,891,323 | 4,672,118 | 3,891,323 | 189,386 |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 4,672,118 | \$ 4,891,304 | \$ 4,891,304 | \$ 4,891,304 |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Licenses and permits | \$ 951,400 | \$ 951,400 | \$ 419,945 | \$ 387,859 | \$ 807,804 | \$ (143,596) |
| Charges for services: | | | | | | |
| Charges to others | 3,828,100 | 3,828,100 | 1,787,922 | 1,965,870 | 3,753,792 | (74,308) |
| Investment income | 9,600 | 44,600 | 450 | 110,491 | 110,941 | 66,341 |
| Miscellaneous | - | - | 44 | - | 44 | 44 |
| Total Revenues | 4,789,100 | 4,824,100 | 2,208,361 | 2,464,220 | 4,672,581 | (151,519) |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Personnel services | 3,263,700 | 3,395,000 | 1,334,508 | 1,464,796 | 2,799,304 | 595,696 |
| Materials and services | 275,327 | 275,327 | 123,275 | 145,866 | 269,141 | 6,186 |
| Interfund charges | 766,700 | 848,500 | 361,921 | 448,828 | 810,749 | 37,751 |
| Capital outlay | 32,000 | 32,000 | - | 25,033 | 25,033 | 6,967 |
| Contingency | 2,273,489 | 2,191,689 | - | - | - | 2,191,689 |
| Total Expenditures | 6,611,216 | 6,742,516 | 1,819,704 | 2,084,523 | 3,904,227 | 2,838,289 |
| Excess (deficiency) of revenues over (under) expenditures | (1,822,116) | (1,918,416) | 388,657 | 379,697 | 768,354 | 2,686,770 |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from sale of capital assets | - | - | 10,687 | - | 10,687 | 10,687 |
| Transfers in | 1,822,116 | 1,953,416 | 1,191,887 | 453,726 | 1,645,613 | (307,803) |
| Transfers out | - | (35,000) | - | (24,276) | (24,276) | 10,724 |
| Total Other Financing Sources (Uses) | 1,822,116 | 1,918,416 | 1,202,574 | 429,450 | 1,632,024 | (286,392) |
| Net changes in fund balance | - | - | 1,591,231 | 809,147 | 2,400,378 | 2,400,378 |
| Beginning Fund Balance (Deficit) | - | - | - | 1,591,231 | - | - |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 1,591,231 | \$ 2,400,378 | \$ 2,400,378 | \$ 2,400,378 |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Intergovernmental | \$ 1,288,200 | \$ 1,343,300 | \$ 489,996 | \$ - | \$ 489,996 | \$ (853,304) |
| Loan repayments | 16,200 | 37,700 | 140,367 | 109,878 | 250,245 | 212,545 |
| Investment income | 6,400 | 6,400 | 6,988 | 8,038 | 15,026 | 8,626 |
| Total Revenues | 1,310,800 | 1,387,400 | 637,351 | 117,916 | 755,267 | (632,133) |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Personnel services | 355,100 | 355,100 | 146,117 | 153,268 | 299,385 | 55,715 |
| Materials and services | 1,131,400 | 1,747,378 | 437,118 | 463,150 | 900,268 | 847,110 |
| Interfund charges | 31,100 | 31,100 | 15,600 | 15,500 | 31,100 | - |
| Contingency | 459,378 | - | - | - | - | - |
| Total Expenditures | 1,976,978 | 2,133,578 | 598,835 | 631,918 | 1,230,753 | 902,825 |
| Excess (deficiency) of revenues over (under) expenditures | (666,178) | (746,178) | 38,516 | (514,002) | (475,486) | 270,692 |
| Other Financing Sources (Uses) | | | | | | |
| 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 | 26,000 | 91,000 | (124,000) |
| Total Other Financing Sources (Uses) | 215,000 | 215,000 | 65,000 | 26,000 | 91,000 | (124,000) |
| Net changes in fund balance | (451,178) | (531,178) | 103,516 | (488,002) | (384,486) | 146,692 |
| Beginning Fund Balance (Deficit) | 451,178 | 531,178 | 531,195 | 634,711 | 531,195 | 17 |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 634,711 | \$ 146,709 | \$ 146,709 | \$ 146,709 |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Charges for services | \$ 2,235,600 | \$ 2,455,900 | \$ 1,335,319 | \$ 1,279,146 | \$ 2,614,465 | \$ 158,565 |
| Loan repayments | 198,000 | 356,800 | 272,740 | 139,202 | 411,942 | 55,142 |
| Investment income | 58,000 | 58,000 | 13,828 | 123,503 | 137,331 | 79,331 |
| Miscellaneous | - | - | 1,165 | 817 | 1,982 | 1,982 |
| Total Revenues | 2,491,600 | 2,870,700 | 1,623,052 | 1,542,668 | 3,165,720 | 295,020 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Personnel services | 290,000 | 290,000 | 124,810 | 123,929 | 248,739 | 41,261 |
| Materials and services | 2,459,500 | 4,800,500 | 1,590,356 | 502,851 | 2,093,207 | 2,707,293 |
| Interfund charges | 36,400 | 37,300 | 18,200 | 19,100 | 37,300 | - |
| Contingency | 1,557,785 | 47,185 | - | - | - | 47,185 |
| Total Expenditures | 4,343,685 | 5,174,985 | 1,733,366 | 645,880 | 2,379,246 | 2,795,739 |
| Excess (deficiency) of revenues over (under) expenditures | (1,852,085) | (2,304,285) | (110,314) | 896,788 | 786,474 | 3,090,759 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers out | (215,000) | (215,000) | (65,000) | (26,000) | (91,000) | 124,000 |
| Total Other Financing Sources (Uses) | (215,000) | (215,000) | (65,000) | (26,000) | (91,000) | 124,000 |
| Net changes in fund balance | (2,067,085) | (2,519,285) | (175,314) | 870,788 | 695,474 | 3,214,759 |
| Beginning Fund Balance (Deficit) | 2,067,085 | 2,519,285 | 2,519,370 | 2,344,056 | 2,519,370 | 85 |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 2,344,056 | \$ 3,214,844 | \$ 3,214,844 | \$ 3,214,844 |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|----------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Licenses and permits | \$ 637,200 | \$ 637,200 | \$ 308,800 | \$ 315,250 | \$ 624,050 | \$ (13,150) |
| Investment income | 3,800 | 3,800 | 897 | 5,712 | 6,609 | 2,809 |
| Total Revenues | <u>641,000</u> | <u>641,000</u> | <u>309,697</u> | <u>320,962</u> | <u>630,659</u> | <u>(10,341)</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Personnel services | 403,000 | 403,000 | 199,510 | 206,700 | 406,210 | (3,210) |
| Materials and services | 325,500 | 325,500 | 151,224 | 139,493 | 290,717 | 34,783 |
| Interfund charges | 95,700 | 96,700 | 47,500 | 49,200 | 96,700 | - |
| Contingency | 141,570 | 140,570 | - | - | - | 140,570 |
| Total Expenditures | <u>965,770</u> | <u>965,770</u> | <u>398,234</u> | <u>395,393</u> | <u>793,627</u> | <u>172,143</u> |
| Excess (deficiency) of revenues over (under) expenditures | (324,770) | (324,770) | (88,537) | (74,431) | (162,968) | 161,802 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 172,000 | 172,000 | 85,000 | 87,000 | 172,000 | - |
| Transfers out | (1,900) | (1,900) | (1,008) | (1,358) | (2,366) | (466) |
| Total Other Financing Sources (Uses) | <u>170,100</u> | <u>170,100</u> | <u>83,992</u> | <u>85,642</u> | <u>169,634</u> | <u>(466)</u> |
| Net changes in fund balance | (154,670) | (154,670) | (4,545) | 11,211 | 6,666 | 161,336 |
| Beginning Fund Balance (Deficit) | 154,670 | 154,670 | 122,224 | 117,679 | 122,224 | (32,446) |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 117,679</u> | <u>\$ 128,890</u> | <u>\$ 128,890</u> | <u>\$ 128,890</u> |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| <u>Revenues</u> | | | | | | |
| Room taxes | \$ 6,114,100 | \$ 6,274,100 | \$ 3,023,489 | \$ 3,194,602 | \$ 6,218,091 | \$ (56,009) |
| Investment income | - | - | (2,744) | 3,940 | 1,196 | 1,196 |
| Total Revenues | <u>6,114,100</u> | <u>6,274,100</u> | <u>3,020,745</u> | <u>3,198,542</u> | <u>6,219,287</u> | <u>(54,813)</u> |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| Materials and services | 6,198,824 | 6,355,624 | 3,192,878 | 3,013,152 | 6,206,030 | 149,594 |
| Interfund charges | 172,500 | 175,700 | 55,296 | 88,900 | 144,196 | 31,504 |
| Total Expenditures | <u>6,371,324</u> | <u>6,531,324</u> | <u>3,248,174</u> | <u>3,102,052</u> | <u>6,350,226</u> | <u>181,098</u> |
| Excess (deficiency) of revenues over (under) expenditures | (257,224) | (257,224) | (227,429) | 96,490 | (130,939) | 126,285 |
| Beginning Fund Balance (Deficit) | 257,224 | 257,224 | 463,606 | 236,177 | 463,606 | 206,382 |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 236,177</u> | <u>\$ 332,667</u> | <u>\$ 332,667</u> | <u>\$ 332,667</u> |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|----------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| <u>Revenues</u> | | | | | | |
| Assessments | \$ 341,000 | \$ 490,900 | \$ 241,780 | \$ 218,128 | \$ 459,908 | \$ (30,992) |
| Investment income | 800 | 800 | 339 | 458 | 797 | (3) |
| Total Revenues | <u>341,800</u> | <u>491,700</u> | <u>242,119</u> | <u>218,586</u> | <u>460,705</u> | <u>(30,995)</u> |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| Materials and services | 324,800 | 467,200 | 230,030 | 207,680 | 437,710 | 29,490 |
| Interfund charges | 17,000 | 24,500 | 12,089 | 10,906 | 22,995 | 1,505 |
| Total Expenditures | <u>341,800</u> | <u>491,700</u> | <u>242,119</u> | <u>218,586</u> | <u>460,705</u> | <u>30,995</u> |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - | - | - |
| Beginning Fund Balance (Deficit) | - | - | - | - | - | - |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|----------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Investment income | \$ 16,800 | \$ 16,800 | \$ 3,722 | \$ 27,317 | \$ 31,039 | \$ 14,239 |
| Total Revenues | <u>16,800</u> | <u>16,800</u> | <u>3,722</u> | <u>27,317</u> | <u>31,039</u> | <u>14,239</u> |
| Expenditures | | | | | | |
| 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 | 27,317 | 31,039 | 676,387 |
| Beginning Fund Balance (Deficit) | 645,348 | 645,348 | 639,596 | 643,318 | 639,596 | (5,752) |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 643,318</u> | <u>\$ 670,635</u> | <u>\$ 670,635</u> | <u>\$ 670,635</u> |

City of Bend, Oregon
Nonmajor Special Revenue Funds
Schedule of Expenditures and Other Uses by Appropriation Levels
For the biennium ended June 30, 2019

| | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance with Final Budget - Over/Under</u> |
|--|----------------------|----------------------------|--|
| <u>BURA General Fund</u> | | | |
| Community & Economic Development Program | \$ 992,500 | \$ 233,096 | \$ 759,404 |
| Transfers | 19,260 | 11,300 | 7,960 |
| Reserves | 40,594 | - | 40,594 |
| Total BURA General Fund | <u>\$ 1,052,354</u> | <u>\$ 244,396</u> | <u>\$ 807,958</u> |
| <u>Energy ARRA Grant Fund</u> | | | |
| Administration & Central Services Program | \$ 454 | - | \$ 454 |
| Transfers | 99,000 | 99,000 | - |
| Total Energy ARRA Grant Fund | <u>\$ 99,454</u> | <u>\$ 99,000</u> | <u>\$ 454</u> |
| <u>Helen Lorenz Estate Fund</u> | | | |
| Transfers | \$ 122,000 | \$ 115,934 | \$ 6,066 |
| Reserves | 4,739 | - | 4,739 |
| Total Helen Lorenz Estate Fund | <u>\$ 126,739</u> | <u>\$ 115,934</u> | <u>\$ 10,805</u> |
| <u>Building Fund</u> | | | |
| Community & Economic Development Program | \$ 12,614,036 | \$ 9,804,125 | \$ 2,809,911 |
| Transfers | 3,536,800 | 3,514,049 | 22,751 |
| Contingency | 10,530,947 | - | 10,530,947 |
| Total Building Fund | <u>\$ 26,681,783</u> | <u>\$ 13,318,174</u> | <u>\$ 13,363,609</u> |
| <u>Planning Fund</u> | | | |
| Community & Economic Development Program | \$ 4,722,713 | \$ 4,332,951 | \$ 389,762 |
| Transfers | 1,347,900 | 1,337,824 | 10,076 |
| Contingency | 4,080,424 | - | 4,080,424 |
| Total Planning Fund | <u>\$ 10,151,037</u> | <u>\$ 5,670,775</u> | <u>\$ 4,480,262</u> |
| <u>Private Development Engineering Fund</u> | | | |
| Community & Economic Development Program | \$ 3,702,327 | \$ 3,093,478 | \$ 608,849 |
| Transfers | 883,500 | 835,025 | 48,475 |
| Contingency | 2,191,689 | - | 2,191,689 |
| Total Private Development Engineering Fund | <u>\$ 6,777,516</u> | <u>\$ 3,928,503</u> | <u>\$ 2,849,013</u> |
| <u>Community Development Block Grant Fund</u> | | | |
| Community & Economic Development Program | \$ 2,102,478 | \$ 1,199,653 | \$ 902,825 |
| Transfers | 31,100 | 31,100 | - |
| Total Community Development Block Grant Fund | <u>\$ 2,133,578</u> | <u>\$ 1,230,753</u> | <u>\$ 902,825</u> |
| <u>Affordable Housing Fund</u> | | | |
| Community & Economic Development Program | \$ 5,090,500 | \$ 2,341,946 | \$ 2,748,554 |
| Transfers | 252,300 | 128,300 | 124,000 |
| Contingency | 47,185 | - | 47,185 |
| Total Affordable Housing Fund | <u>\$ 5,389,985</u> | <u>\$ 2,470,246</u> | <u>\$ 2,919,739</u> |

Continued on next page

City of Bend, Oregon
Nonmajor Special Revenue Funds
Schedule of Expenditures and Other Uses by Appropriation Levels (Continued)
For the biennium ended June 30, 2019

| | Appropriation | Actual Expenditures | Variance with Final Budget - Over/Under |
|--|---------------------|------------------------|---|
| <u>Business Advocacy Fund</u> | | | |
| Community & Economic Development Program | \$ 728,500 | \$ 696,927 | \$ 31,573 |
| Transfers | 98,600 | 99,066 | (466) |
| Contingency | 140,570 | - | 140,570 |
| Total Business Advocacy Fund | <u>\$ 967,670</u> | <u>\$ 795,993</u> | <u>\$ 171,677</u> |
| | | | |
| <u>Tourism Fund</u> | | | |
| Community & Economic Development Program | \$ 6,355,624 | \$ 6,206,030 | \$ 149,594 |
| Transfers | 175,700 | 144,196 | 31,504 |
| Total Tourism Fund | <u>\$ 6,531,324</u> | <u>\$ 6,350,226</u> | <u>\$ 181,098</u> |
| | | | |
| <u>Economic Improvement District Fund</u> | | | |
| Community & Economic Development Program | \$ 467,200 | \$ 437,710 | \$ 29,490 |
| Transfers | 24,500 | 22,995 | 1,505 |
| Total Economic Improvement District Fund | <u>\$ 491,700</u> | <u>\$ 460,705</u> | <u>\$ 30,995</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, 2019

| | Murphy Crossing Urban Renewal Debt Service Fund | Fire Station Debt Service Fund | PERS Debt Service Fund |
|--|---|--------------------------------------|---------------------------|
| <u>Assets</u> | | | |
| Pooled cash and investments | \$ - | \$ 10,633 | \$ 2,822,216 |
| Restricted cash and investments | 870,127 | - | - |
| Receivables: | | | |
| Taxes | 10,580 | - | - |
| Total Assets | <u>\$ 880,707</u> | <u>\$ 10,633</u> | <u>\$ 2,822,216</u> |
| <u>Deferred Inflows of Resources and Fund Balances (Deficits)</u> | | | |
| <u>Deferred Inflows of Resources</u> | | | |
| Unavailable revenue - property taxes | \$ 7,432 | \$ - | \$ - |
| Total Deferred Inflows of Resources | <u>7,432</u> | <u>-</u> | <u>-</u> |
| <u>Fund Balances (Deficits)</u> | | | |
| Restricted for: | | | |
| Outside debt covenant | 873,275 | - | - |
| Assigned: | | | |
| Debt service | - | 10,633 | 2,822,216 |
| Total Fund Balances (Deficits) | <u>873,275</u> | <u>10,633</u> | <u>2,822,216</u> |
| Total Deferred Inflows of Resources and Fund Balances (Deficits) | <u>\$ 880,707</u> | <u>\$ 10,633</u> | <u>\$ 2,822,216</u> |

City of Bend, Oregon
Combining Balance Sheet (Continued)
Nonmajor Debt Service Funds
June 30, 2019

| | Juniper Ridge Urban Renewal Debt Service Fund | General Obligation Bond Debt Service Fund | Total Debt Service Funds |
|--|--|--|-----------------------------|
| <u>Assets</u> | | | |
| Pooled cash and investments | \$ - | \$ - | \$ 2,832,849 |
| Restricted cash and investments | 2,928,550 | 1,467,652 | 5,266,329 |
| Receivables: | | | |
| Taxes | 29,759 | 52,958 | 93,297 |
| Total Assets | \$ 2,958,309 | \$ 1,520,610 | \$ 8,192,475 |
| <u>Deferred Inflows of Resources and Fund Balances (Deficits)</u> | | | |
| <u>Deferred Inflows of Resources</u> | | | |
| Unavailable revenue - property taxes | \$ 21,212 | \$ 38,232 | \$ 66,876 |
| Total Deferred Inflows of Resources | 21,212 | 38,232 | 66,876 |
| <u>Fund Balances (Deficits)</u> | | | |
| Restricted for: | | | |
| Outside debt covenant | 2,937,097 | 1,482,378 | 5,292,750 |
| Assigned: | | | |
| Debt service | - | - | 2,832,849 |
| Total Fund Balances (Deficits) | 2,937,097 | 1,482,378 | 8,125,599 |
| Total Deferred Inflows of Resources and Fund Balances (Deficits) | \$ 2,958,309 | \$ 1,520,610 | \$ 8,192,475 |

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, 2019

| | Murphy Crossing Urban Renewal Debt Service Fund | Fire Station Debt Service Fund | PERS Debt Service Fund |
|---|---|--------------------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| <u>Revenues</u> | | | |
| Property taxes | \$ 448,524 | \$ - | \$ - |
| Intergovernmental | - | 244,018 | - |
| Charges for services | - | - | 1,388,339 |
| Investment income | 35,253 | 1,480 | 118,142 |
| Total Revenues | <u>483,777</u> | <u>245,498</u> | <u>1,506,481</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| General government | - | - | 25,600 |
| Public safety | - | 7,500 | - |
| Debt service: | | | |
| Principal | 358,914 | 195,000 | 650,000 |
| Interest | 61,768 | 49,018 | 664,643 |
| Total Expenditures | <u>420,682</u> | <u>251,518</u> | <u>1,340,243</u> |
| Excess (deficiency) of revenues over expenditures | 63,095 | (6,020) | 166,238 |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers in | 177,000 | 7,500 | - |
| Transfers out | - | (622) | (29,137) |
| Total Other Financing Sources (Uses) | <u>177,000</u> | <u>6,878</u> | <u>(29,137)</u> |
| Net change in fund balances | 240,095 | 858 | 137,101 |
| Fund Balances (Deficits), July 1, 2018 | 633,180 | 9,775 | 2,685,115 |
| Fund Balances (Deficits), June 30, 2019 | <u>\$ 873,275</u> | <u>\$ 10,633</u> | <u>\$ 2,822,216</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, 2019

| | Juniper Ridge Urban Renewal Debt Service Fund | General Obligation Bond Debt Service Fund | Total Debt Service Funds |
|---|--|--|-----------------------------|
| <u>Revenues</u> | | | |
| Property taxes | \$ 1,151,740 | \$ 1,933,704 | \$ 3,533,968 |
| Intergovernmental | - | - | 244,018 |
| Charges for services | - | - | 1,388,339 |
| Investment income | 118,248 | 75,257 | 348,380 |
| Total Revenues | <u>1,269,988</u> | <u>2,008,961</u> | <u>5,514,705</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| General government | - | 500 | 26,100 |
| Public safety | - | - | 7,500 |
| Debt service: | | | |
| Principal | 587,586 | 1,170,000 | 2,961,500 |
| Interest | 82,738 | 669,000 | 1,527,167 |
| Total Expenditures | <u>670,324</u> | <u>1,839,500</u> | <u>4,522,267</u> |
| Excess (deficiency) of revenues over expenditures | 599,664 | 169,461 | 992,438 |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers in | - | - | 184,500 |
| Transfers out | - | - | (29,759) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>154,741</u> |
| Net change in fund balances | 599,664 | 169,461 | 1,147,179 |
| Fund Balances (Deficits), July 1, 2018 | 2,337,433 | 1,312,917 | 6,978,420 |
| Fund Balances (Deficits), June 30, 2019 | <u>\$ 2,937,097</u> | <u>\$ 1,482,378</u> | <u>\$ 8,125,599</u> |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| <u>Revenues</u> | | | | | | |
| Property taxes | \$ 501,600 | \$ 501,600 | \$ 364,945 | \$ 448,524 | \$ 813,469 | \$ 311,869 |
| Investment income | 13,500 | 13,500 | 4,016 | 35,253 | 39,269 | 25,769 |
| Total Revenues | <u>515,100</u> | <u>515,100</u> | <u>368,961</u> | <u>483,777</u> | <u>852,738</u> | <u>337,638</u> |
| <u>Expenditures</u> | | | | | | |
| Debt service | 487,500 | 681,500 | 243,681 | 420,682 | 664,363 | 17,137 |
| Reserved for debt service | 536,150 | 519,150 | - | - | - | 519,150 |
| Total Expenditures | <u>1,023,650</u> | <u>1,200,650</u> | <u>243,681</u> | <u>420,682</u> | <u>664,363</u> | <u>536,287</u> |
| Excess (deficiency) of revenues over (under) expenditures | (508,550) | (685,550) | 125,280 | 63,095 | 188,375 | 562,056 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers in | - | 177,000 | - | 177,000 | 177,000 | - |
| Total Other Financing Sources (Uses) | - | 177,000 | - | 177,000 | 177,000 | - |
| Net changes in fund balance | (508,550) | (508,550) | 125,280 | 240,095 | 365,375 | 873,925 |
| Beginning Fund Balance (Deficit) | 508,550 | 508,550 | 507,900 | 633,180 | 507,900 | (650) |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 633,180</u> | <u>\$ 873,275</u> | <u>\$ 873,275</u> | <u>\$ 873,275</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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|----------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Intergovernmental | \$ 485,600 | \$ 485,600 | \$ 241,428 | \$ 244,018 | \$ 485,446 | \$ (154) |
| Investment income | 800 | 1,800 | 725 | 1,480 | 2,205 | 405 |
| Total Revenues | 486,400 | 487,400 | 242,153 | 245,498 | 487,651 | 251 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Materials and services | 800 | 800 | - | - | - | 800 |
| Interfund charges | 14,600 | 14,600 | 7,100 | 7,500 | 14,600 | - |
| Debt service | 485,600 | 485,600 | 241,428 | 244,018 | 485,446 | 154 |
| Reserved for debt service | 8,110 | 8,110 | - | - | - | 8,110 |
| Total Expenditures | 509,110 | 509,110 | 248,528 | 251,518 | 500,046 | 9,064 |
| Excess (deficiency) of revenues over (under) expenditures | (22,710) | (21,710) | (6,375) | (6,020) | (12,395) | 9,315 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 14,600 | 14,600 | 7,100 | 7,500 | 14,600 | - |
| Transfers out | - | (1,000) | - | (622) | (622) | 378 |
| Total Other Financing Sources (Uses) | 14,600 | 13,600 | 7,100 | 6,878 | 13,978 | 378 |
| Net changes in fund balance | (8,110) | (8,110) | 725 | 858 | 1,583 | 9,693 |
| Beginning Fund Balance (Deficit) | 8,110 | 8,110 | 9,050 | 9,775 | 9,050 | 940 |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 9,775 | \$ 10,633 | \$ 10,633 | \$ 10,633 |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Charges for services: | | | | | | |
| Charges to other City funds | \$ 2,755,532 | \$ 2,755,532 | \$ 1,275,990 | \$ 1,388,339 | \$ 2,664,329 | \$ (91,203) |
| Investment income | 70,700 | 110,700 | 17,366 | 118,142 | 135,508 | 24,808 |
| Total Revenues | <u>2,826,232</u> | <u>2,866,232</u> | <u>1,293,356</u> | <u>1,506,481</u> | <u>2,799,837</u> | <u>(66,395)</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Interfund charges | 49,700 | 49,700 | 24,100 | 25,600 | 49,700 | - |
| Debt service | 2,578,400 | 2,578,400 | 1,263,235 | 1,314,643 | 2,577,878 | 522 |
| Reserved for debt service | 2,944,051 | 2,944,051 | - | - | - | 2,944,051 |
| Total Expenditures | <u>5,572,151</u> | <u>5,572,151</u> | <u>1,287,335</u> | <u>1,340,243</u> | <u>2,627,578</u> | <u>2,944,573</u> |
| Excess (deficiency) of revenues over (under) expenditures | (2,745,919) | (2,705,919) | 6,021 | 166,238 | 172,259 | 2,878,178 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers out | - | (40,000) | - | (29,137) | (29,137) | 10,863 |
| Total Other Financing Sources (Uses) | - | (40,000) | - | (29,137) | (29,137) | 10,863 |
| Net changes in fund balance | (2,745,919) | (2,745,919) | 6,021 | 137,101 | 143,122 | 2,889,041 |
| Beginning Fund Balance (Deficit) | 2,745,919 | 2,745,919 | 2,679,094 | 2,685,115 | 2,679,094 | (66,825) |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,685,115</u> | <u>\$ 2,822,216</u> | <u>\$ 2,822,216</u> | <u>\$ 2,822,216</u> |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|-------------------------|-------------------------|----------------------------|----------------------------|------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | | | |
| <u>Revenues</u> | | | | | | |
| Property taxes: | | | | | | |
| Current year's property tax levy | \$ 2,018,600 | \$ 2,018,600 | \$ 961,812 | \$ 1,133,103 | \$ 2,094,915 | \$ 76,315 |
| Delinquent property taxes | 27,000 | 27,000 | 22,154 | 18,637 | 40,791 | 13,791 |
| Investment income | 59,700 | 59,700 | 13,547 | 118,248 | 131,795 | 72,095 |
| Total Revenues | <u>2,105,300</u> | <u>2,105,300</u> | <u>997,513</u> | <u>1,269,988</u> | <u>131,795</u> | <u>(2,063,611)</u> |
| <u>Expenditures</u> | | | | | | |
| Debt service | 1,148,243 | 1,398,243 | 670,531 | 670,324 | 1,340,855 | 57,388 |
| Reserved for debt service | 3,097,173 | 2,847,173 | - | - | - | 2,847,173 |
| Total Expenditures | <u>4,245,416</u> | <u>4,245,416</u> | <u>670,531</u> | <u>670,324</u> | <u>1,340,855</u> | <u>2,904,561</u> |
| Excess (deficiency) of revenues over (under) expenditures | (2,140,116) | (2,140,116) | 326,982 | 599,664 | (1,209,060) | 750,844 |
| Beginning Fund Balance (Deficit) | 2,140,116 | 2,140,116 | 2,010,451 | 2,337,433 | 2,010,451 | (129,665) |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,337,433</u> | <u>\$ 2,937,097</u> | <u>\$ 801,391</u> | <u>\$ 711,285</u> |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | | | |
| Revenues | | | | | | |
| Property taxes: | | | | | | |
| Current year's property tax levy | \$ 3,680,000 | \$ 3,680,000 | \$ 1,890,938 | \$ 1,898,134 | \$ 3,789,072 | \$ 109,072 |
| Delinquent property taxes | 100,200 | 100,200 | 42,630 | 35,570 | 78,200 | (22,000) |
| Investment income | 30,400 | 30,400 | 18,297 | 75,257 | 93,554 | 63,154 |
| Total Revenues | 3,810,600 | 3,810,600 | 1,951,865 | 2,008,961 | 93,554 | (3,804,118) |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Materials and services | 1,000 | 1,000 | - | 500 | 500 | 500 |
| Debt service | 3,677,100 | 3,677,100 | 1,838,050 | 1,839,000 | 3,677,050 | 50 |
| Reserved for debt service | 1,303,488 | 1,303,488 | - | - | - | 1,303,488 |
| Total Expenditures | 4,981,588 | 4,981,588 | 1,838,050 | 1,839,500 | 3,677,550 | 1,304,038 |
| Excess (deficiency) of revenues over (under) expenditures | (1,170,988) | (1,170,988) | 113,815 | 169,461 | (3,583,996) | (2,500,080) |
| Beginning Fund Balance (Deficit) | 1,170,988 | 1,170,988 | 1,199,102 | 1,312,917 | 1,199,102 | 28,114 |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 1,312,917 | \$ 1,482,378 | \$ (2,384,894) | \$ (2,471,966) |

City of Bend, Oregon
Nonmajor Debt Service Funds
Schedule of Expenditures and Other Uses by Appropriation Levels
For the biennium ended June 30, 2019

| | Appropriation | Actual Expenditures | Variance with Final Budget - Over/Under |
|---|---------------------|------------------------|---|
| <u>Murphy Crossing Urban Renewal Debt Service Fund</u> | | | |
| Debt service | \$ 681,500 | \$ 664,363 | \$ 17,137 |
| Reserves | 519,150 | - | 519,150 |
| Total Murphy Crossing Urban Renewal Debt Service Fund | <u>\$ 1,200,650</u> | <u>\$ 664,363</u> | <u>\$ 536,287</u> |
| <u>Fire Station Debt Service Fund</u> | | | |
| Public Safety Program | \$ 800 | - | \$ 800 |
| Debt service | 485,600 | 485,446 | 154 |
| Transfers | 15,600 | 15,222 | 378 |
| Reserves | 8,110 | - | 8,110 |
| Total Fire Station Debt Service Fund | <u>\$ 510,110</u> | <u>\$ 500,668</u> | <u>\$ 9,442</u> |
| <u>PERS Debt Service Fund</u> | | | |
| Debt service | \$ 2,578,400 | \$ 2,577,878 | \$ 522 |
| Transfers | 89,700 | 78,837 | 10,863 |
| Reserves | 2,944,051 | - | 2,944,051 |
| Total PERS Debt Service Fund | <u>\$ 5,612,151</u> | <u>\$ 2,656,715</u> | <u>\$ 2,955,436</u> |
| <u>Juniper Ridge Urban Renewal Debt Service Fund</u> | | | |
| Debt service | \$ 1,398,243 | \$ 1,340,855 | \$ 57,388 |
| Reserves | 2,847,173 | - | 2,847,173 |
| Total Juniper Ridge Urban Renewal Debt Service Fund | <u>\$ 4,245,416</u> | <u>\$ 1,340,855</u> | <u>\$ 2,904,561</u> |
| <u>General Obligation Bond Debt Service Fund</u> | | | |
| Infrastructure Program | \$ 1,000 | \$ 500 | \$ 500 |
| Debt service | 3,677,100 | 3,677,050 | 50 |
| Reserves | 1,303,488 | - | 1,303,488 |
| Total General Obligation Bond Debt Service Fund | <u>\$ 4,981,588</u> | <u>\$ 3,677,550</u> | <u>\$ 1,304,038</u> |

MAJOR CAPITAL PROJECTS FUNDS

Transportation Construction Fund

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

City of Bend, Oregon
Transportation Construction Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|-------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Franchise fees | \$ - | \$ - | \$ 753,692 | \$ 1,352,106 | \$ 2,105,798 | \$ 2,105,798 |
| Intergovernmental | - | - | 9,600 | 72,012 | 81,612 | 81,612 |
| Charges for services: | | | | | | |
| Charges to other City funds | 34,289 | 2,242,289 | 6,040 | 9,079 | 15,119 | (2,227,170) |
| Contributions | - | 1,400,000 | 82,416 | 1,673,484 | 1,755,900 | 355,900 |
| Investment income | 197,500 | 197,500 | 62,506 | 59,660 | 122,166 | (75,334) |
| Miscellaneous | - | - | 100 | 489 | 589 | 589 |
| Total Revenues | 231,789 | 3,839,789 | 914,354 | 3,166,830 | 4,081,184 | 241,395 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Personnel services | 1,499,600 | 1,499,600 | 662,918 | 730,384 | 1,393,302 | 106,298 |
| Materials and services | 3,284,611 | 3,533,061 | 887,551 | 932,163 | 1,819,714 | 1,713,347 |
| Interfund charges | 1,733,864 | 1,609,414 | 741,800 | 768,000 | 1,509,800 | 99,614 |
| Debt service | 2,608,000 | 2,608,000 | 1,305,038 | 1,302,638 | 2,607,676 | 324 |
| Capital outlay | 12,680,330 | 18,587,290 | 3,333,868 | 7,338,902 | 10,672,770 | 7,914,520 |
| Contingency | 607,404 | 607,404 | - | - | - | 607,404 |
| Reserved for construction | 4,523,773 | 2,942,594 | - | - | - | 2,942,594 |
| Reserved for developer exaction | - | 1,077,071 | - | - | - | 1,077,071 |
| Total Expenditures | 26,937,582 | 32,464,434 | 6,931,175 | 11,072,087 | 18,003,262 | 14,461,172 |
| Excess (deficiency) of revenues over (under) expenditures | (26,705,793) | (28,624,645) | (6,016,821) | (7,905,257) | (13,922,078) | 14,702,567 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 18,718,691 | 20,792,451 | 5,834,120 | 9,974,622 | 15,808,742 | (4,983,709) |
| Transfers out | (351,821) | (630,729) | (344,429) | (286,274) | (630,703) | 26 |
| Total Other Financing Sources (Uses) | 18,366,870 | 20,161,722 | 5,489,691 | 9,688,348 | 15,178,039 | (4,983,683) |
| Net changes in fund balance | (8,338,923) | (8,462,923) | (527,130) | 1,783,091 | 1,255,961 | 9,718,884 |
| Beginning Fund Balance (Deficit) | 8,338,923 | 8,462,923 | 8,630,291 | 8,103,161 | 8,630,291 | 167,368 |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 8,103,161 | \$ 9,886,252 | \$ 9,886,252 | \$ 9,886,252 |

City of Bend, Oregon
Major Capital Projects Fund
Schedule of Expenses and Other Uses by Appropriation Levels
For the biennium ended June 30, 2019

| | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance with Final Budget - Over/Under</u> |
|--|----------------------|----------------------------|--|
| <u>Transportation Construction Fund</u> | | | |
| Infrastructure Program | \$ 23,619,951 | \$ 13,885,786 | \$ 9,734,165 |
| Debt service | 2,608,000 | 2,607,676 | 324 |
| Transfers | 2,240,143 | 2,140,503 | 99,640 |
| Contingency | 607,404 | - | 607,404 |
| Reserves | 4,019,665 | - | 4,019,665 |
| Total transportation construction fund | <u>\$ 33,095,163</u> | <u>\$ 18,633,965</u> | <u>\$ 14,461,198</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.

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, 2019

| | 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> |
| Assets | | | |
| Pooled cash and investments | \$ 624,531 | \$ - | \$ - |
| Restricted cash and investments | - | 17,803 | 1,324,204 |
| Receivables: | | | |
| Accounts, net | - | - | - |
| Total Assets | <u>\$ 624,531</u> | <u>\$ 17,803</u> | <u>\$ 1,324,204</u> |
| Liabilities and Fund Balances (Deficits) | | | |
| Liabilities | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Salaries and benefits payable | - | - | 1,452 |
| Retainage payable | - | 11,011 | - |
| Total Liabilities | <u>-</u> | <u>11,011</u> | <u>1,452</u> |
| Fund Balances (Deficits) | | | |
| Restricted for: | | | |
| Outside construction covenant | - | 6,792 | 1,322,752 |
| Assigned: | | | |
| Construction activities | 624,531 | - | - |
| Total Fund Balances (Deficits) | <u>624,531</u> | <u>6,792</u> | <u>1,322,752</u> |
| Total Liabilities and Fund Balances (Deficits) | <u>\$ 624,531</u> | <u>\$ 17,803</u> | <u>\$ 1,324,204</u> |

City of Bend, Oregon
Combining Balance Sheet (Continued)
Nonmajor Capital Projects Funds
June 30, 2019

| | <u>Accessibility Construction Fund</u> | <u>General Obligation Bond Construction Fund</u> | <u>Total Capital Projects Funds</u> |
|---|--|--|---|
| Assets | | | |
| Pooled cash and investments | \$ 1,262,181 | \$ - | \$ 1,886,712 |
| Restricted cash and investments | - | 19,081 | 1,361,088 |
| Receivables: | | | |
| Accounts, net | 115,225 | - | 115,225 |
| Total Assets | <u>\$ 1,377,406</u> | <u>\$ 19,081</u> | <u>\$ 3,363,025</u> |
| Liabilities and Fund Balances (Deficits) | | | |
| Liabilities | | | |
| Accounts payable | \$ 41,735 | \$ 4,534 | \$ 46,269 |
| Salaries and benefits payable | 992 | - | 2,444 |
| Retainage payable | - | 6,019 | 17,030 |
| Total Liabilities | <u>42,727</u> | <u>10,553</u> | <u>65,743</u> |
| Fund Balances (Deficits) | | | |
| Restricted for: | | | |
| Outside construction covenant | - | 8,528 | 1,338,072 |
| Assigned: | | | |
| Construction activities | 1,334,679 | - | 1,959,210 |
| Total Fund Balances (Deficits) | <u>1,334,679</u> | <u>8,528</u> | <u>3,297,282</u> |
| Total Liabilities and Fund Balances (Deficits) | <u>\$ 1,377,406</u> | <u>\$ 19,081</u> | <u>\$ 3,363,025</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, 2019

| | Local Improvement District Construction Fund | Murphy Crossing Urban Renewal Construction Fund | Juniper Ridge Urban Renewal Construction Fund |
|---|--|---|--|
| <u>Revenues</u> | | | |
| Franchise fees | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - |
| Investment income | 25,692 | 4,303 | 55,865 |
| Miscellaneous | - | - | 101 |
| Total Revenues | <u>25,692</u> | <u>4,303</u> | <u>55,966</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Public ways and facilities | - | - | - |
| Urban renewal | - | - | 77,548 |
| Debt service: | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Capital outlay | - | 2,500 | 88,580 |
| Total Expenditures | <u>-</u> | <u>2,500</u> | <u>166,128</u> |
| Excess (deficiency) of revenues over expenditures | 25,692 | 1,803 | (110,162) |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers in | - | - | - |
| Transfers out | <u>(6,224)</u> | <u>(177,000)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(6,224)</u> | <u>(177,000)</u> | <u>-</u> |
| Net change in fund balances | 19,468 | (175,197) | (110,162) |
| Fund Balances (Deficits), July 1, 2018 | 605,063 | 181,989 | 1,432,914 |
| Fund Balances (Deficits), June 30, 2019 | <u>\$ 624,531</u> | <u>\$ 6,792</u> | <u>\$ 1,322,752</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, 2019

| | Accessibility Construction Fund | General Obligation Bond Construction Fund | Total Capital Projects Funds |
|---|---------------------------------------|---|---------------------------------|
| <u>Revenues</u> | | | |
| Franchise fees | \$ 797,598 | \$ - | \$ 797,598 |
| Intergovernmental | 31,288 | - | 31,288 |
| Investment income | 56,281 | 17,742 | 159,883 |
| Miscellaneous | - | - | 101 |
| Total Revenues | <u>885,167</u> | <u>17,742</u> | <u>988,870</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Public ways and facilities | 169,268 | - | 169,268 |
| Urban renewal | - | - | 77,548 |
| Debt service: | | | |
| Principal | 235,000 | - | 235,000 |
| Interest | 74,125 | - | 74,125 |
| Capital outlay | 200,918 | 1,632,859 | 1,924,857 |
| Total Expenditures | <u>679,311</u> | <u>1,632,859</u> | <u>2,480,798</u> |
| Excess (deficiency) of revenues over expenditures | 205,856 | (1,615,117) | (1,491,928) |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers in | 153,900 | 248,774 | 402,674 |
| Transfers out | (12,790) | - | (196,014) |
| Total Other Financing Sources (Uses) | <u>141,110</u> | <u>248,774</u> | <u>206,660</u> |
| Net change in fund balances | 346,966 | (1,366,343) | (1,285,268) |
| Fund Balances (Deficits), July 1, 2018 | 987,713 | 1,374,871 | 4,582,550 |
| Fund Balances (Deficits), June 30, 2019 | <u>\$ 1,334,679</u> | <u>\$ 8,528</u> | <u>\$ 3,297,282</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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|-----------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Investment income | \$ 15,800 | \$ 25,800 | \$ 3,500 | \$ 25,692 | \$ 29,192 | \$ 3,392 |
| Total Revenues | <u>15,800</u> | <u>25,800</u> | <u>3,500</u> | <u>25,692</u> | <u>29,192</u> | <u>3,392</u> |
| Expenditures | | | | | | |
| 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) | (596,966) | 3,500 | 25,692 | 29,192 | 626,158 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers out | - | (10,000) | - | (6,224) | (6,224) | 3,776 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(10,000)</u> | <u>-</u> | <u>(6,224)</u> | <u>(6,224)</u> | <u>3,776</u> |
| Net changes in fund balance | (606,966) | (606,966) | 3,500 | 19,468 | 22,968 | 629,934 |
| Beginning Fund Balance (Deficit) | 606,966 | 606,966 | 601,563 | 605,063 | 601,563 | (5,403) |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 605,063</u> | <u>\$ 624,531</u> | <u>\$ 624,531</u> | <u>\$ 624,531</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, 2019

| | <u>Biennium Budget</u> | | | | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|----------------------------|----------------------------|------------------------------|---|
| | <u>Original</u> | <u>Final</u> | FY2017-18 <u>Actual</u> | FY2018-19 <u>Actual</u> | | |
| <u>Revenues</u> | | | | | | |
| Investment income | \$ 23,800 | \$ 23,800 | \$ 1,286 | \$ 4,303 | \$ 5,589 | \$ (18,211) |
| Total Revenues | <u>23,800</u> | <u>23,800</u> | <u>1,286</u> | <u>4,303</u> | <u>5,589</u> | <u>(18,211)</u> |
| <u>Expenditures</u> | | | | | | |
| Capital outlay | 15,000 | 55,000 | 35,491 | 2,500 | 37,991 | 17,009 |
| Contingency | 100,208 | 7,908 | - | - | - | 7,908 |
| Total Expenditures | <u>115,208</u> | <u>62,908</u> | <u>35,491</u> | <u>2,500</u> | <u>37,991</u> | <u>24,917</u> |
| Excess (deficiency) of revenues over (under) expenditures | (91,408) | (39,108) | (34,205) | 1,803 | (32,402) | 6,706 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers out | - | (177,000) | - | (177,000) | (177,000) | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(177,000)</u> | <u>-</u> | <u>(177,000)</u> | <u>(177,000)</u> | <u>-</u> |
| Net changes in fund balance | (91,408) | (216,108) | (34,205) | (175,197) | (209,402) | 6,706 |
| Beginning Fund Balance (Deficit) | 91,408 | 216,108 | 216,194 | 181,989 | 216,194 | 86 |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 181,989</u> | <u>\$ 6,792</u> | <u>\$ 6,792</u> | <u>\$ 6,792</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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|----------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Investment income | \$ - | \$ - | \$ (1,562) | \$ 55,865 | \$ 54,303 | \$ 54,303 |
| Miscellaneous | - | - | - | 101 | 101 | 101 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>(1,562)</u> | <u>55,966</u> | <u>54,404</u> | <u>54,404</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Personnel services | - | 84,700 | - | 13,933 | 13,933 | 70,767 |
| Materials and services | 8,300 | 97,200 | 3,558 | 3,115 | 6,673 | 90,527 |
| Interfund charges | - | 96,000 | - | 60,500 | 60,500 | 35,500 |
| Capital outlay | - | - | - | 88,580 | 88,580 | (88,580) |
| Total Expenditures | <u>8,300</u> | <u>277,900</u> | <u>3,558</u> | <u>166,128</u> | <u>169,686</u> | <u>108,214</u> |
| Excess (deficiency) of revenues over (under) expenditures | (8,300) | (277,900) | (5,120) | (110,162) | (115,282) | 162,618 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 8,260 | 277,860 | 1,437,944 | - | 1,437,944 | 1,160,084 |
| Total Other Financing Sources (Uses) | <u>8,260</u> | <u>277,860</u> | <u>1,437,944</u> | <u>-</u> | <u>1,437,944</u> | <u>1,160,084</u> |
| Net changes in fund balance | (40) | (40) | 1,432,824 | (110,162) | 1,322,662 | 1,322,702 |
| Beginning Fund Balance (Deficit) | 40 | 40 | 90 | 1,432,914 | 90 | 50 |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,432,914</u> | <u>\$ 1,322,752</u> | <u>\$ 1,322,752</u> | <u>\$ 1,322,752</u> |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Franchise fees | \$ 1,400,000 | \$ 1,400,000 | \$ 761,482 | \$ 797,598 | \$ 1,559,080 | \$ 159,080 |
| Intergovernmental | 65,900 | 65,900 | 35,079 | 31,288 | 66,367 | 467 |
| Charges to other City funds | 6,225 | 6,225 | - | - | - | (6,225) |
| Investment income | 21,900 | 41,900 | 9,533 | 56,281 | 65,814 | 23,914 |
| Total Revenues | 1,494,025 | 1,514,025 | 806,094 | 885,167 | 1,691,261 | 177,236 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Personnel services | 123,200 | 123,200 | 59,429 | 61,746 | 121,175 | 2,025 |
| Materials and services | 30,369 | 21,369 | 5,557 | 1,026 | 6,583 | 14,786 |
| Interfund charges | 294,100 | 294,100 | 114,163 | 106,496 | 220,659 | 73,441 |
| Debt service | 617,700 | 617,700 | 308,463 | 309,125 | 617,588 | 112 |
| Capital outlay | 1,515,000 | 1,631,000 | 912,808 | 200,918 | 1,113,726 | 517,274 |
| 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 | 679,311 | 2,079,731 | 1,271,903 |
| Excess (deficiency) of revenues over (under) expenditures | (1,750,609) | (1,837,609) | (594,326) | 205,856 | (388,470) | 1,449,139 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 670,000 | 670,000 | 335,000 | 153,900 | 488,900 | (181,100) |
| Transfers out | - | (20,000) | - | (12,790) | (12,790) | 7,210 |
| Total Other Financing Sources (Uses) | 670,000 | 650,000 | 335,000 | 141,110 | 476,110 | (173,890) |
| Net changes in fund balance | (1,080,609) | (1,187,609) | (259,326) | 346,966 | 87,640 | 1,275,249 |
| Beginning Fund Balance (Deficit) | 1,080,609 | 1,187,609 | 1,247,039 | 987,713 | 1,247,039 | 59,430 |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 987,713</u> | <u>\$ 1,334,679</u> | <u>\$ 1,334,679</u> | <u>\$ 1,334,679</u> |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Investment income | \$ 42,100 | \$ 42,100 | \$ 31,288 | \$ 17,742 | \$ 49,030 | \$ 6,930 |
| Total Revenues | <u>42,100</u> | <u>42,100</u> | <u>31,288</u> | <u>17,742</u> | <u>49,030</u> | <u>6,930</u> |
| Expenditures | | | | | | |
| Capital outlay | 3,531,039 | 4,749,147 | 2,951,178 | 1,632,859 | 4,584,037 | 165,110 |
| Total Expenditures | <u>3,531,039</u> | <u>4,749,147</u> | <u>2,951,178</u> | <u>1,632,859</u> | <u>4,584,037</u> | <u>165,110</u> |
| Excess (deficiency) of revenues over (under) expenditures | (3,488,939) | (4,707,047) | (2,919,890) | (1,615,117) | (4,535,007) | 172,040 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 276,821 | 555,729 | 143,403 | 248,774 | 392,177 | (163,552) |
| Total Other Financing Sources (Uses) | <u>276,821</u> | <u>555,729</u> | <u>143,403</u> | <u>248,774</u> | <u>392,177</u> | <u>(163,552)</u> |
| Net changes in fund balance | (3,212,118) | (4,151,318) | (2,776,487) | (1,366,343) | (4,142,830) | 8,488 |
| Beginning Fund Balance (Deficit) | 3,212,118 | 4,151,318 | 4,151,358 | 1,374,871 | 4,151,358 | 40 |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,374,871</u> | <u>\$ 8,528</u> | <u>\$ 8,528</u> | <u>\$ 8,528</u> |

City of Bend, Oregon
Nonmajor Capital Projects Funds
Schedule of Expenditures and Other Uses by Appropriation Levels
For the biennium ended June 30, 2019

| | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance with Final Budget - Over/Under</u> |
|---|----------------------|----------------------------|--|
| <u>Local Improvement District Construction Fund</u> | | | |
| Infrastructure Program | \$ 182,000 | \$ - | \$ 182,000 |
| Transfers | 10,000 | 6,224 | 3,776 |
| Reserves | 440,766 | - | 440,766 |
| Total Local Improvement District Construction Fund | <u>\$ 632,766</u> | <u>\$ 6,224</u> | <u>\$ 626,542</u> |
| <u>Murphy Crossing Urban Renewal Construction Fund</u> | | | |
| Community & Economic Development Program | \$ 55,000 | \$ 37,991 | \$ 17,009 |
| Transfers | 177,000 | 177,000 | - |
| Contingency | 7,908 | - | 7,908 |
| Total Murphy Crossing Urban Renewal Construction Fund | <u>\$ 239,908</u> | <u>\$ 214,991</u> | <u>\$ 24,917</u> |
| <u>Juniper Ridge Urban Renewal Construction Fund</u> | | | |
| Community & Economic Development Program | \$ 181,900 | \$ 109,186 | \$ 72,714 |
| Transfers | 96,000 | 60,500 | 35,500 |
| Total Juniper Ridge Urban Renewal Construction Fund | <u>\$ 277,900</u> | <u>\$ 169,686</u> | <u>\$ 108,214</u> |
| <u>Accessibility Construction Fund</u> | | | |
| Infrastructure Program | \$ 1,775,569 | \$ 1,241,484 | \$ 534,085 |
| Debt service | 617,700 | 617,588 | 112 |
| Transfers | 314,100 | 233,449 | 80,651 |
| Contingency | 10,000 | - | 10,000 |
| Reserves | 654,265 | - | 654,265 |
| Total Accessibility Construction Fund | <u>\$ 3,371,634</u> | <u>\$ 2,092,521</u> | <u>\$ 1,279,113</u> |
| <u>General Obligation Bond Construction Fund</u> | | | |
| Infrastructure Program | \$ 4,749,147 | \$ 4,584,037 | \$ 165,110 |
| Total General Obligation Bond Construction Fund | <u>\$ 4,749,147</u> | <u>\$ 4,584,037</u> | <u>\$ 165,110</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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|-----------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| <u>Revenues</u> | | | | | | |
| Permanent maintenance fees | \$ 20,300 | \$ 20,300 | \$ 4,506 | \$ 6,386 | \$ 10,892 | \$ (9,408) |
| Investment income | 42,000 | 42,000 | 18,739 | 45,876 | 64,615 | 22,615 |
| Total Revenues | <u>62,300</u> | <u>62,300</u> | <u>23,245</u> | <u>52,262</u> | <u>75,507</u> | <u>13,207</u> |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| Materials and services | 10,800 | 10,800 | 5,258 | 5,065 | 10,323 | 477 |
| Reserved for permanent maintenance | 656,526 | 656,526 | - | - | - | 656,526 |
| Total Expenditures | <u>667,326</u> | <u>667,326</u> | <u>5,258</u> | <u>5,065</u> | <u>10,323</u> | <u>657,003</u> |
| Excess (deficiency) of revenues over (under) expenditures | (605,026) | (605,026) | 17,987 | 47,197 | 65,184 | 670,210 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers out | (31,200) | (40,500) | (24,873) | (14,275) | (39,148) | 1,352 |
| Total Other Financing Sources (Uses) | <u>(31,200)</u> | <u>(40,500)</u> | <u>(24,873)</u> | <u>(14,275)</u> | <u>(39,148)</u> | <u>1,352</u> |
| Net changes in fund balance | (636,226) | (645,526) | (6,886) | 32,922 | 26,036 | 671,562 |
| Beginning Fund Balance (Deficit) | 636,226 | 645,526 | 654,327 | 647,442 | 654,327 | 8,801 |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 647,441</u> | <u>\$ 680,364</u> | <u>\$ 680,364</u> | <u>\$ 680,364</u> |

City of Bend, Oregon
Nonmajor Permanent Funds
Schedule of Expenses and Other Uses by Appropriation Levels
For the biennium ended June 30, 2019

| | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance with Final Budget - Over/Under</u> |
|---|----------------------|--------------------------------|--|
| <u>Cemetery Permanent Maintenance Fund</u> | | | |
| Infrastructure Program | \$ 10,800 | \$ 10,322 | \$ 478 |
| Transfers | 40,500 | 39,148 | 1,352 |
| Reserves | <u>656,526</u> | - | <u>656,526</u> |
| Total Cemetery Permanent Maintenance Fund | <u>\$ 707,826</u> | <u>\$ 49,470</u> | <u>\$ 658,356</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, 2019

| | Airport Fund | Cemetery Fund | Downtown Parking Fund | Stormwater Fund | Total Nonmajor Enterprise Funds |
|--|----------------------|------------------|-----------------------|----------------------|---------------------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Pooled cash and investments | \$ 116,014 | \$ 64,923 | \$ 1,749,955 | \$ 5,143,324 | \$ 7,074,216 |
| Receivables: | | | | | |
| Accounts, net | 24,587 | - | 69,483 | 692,206 | 786,276 |
| Due from other governments | 991,650 | - | - | - | 991,650 |
| Total Current Assets | 1,132,251 | 64,923 | 1,819,438 | 5,835,530 | 8,852,142 |
| Noncurrent assets: | | | | | |
| Restricted cash and investments | 18,506 | - | 16,793 | - | 35,299 |
| Capital assets, net | 31,074,631 | 97,022 | 12,364,752 | 32,671,573 | 76,207,978 |
| Net OPEB asset | 1,753 | 701 | 1,001 | 6,811 | 10,266 |
| Total Noncurrent Assets | 31,094,890 | 97,723 | 12,382,546 | 32,678,384 | 76,253,543 |
| Total Assets | 32,227,141 | 162,646 | 14,201,984 | 38,513,914 | 85,105,685 |
| Deferred Outflows of Resources | | | | | |
| Deferred outflows from pensions | 97,933 | 39,173 | 55,961 | 380,540 | 573,607 |
| Deferred outflows from OPEB | 2,895 | 1,158 | 1,656 | 11,253 | 16,962 |
| Total Deferred Outflows of Resources | 100,828 | 40,331 | 57,617 | 391,793 | 590,569 |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 80,278 | 4,991 | 89,334 | 62,390 | 236,993 |
| Salaries and benefits payable | 4,573 | 1,586 | 3,997 | 16,678 | 26,834 |
| Retainage payable | 12,597 | - | 23,656 | 1,240 | 37,493 |
| Other accrued liabilities: | | | | | |
| Compensated absences | 14,512 | 13,124 | 29,487 | 67,012 | 124,135 |
| Interest payable | 4,013 | - | - | 1,747 | 5,760 |
| Insurance claims | 163 | - | - | 584 | 747 |
| Other | 60,676 | - | - | - | 60,676 |
| Deposits - restricted | 18,506 | - | 16,793 | - | 35,299 |
| Due to other funds | 915,000 | - | - | - | 915,000 |
| Current portion of advances from other funds | 100,000 | - | - | - | 100,000 |
| Current portion of long term debt, net | 30,228 | - | - | 73,182 | 103,410 |
| Total Current Liabilities | 1,240,546 | 19,701 | 163,267 | 222,833 | 1,646,347 |
| Noncurrent liabilities: | | | | | |
| Advances from other funds | 900,000 | - | - | - | 900,000 |
| Net pension liability | 206,063 | 82,425 | 117,751 | 800,703 | 1,206,942 |
| Net OPEB liability | 150,229 | 60,092 | 85,845 | 583,746 | 879,912 |
| Long-term debt, net | 468,247 | - | - | 662,411 | 1,130,658 |
| Total Noncurrent liabilities | 1,724,539 | 142,517 | 203,596 | 2,046,860 | 4,117,512 |
| Total Liabilities | 2,965,085 | 162,218 | 366,863 | 2,269,693 | 5,763,859 |
| Deferred Inflows of Resources | | | | | |
| Deferred inflows from pensions | 12,666 | 5,067 | 7,237 | 49,217 | 74,187 |
| Deferred inflows from OPEB | 1,233 | 493 | 706 | 4,790 | 7,222 |
| Total Deferred Inflows of Resources | 13,899 | 5,560 | 7,943 | 54,007 | 81,409 |
| Net Position (Deficit) | | | | | |
| Net investment in capital assets | 30,576,156 | 97,022 | 12,364,752 | 31,935,980 | 74,973,910 |
| Unrestricted (deficit) | (1,227,171) | (61,823) | 1,520,043 | 4,646,027 | 4,877,076 |
| Total Net Position (Deficit) | \$ 29,348,985 | \$ 35,199 | \$ 13,884,795 | \$ 36,582,007 | \$ 79,850,986 |

City of Bend, Oregon
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the fiscal year ended June 30, 2019

| | Airport Fund | Cemetery Fund | Downtown Parking Fund | Stormwater Fund | Total Nonmajor Enterprise Funds |
|--|----------------------|------------------|-----------------------|----------------------|---------------------------------|
| <u>Operating Revenues</u> | | | | | |
| Charges for services | \$ 874,654 | \$ 73,362 | \$ 1,097,133 | \$ 4,084,052 | \$ 6,129,201 |
| Miscellaneous | 18,703 | 51 | - | - | 18,754 |
| Total Operating Revenues | <u>893,357</u> | <u>73,413</u> | <u>1,097,133</u> | <u>4,084,052</u> | <u>6,147,955</u> |
| <u>Operating Expenses</u> | | | | | |
| Salaries and benefits | 299,845 | 79,886 | 285,645 | 1,206,253 | 1,871,629 |
| Materials and supplies | 207,284 | 41,221 | 632,390 | 398,003 | 1,278,898 |
| Internal services | 238,301 | 90,396 | 243,407 | 701,292 | 1,273,396 |
| Depreciation | 865,365 | 10,107 | 366,393 | 1,102,146 | 2,344,011 |
| Total Operating Expenses | <u>1,610,795</u> | <u>221,610</u> | <u>1,527,835</u> | <u>3,407,694</u> | <u>6,767,934</u> |
| Operating income (loss) | (717,438) | (148,197) | (430,702) | 676,358 | (619,979) |
| <u>Nonoperating Revenues (Expenses)</u> | | | | | |
| Investment income | - | - | 80,760 | 298,957 | 379,717 |
| Interest expense | (22,765) | - | - | (24,517) | (47,282) |
| Amortization | 1,140 | - | - | - | 1,140 |
| Gain (loss) on disposal of assets | - | - | - | 4,258 | 4,258 |
| Total Nonoperating Revenues (Expenses) | <u>(21,625)</u> | <u>-</u> | <u>80,760</u> | <u>278,698</u> | <u>337,833</u> |
| Income (loss) before contributions and transfers | (739,063) | (148,197) | (349,942) | 955,056 | (282,146) |
| <u>Contributions and Transfers</u> | | | | | |
| Capital grants and contributions | 1,429,151 | - | 5,320 | 1,143,695 | 2,578,166 |
| Transfers in | 115,000 | 194,216 | 7,500 | - | 316,716 |
| Transfers out | - | - | - | (37,500) | (37,500) |
| Total Contributions and Transfers | <u>1,544,151</u> | <u>194,216</u> | <u>12,820</u> | <u>1,106,195</u> | <u>2,857,382</u> |
| Change in net position | 805,088 | 46,019 | (337,122) | 2,061,251 | 2,575,236 |
| Net Position (Deficit), July 1, 2018 | 28,543,897 | (10,820) | 14,221,917 | 34,520,756 | 77,275,750 |
| Net Position (Deficit), June 30, 2019 | <u>\$ 29,348,985</u> | <u>\$ 35,199</u> | <u>\$ 13,884,795</u> | <u>\$ 36,582,007</u> | <u>\$ 79,850,986</u> |

City of Bend, Oregon
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the fiscal year ended June 30, 2019

| | Airport Fund | Cemetery Fund | Downtown Parking Fund | Stormwater Fund | Total |
|--|-------------------|------------------|-----------------------|---------------------|---------------------|
| <u>Cash Flows from Operating Activities</u> | | | | | |
| Cash received from customers | \$ 874,003 | \$ 73,413 | \$ 1,134,613 | \$ 3,911,183 | \$ 5,993,212 |
| Cash received from interfund services provided | - | - | - | 23,366 | 23,366 |
| Cash paid to employees for services | (294,493) | (95,014) | (204,346) | (1,187,235) | (1,781,088) |
| Cash paid to suppliers for goods and services | (1,118,927) | (36,768) | (622,778) | (404,001) | (2,182,474) |
| Cash paid for interfund services used | (238,301) | (90,396) | (243,407) | (701,292) | (1,273,396) |
| Net Cash from Operating Activities | <u>(777,718)</u> | <u>(148,765)</u> | <u>64,082</u> | <u>1,642,021</u> | <u>779,620</u> |
| <u>Cash Flows from Noncapital Financing Activities</u> | | | | | |
| Transfers from other funds | 115,000 | 194,216 | 7,500 | - | 316,716 |
| Transfers to other funds | - | - | - | (37,500) | (37,500) |
| Net Cash from Noncapital Financing Activities | <u>115,000</u> | <u>194,216</u> | <u>7,500</u> | <u>(37,500)</u> | <u>279,216</u> |
| <u>Cash Flows from Capital and Related Financing Activities</u> | | | | | |
| Issuance of debt | 915,000 | - | - | - | 915,000 |
| Principal payments on capital debt | (2,616,027) | - | - | (68,504) | (2,684,531) |
| Interest payments on capital debt | (20,824) | - | - | (25,125) | (45,949) |
| Acquisition and construction of capital assets | (1,224,373) | - | (511,717) | (3,302,130) | (5,038,220) |
| Capital grants and contributions | 3,725,924 | - | - | - | 3,725,924 |
| Proceeds from retirement of assets | - | - | - | 4,050 | 4,050 |
| Net Cash from Capital and Related Financing Activities | <u>779,700</u> | <u>-</u> | <u>(511,717)</u> | <u>(3,391,709)</u> | <u>(3,123,726)</u> |
| <u>Cash flows from investing activities</u> | | | | | |
| Investment income | - | - | 80,760 | 298,957 | 379,717 |
| Net change in pooled cash and investments | 116,982 | 45,451 | (359,375) | (1,488,231) | (1,685,173) |
| Pooled Cash and Investments, July 1, 2018 | 17,538 | 19,472 | 2,126,123 | 6,631,555 | 8,794,688 |
| Pooled Cash and Investments, June 30, 2019 | <u>\$ 134,520</u> | <u>\$ 64,923</u> | <u>\$ 1,766,748</u> | <u>\$ 5,143,324</u> | <u>\$ 7,109,515</u> |

City of Bend, Oregon
Combining Statement of Cash Flows (Continued)
Nonmajor Enterprise Funds
For the fiscal year ended June 30, 2019

| | <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) | \$ (717,438) | \$ (148,197) | \$ (430,702) | \$ 676,358 | \$ (619,979) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | | |
| Depreciation | 865,365 | 10,107 | 366,393 | 1,102,146 | 2,344,011 |
| Change in: | | | | | |
| Accounts receivable | (13,916) | - | 37,480 | (149,503) | (125,939) |
| Accounts payable | (911,643) | 4,453 | 9,612 | (5,998) | (903,576) |
| Salaries and benefits payable | (178) | (434) | (58) | (1,971) | (2,641) |
| Pension benefits | 8,323 | (3,260) | 29,141 | 28,652 | 62,856 |
| Other post-employment benefits | 34 | (8,812) | 32,689 | (4,796) | 19,115 |
| Compensated absences payable | (2,976) | (2,622) | 19,558 | (2,789) | 11,171 |
| Insurance claims payable | 149 | - | (31) | (78) | 40 |
| Prepays and deposits payable | (5,438) | - | - | - | (5,438) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (777,718)</u> | <u>\$ (148,765)</u> | <u>\$ 64,082</u> | <u>\$ 1,642,021</u> | <u>\$ 779,620</u> |

Noncash Capital and Related Financing Activities

The City received donated stormwater infrastructure totaling \$1,143,695 in the current year.

Acquisition of capital assets financed through accounts payable or retainage payable for the current year totaled \$82,258 in the Airport Fund, \$61,239 in the Downtown Parking Fund, and \$8,845 in the Stormwater Fund.

City of Bend, Oregon
Airport Fund
Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|-------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Intergovernmental | \$ 3,367,200 | \$ 5,022,003 | \$ 3,425,138 | \$ 1,429,151 | \$ 4,854,289 | \$ (167,714) |
| Charges for services | 2,155,000 | 2,155,000 | 816,627 | 813,258 | 1,629,885 | (525,115) |
| Rental income: | | | | | | |
| Rental income from others | 129,600 | 129,600 | 59,182 | 61,396 | 120,578 | (9,022) |
| Investment income | 24,800 | 24,800 | (30,989) | - | (30,989) | (55,789) |
| Miscellaneous | 11,000 | 11,000 | 7,530 | 18,703 | 26,233 | 15,233 |
| Total Revenues | 5,687,600 | 7,342,403 | 4,277,488 | 2,322,508 | 6,599,996 | (742,407) |
| Expenses | | | | | | |
| Current: | | | | | | |
| Personnel services | 640,500 | 640,500 | 270,481 | 291,488 | 561,969 | 78,531 |
| Materials and services | 291,500 | 436,500 | 106,248 | 207,284 | 313,532 | 122,968 |
| Interfund charges | 452,380 | 455,980 | 221,214 | 238,301 | 459,515 | (3,535) |
| Capital outlay | 3,491,600 | 6,001,403 | 4,673,551 | 936,679 | 5,610,230 | 391,173 |
| Debt service | 986,200 | 6,846,200 | 3,267,572 | 2,638,792 | 5,906,364 | 939,836 |
| Contingency | 427,077 | 413,477 | - | - | - | 413,477 |
| Total Expenses | 6,289,257 | 14,794,060 | 8,539,066 | 4,312,544 | 12,851,610 | 1,942,450 |
| Excess (deficiency) of revenues over (under) expenses | (601,657) | (7,451,657) | (4,261,578) | (1,990,036) | (6,251,614) | 1,200,043 |
| Other Financing Sources (Uses) | | | | | | |
| Insurance proceeds | - | - | 40,000 | - | 40,000 | 40,000 |
| Issuance of short-term debt | - | 2,400,000 | 2,377,000 | 915,000 | 3,292,000 | 892,000 |
| Interfund loan proceeds | 500,000 | 1,950,000 | 1,072,000 | - | 1,072,000 | (878,000) |
| Transfers in | - | - | - | 115,000 | 115,000 | 115,000 |
| Transfers out | (329,300) | (329,300) | - | - | - | 329,300 |
| Total Other Financing Sources (Uses) | 170,700 | 4,020,700 | 3,489,000 | 1,030,000 | 4,519,000 | 498,300 |
| Net changes in fund balance | (430,957) | (3,430,957) | (772,578) | (960,036) | (1,732,614) | 1,698,343 |
| Beginning Fund Balance (Deficit) | 430,957 | 3,430,957 | 2,713,547 | 1,915,475 | 2,713,547 | (717,410) |
| Restatement | - | - | (25,494) | - | (25,494) | (25,494) |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 1,915,475 | \$ 955,439 | \$ 955,439 | \$ 955,439 |

Reconciliation of Budgetary basis to GAAP basis

| | |
|---|-----------------------------|
| Ending Fund Balance Budgetary Basis | \$ 955,439 |
| Capital assets, net of accumulated depreciation | 31,074,631 |
| Deferred outflows from pensions | 97,933 |
| Deferred outflows from OPEB | 2,895 |
| Advance from other funds | (1,000,000) |
| Long-term debt | (1,413,475) |
| Other post-employment benefits payable | (148,476) |
| Net pension liability | (206,063) |
| Deferred inflows from pensions | (12,666) |
| Deferred Inflow from OPEB | (1,233) |
| Ending Fund Balance GAAP Basis | <u>\$ 29,348,985</u> |

City of Bend, Oregon
Cemetery Fund
Schedule of Revenues, Expenses, and Changes in Fund Balance (Deficit) - Budget and Actual
For the fiscal year ended June 30, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|----------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Burial and lot fees | \$ 260,600 | \$ 260,600 | \$ 60,959 | \$ 73,362 | \$ 134,321 | \$ (126,279) |
| Investment income | 800 | 800 | 24 | - | 24 | (776) |
| Miscellaneous | - | - | - | 51 | 51 | 51 |
| Total Revenues | 261,400 | 261,400 | 60,983 | 73,413 | 134,396 | (127,004) |
| Expenses | | | | | | |
| Current: | | | | | | |
| Personnel services | 213,100 | 213,100 | 104,450 | 91,958 | 196,408 | 16,692 |
| Materials and services | 119,100 | 119,100 | 36,778 | 41,221 | 77,999 | 41,101 |
| Interfund charges | 90,000 | 162,900 | 47,375 | 90,396 | 137,771 | 25,129 |
| Capital outlay | 21,000 | 21,000 | 19,315 | - | 19,315 | 1,685 |
| Contingency | 5,105 | 5,105 | - | - | - | 5,105 |
| Total Expenses | 448,305 | 521,205 | 207,918 | 223,575 | 431,493 | 89,712 |
| Excess (deficiency) of revenues over (under) expenses | (186,905) | (259,805) | (146,935) | (150,162) | (297,097) | (37,292) |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 166,900 | 239,800 | 128,073 | 194,216 | 322,289 | 82,489 |
| Total Other Financing Sources (Uses) | 166,900 | 239,800 | 128,073 | 194,216 | 322,289 | 82,489 |
| Net changes in fund balance | (20,005) | (20,005) | (18,862) | 44,054 | 25,192 | 45,197 |
| Beginning Fund Balance (Deficit) | 20,005 | 20,005 | 20,025 | 1,167 | 20,025 | 20 |
| Restatement | - | - | 4 | - | 4 | 4 |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 1,167 | \$ 45,221 | \$ 45,221 | \$ 45,221 |

Reconciliation of Budgetary basis to GAAP basis

| | |
|---|------------------|
| Ending Fund Balance Budgetary Basis | \$ 45,221 |
| Capital assets, net of accumulated depreciation | 97,022 |
| Deferred outflows from pensions | 39,173 |
| Deferred outflows from OPEB | 1,158 |
| Other post-employment benefits payable | (59,391) |
| Net pension liability | (82,425) |
| Deferred inflows from pensions | (5,067) |
| Deferred Inflow from OPEB | (493) |
| Ending Fund Balance GAAP Basis | \$ 35,199 |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ 3,750 | \$ 3,750 | \$ 3,750 |
| Licenses and permits | 43,800 | 43,800 | 7,779 | 18,779 | 26,558 | (17,242) |
| Fines and lot rental fees | 1,884,000 | 1,989,000 | 1,091,344 | 1,074,604 | 2,165,948 | 176,948 |
| Investment income | 45,000 | 45,000 | 10,303 | 80,760 | 91,063 | 46,063 |
| Miscellaneous | 800 | 800 | 747 | - | 747 | (53) |
| Total Revenues | 1,973,600 | 2,078,600 | 1,110,173 | 1,177,893 | 2,288,066 | 209,466 |
| Expenses | | | | | | |
| Current: | | | | | | |
| Personnel services | 532,900 | 465,305 | 166,803 | 223,815 | 390,618 | 74,687 |
| Materials and services | 1,064,050 | 1,257,250 | 507,665 | 632,390 | 1,140,055 | 117,195 |
| Interfund charges | 445,380 | 447,480 | 218,559 | 243,407 | 461,966 | (14,486) |
| Capital outlay | - | 1,212,395 | 65,299 | 547,433 | 612,732 | 599,663 |
| Contingency | 277,083 | 144,983 | - | - | - | 144,983 |
| Reserved for construction | 1,270,000 | 315,000 | - | - | - | 315,000 |
| Reserved for maintenance | 200,000 | 200,000 | - | - | - | 200,000 |
| Total Expenses | 3,789,413 | 4,042,413 | 958,326 | 1,647,045 | 2,605,371 | 1,437,042 |
| Excess (deficiency) of revenues over (under) expenses | (1,815,813) | (1,963,813) | 151,847 | (469,152) | (317,305) | 1,646,508 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | - | - | - | 7,500 | 7,500 | 7,500 |
| Transfers out | - | (20,000) | - | - | - | 20,000 |
| Total Other Financing Sources (Uses) | - | (20,000) | - | 7,500 | 7,500 | 27,500 |
| Net changes in fund balance | (1,815,813) | (1,983,813) | 151,847 | (461,652) | (309,805) | 1,674,008 |
| Beginning Fund Balance (Deficit) | 1,815,813 | 1,983,813 | 1,984,232 | 2,134,616 | 1,984,232 | 419 |
| Restatement | - | - | (1,463) | - | (1,463) | (1,463) |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 2,134,616 | \$ 1,672,964 | \$ 1,672,964 | \$ 1,672,964 |

Reconciliation of Budgetary basis to GAAP basis

| | |
|---|----------------------|
| Ending Fund Balance Budgetary Basis | \$ 1,672,964 |
| Capital assets, net of accumulated depreciation | 12,364,752 |
| Deferred outflows from pensions | 55,961 |
| Deferred outflows from OPEB | 1,656 |
| Other post-employment benefits payable | (84,844) |
| Net pension liability | (117,751) |
| Deferred inflows from pensions | (7,237) |
| Deferred Inflow from OPEB | (706) |
| Ending Fund Balance GAAP Basis | \$ 13,884,795 |

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, 2019

| | Biennium Budget | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------|--------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Charges for services: | | | | | | |
| Charges to others | \$ 7,452,000 | \$ 7,452,000 | \$ 3,746,704 | \$ 4,060,686 | \$ 7,807,390 | \$ 355,390 |
| Charges to other City funds | 39,300 | 39,300 | 24,957 | 23,366 | 48,323 | 9,023 |
| Investment income | 112,100 | 112,100 | 25,637 | 298,957 | 324,594 | 212,494 |
| Miscellaneous | - | - | 303 | - | 303 | 303 |
| Total Revenues | 7,603,400 | 7,603,400 | 3,797,601 | 4,383,009 | 8,180,610 | 577,210 |
| Expenses | | | | | | |
| Current: | | | | | | |
| Personnel services | 2,702,700 | 2,711,700 | 1,201,371 | 1,182,398 | 2,383,769 | 327,931 |
| Materials and services | 1,236,700 | 1,027,700 | 317,178 | 398,003 | 715,181 | 312,519 |
| Interfund charges | 1,584,000 | 1,592,500 | 781,968 | 826,009 | 1,607,977 | (15,477) |
| Debt service | 156,200 | 156,200 | 2,355 | 93,021 | 95,376 | 60,824 |
| Capital outlay | 2,292,000 | 2,591,700 | 476,792 | 3,127,157 | 3,603,949 | (1,012,249) |
| Contingency | 800,000 | 791,500 | - | - | - | 791,500 |
| Reserved for construction | 3,295,505 | 1,997,505 | - | - | - | 1,997,505 |
| Restatement | 12,067,105 | 10,868,805 | 2,779,664 | 5,626,588 | 8,406,252 | 2,462,553 |
| Excess (deficiency) of revenues over (under) expenses | (4,463,705) | (3,265,405) | 1,017,937 | (1,243,579) | (225,642) | 3,039,763 |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from sale of capital assets | - | - | 7,700 | 4,050 | 11,750 | 11,750 |
| 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) | (75,000) | 2,358,000 |
| Total Other Financing Sources (Uses) | (314,650) | (1,612,650) | 774,297 | (33,450) | 740,847 | 2,353,497 |
| Net changes in fund balance | (4,778,355) | (4,878,055) | 1,792,234 | (1,277,029) | 515,205 | 5,393,260 |
| Beginning Fund Balance (Deficit) | 4,778,355 | 4,878,055 | 5,174,441 | 6,962,908 | 5,174,441 | 296,386 |
| Restatement | - | - | (3,767) | - | (3,767) | (3,767) |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 6,962,908 | \$ 5,685,879 | \$ 5,685,879 | \$ 5,685,879 |

Reconciliation of Budgetary basis to GAAP basis

| | |
|---|----------------------|
| Ending Fund Balance Budgetary Basis | \$ 5,685,879 |
| Capital assets, net of accumulated depreciation | 32,671,573 |
| Deferred outflows from pensions | 380,540 |
| Deferred outflows from OPEB | 11,253 |
| Long-term debt | (735,593) |
| Other post-employment benefits payable | (576,935) |
| Net pension liability | (800,703) |
| Deferred inflows from pensions | (49,217) |
| Deferred Inflow from OPEB | (4,790) |
| Ending Fund Balance GAAP Basis | \$ 36,582,007 |

City of Bend, Oregon
Nonmajor Enterprise Funds
Schedule of Expenses and Other Uses by Appropriation Levels
For the biennium ended June 30, 2019

| | <u>Appropriation</u> | <u>Actual Expenses</u> | <u>Variance with Final Budget - Over/Under</u> |
|--|----------------------|------------------------|--|
| <u>Airport Fund</u> | | | |
| Community & Economic Development Program | \$ 7,078,403 | \$ 6,485,731 | \$ 592,672 |
| Debt service | 6,846,200 | 5,906,364 | 939,836 |
| Transfers | 785,280 | 459,515 | 325,765 |
| Contingency | 413,477 | - | 413,477 |
| Total Airport Fund | <u>\$ 15,123,360</u> | <u>\$ 12,851,610</u> | <u>\$ 2,271,750</u> |
| <u>Cemetery Fund</u> | | | |
| Infrastructure Program | \$ 353,200 | \$ 293,722 | \$ 59,478 |
| Transfers | 162,900 | 137,771 | 25,129 |
| Contingency | 5,105 | - | 5,105 |
| Total Cemetery Fund | <u>\$ 521,205</u> | <u>\$ 431,493</u> | <u>\$ 89,712</u> |
| <u>Downtown Parking Fund</u> | | | |
| Community & Economic Development Program | \$ 2,934,950 | \$ 2,143,405 | \$ 791,545 |
| Transfers | 467,480 | 461,966 | 5,514 |
| Contingency | 144,983 | - | 144,983 |
| Reserves | 515,000 | - | 515,000 |
| Total Downtown Parking Fund | <u>\$ 4,062,413</u> | <u>\$ 2,605,371</u> | <u>\$ 1,457,042</u> |
| <u>Stormwater Fund</u> | | | |
| Infrastructure Program | \$ 6,331,100 | \$ 6,702,898 | \$ (371,798) |
| Debt service | 156,200 | 95,376 | 60,824 |
| Transfers | 4,025,500 | 1,682,977 | 2,342,523 |
| Contingency | 791,500 | - | 791,500 |
| Reserves | 1,997,505 | - | 1,997,505 |
| Total Stormwater Fund | <u>\$ 13,301,805</u> | <u>\$ 8,481,251</u> | <u>\$ 4,820,554</u> |

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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

The 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, 2019

| | 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 | \$ 8,978,382 | \$ 2,185,134 | \$ 9,583,422 | \$ 20,746,938 |
| Receivables: | | | | |
| Accounts, net | 416,460 | 73 | - | 416,533 |
| Due from other governments | 43,260 | - | - | 43,260 |
| Other assets | - | 348 | - | 348 |
| Prepays and deposits | 302,015 | - | - | 302,015 |
| Total Current Assets | 9,740,117 | 2,185,555 | 9,583,422 | 21,509,094 |
| Noncurrent assets: | | | | |
| Restricted cash and investments | 5,000 | 3,508 | - | 8,508 |
| Advances to other funds | 1,000,000 | - | - | 1,000,000 |
| Capital assets, net | 22,829,702 | 460,609 | - | 23,290,311 |
| Net OPEB asset | 54,439 | 35,258 | - | 89,697 |
| Total Noncurrent Assets | 23,889,141 | 499,375 | - | 24,388,516 |
| Total Assets | 33,629,258 | 2,684,930 | 9,583,422 | 45,897,610 |
| <u>Deferred Outflows of Resources</u> | | | | |
| Deferred outflows from pensions | 3,041,520 | 1,969,851 | - | 5,011,371 |
| Deferred outflows from OPEB | 89,936 | 58,247 | - | 148,183 |
| Deferred outflows from debt refunding | 7,591 | - | - | 7,591 |
| Total Deferred Outflows of Resources | 3,139,047 | 2,028,098 | - | 5,167,145 |
| <u>Liabilities</u> | | | | |
| Current liabilities: | | | | |
| Accounts payable | 618,330 | 72,872 | - | 691,202 |
| Salaries and benefits payable | 162,730 | 107,903 | - | 270,633 |
| Retainage payable | 4,094 | - | - | 4,094 |
| Other accrued liabilities: | | | | |
| Compensated absences | 699,834 | 427,962 | - | 1,127,796 |
| Interest payable | 44,959 | - | - | 44,959 |
| Insurance claims | 16,810 | 2,168 | - | 18,978 |
| Deposits - restricted | 5,000 | 3,508 | - | 8,508 |
| Current portion of long term debt, net | 1,122,801 | - | - | 1,122,801 |
| Total Current Liabilities | 2,674,558 | 614,413 | - | 3,288,971 |
| Noncurrent liabilities: | | | | |
| Net pension liability | 6,399,736 | 4,144,815 | - | 10,544,551 |
| Net OPEB liability | 4,665,681 | 3,021,747 | - | 7,687,428 |
| Long-term debt, net | 12,923,142 | - | - | 12,923,142 |
| Total Noncurrent Liabilities | 23,988,559 | 7,166,562 | - | 31,155,121 |
| Total Liabilities | 26,663,117 | 7,780,975 | - | 34,444,092 |
| <u>Deferred Inflows of Resources</u> | | | | |
| Deferred inflows from pensions | 393,381 | 254,774 | - | 648,155 |
| Deferred inflows from OPEB | 38,282 | 24,794 | - | 63,076 |
| Deferred inflows from debt refunding | 32,626 | - | - | 32,626 |
| Total Deferred Inflows of Resources | 464,289 | 279,568 | - | 743,857 |
| <u>Net Position (Deficit)</u> | | | | |
| Net investment in capital assets | 8,758,724 | 460,609 | - | 9,219,333 |
| Committed: | - | - | - | - |
| Other post employment benefit liability | - | - | 9,583,422 | 9,583,422 |
| Unrestricted (deficit) | 882,175 | (3,808,124) | - | (2,925,949) |
| Total Net Position (Deficit) | \$ 9,640,899 | \$ (3,347,515) | \$ 9,583,422 | \$ 15,876,806 |

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City of Bend, Oregon
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the fiscal year ended June 30, 2019

| | Internal Service Fund - City Wide Administration | Internal Service Fund - Departmental Administration | Internal Service Fund - OPEB | Total Internal Service Funds |
|--|---|--|------------------------------------|---------------------------------|
| <u>Operating Revenues</u> | | | | |
| Intergovernmental | \$ 123,906 | \$ - | \$ - | \$ 123,906 |
| Licenses and permits | - | 236,675 | - | 236,675 |
| Charges for services | 15,924,847 | 8,556,068 | 1,395,703 | 25,876,618 |
| Rental income: | | | | |
| Rental income from others | 51,125 | - | - | 51,125 |
| Rental income from other City funds | 2,196,200 | - | - | 2,196,200 |
| Contributions | 900 | - | - | 900 |
| Miscellaneous | 276,900 | 1,740 | - | 278,640 |
| Total Operating Revenues | <u>18,573,878</u> | <u>8,794,483</u> | <u>1,395,703</u> | <u>28,764,064</u> |
| <u>Expenses</u> | | | | |
| Salaries and benefits | 10,463,235 | 7,689,942 | - | 18,153,177 |
| Materials and supplies | 4,671,033 | 1,902,616 | - | 6,573,649 |
| Internal services | 1,435,590 | 1,081,622 | - | 2,517,212 |
| Insurance premiums and claims | 1,872,527 | - | - | 1,872,527 |
| Depreciation | 1,163,273 | 79,723 | - | 1,242,996 |
| Total Expenses | <u>19,605,658</u> | <u>10,753,903</u> | <u>-</u> | <u>30,359,561</u> |
| Operating income (loss) | (1,031,780) | (1,959,420) | 1,395,703 | (1,595,497) |
| <u>Nonoperating Revenues (Expenses)</u> | | | | |
| Investment income | 369,547 | 91,459 | 369,770 | 830,776 |
| Insurance proceeds | 71,732 | - | - | 71,732 |
| Interest expense | (409,867) | - | - | (409,867) |
| Amortization | 25,293 | - | - | 25,293 |
| Gain (loss) on disposal of assets | (21,380) | - | - | (21,380) |
| Total Nonoperating Revenues (Expenses) | <u>35,325</u> | <u>91,459</u> | <u>369,770</u> | <u>496,554</u> |
| Income (loss) before contributions and transfers | (996,455) | (1,867,961) | 1,765,473 | (1,098,943) |
| <u>Contributions and Transfers</u> | | | | |
| Proceeds from sale of capital assets | 2,427 | 1,300 | - | 3,727 |
| Transfers in | 279,058 | 171,397 | - | 450,455 |
| Transfers out | (354,401) | (23,448) | (83,401) | (461,250) |
| Total Contributions and Transfers | <u>(72,916)</u> | <u>149,249</u> | <u>(83,401)</u> | <u>(7,068)</u> |
| Change in net position | (1,069,371) | (1,718,712) | 1,682,072 | (1,106,011) |
| Net Position (Deficit), July 1, 2018 | 10,710,270 | (1,628,803) | 7,901,350 | 16,982,817 |
| Net Position (Deficit), June 30, 2019 | <u>\$ 9,640,899</u> | <u>\$ (3,347,515)</u> | <u>\$ 9,583,422</u> | <u>\$ 15,876,806</u> |

City of Bend, Oregon
Combining Statement of Cash Flows
Internal Service Fund
For the fiscal year ended June 30, 2019

| | 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 | \$ 280,964 | \$ 334,298 | \$ - | \$ 615,262 |
| Cash received from interfund services provided | 18,027,133 | 8,460,792 | 1,395,703 | 27,883,628 |
| Cash paid to employees for services | (9,938,227) | (6,702,076) | - | (16,640,303) |
| Cash paid to suppliers for goods and services | (6,328,601) | (1,894,912) | - | (8,223,513) |
| Cash paid for interfund services used | (1,435,590) | (1,081,622) | - | (2,517,212) |
| Cash receipts from operating grants or subsidies | 123,906 | - | - | 123,906 |
| Net Cash from Operating Activities | <u>729,585</u> | <u>(883,520)</u> | <u>1,395,703</u> | <u>1,241,768</u> |
| <u>Cash Flows from Noncapital Financing Activities</u> | | | | |
| Transfers from other funds | 279,058 | 171,397 | - | 450,455 |
| Transfers to other funds | (354,401) | (23,448) | (83,401) | (461,250) |
| Net Cash from Noncapital Financing Activities | <u>(75,343)</u> | <u>147,949</u> | <u>(83,401)</u> | <u>(10,795)</u> |
| <u>Cash Flows from Capital and Related Financing Activities</u> | | | | |
| Issuance of debt | 994,191 | - | - | 994,191 |
| Principal payments on capital debt | (1,049,378) | - | - | (1,049,378) |
| Interest payments on capital debt | (399,859) | - | - | (399,859) |
| Acquisition and construction of capital assets | (1,405,203) | (217,012) | - | (1,622,215) |
| Capital grants and contributions | (19,103) | - | - | (19,103) |
| Insurance proceeds | 71,732 | - | - | 71,732 |
| Proceeds from retirement of assets | 2,427 | 1,300 | - | 3,727 |
| Net Cash from Capital and Related Financing Activities | <u>(1,805,193)</u> | <u>(215,712)</u> | <u>-</u> | <u>(2,020,905)</u> |
| <u>Cash Flows from Investing Activities</u> | | | | |
| Investment income | 369,547 | 91,459 | 369,770 | 830,776 |
| Net Cash from Investing Activities | <u>369,547</u> | <u>91,459</u> | <u>369,770</u> | <u>830,776</u> |
| Net change in pooled cash and investments | (781,404) | (859,824) | 1,682,072 | 40,844 |
| Pooled Cash and Investments, July 1, 2018 | 9,764,786 | 3,048,466 | 7,901,350 | 20,714,602 |
| Pooled Cash and Investments, June 30, 2019 | <u>\$ 8,983,382</u> | <u>\$ 2,188,642</u> | <u>\$ 9,583,422</u> | <u>\$ 20,755,446</u> |

Continued on next page

City of Bend, Oregon
Combining Statement of Cash Flows (Continued)
Internal Service Fund
For the fiscal year ended June 30, 2019

| | 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) | \$ (1,031,780) | \$ (1,959,420) | \$ 1,395,703 | \$ (1,595,497) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | | | |
| Depreciation | 1,163,273 | 79,723 | - | 1,242,996 |
| Change in: | | | | |
| Accounts receivable | (142,306) | (73) | - | (142,379) |
| Prepays and deposits | (2,069) | - | - | (2,069) |
| Accounts payable | 309,372 | 7,704 | - | 317,076 |
| Salaries and benefits payable | (18,581) | (12,017) | - | (30,598) |
| Pension benefits | 502,685 | 509,478 | - | 1,012,163 |
| Other post-employment benefits | 330,509 | 458,972 | - | 789,481 |
| Compensated absences payable | 98,765 | 31,433 | - | 130,198 |
| Insurance claims payable | (482,783) | - | - | (482,783) |
| Prepays and deposits payable | 2,500 | 680 | - | 3,180 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 729,585</u> | <u>\$ (883,520)</u> | <u>\$ 1,395,703</u> | <u>\$ 1,241,768</u> |

Noncash Capital and Related Financing Activities

Acquisition of capital assets financed through accounts payable or retainage payable for the current year totaled \$116,603 in the City-Wide 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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|-------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Intergovernmental | \$ - | \$ 125,000 | \$ 40,293 | \$ 123,906 | \$ 164,199 | \$ 39,199 |
| Charges for services: | | | | | | |
| Charges to others | 650,651 | 650,651 | 188,274 | 93,914 | 282,188 | (368,463) |
| Charges to other City funds | 30,125,680 | 30,520,580 | 14,139,520 | 15,830,933 | 29,970,453 | (550,127) |
| Rental income: | | | | | | |
| Rental income from others | - | - | 52,165 | 51,125 | 103,290 | 103,290 |
| Rental income from other City funds | 5,058,300 | 5,058,300 | 2,862,100 | 2,196,200 | 5,058,300 | - |
| Contributions | - | - | - | 900 | 900 | 900 |
| Investment income | 263,500 | 263,500 | 50,177 | 369,547 | 419,724 | 156,224 |
| Miscellaneous | 323,000 | 323,000 | 382,066 | 276,900 | 658,966 | 335,966 |
| Total Revenues | <u>36,421,131</u> | <u>36,941,031</u> | <u>17,714,595</u> | <u>18,943,425</u> | <u>36,658,020</u> | <u>(283,011)</u> |
| Expenses | | | | | | |
| Current: | | | | | | |
| Personnel services | 20,928,300 | 21,107,394 | 9,717,591 | 10,443,168 | 20,160,759 | 946,635 |
| Materials and services | 14,535,427 | 15,330,588 | 6,734,022 | 7,120,754 | 13,854,776 | 1,475,812 |
| Interfund charges | 2,938,162 | 2,938,162 | 1,503,167 | 1,435,590 | 2,938,757 | (595) |
| Debt service | 7,534,068 | 7,605,668 | 5,922,133 | 1,459,245 | 7,381,378 | 224,290 |
| Capital outlay | 3,302,500 | 3,741,600 | 1,550,318 | 586,805 | 2,137,123 | 1,604,477 |
| Contingency | 660,092 | 294,292 | - | - | - | 294,292 |
| Reserved for construction | 594,103 | 594,103 | - | - | - | 594,103 |
| Reserved for maintenance | 300,000 | 60,000 | - | - | - | 60,000 |
| Reserves | 5,728,826 | 5,738,826 | - | - | - | 5,738,826 |
| Total Expenses | <u>56,521,478</u> | <u>57,410,633</u> | <u>25,427,231</u> | <u>21,045,562</u> | <u>46,472,793</u> | <u>10,937,840</u> |
| Excess (deficiency) of revenues over (under) expenses | (20,100,347) | (20,469,602) | (7,712,636) | (2,102,137) | (9,814,773) | 10,654,829 |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from sale of capital assets | - | - | - | 2,427 | 2,427 | 2,427 |
| Insurance proceeds | - | 233,800 | 259,348 | 71,732 | 331,080 | 97,280 |
| 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 | 994,191 | 7,684,436 | 2,609,436 |
| 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 | 279,058 | 821,713 | (236,137) |
| Transfers out | (1,212,618) | (1,212,618) | (677,023) | (354,401) | (1,031,424) | 181,194 |
| Total Other Financing Sources (Uses) | <u>8,706,632</u> | <u>8,039,432</u> | <u>5,828,225</u> | <u>993,007</u> | <u>6,821,232</u> | <u>(1,218,200)</u> |
| Net changes in fund balance | (11,393,715) | (12,430,170) | (1,884,411) | (1,109,130) | (2,993,541) | 9,436,629 |
| Beginning Fund Balance (Deficit) | 11,393,715 | 12,430,170 | 11,908,022 | 9,319,300 | 11,908,022 | (522,148) |
| Restatement | - | - | (704,311) | - | (704,311) | (704,311) |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,319,300</u> | <u>\$ 8,210,170</u> | <u>\$ 8,210,170</u> | <u>\$ 8,210,170</u> |

Continued on next page

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, 2019

Reconciliation of Budgetary basis to GAAP basis

| | |
|---|---------------------|
| Ending Fund Balance Budgetary Basis | \$ 8,210,170 |
| Advance to other funds | 1,000,000 |
| Capital assets, net of accumulated depreciation | 22,829,702 |
| Deferred outflows from pensions | 3,041,520 |
| Deferred outflows from OPEB | 89,936 |
| Deferred outflows from debt refunding | 7,591 |
| Long-term debt | (14,045,943) |
| Other post-employment benefits payable | (4,611,242) |
| Net pension liability | (6,399,736) |
| Deferred inflows from pensions | (393,381) |
| Deferred Inflow from OPEB | (38,282) |
| Deferred inflows from debt refunding | (32,626) |
| Insurance claims | (16,810) |
| Ending Fund Balance GAAP Basis | <u>\$ 9,640,899</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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|-------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Licenses and permits | \$ 385,900 | \$ 385,900 | \$ 216,678 | \$ 236,675 | \$ 453,353 | \$ 67,453 |
| Charges for services: | | | | | | |
| Charges to others | 1,600 | 1,600 | - | 95,276 | 95,276 | 93,676 |
| Charges to other City funds | 15,491,450 | 16,273,450 | 7,615,910 | 8,460,792 | 16,076,702 | (196,748) |
| Investment income | 91,200 | 91,200 | 30,935 | 91,459 | 122,394 | 31,194 |
| Miscellaneous | 1,000 | 1,100 | 2,326 | 1,740 | 4,066 | 2,966 |
| Total Revenues | 15,971,150 | 16,753,250 | 7,865,849 | 8,885,942 | 16,751,791 | (1,459) |
| Expenses | | | | | | |
| Current: | | | | | | |
| Personnel services | 12,888,000 | 13,689,600 | 5,961,327 | 6,721,492 | 12,682,819 | 1,006,781 |
| Materials and services | 3,011,824 | 3,561,486 | 1,491,869 | 1,902,616 | 3,394,485 | 167,001 |
| Interfund charges | 2,186,200 | 2,244,500 | 1,149,751 | 1,081,622 | 2,231,373 | 13,127 |
| Capital outlay | 586,200 | 714,538 | 236,778 | 208,603 | 445,381 | 269,157 |
| Contingency | 577,579 | 399,779 | - | - | - | 399,779 |
| Total Expenses | 19,249,803 | 20,609,903 | 8,839,725 | 9,914,333 | 18,754,058 | 1,855,845 |
| Excess (deficiency) of revenues over (under) expenses | (3,278,653) | (3,856,653) | (973,876) | (1,028,391) | (2,002,267) | 1,854,386 |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from sale of capital assets | - | - | 2,585 | 1,300 | 3,885 | 3,885 |
| Transfers in | 28,500 | 484,400 | 75,184 | 171,397 | 246,581 | (237,819) |
| Transfers out | (1,155,716) | (1,155,716) | (864,654) | (23,448) | (888,102) | 267,614 |
| Total Other Financing Sources (Uses) | (1,127,216) | (671,316) | (786,885) | 149,249 | (637,636) | 33,680 |
| Net changes in fund balance | (4,405,869) | (4,527,969) | (1,760,761) | (879,142) | (2,639,903) | 1,888,066 |
| Beginning Fund Balance (Deficit) | 4,405,869 | 4,527,969 | 4,222,213 | 2,415,283 | 4,222,213 | (305,756) |
| Restatement | - | - | (46,169) | - | (46,169) | (46,169) |
| Ending Fund Balance (Deficit) | \$ - | \$ - | \$ 2,415,283 | \$ 1,536,141 | \$ 1,536,141 | \$ 1,536,141 |

Reconciliation of Budgetary basis to GAAP basis

| | |
|---|-----------------------|
| Ending Fund Balance Budgetary Basis | \$ 1,536,141 |
| Capital assets, net of accumulated depreciation | 460,609 |
| Deferred outflows from pensions | 1,969,851 |
| Deferred outflows from OPEB | 58,247 |
| Other post-employment benefits payable | (2,986,489) |
| Net pension liability | (4,144,815) |
| Deferred inflows from pensions | (254,774) |
| Deferred Inflow from OPEB | (24,794) |
| Transfer GAAP vacation accrual to governmental fund | 38,509 |
| Ending Fund Balance GAAP Basis | \$ (3,347,515) |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|---|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | | | |
| <u>Revenues</u> | | | | | | |
| Charges for services: | | | | | | |
| Charges to other City funds | \$ - | \$ 2,800,000 | \$ 1,304,702 | \$ 1,395,703 | \$ 2,700,405 | \$ (99,595) |
| Investment income | - | 90,000 | (54,028) | 369,770 | 315,742 | 225,742 |
| Total revenues | <u>-</u> | <u>2,890,000</u> | <u>1,250,674</u> | <u>1,765,473</u> | <u>3,016,147</u> | <u>126,147</u> |
| <u>Expenses</u> | | | | | | |
| Reserves for Future Liability | - | 9,450,676 | - | - | - | 9,450,676 |
| Total expenses | <u>-</u> | <u>9,450,676</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,450,676</u> |
| Excess (deficiency) of revenues over (under) expenditures | - | (6,560,676) | 1,250,674 | 1,765,473 | 3,016,147 | 9,576,823 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Transfers in | - | 6,650,676 | 6,650,676 | - | 6,650,676 | - |
| Transfers out | - | (90,000) | - | (83,401) | (83,401) | 6,599 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>6,560,676</u> | <u>6,650,676</u> | <u>(83,401)</u> | <u>6,567,275</u> | <u>6,599</u> |
| Net changes in fund balance | - | - | 7,901,350 | 1,682,072 | 9,583,422 | 9,583,422 |
| Beginning Fund Balance (Deficit) | - | - | - | 7,901,350 | - | - |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,901,350</u> | <u>\$ 9,583,422</u> | <u>\$ 9,583,422</u> | <u>\$ 9,583,422</u> |

City of Bend, Oregon
Internal Service Funds
Schedule of Expenses and Other Uses by Appropriation Levels
For the biennium ended June 30, 2019

| | <u>Appropriation</u> | <u>Actual Expenses</u> | <u>Variance with Final Budget - Over/Under</u> |
|---|----------------------|------------------------|--|
| <u>Internal Service Fund - City Wide Administration</u> | | | |
| Administrative & Central Services Program | \$ 40,179,582 | \$ 36,152,660 | \$ 4,026,922 |
| Debt service | 7,605,668 | 7,381,378 | 224,290 |
| Transfers | 5,150,780 | 4,970,181 | 180,599 |
| Contingency | 294,292 | - | 294,292 |
| Reserves | 6,392,929 | - | 6,392,929 |
| Total Internal Service Fund - City Wide Administration | <u>\$ 59,623,251</u> | <u>\$ 48,504,219</u> | <u>\$ 11,119,032</u> |
| <u>Internal Service Fund - Departmental Administration</u> | | | |
| Administration & Central Services Program | \$ 4,899,682 | \$ 4,939,339 | \$ (39,657) |
| Community & Economic Development Program | 3,120,700 | 2,993,475 | 127,225 |
| Infrastructure Program | 9,945,242 | 8,589,871 | 1,355,371 |
| Transfers | 3,400,216 | 3,119,475 | 280,741 |
| Contingency | 399,779 | - | 399,779 |
| Total Internal Service Fund - Departmental Administration | <u>\$ 21,765,619</u> | <u>\$ 19,642,160</u> | <u>\$ 2,123,459</u> |
| <u>Internal Service Fund - OPEB</u> | | | |
| Transfers | 90,000 | 83,401 | 6,599 |
| Reserves | <u>\$ 9,450,676</u> | <u>\$ -</u> | <u>\$ 9,450,676</u> |
| Total Internal Service Fund - OPEB | <u>\$ 9,540,676</u> | <u>\$ 83,401</u> | <u>\$ 9,457,275</u> |

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, 2019

| | Balance July 01, 2018 | Additions | Deductions | Balance June 30, 2019 |
|---------------------------|--------------------------|----------------------|------------------------|--------------------------|
| <u>Assets</u> | | | | |
| Cash and investments | \$ 677,365 | \$ 8,600,597 | \$ (8,806,275) | \$ 471,687 |
| Taxes receivable | 22,407 | 210 | (160) | 22,457 |
| Total Assets | <u>\$ 699,772</u> | <u>\$ 8,600,807</u> | <u>\$ (8,806,435)</u> | <u>\$ 494,144</u> |
| <u>Liabilities</u> | | | | |
| Amounts held for others | \$ 699,772 | \$ 16,507,786 | \$ (16,713,414) | \$ 494,144 |
| Total Liabilities | <u>\$ 699,772</u> | <u>\$ 16,507,786</u> | <u>\$ (16,713,414)</u> | <u>\$ 494,144</u> |

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OTHER FUNDS

City of Bend, Oregon
Combining Balance Sheet
General Fund
June 30, 2019

| | General Fund | General Fund Stabilization Fund | Total General Fund |
|---|-----------------------------|---------------------------------------|-----------------------------|
| <u>Assets</u> | | | |
| Pooled cash and investments | \$ 7,026,539 | \$ 3,502,027 | \$ 10,528,566 |
| Restricted cash and investments | 1,021,754 | - | 1,021,754 |
| Receivables: | | | |
| Taxes | 841,761 | - | 841,761 |
| Accounts, net | 3,811,271 | - | 3,811,271 |
| Loans and notes receivable, net | 639,656 | - | 639,656 |
| Interest | 1,026,360 | - | 1,026,360 |
| Due from other funds | 925,927 | - | 925,927 |
| Due from other governments | 626,330 | - | 626,330 |
| Assets held for resale | 4,487,276 | - | 4,487,276 |
| Total Assets | <u>\$ 20,406,874</u> | <u>\$ 3,502,027</u> | <u>\$ 23,908,901</u> |
| <u>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</u> | | | |
| Liabilities | | | |
| Accounts payable | \$ 836,940 | \$ - | \$ 836,940 |
| Salaries and benefits payable | 320,973 | - | 320,973 |
| Other accrued liabilities | 661,745 | - | 661,745 |
| Deposits - restricted | 182,741 | - | 182,741 |
| Total Liabilities | <u>2,002,399</u> | <u>-</u> | <u>2,002,399</u> |
| Deferred Inflows of Resources | | | |
| Unavailable revenue - property taxes | 605,469 | - | 605,469 |
| Unavailable revenue - assessments & loans | 2,614,555 | - | 2,614,555 |
| Total Deferred Inflows of Resources | <u>3,220,024</u> | <u>-</u> | <u>3,220,024</u> |
| Fund Balances (Deficits) | | | |
| Nonspendable: | | | |
| Assets held for resale | 4,487,276 | - | 4,487,276 |
| Restricted | 839,013 | - | 839,013 |
| Unassigned | 9,858,162 | 3,502,027 | 13,360,189 |
| Total Fund Balances (Deficits) | <u>15,184,451</u> | <u>3,502,027</u> | <u>18,686,478</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit) | <u>\$ 20,406,874</u> | <u>\$ 3,502,027</u> | <u>\$ 23,908,901</u> |

City of Bend, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficits)
General Fund
For the fiscal year ended June 30, 2019

| | <u>General Fund</u> | <u>General Fund Stabilization Fund</u> | <u>Total General Fund</u> |
|---|----------------------|--|-------------------------------|
| <u>Revenues</u> | | | |
| Taxes | \$ 38,606,411 | \$ - | \$ 38,606,411 |
| Franchise fees | 6,627,854 | - | 6,627,854 |
| Intergovernmental | 3,856,938 | - | 3,856,938 |
| Licenses and permits | 98,323 | - | 98,323 |
| Charges for services | 544,527 | - | 544,527 |
| Fines and forfeitures | 1,301,271 | - | 1,301,271 |
| Investment income | 466,103 | 119,884 | 585,987 |
| Miscellaneous | 3,507 | - | 3,507 |
| Total Revenues | <u>51,504,934</u> | <u>119,884</u> | <u>51,624,818</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| General government | 2,485,817 | - | 2,485,817 |
| Public safety | 25,342,794 | - | 25,342,794 |
| Community and economic development | 1,888,229 | - | 1,888,229 |
| Capital outlay | 380,748 | - | 380,748 |
| Total Expenditures | <u>30,097,588</u> | <u>-</u> | <u>30,097,588</u> |
| Excess (deficiency) of revenues over expenditures | 21,407,346 | 119,884 | 21,527,230 |
| <u>Other Financing Sources (Uses)</u> | | | |
| Proceeds from sale of capital assets | 5,662 | - | 5,662 |
| Transfers in | 36,927 | 558,731 | 595,658 |
| Transfers out | <u>(21,609,742)</u> | <u>-</u> | <u>(21,609,742)</u> |
| Total Other Financing Sources (Uses) | <u>(21,567,153)</u> | <u>558,731</u> | <u>(21,008,422)</u> |
| Net change in fund balances | (159,807) | 678,615 | 518,808 |
| Fund Balances (Deficits), July 1, 2018 | 15,344,258 | 2,823,412 | 18,167,670 |
| Fund Balances (Deficits), June 30, 2019 | <u>\$ 15,184,451</u> | <u>\$ 3,502,027</u> | <u>\$ 18,686,478</u> |

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, 2019

| | <u>Biennium Budget</u> | | FY2017-18 Actual | FY2018-19 Actual | Total Actual Budget Basis | Variance with Final Budget - Over/Under |
|--|------------------------|------------------|---------------------|---------------------|------------------------------|---|
| | Original | Final | | | | |
| Revenues | | | | | | |
| Investment income | \$ 61,600 | \$ 61,600 | \$ 14,429 | \$ 119,884 | \$ 134,313 | \$ 72,713 |
| Total Revenues | <u>61,600</u> | <u>61,600</u> | <u>14,429</u> | <u>119,884</u> | <u>134,313</u> | <u>72,713</u> |
| Expenditures | | | | | | |
| 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 | 119,884 | 134,313 | 3,076,153 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 454,550 | 454,550 | 289,783 | 558,731 | 848,514 | 393,964 |
| Total Other Financing Sources (Uses) | <u>454,550</u> | <u>454,550</u> | <u>289,783</u> | <u>558,731</u> | <u>848,514</u> | <u>393,964</u> |
| Net changes in fund balance | (2,487,290) | (2,487,290) | 304,212 | 678,615 | 982,827 | 3,470,117 |
| Beginning Fund Balance (Deficit) | 2,487,290 | 2,487,290 | 2,519,200 | 2,823,412 | 2,519,200 | 31,910 |
| Ending Fund Balance (Deficit) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,823,412</u> | <u>\$ 3,502,027</u> | <u>\$ 3,502,027</u> | <u>\$ 3,502,027</u> |

City of Bend, Oregon
General Fund Stabilization Fund
Schedule of Expenditures and Other Uses by Appropriation Levels
For the biennium ended June 30, 2019

| | <u>Appropriation</u> | <u>Actual Expenditures</u> | <u>Variance with Final Budget - Over/Under</u> |
|---|----------------------|--------------------------------|--|
| <u>General Fund Stabilization Fund</u> | | | |
| Reserves | \$ 3,003,440 | \$ - | \$ 3,003,440 |
| Total General Fund Stabilization Fund | <u>\$ 3,003,440</u> | <u>\$ -</u> | <u>\$ 3,003,440</u> |

OTHER FINANCIAL SCHEDULES

City of Bend, Oregon
Schedule of Property Tax Transactions
For the fiscal year ended June 30, 2019

| Fiscal Year | Uncollected Balances June 30, 2018 | Current Year's Levy | Adjustments, Interest and Discounts | Net Collections | Uncollected Balances June 30, 2019 |
|---------------|--|------------------------|---|------------------------|--|
| Prior | \$ 4,851 | \$ - | \$ 294 | \$ (682) | \$ 4,463 |
| 2009-10 | 1,819 | - | (37) | (518) | 1,264 |
| 2010-11 | 1,701 | - | (89) | (433) | 1,179 |
| 2011-12 | 1,890 | - | 312 | (1,036) | 1,166 |
| 2012-13 | 2,865 | - | 369 | (1,277) | 1,957 |
| 2013-14 | 4,561 | - | 596 | (2,601) | 2,556 |
| 2014-15 | 75,523 | - | 7,334 | (44,084) | 38,773 |
| 2015-16 | 76,623 | - | 9,672 | (58,614) | 27,681 |
| 2016-17 | 211,419 | - | 9,208 | (102,020) | 118,607 |
| 2017-18 | 599,632 | - | 12,231 | (397,862) | 214,001 |
| 2018-19 | - | 38,621,640 | (1,087,120) | (36,951,244) | 583,276 |
| Totals | \$ 980,884 | \$ 38,621,640 | \$ (1,047,230) | \$ (37,560,371) | \$ 994,923 |

Reconciliation to revenues:

| | |
|------------------------------------|----------------------|
| Collections | \$ 37,560,371 |
| Change in unavailable revenue | 32,523 |
| Total Property Tax Revenues | \$ 37,592,894 |

Summary by fund:

| | Revenues | Property Tax Receivable |
|---|----------------------|----------------------------|
| General Fund | \$ 31,766,684 | \$ 841,761 |
| Fire / Emergency Medical Services Fund | 2,292,242 | 59,865 |
| Juniper Ridge Urban Renewal Debt Service Fund | 1,151,740 | 29,759 |
| Murphy Crossing Urban Renewal Debt Service Fund | 448,524 | 10,580 |
| General Obligation Bond Debt Service Fund | 1,933,704 | 52,958 |
| Totals | \$ 37,592,894 | \$ 994,923 |

City of Bend, Oregon
Schedule of Long-Term Debt Transactions - Principal
For the fiscal year ended June 30, 2019

| <u>Series</u> | <u>Issue Date</u> | <u>Final Maturity Date</u> | <u>Amount of Original Issue</u> | <u>Unmatured and Outstanding July 1, 2018</u> | <u>Additions</u> | <u>Reductions</u> | <u>Unmatured and Outstanding June 30, 2019</u> |
|--|-------------------|----------------------------|---------------------------------|---|----------------------|-----------------------|--|
| Full faith & credit obligation bonds: | | | | | | | |
| Pension obligation bonds, series 2004 | 05/27/04 | 06/01/28 | \$ 13,725,000 | \$ 10,965,000 | \$ - | \$ (650,000) | \$ 10,315,000 |
| Fire stations, series 2010, refinance 1999 | 02/18/10 | 06/01/24 | 3,225,000 | 1,510,000 | - | (225,000) | 1,285,000 |
| Transportation system, series 2010, refinance series 2000 | 02/18/10 | 06/01/21 | 4,103,000 | 1,238,000 | - | (398,000) | 840,000 |
| Accessibility, series 2010 | 02/18/10 | 06/01/24 | 3,265,000 | 1,565,000 | - | (235,000) | 1,330,000 |
| Airport, series 2010, refinance 1999 | 02/18/10 | 06/01/19 | 1,057,000 | 132,000 | - | (132,000) | - |
| Water recovery zone, series 2010C | 11/30/10 | 11/01/30 | 2,300,000 | 1,756,333 | - | (113,853) | 1,642,480 |
| Water reclamation recovery zone, series 2010C | 11/30/10 | 11/01/30 | 10,730,000 | 8,193,667 | - | (531,147) | 7,662,520 |
| Street equipment, police facility, sewer, series 2012, refinance series 2002 | 04/19/12 | 12/01/26 | 9,280,000 | 5,135,000 | - | (800,000) | 4,335,000 |
| Total full faith & credit obligation bonds | | | | 30,495,000 | - | (3,085,000) | 27,410,000 |
| Revenue bonds: | | | | | | | |
| Water reclamation, series 2008 | 08/14/08 | 11/01/28 | 10,000,000 | 6,470,000 | - | (6,470,000) | - |
| Water, series 2016 | 07/27/16 | 12/01/36 | 49,910,000 | 48,365,000 | - | (1,600,000) | 46,765,000 |
| Total revenue bonds | | | | 54,835,000 | - | (8,070,000) | 46,765,000 |
| General obligation bonds: | | | | | | | |
| GO Bond construction, series 2012 | 09/20/12 | 06/01/32 | 26,805,000 | 20,545,000 | - | (1,170,000) | 19,375,000 |
| Total general obligation bonds | | | | 20,545,000 | - | (1,170,000) | 19,375,000 |
| Direct borrowing and direct placement obligations: | | | | | | | |
| Cashmere Valley Bank | | | | | | | |
| Streets & stormwater equipment, ERP refunding, series 2018 | 04/19/18 | 06/01/28 | 7,035,850 | 7,035,850 | - | (599,409) | 6,436,441 |
| Columbia State Bank | | | | | | | |
| Fire equipment and police expansion, series 2016, refinance series 2006 | 12/20/16 | 12/01/31 | 2,600,000 | 2,420,000 | - | (190,000) | 2,230,000 |
| Cooley road, police expansion, series 2016, refinance series 2008 | 12/20/16 | 12/01/31 | 2,740,000 | 2,715,000 | - | (245,000) | 2,470,000 |
| Fire equipment and facilities, series 2016 | 12/20/16 | 12/01/31 | 4,525,000 | 4,270,000 | - | (260,000) | 4,010,000 |
| First Interstate Bank | | | | | | | |
| Transportation, series 2013, refinance series 2003 | 11/22/13 | 12/01/21 | 6,283,391 | 2,914,193 | - | (817,339) | 2,096,854 |
| Juniper ridge, series 2013 | 11/22/13 | 12/01/23 | 3,700,000 | 2,103,972 | - | (369,963) | 1,734,009 |
| Murphy Crossing urban renewal, series 2015 | 01/29/15 | 12/01/29 | 3,000,000 | 2,388,217 | - | (358,914) | 2,029,303 |
| Fire engine replacement, series 2015 | 06/19/15 | 06/01/25 | 3,000,000 | 2,281,795 | - | (301,130) | 1,980,665 |
| Enterprise resource project, series 2018 | 04/19/18 | 06/01/21 | 7,000,000 | 590,763 | 994,191 | - | 1,584,954 |
| Oregon Business Development Department: | | | | | | | |
| Airport eastside improvements | 05/01/07 | 12/01/31 | 867,335 | 533,502 | - | (35,027) | 498,475 |
| Oregon Department of Environmental Quality: | | | | | | | |
| Clean water revolving fund loan R14510 | 06/10/11 | 12/01/33 | 5,482,336 | 4,639,341 | - | (232,036) | 4,407,305 |
| Clean water revolving fund loan R14511 | 11/01/11 | TBD | 14,484,130 | 14,484,130 | - | - | 14,484,130 |
| Clean water revolving fund loan R14512 | 10/02/12 | 12/01/37 | 18,833,534 | 18,833,534 | - | (764,612) | 18,068,922 |
| Clean water revolving fund loan R14513 | 02/09/15 | 06/01/22 | 3,939,246 | 2,605,684 | - | (641,128) | 1,964,556 |
| Clean water revolving fund loan R14514 | 12/11/15 | TBD | 21,000,000 | 1,955,948 | 6,279,380 | - | 8,235,328 |
| Clean water revolving fund loan R14515 | 03/03/16 | 06/01/38 | 13,620,000 | 13,022,955 | - | (274,676) | 12,748,279 |
| Clean water revolving fund loan R14516 | 12/11/15 | TBD | 59,349,742 | 47,634,044 | 88,847 | - | 47,722,891 |
| Clean water revolving fund loan R14517 | 11/29/16 | TBD | 5,450,000 | 868,048 | 5,840,526 | - | 6,708,574 |
| Clean water revolving fund loan R14518 | 11/29/16 | TBD | 7,895,000 | 5,009,509 | 636,462 | - | 5,645,971 |
| Clean water revolving fund loan R14519 | 04/08/19 | TBD | 8,000,000 | - | 446,224 | - | 446,224 |
| Total direct borrowing and direct placement obligations | | | | 136,306,485 | 14,285,630 | (5,089,234) | 145,502,881 |
| Total long-term debt | | | | \$ 242,181,485 | \$ 14,285,630 | \$(17,414,234) | \$ 239,052,881 |

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Full Faith & Credit Obligations
For the fiscal year ended June 30, 2019

| Fiscal Year | Total Requirements | | | Pension Obligation Bonds Series 2004 | | Fire Stations Series 2010 | |
|--------------|----------------------|---------------------|----------------------|---|---------------------|---------------------------|-------------------|
| | Principal | Interest | Total | Principal | Interest | Principal | Interest |
| 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 | \$ 27,410,000 | \$ 7,783,630 | \$ 35,193,630 | \$ 10,315,000 | \$ 3,406,675 | \$ 1,285,000 | \$ 143,958 |

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Full Faith & Credit Obligations (Continued)
For the fiscal year ended June 30, 2019

| Fiscal Year | Accessibility Series 2010 | | Transportation System Series 2010 | |
|--------------|---------------------------|-------------------|-----------------------------------|------------------|
| | Principal | Interest | Principal | Interest |
| 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 | \$ 1,330,000 | \$ 201,829 | \$ 840,000 | \$ 45,426 |

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Full Faith & Credit Obligations (Continued)
For the fiscal year ended June 30, 2019

| Fiscal Year | Water & Sewer RZEDB Series 2010C | | Street, Sewer, Police, Facilities Series 2012 | |
|--------------|-------------------------------------|---------------------|--|-------------------|
| | Principal | Interest | Principal | Interest |
| 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 | \$ 9,305,000 | \$ 3,406,767 | \$ 4,335,000 | \$ 578,975 |

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Revenue Bonds
For the fiscal year ended June 30, 2019

| Fiscal Year | Total Requirements | | | Series 2016 | |
|--------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Principal | Interest | Total | Principal | Interest |
| 2019-20 | \$ 1,665,000 | \$ 2,270,950 | \$ 3,935,950 | \$ 1,665,000 | \$ 2,270,950 |
| 2020-21 | 1,735,000 | 2,202,950 | 3,937,950 | 1,735,000 | 2,202,950 |
| 2021-22 | 1,815,000 | 2,122,875 | 3,937,875 | 1,815,000 | 2,122,875 |
| 2022-23 | 1,905,000 | 2,029,875 | 3,934,875 | 1,905,000 | 2,029,875 |
| 2023-24 | 2,005,000 | 1,932,125 | 3,937,125 | 2,005,000 | 1,932,125 |
| 2024-25 | 2,110,000 | 1,829,250 | 3,939,250 | 2,110,000 | 1,829,250 |
| 2025-26 | 2,215,000 | 1,721,125 | 3,936,125 | 2,215,000 | 1,721,125 |
| 2026-27 | 2,330,000 | 1,607,500 | 3,937,500 | 2,330,000 | 1,607,500 |
| 2027-28 | 2,450,000 | 1,488,000 | 3,938,000 | 2,450,000 | 1,488,000 |
| 2028-29 | 2,575,000 | 1,362,375 | 3,937,375 | 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 | \$ 46,765,000 | \$ 24,099,275 | \$ 70,864,275 | \$ 46,765,000 | \$ 24,099,275 |

City of Bend, Oregon
Schedule of Future Debt Service Requirements of General Obligation Bonds
For the fiscal year ended June 30, 2019

| Fiscal Year | Total Requirements | | | GO Bond Construction Series 2012 | |
|--------------|----------------------|---------------------|----------------------|----------------------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest |
| 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 | \$ 19,375,000 | \$ 4,521,700 | \$ 23,896,700 | \$ 19,375,000 | \$ 4,521,700 |

City of Bend, Oregon
Schedule of Future Debt Service Requirements of Direct Borrowing and Direct Placement Obligations
For the fiscal year ended June 30, 2019

| Fiscal Year | Total Requirements | | | Airport Eastside Improvements 2007 | | Clean Water State Revolving Loan Fund Loan R14510 | |
|--------------|----------------------|----------------------|----------------------|---------------------------------------|-------------------|---|---------------------|
| | Principal | Interest | Total | Principal | Interest | Principal | Interest |
| 2019-20 | \$ 8,394,718 | \$ 2,952,953 | \$ 11,347,671 | \$ 30,228 | \$ 24,079 | \$ 239,804 | \$ 166,385 |
| 2020-21 | 10,577,816 | 2,872,783 | 13,450,599 | 30,445 | 22,863 | 247,831 | 157,159 |
| 2021-22 | 8,907,521 | 2,709,743 | 11,617,264 | 30,673 | 21,385 | 256,127 | 147,623 |
| 2022-23 | 7,908,606 | 2,526,950 | 10,435,556 | 30,914 | 19,894 | 264,701 | 137,769 |
| 2023-24 | 7,854,353 | 2,360,599 | 10,214,952 | 36,166 | 18,392 | 273,562 | 127,584 |
| 2024-25 | 7,811,544 | 2,181,780 | 9,993,324 | 36,430 | 16,627 | 282,720 | 117,058 |
| 2025-26 | 7,608,483 | 2,002,965 | 9,611,448 | 36,711 | 14,846 | 292,185 | 106,180 |
| 2026-27 | 7,760,678 | 1,827,420 | 9,588,098 | 42,006 | 13,052 | 301,965 | 94,939 |
| 2027-28 | 7,910,868 | 1,647,862 | 9,558,730 | 42,312 | 10,996 | 312,073 | 83,321 |
| 2028-29 | 6,805,872 | 1,474,429 | 8,280,301 | 42,632 | 8,926 | 322,521 | 71,313 |
| 2029-30 | 6,809,891 | 1,325,241 | 8,135,132 | 42,966 | 6,842 | 333,317 | 58,904 |
| 2030-31 | 6,940,912 | 1,174,580 | 8,115,492 | 48,314 | 4,743 | 344,475 | 46,079 |
| 2031-32 | 7,074,224 | 1,020,515 | 8,094,739 | 48,678 | 2,380 | 356,007 | 32,825 |
| 2032-33 | 6,600,823 | 869,588 | 7,470,411 | - | - | 367,924 | 19,128 |
| 2033-34 | 6,550,337 | 723,961 | 7,274,298 | - | - | 212,093 | 4,581 |
| 2034-35 | 6,445,618 | 585,841 | 7,031,459 | - | - | - | - |
| 2035-36 | 6,555,058 | 449,791 | 7,004,849 | - | - | - | - |
| 2036-37 | 6,666,612 | 311,180 | 6,977,792 | - | - | - | - |
| 2037-38 | 6,170,541 | 169,948 | 6,340,489 | - | - | - | - |
| 2038-39 | 3,019,891 | 57,583 | 3,077,474 | - | - | - | - |
| 2039-40 | 870,681 | 15,088 | 885,769 | - | - | - | - |
| 2040-41 | 259,354 | 2,461 | 261,815 | - | - | - | - |
| Total | \$145,504,401 | \$ 29,263,261 | \$174,767,662 | \$ 498,475 | \$ 185,025 | \$ 4,407,305 | \$ 1,370,848 |

* Total Debt Service Requirements of Direct Borrowing and Direct Placement Obligations include preliminary repayment schedules for Clean Water State Revolving Fund loans and the LEAP ERP FF&C note that are based on current amounts outstanding. 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 Direct Borrowing and Direct Placement Obligations
(Continued)
For the fiscal year ended June 30, 2019

| 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 |
| 2019-20 | \$ 585,709 | \$ 428,018 | \$ 783,382 | \$ 526,477 | \$ 647,942 | \$ 19,112 |
| 2020-21 | 600,325 | 410,473 | 802,613 | 503,329 | 654,829 | 12,225 |
| 2021-22 | 615,305 | 392,491 | 822,316 | 479,613 | 661,786 | 5,265 |
| 2022-23 | 630,658 | 374,062 | 842,504 | 455,313 | - | - |
| 2023-24 | 646,397 | 355,170 | 863,186 | 430,419 | - | - |
| 2024-25 | 662,526 | 335,809 | 884,376 | 404,913 | - | - |
| 2025-26 | 679,058 | 315,964 | 906,086 | 378,781 | - | - |
| 2026-27 | 696,004 | 295,623 | 928,330 | 352,006 | - | - |
| 2027-28 | 713,372 | 274,775 | 951,119 | 324,576 | - | - |
| 2028-29 | 731,173 | 253,407 | 974,468 | 296,471 | - | - |
| 2029-30 | 749,418 | 231,506 | 998,390 | 267,677 | - | - |
| 2030-31 | 768,119 | 209,058 | 1,022,900 | 238,175 | - | - |
| 2031-32 | 787,287 | 186,049 | 1,048,010 | 207,950 | - | - |
| 2032-33 | 806,932 | 162,468 | 1,073,738 | 176,982 | - | - |
| 2033-34 | 827,068 | 138,297 | 1,100,096 | 145,256 | - | - |
| 2034-35 | 847,707 | 113,523 | 1,127,103 | 112,748 | - | - |
| 2035-36 | 868,860 | 88,131 | 1,154,772 | 79,444 | - | - |
| 2036-37 | 890,542 | 62,105 | 1,183,120 | 45,322 | - | - |
| 2037-38 | 912,764 | 35,430 | 602,413 | 10,361 | - | - |
| 2038-39 | 464,906 | 8,090 | - | - | - | - |
| 2039-40 | - | - | - | - | - | - |
| 2040-41 | - | - | - | - | - | - |
| Total | \$ 14,484,130 | \$ 4,670,449 | \$ 18,068,922 | \$ 5,435,813 | \$ 1,964,557 | \$ 36,602 |

* Total Debt Service Requirements of Direct Borrowing and Direct Placement Obligations include preliminary repayment schedules for Clean Water State Revolving Fund loans and the LEAP ERP FF&C note that are based on current amounts outstanding. 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 Direct Borrowing and Direct Placement Obligations
(Continued)
For the fiscal year ended June 30, 2019

| 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 |
| 2019-20 | \$ - | \$ - | \$ 557,619 | \$ 314,546 | \$ 2,228,115 | \$ 710,287 |
| 2020-21 | 169,677 | 105,839 | 568,828 | 300,521 | 2,250,452 | 676,810 |
| 2021-22 | 344,283 | 154,014 | 580,260 | 286,215 | 2,273,014 | 642,996 |
| 2022-23 | 350,959 | 147,337 | 591,923 | 271,622 | 2,295,799 | 608,846 |
| 2023-24 | 357,766 | 140,531 | 603,822 | 256,735 | 2,318,815 | 574,351 |
| 2024-25 | 364,704 | 133,593 | 615,958 | 241,549 | 2,342,061 | 539,510 |
| 2025-26 | 371,777 | 126,520 | 628,339 | 226,058 | 2,365,541 | 504,320 |
| 2026-27 | 378,986 | 119,310 | 640,968 | 210,255 | 2,389,255 | 468,778 |
| 2027-28 | 386,336 | 111,960 | 653,851 | 194,136 | 2,413,208 | 432,879 |
| 2028-29 | 393,828 | 104,468 | 666,994 | 177,691 | 2,437,401 | 396,620 |
| 2029-30 | 401,466 | 96,831 | 680,401 | 160,916 | 2,461,834 | 360,000 |
| 2030-31 | 409,252 | 89,045 | 694,077 | 143,803 | 2,486,515 | 323,010 |
| 2031-32 | 417,188 | 81,108 | 708,028 | 126,347 | 2,511,443 | 285,649 |
| 2032-33 | 425,279 | 73,018 | 722,259 | 108,541 | 2,536,619 | 247,916 |
| 2033-34 | 433,526 | 64,770 | 736,777 | 90,375 | 2,562,049 | 209,803 |
| 2034-35 | 441,934 | 56,363 | 751,586 | 71,845 | 2,587,733 | 171,309 |
| 2035-36 | 450,504 | 47,792 | 766,693 | 52,943 | 2,613,676 | 132,427 |
| 2036-37 | 459,241 | 39,056 | 782,103 | 33,661 | 2,639,878 | 93,157 |
| 2037-38 | 468,147 | 30,149 | 797,793 | 13,990 | 2,666,342 | 53,493 |
| 2038-39 | 477,226 | 21,071 | - | - | 1,343,141 | 13,432 |
| 2039-40 | 486,481 | 11,816 | - | - | - | - |
| 2040-41 | 246,768 | 2,380 | - | - | - | - |
| Total | \$ 8,235,328 | \$ 1,756,971 | \$ 12,748,279 | \$ 3,281,749 | \$ 47,722,891 | \$ 7,445,593 |

* Total Debt Service Requirements of Direct Borrowing and Direct Placement Obligations include preliminary repayment schedules for Clean Water State Revolving Fund loans and the LEAP ERP FF&C note that are based on current amounts outstanding. 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 Direct Borrowing and Direct Placement Obligations
(Continued)
For the fiscal year ended June 30, 2019

| Fiscal Year | Clean Water State Revolving Loan Fund Loan R14517 * | | Clean Water State Revolving Loan Fund Loan R14518 * | | Clean Water Revolving Loan Fund Loan R14519 * | | Transportation System Series 2013 | |
|--------------|---|---------------------|---|---------------------|---|------------------|-----------------------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2019-20 | \$ 142,973 | \$ 79,352 | \$ 120,327 | \$ 131,645 | \$ - | \$ - | \$ 829,368 | \$ 28,437 |
| 2020-21 | 289,387 | 103,897 | 243,549 | 87,440 | 9,834 | 3,113 | 841,924 | 15,881 |
| 2021-22 | 294,035 | 99,248 | 247,462 | 83,528 | 19,856 | 5,479 | 425,894 | 3,203 |
| 2022-23 | 298,759 | 94,525 | 251,437 | 79,552 | 20,109 | 5,226 | - | - |
| 2023-24 | 303,558 | 89,725 | 255,476 | 75,513 | 20,365 | 4,970 | - | - |
| 2024-25 | 308,434 | 84,849 | 259,580 | 71,409 | 20,624 | 4,711 | - | - |
| 2025-26 | 313,389 | 79,894 | 263,750 | 67,239 | 20,887 | 4,448 | - | - |
| 2026-27 | 318,423 | 74,860 | 267,987 | 63,003 | 21,153 | 4,182 | - | - |
| 2027-28 | 323,538 | 69,745 | 272,292 | 58,698 | 21,423 | 3,912 | - | - |
| 2028-29 | 328,736 | 64,548 | 276,666 | 54,324 | 21,696 | 3,639 | - | - |
| 2029-30 | 334,017 | 59,267 | 281,110 | 49,879 | 21,972 | 3,363 | - | - |
| 2030-31 | 339,382 | 53,901 | 285,626 | 45,363 | 22,252 | 3,083 | - | - |
| 2031-32 | 344,834 | 48,449 | 290,214 | 40,775 | 22,535 | 2,800 | - | - |
| 2032-33 | 350,374 | 42,910 | 294,876 | 36,113 | 22,822 | 2,512 | - | - |
| 2033-34 | 356,002 | 37,281 | 299,613 | 31,376 | 23,113 | 2,222 | - | - |
| 2034-35 | 361,721 | 31,563 | 304,426 | 26,563 | 23,408 | 1,927 | - | - |
| 2035-36 | 367,531 | 25,752 | 309,316 | 21,673 | 23,706 | 1,629 | - | - |
| 2036-37 | 373,435 | 19,848 | 314,285 | 16,704 | 24,008 | 1,327 | - | - |
| 2037-38 | 379,434 | 13,849 | 319,334 | 11,655 | 24,314 | 1,021 | - | - |
| 2038-39 | 385,530 | 7,753 | 324,464 | 6,526 | 24,624 | 711 | - | - |
| 2039-40 | 195,082 | 1,560 | 164,181 | 1,314 | 24,937 | 398 | - | - |
| 2040-41 | - | - | - | - | 12,586 | 81 | - | - |
| Total | \$ 6,708,574 | \$ 1,182,776 | \$ 5,645,971 | \$ 1,060,292 | \$ 446,224 | \$ 60,754 | \$ 2,097,186 | \$ 47,521 |

* Total Debt Service Requirements of Direct Borrowing and Direct Placement Obligations include preliminary repayment schedules for Clean Water State Revolving Fund loans and the LEAP ERP FF&C note that are based on current amounts outstanding. 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 Direct Borrowing and Direct Placement Obligations
(Continued)
For the fiscal year ended June 30, 2019

| Fiscal Year | Juniper Ridge Series 2013 | | Murphy Crossing Urban Renewal Series 2018 | | Fire Equipment Series 2015B | |
|-------------|---------------------------|-----------|--|------------|--------------------------------|------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2019-20 | \$ 375,310 | \$ 24,678 | \$ 194,883 | \$ 48,799 | \$ 308,716 | \$ 50,603 |
| 2020-21 | 381,025 | 18,964 | 196,339 | 47,342 | 317,084 | 42,235 |
| 2021-22 | 386,762 | 13,227 | 201,577 | 42,105 | 325,542 | 33,777 |
| 2022-23 | 392,585 | 7,404 | 206,954 | 36,728 | 334,226 | 25,093 |
| 2023-24 | 198,500 | 1,493 | 212,393 | 31,289 | 343,104 | 16,215 |
| 2024-25 | - | - | 218,140 | 25,541 | 352,325 | 7,024 |
| 2025-26 | - | - | 223,959 | 19,722 | - | - |
| 2026-27 | - | - | 229,933 | 13,748 | - | - |
| 2027-28 | - | - | 236,050 | 7,631 | - | - |
| 2028-29 | - | - | 109,757 | 1,458 | - | - |
| 2029-30 | - | - | - | - | - | - |
| 2030-31 | - | - | - | - | - | - |
| 2031-32 | - | - | - | - | - | - |
| 2032-33 | - | - | - | - | - | - |
| 2033-34 | - | - | - | - | - | - |
| 2034-35 | - | - | - | - | - | - |
| 2035-36 | - | - | - | - | - | - |
| 2036-37 | - | - | - | - | - | - |
| 2037-38 | - | - | - | - | - | - |
| 2038-39 | - | - | - | - | - | - |
| 2039-40 | - | - | - | - | - | - |
| 2040-41 | - | - | - | - | - | - |
| Total | \$ 1,734,182 | \$ 65,766 | \$ 2,029,985 | \$ 274,363 | \$ 1,980,997 | \$ 174,947 |

* Total Debt Service Requirements of Direct Borrowing and Direct Placement Obligations include preliminary repayment schedules for Clean Water State Revolving Fund loans and the LEAP ERP FF&C note that are based on current amounts outstanding. 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 Direct Borrowing and Direct Placement Obligations
(Continued)
For the fiscal year ended June 30, 2019

| Fiscal Year | Fire, Police, Cooley, Facilities Series 2016 | | Streets & Stormwater equipment, ERP refunding, Series 2018 | | LEAP ERP FF&C 2018 | |
|--------------|---|---------------------|--|-------------------|---------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2019-20 | \$ 710,000 | \$ 191,330 | \$ 640,342 | \$ 178,908 | \$ - | \$ 30,297 |
| 2020-21 | 730,000 | 174,842 | 658,720 | 160,529 | 1,584,954 | 29,321 |
| 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 | - | - | - | - | - | - |
| 2040-41 | - | - | - | - | - | - |
| Total | \$ 8,710,000 | \$ 1,217,367 | \$ 6,436,441 | \$ 936,807 | \$ 1,584,954 | \$ 59,618 |

* Total Debt Service Requirements of Direct Borrowing and Direct Placement Obligations include preliminary repayment schedules for Clean Water State Revolving Fund loans and the LEAP ERP FF&C note that are based on current amounts outstanding. Final repayment schedules will be determined when the final loan amount is drawn down.

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Statistical Section

STATISTICAL SECTION

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

Financial Trends

These schedules contain trend information to help readers understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

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

Debt Capacity

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

These schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place.

Operating Information

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.

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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

| | 2010 | 2011 | 2012 | 2013 | Restated 2014 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Governmental Activities</u> | | | | | |
| Net investment in capital assets | \$ 485,325 | \$ 484,814 | \$ 474,505 | \$ 474,356 | \$ 472,258 |
| Restricted | 15,370 | 13,915 | 13,637 | 16,565 | 29,652 |
| Unrestricted | 24,295 | 27,398 | 30,167 | 29,610 | 4,056 |
| Total governmental activities net position | <u>\$ 524,990</u> | <u>\$ 526,127</u> | <u>\$ 518,309</u> | <u>\$ 520,531</u> | <u>\$ 505,966</u> |
| <u>Business-type Activities</u> | | | | | |
| Net investment in capital assets | \$ 242,003 | \$ 241,176 | \$ 256,230 | \$ 263,975 | \$ 278,857 |
| Restricted | 936 | - | 676 | 1,289 | 1,265 |
| Unrestricted | 23,050 | 32,522 | 33,405 | 38,215 | 36,565 |
| Total business-type activities net position | <u>\$ 265,989</u> | <u>\$ 273,698</u> | <u>\$ 290,311</u> | <u>\$ 303,479</u> | <u>\$ 316,687</u> |
| <u>Primary Government</u> | | | | | |
| Net investment in capital assets | \$ 727,328 | \$ 725,990 | \$ 730,735 | \$ 738,331 | \$ 751,115 |
| Restricted | 16,306 | 13,915 | 14,313 | 17,854 | 30,917 |
| Unrestricted | 47,345 | 59,920 | 63,572 | 67,825 | 40,621 |
| Total primary government net position | <u>\$ 790,979</u> | <u>\$ 799,825</u> | <u>\$ 808,620</u> | <u>\$ 824,010</u> | <u>\$ 822,653</u> |

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

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Governmental Activities</u> | | | | | |
| Net investment in capital assets | \$ 477,809 | \$ 476,817 | \$ 468,971 | \$ 461,728 | \$ 481,503 |
| Restricted | 29,319 | 42,451 | 52,371 | 51,169 | 29,193 |
| Unrestricted | 18,412 | 11,632 | 12,839 | 6,672 | 11,566 |
| Total governmental activities net position | <u>\$ 525,540</u> | <u>\$ 530,900</u> | <u>\$ 534,181</u> | <u>\$ 519,569</u> | <u>\$ 522,262</u> |
| <u>Business-type Activities</u> | | | | | |
| Net investment in capital assets | \$ 293,753 | \$ 321,457 | \$ 306,517 | \$ 321,740 | \$ 346,275 |
| Restricted | 1,678 | 3,536 | 3,784 | 4,613 | 4,509 |
| Unrestricted | 45,677 | 43,822 | 92,608 | 105,771 | 114,247 |
| Total business-type activities net position | <u>\$ 341,108</u> | <u>\$ 368,815</u> | <u>\$ 402,909</u> | <u>\$ 432,124</u> | <u>\$ 465,031</u> |
| <u>Primary Government</u> | | | | | |
| Net investment in capital assets | \$ 771,562 | \$ 798,274 | \$ 775,488 | \$ 783,468 | \$ 827,778 |
| Restricted | 30,997 | 45,987 | 56,155 | 55,782 | 33,702 |
| Unrestricted | 64,089 | 55,454 | 105,447 | 112,443 | 125,813 |
| Total primary government net position | <u>\$ 866,648</u> | <u>\$ 899,715</u> | <u>\$ 937,090</u> | <u>\$ 951,693</u> | <u>\$ 987,293</u> |

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

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General government | \$ 16,732 | \$ 18,530 | \$ 21,164 | \$ 15,300 | \$ 17,436 |
| Public safety | 28,025 | 27,958 | 28,952 | 30,695 | 30,873 |
| Public ways and facilities | 15,699 | 16,042 | 17,318 | 18,208 | 19,733 |
| Community and economic development | 6,216 | 8,012 | 7,031 | 7,771 | 8,720 |
| Permanent maintenance | - | - | - | 4 | 5 |
| Urban renewal | 358 | 192 | 1,567 | 30 | 64 |
| Transit | 1,851 | 1,800 | - | - | - |
| Interest on long-term debt | 2,287 | 1,973 | 1,772 | 2,335 | 2,321 |
| Total governmental activities expenses | 71,168 | 74,507 | 77,804 | 74,343 | 79,152 |
| Business-Type Activities: | | | | | |
| Water | \$ 12,686 | \$ 12,757 | \$ 11,701 | \$ 12,576 | \$ 14,032 |
| Water reclamation | 11,832 | 12,045 | 12,528 | 13,968 | 14,427 |
| Airport | 746 | 951 | 1,010 | 1,053 | 1,243 |
| Cemetery | 110 | 75 | 85 | 83 | 134 |
| Downtown parking | 889 | 878 | 875 | 869 | 875 |
| Stormwater | 2,159 | 2,425 | 2,216 | 2,400 | 2,843 |
| Total business-type activities expenses | 28,422 | 29,131 | 28,415 | 30,949 | 33,554 |
| Total primary government expenses | \$ 99,590 | \$ 103,638 | \$ 106,219 | \$ 105,292 | \$ 112,706 |
| Program Revenues | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services: | | | | | |
| General government | \$ 7,598 | \$ 9,661 | \$ 5,404 | \$ 6,475 | \$ 7,827 |
| Public safety | 3,615 | 3,389 | 3,615 | 3,285 | 3,255 |
| Public ways and facilities | 1,253 | 1,052 | 1,736 | 2,507 | 3,652 |
| Community and economic development | 3,083 | 4,015 | 3,853 | 5,957 | 8,843 |
| Permanent maintenance | - | 11 | 4 | 6 | 3 |
| Urban renewal | 57 | 35 | 18 | - | - |
| Transit | 269 | 74 | - | - | - |
| Operating grants and contributions | 11,610 | 15,714 | 12,175 | 13,359 | 12,963 |
| Capital grants and contributions | 4,176 | 6,659 | 7,075 | 11,720 | 12,725 |
| Total governmental activities program revenues | 31,661 | 40,610 | 33,880 | 43,309 | 49,268 |
| Business-Type Activities: | | | | | |
| Charges for Services: | | | | | |
| Water | \$ 12,689 | \$ 14,068 | \$ 14,809 | \$ 15,815 | \$ 17,296 |
| Water reclamation | 13,257 | 13,920 | 15,973 | 17,092 | 18,487 |
| Airport | 773 | 777 | 833 | 794 | 879 |
| Cemetery | 50 | 45 | 58 | 66 | 44 |
| Downtown parking | 551 | 643 | 569 | 639 | 753 |
| Stormwater | 2,465 | 2,515 | 2,519 | 2,534 | 2,540 |
| Other business activities | - | 139 | 10 | - | - |
| Capital grants and contributions | 3,914 | 2,670 | 7,815 | 2,767 | 3,809 |
| Total business-type activities | 33,699 | 34,777 | 42,586 | 39,707 | 43,808 |
| Total primary government program revenues | \$ 65,360 | \$ 75,387 | \$ 76,466 | \$ 83,016 | \$ 93,076 |
| Net Revenues (Expenses) | | | | | |
| Governmental Activities | \$ (39,507) | \$ (33,897) | \$ (43,924) | \$ (31,034) | \$ (29,884) |
| Business-Type Activities | 5,277 | 5,646 | 14,171 | 8,758 | 10,254 |
| Total primary government net revenues (expenses) | \$ (34,230) | \$ (28,251) | \$ (29,753) | \$ (22,276) | \$ (19,630) |

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)

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------------------|--------------------|--------------------|--------------------|--------------------|
| Expenses | | | | | |
| Governmental Activities: | | | | | |
| General government | \$ 17,185 | \$ 23,006 | \$ 18,459 | \$ 20,484 | \$ 26,145 |
| Public safety | 26,332 | 44,350 | 41,593 | 49,030 | 47,115 |
| Public ways and facilities | 19,550 | 20,631 | 23,640 | 28,526 | 29,455 |
| Community and economic development | 7,249 | 14,248 | 15,083 | 16,172 | 16,512 |
| Permanent maintenance | 5 | 5 | 5 | 5 | 5 |
| Urban renewal | 41 | 40 | 53 | 45 | 310 |
| Transit | - | - | - | - | - |
| Interest on long-term debt | 2,171 | 2,164 | 2,055 | 1,888 | 1,747 |
| Total governmental activities expenses | 72,533 | 104,444 | 100,888 | 116,150 | 121,289 |
| Business-Type Activities: | | | | | |
| Water | \$ 12,821 | \$ 14,889 | \$ 19,998 | \$ 16,815 | \$ 19,487 |
| Water reclamation | 13,196 | 17,197 | 14,196 | 18,393 | 22,717 |
| Airport | 1,279 | 1,359 | 1,394 | 1,357 | 1,625 |
| Cemetery | 125 | 149 | 139 | 212 | 176 |
| Downtown parking | 924 | 1,091 | 1,134 | 1,290 | 1,522 |
| Stormwater | 2,648 | 3,256 | 3,214 | 3,544 | 3,432 |
| Total business-type activities expenses | 30,993 | 37,941 | 40,075 | 41,611 | 48,959 |
| Total primary government expenses | \$ 103,526 | \$ 142,385 | \$ 140,963 | \$ 157,761 | \$ 170,248 |
| Program Revenues | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services: | | | | | |
| General government | \$ 8,279 | \$ 9,516 | \$ 8,855 | \$ 10,756 | \$ 11,073 |
| Public safety | 5,052 | 4,865 | 5,181 | 5,997 | 6,381 |
| Public ways and facilities | 2,722 | 3,091 | 3,629 | 329 | 5,110 |
| Community and economic development | 9,525 | 11,192 | 11,134 | 15,851 | 13,117 |
| Permanent maintenance | 5 | 13 | 5 | 5 | 6 |
| Urban renewal | - | - | - | - | - |
| Transit | - | - | - | - | - |
| Operating grants and contributions | 11,952 | 13,350 | 14,684 | 18,194 | 15,664 |
| Capital grants and contributions | 15,661 | 27,301 | 19,299 | 20,791 | 20,313 |
| Total governmental activities program revenues | 53,196 | 69,328 | 62,787 | 71,923 | 71,664 |
| Business-Type Activities: | | | | | |
| Charges for Services: | | | | | |
| Water | \$ 17,768 | \$ 18,708 | \$ 21,280 | \$ 19,775 | \$ 21,099 |
| Water reclamation | 20,327 | 21,543 | 24,062 | 26,930 | 29,532 |
| Airport | 911 | 953 | 858 | 923 | 893 |
| Cemetery | 79 | 107 | 70 | 61 | 73 |
| Downtown parking | 825 | 919 | 996 | 1,100 | 1,097 |
| Stormwater | 2,599 | 3,228 | 3,478 | 3,770 | 4,077 |
| Other business activities | - | - | - | - | - |
| Capital grants and contributions | 6,548 | 10,916 | 12,930 | 11,143 | 10,422 |
| Total business-type activities | 49,057 | 56,374 | 63,674 | 63,702 | 67,193 |
| Total primary government program revenues | \$ 102,253 | \$ 125,702 | \$ 126,461 | \$ 135,625 | \$ 138,857 |
| Net Revenues (Expenses) | | | | | |
| Governmental Activities | \$ (19,337) | \$ (35,116) | \$ (38,101) | \$ (44,227) | \$ (49,625) |
| Business-Type Activities | 18,064 | 18,433 | 23,599 | 22,091 | 18,234 |
| Total primary government net revenues (expenses) | \$ (1,273) | \$ (16,683) | \$ (14,502) | \$ (22,136) | \$ (31,391) |

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>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| <u>General Revenues and Other Changes in Net Position</u> | | | | | |
| Governmental Activities: | | | | | |
| Taxes: | | | | | |
| Property taxes, levied for general purpose | \$ 25,428 | \$ 25,979 | \$ 25,751 | \$ 25,649 | \$ 26,753 |
| Room taxes | 2,966 | 3,407 | 3,575 | 3,945 | 4,710 |
| Franchise fees | 7,447 | 7,241 | 7,204 | 7,170 | 7,645 |
| Unrestricted investment income | 412 | 425 | 338 | 546 | 703 |
| Other revenues | 2,293 | 15 | 1,456 | 43 | - |
| Transfers | <u>(1,220)</u> | <u>(2,035)</u> | <u>(2,216)</u> | <u>(4,169)</u> | <u>(5,246)</u> |
| Total governmental activities | <u>37,326</u> | <u>35,032</u> | <u>36,108</u> | <u>33,184</u> | <u>34,565</u> |
| Business-type Activities: | | | | | |
| Unrestricted investment income | 304 | 322 | 225 | 243 | 290 |
| Transfers | <u>1,220</u> | <u>2,035</u> | <u>2,216</u> | <u>4,169</u> | <u>5,246</u> |
| Total business-type activities | <u>1,524</u> | <u>2,357</u> | <u>2,441</u> | <u>4,412</u> | <u>5,536</u> |
| Total primary government | <u>\$ 38,850</u> | <u>\$ 37,389</u> | <u>\$ 38,549</u> | <u>\$ 37,596</u> | <u>\$ 40,101</u> |
| <u>Change in Net Position</u> | | | | | |
| Governmental Activities | \$ (2,181) | \$ 1,135 | \$ (7,816) | \$ 2,150 | \$ 4,681 |
| Business-type Activities | <u>6,801</u> | <u>8,003</u> | <u>16,612</u> | <u>13,170</u> | <u>15,790</u> |
| Total primary government | <u>\$ 4,620</u> | <u>\$ 9,138</u> | <u>\$ 8,796</u> | <u>\$ 15,320</u> | <u>\$ 20,471</u> |

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

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| <u>General Revenues and Other Changes in Net Position</u> | | | | | |
| Governmental Activities: | | | | | |
| Taxes: | | | | | |
| Property taxes, levied for general purpose | \$ 30,179 | \$ 31,971 | \$ 33,316 | \$ 35,340 | \$ 37,574 |
| Room taxes | 6,397 | 7,931 | 8,990 | 9,700 | 10,239 |
| Franchise fees | 7,834 | 8,280 | 8,794 | 9,035 | 9,650 |
| Unrestricted investment income | 636 | 1,118 | 556 | 737 | 4,797 |
| Other revenues | - | - | - | - | - |
| Transfers | <u>(6,135)</u> | <u>(8,821)</u> | <u>(10,273)</u> | <u>(10,122)</u> | <u>(9,944)</u> |
| Total governmental activities | <u>38,911</u> | <u>40,479</u> | <u>41,383</u> | <u>44,690</u> | <u>52,316</u> |
| Business-type Activities: | | | | | |
| Unrestricted investment income | 221 | 453 | 222 | 449 | 4,726 |
| Transfers | <u>6,135</u> | <u>8,821</u> | <u>10,273</u> | <u>10,122</u> | <u>9,944</u> |
| Total business-type activities | <u>6,356</u> | <u>9,274</u> | <u>10,495</u> | <u>10,571</u> | <u>14,670</u> |
| Total primary government | <u>\$ 45,267</u> | <u>\$ 49,753</u> | <u>\$ 51,878</u> | <u>\$ 55,261</u> | <u>\$ 66,986</u> |
| <u>Change in Net Position</u> | | | | | |
| Governmental Activities | \$ 19,574 | \$ 5,363 | \$ 3,282 | \$ 463 | \$ 2,691 |
| Business-type Activities | <u>24,420</u> | <u>27,707</u> | <u>34,094</u> | <u>32,662</u> | <u>32,904</u> |
| Total primary government | <u>\$ 43,994</u> | <u>\$ 33,070</u> | <u>\$ 37,376</u> | <u>\$ 33,125</u> | <u>\$ 35,595</u> |

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

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|------------------|------------------|------------------|------------------|------------------|
| <u>General Fund</u> | | | | | |
| Nonspendable | \$ - | \$ 4,639 | \$ 4,594 | \$ 4,581 | \$ 4,562 |
| Restricted | - | - | - | - | - |
| Committed | - | 1,263 | 1,483 | 1,709 | 1,855 |
| Assigned | - | - | - | - | - |
| Unassigned | - | 9,251 | 10,669 | 10,325 | 11,030 |
| Reserved | 4,469 | - | - | - | - |
| Unreserved | 8,033 | - | - | - | - |
| Total general fund | <u>\$ 12,502</u> | <u>\$ 15,153</u> | <u>\$ 16,746</u> | <u>\$ 16,615</u> | <u>\$ 17,447</u> |
| <u>All Other Governmental Funds</u> | | | | | |
| Nonspendable | \$ - | \$ 621 | \$ 591 | \$ 596 | \$ 599 |
| Restricted | - | 7,644 | 6,903 | 26,669 | 29,413 |
| Committed | - | 10,869 | 11,032 | 12,997 | 11,792 |
| Assigned | - | 2,553 | 5,642 | 6,587 | 8,254 |
| Unassigned | - | (316) | (340) | (360) | (360) |
| Reserved for: | | | | | |
| Debt service | 5,686 | - | - | - | - |
| Long-term loans and advances | 34 | - | - | - | - |
| Construction | 9,858 | - | - | - | - |
| Building program | 497 | - | - | - | - |
| Designations reported in: | | | | | |
| Special revenue funds | 7,209 | - | - | - | - |
| Capital projects funds | (223) | - | - | - | - |
| Total all other governmental funds | <u>\$ 23,061</u> | <u>\$ 21,371</u> | <u>\$ 23,828</u> | <u>\$ 46,489</u> | <u>\$ 49,698</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)

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------------------|------------------|------------------|------------------|------------------|
| <u>General Fund</u> | | | | | |
| Nonspendable | \$ 4,555 | \$ 4,555 | \$ 4,555 | \$ 4,487 | \$ 4,487 |
| Restricted | - | - | - | 411 | 839 |
| Committed | 2,092 | 2,281 | 2,519 | 2,823 | - |
| Assigned | 4,232 | 5,411 | 6,651 | - | - |
| Unassigned | 10,775 | 9,378 | 9,463 | 10,446 | 13,360 |
| Reserved | - | - | - | - | - |
| Unreserved | - | - | - | - | - |
| Total general fund | <u>\$ 21,654</u> | <u>\$ 21,625</u> | <u>\$ 23,188</u> | <u>\$ 18,167</u> | <u>\$ 18,686</u> |
| <u>All Other Governmental Funds</u> | | | | | |
| Nonspendable | \$ 605 | \$ 629 | \$ 633 | \$ 627 | \$ 633 |
| Restricted | 23,189 | 22,551 | 41,099 | 38,897 | 27,721 |
| Committed | 12,342 | 18,947 | 7,630 | 6,797 | 11,623 |
| Assigned | 16,794 | 21,925 | 21,420 | 24,081 | 28,392 |
| Unassigned | (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>\$ 52,570</u> | <u>\$ 63,692</u> | <u>\$ 70,782</u> | <u>\$ 71,835</u> | <u>\$ 68,369</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)

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|-----------------|----------------|-----------------|------------------|-----------------|
| Revenues | | | | | |
| Taxes | \$ 28,340 | \$ 29,446 | \$ 29,684 | \$ 29,990 | \$ 31,612 |
| Franchise fees | 7,447 | 7,211 | 7,188 | 7,154 | 7,641 |
| Intergovernmental | 11,347 | 14,439 | 12,444 | 12,745 | 12,471 |
| Assessments | 201 | 154 | 145 | 158 | 175 |
| Licenses and permits | 2,181 | 2,850 | 2,991 | 4,274 | 5,860 |
| Charges for services | 5,772 | 6,159 | 6,136 | 6,779 | 8,568 |
| System development charges | 2,262 | 3,341 | 4,133 | 7,113 | 9,091 |
| Contributions | 92 | 55 | 261 | 104 | 153 |
| Fines and forfeitures | 1,059 | 1,231 | 1,108 | 955 | 927 |
| Loan repayments | 1,039 | 476 | 1,131 | 1,189 | 1,223 |
| Permanent maintenance fees | - | 11 | 4 | 6 | 3 |
| Investment income | 313 | 341 | 269 | 473 | 615 |
| Miscellaneous | 99 | 126 | 83 | 47 | 89 |
| Total revenues | 60,152 | 65,840 | 65,577 | 70,987 | 78,428 |
| Expenditures | | | | | |
| General government | \$ 988 | \$ 1,993 | \$ 2,208 | \$ 2,266 | \$ 2,253 |
| Public safety | 29,375 | 29,925 | 31,307 | 31,848 | 33,924 |
| Public ways and facilities | 6,462 | 6,458 | 7,714 | 7,771 | 8,118 |
| Community and economic development | 7,063 | 8,948 | 8,039 | 8,309 | 9,505 |
| Permanent maintenance | - | - | - | 4 | 5 |
| Urban renewal | 581 | 405 | 871 | 32 | 66 |
| Transit | 2,442 | 1,744 | - | - | - |
| Debt service: | | | | | |
| Principal | 10,068 | 5,993 | 5,372 | 5,606 | 13,466 |
| Interest | 2,167 | 1,981 | 1,755 | 2,275 | 2,340 |
| Capital outlay | 4,589 | 4,231 | 6,078 | 13,376 | 9,814 |
| Total expenditures | 63,735 | 61,678 | 63,344 | 71,487 | 79,491 |
| Other Financing Sources (Uses) | | | | | |
| Proceeds from sale of capital assets | 2,293 | 15 | 816 | 43 | 565 |
| Insurance proceeds | 55 | 40 | 25 | 17 | 16 |
| Issuance of short-term debt | - | - | 3,000 | - | - |
| Issuance of long-term debt | 10,602 | - | 1,425 | 26,805 | 9,983 |
| Premium on issuance of long-term debt | 244 | - | 103 | 1,550 | - |
| Discount on issuance of long-term debt | (1) | - | - | - | - |
| Payment to bond escrow agent | (4,215) | - | - | - | - |
| Interfund loan proceeds | - | 1 | 1 | 1 | - |
| Transfers in | 23,754 | 15,527 | 15,040 | 16,744 | 15,723 |
| Transfers out | (25,520) | (18,783) | (18,591) | (22,131) | (21,772) |
| Total other financing sources (uses) | 7,212 | (3,200) | 1,819 | 23,029 | 4,515 |
| Net changes in fund balances (deficits) | \$ 3,629 | \$ 962 | \$ 4,052 | \$ 22,529 | \$ 3,452 |
| Debt services as a percentage of non-capital expenditures | 20.7 % | 14.0 % | 12.0 % | 14.0 % | 23.0 % |

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)

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------------|------------------|------------------|-------------------|-------------------|
| Revenues | | | | | |
| Taxes | \$ 36,686 | \$ 39,917 | \$ 42,257 | \$ 45,084 | \$ 47,832 |
| Franchise fees | 7,973 | 8,280 | 8,794 | 9,035 | 9,650 |
| Intergovernmental | 11,715 | 12,515 | 12,185 | 17,122 | 14,745 |
| Assessments | 165 | 171 | 151 | 242 | 218 |
| Licenses and permits | 6,946 | 8,247 | 5,798 | 6,390 | 6,001 |
| Charges for services | 9,315 | 10,234 | 12,556 | 13,146 | 13,724 |
| System development charges | 10,239 | 18,414 | 16,828 | 15,221 | 16,392 |
| Contributions | 415 | 158 | 249 | 134 | 1,740 |
| Fines and forfeitures | 900 | 947 | 1,038 | 1,089 | 1,301 |
| Loan repayments | 1,502 | 738 | 1,717 | 429 | 258 |
| Permanent maintenance fees | 5 | 13 | 5 | 5 | 6 |
| Investment income | 545 | 968 | 419 | 684 | 3,953 |
| Miscellaneous | 99 | 94 | 187 | 128 | 81 |
| Total revenues | 86,506 | 100,696 | 102,185 | 108,708 | 115,901 |
| Expenditures | | | | | |
| General government | \$ 2,319 | \$ 2,240 | \$ 2,589 | \$ 2,525 | \$ 2,512 |
| Public safety | 36,474 | 39,357 | 42,008 | 47,520 | 48,490 |
| Public ways and facilities | 10,960 | 8,835 | 10,159 | 10,564 | 11,855 |
| Community and economic development | 9,880 | 14,504 | 16,180 | 18,362 | 18,635 |
| Permanent maintenance | 5 | 5 | 5 | 5 | 5 |
| Urban renewal | 60 | 41 | 59 | 99 | 227 |
| Transit | - | - | - | - | - |
| Debt service: | | | | | |
| Principal | 3,917 | 4,252 | 4,555 | 4,699 | 5,187 |
| Interest | 2,174 | 2,168 | 2,079 | 1,947 | 1,838 |
| Capital outlay | 12,922 | 11,967 | 9,147 | 14,268 | 20,213 |
| Total expenditures | 78,711 | 83,369 | 86,781 | 99,989 | 108,961 |
| Other Financing Sources (Uses) | | | | | |
| Proceeds from sale of capital assets | - | 53 | 270 | 1,945 | 47 |
| Insurance proceeds | 31 | 14 | 52 | 12 | - |
| Issuance of short-term debt | - | - | - | - | - |
| Issuance of long-term debt | 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 | 17,992 | 23,217 | 21,335 | 30,069 | 32,629 |
| Transfers out | (24,351) | (32,464) | (30,031) | (45,918) | (42,562) |
| Total other financing sources (uses) | (3,276) | (6,235) | (4,077) | (12,686) | (9,887) |
| Net changes in fund balances (deficits) | \$ 4,519 | \$ 11,092 | \$ 11,327 | \$ (3,967) | \$ (2,947) |
| Debt services as a percentage of non-capital expenditures | 9.0 % | 9.0 % | 8.5 % | 7.8 % | 7.9 % |

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 | | |
| 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 | 3.28 | 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 % |
| 2019 | 20,057,531 | 11,192,859 | 304,166 | 304,166 | 258,787 | 255,940 | 20,620,484 | 11,752,965 | 3.28 | 57.0 % |

Source:
Deschutes County Assessor's Office

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

| Fiscal Year | City Direct Rates | | | Overlapping Rates | | | | | | | Total |
|-------------|-------------------|-----------------------------------|--------------|--|-------------------------|-------------------|----------------------------------|---|---|----------|-------|
| | City of Bend | Bend Urban Renewal District | Total Direct | Bend Metro Park and Recreation District | Deschutes County (1) | County Library | Education Service District | Central Oregon Community College | Bend La-Pine Administrative School District #1 | | |
| 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 | |
| 2019 | 3.14 | 0.14 | 3.28 | 1.61 | 2.65 | 0.54 | 0.10 | 0.72 | 6.61 | 15.51 | |

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 \$1.2043, Countywide Law Enforcement \$1.0675, County Extension/4H \$0.0223, and 9-1-1 \$0.3577.

City of Bend, Oregon
Principle Taxpayers
For the fiscal years ended June 30, 2019 and June 30, 2010
(amounts expressed in thousands)

| Taxpayer | Type of Business | 2019 | | | 2010 | | |
|---|-------------------------|------|------------------------|--|------|------------------------|--|
| | | 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 | \$ 64,787 | 0.6 % | | \$ - | 0.0 % |
| Touchmark at Mount Bachelor Village LLC | Retirement community | 2 | 93,001 | 0.8 % | | - | 0.0 % |
| Suterra LLC | Biorational products | 3 | 50,473 | 0.4 % | | - | 0.0 % |
| CVSC LLC | Shopping center | 4 | 53,967 | 0.5 % | 8 | 34,816 | 0.4 % |
| Pacificorp (PP&L) | Electric utility | 5 | 44,298 | 0.4 % | 1 | 71,084 | 0.9 % |
| Deschutes Brewery Inc | Microbrewery | 6 | 62,837 | 0.5 % | | - | 0.0 % |
| CenturyLink Property Tax | Telephone utility | 7 | 36,235 | 0.3 % | | - | 0.0 % |
| River Vale Limited Partnership | Real estate developer | 8 | 4,500 | - % | | - | 0.0 % |
| Cascade Natural Gas Corporation | Gas utility | 9 | 33,701 | 0.3 % | 4 | 49,835 | 0.6 % |
| Forum Holdings LLC | Shopping center | 10 | 43,139 | 0.4 % | | - | 0.0 % |
| Gas Transmission Northwest Corporation | Natural gas transporter | | - | - % | 2 | 69,078 | 0.9 % |
| Qwest Corporation | Telephone utility | | - | - % | 3 | 52,701 | 0.6 % |
| Eagle Crest, Inc | Destination resort | | - | - % | 5 | 38,847 | 0.5 % |
| Sunriver Resort Limited Partnership | Destination resort | | - | - % | 6 | 39,758 | 0.5 % |
| Pronghorn Investors LLC | Destination resort | | - | - % | 7 | 35,374 | 0.4 % |
| TD Cascade Highlands LLC | Real estate developer | | - | - | 9 | 38,979 | 0.5 % |
| Bend Cable Communications LLC | Cable utility | | - | - | 10 | 34,673 | 0.4 % |
| Total | | | \$ 486,938 | 4.2 % | | \$ 465,145 | 5.7 % |

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 \$11,736,052,767 for 2019 and \$8,108,159,000 for 2010.

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 |
| 2010 | \$ 26,040 | \$ 23,896 | 91.8 % | \$ 1,620 | \$ 25,516 | 98.0 % |
| 2011 | 26,642 | 24,690 | 92.7 % | 1,104 | 25,794 | 96.8 % |
| 2012 | 26,393 | 24,843 | 94.1 % | 989 | 25,832 | 97.9 % |
| 2013 | 26,356 | 24,849 | 94.3 % | 706 | 25,555 | 97.0 % |
| 2014 | 27,457 | 26,065 | 94.9 % | 670 | 26,735 | 97.4 % |
| 2015 | 30,965 | 29,504 | 95.3 % | 621 | 30,125 | 97.3 % |
| 2016 | 33,014 | 31,341 | 94.9 % | 553 | 31,894 | 96.6 % |
| 2017 | 34,323 | 32,669 | 95.2 % | 565 | 33,234 | 96.8 % |
| 2018 | 36,280 | 34,702 | 95.7 % | 398 | 35,100 | 96.7 % |
| 2019 | 38,622 | 36,951 | 95.7 % | - | 36,951 | 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 Primary Government | Total Debt Percentage of Personal Income (1) | Total Debt per Capita (1) |
|-------------|--------------------------------------|---------------------|-----------------------------------|---------------|----------------|--------------------|--------------------------------------|---------------|---------------|----------------|--------------------|-----------|--------------------------|--|---------------------------|
| | Full Faith & Credit Obligation Bonds | General Obligations | 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 | | | | |
| 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 | |
| 2019 | 16,740 | 19,375 | - | 23,837 | - | 1,235 | 10,670 | 46,765 | 121,666 | - | 10,397 | 250,685 | 4.97 % | 2,743 | |

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 | Total | | | | | | |
| 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 |
| 2019 | 27,410 | 19,375 | 46,785 | 8,126 | 38,659 | 11,752,965 | 0.40 % | 91,385 | 512 |

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, 2019

| <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 | \$ 46,785,000 | 100.00 % | \$ 46,785,000 |
| Overlapping Debt | | | |
| Bend Metro Park & Rec District | 26,573,828 | 96.20 % | 25,563,943 |
| Central Oregon Community College | 51,170,000 | 42.35 % | 21,668,960 |
| Deschutes County | 13,470,000 | 49.92 % | 6,724,211 |
| Deschutes Cty SD 1 (Bend-Lapine) | 461,489,599 | 68.65 % | 316,792,304 |
| High Desert ESD | 3,222,570 | 45.76 % | 1,474,548 |
| Total overlapping debt | <u>555,925,997</u> | <u>66.96 %</u> | <u>372,223,966</u> |
| Total direct debt and overlapping debt | <u>\$ 602,710,997</u> | <u>69.52 %</u> | <u>\$ 419,008,966</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. \$10,130,000 of this total is backed by sources other than taxes. Total direct debt reported does not include Revenue Bonds and Direct Borrowing and Direct Placement Obligations.
- (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, 2019 |
| Real market value | \$ 20,620,484,099 |
| | 3 % |
| General obligation debt limit at 3% of real market value | 618,614,523 |
| General obligation debt subject to limit per ORS 287A.050(1) * | 19,375,000 |
| Less: Funds applicable to the payment of principal thereof per ORS 287A.050(2) | |
| General obligation debt service fund | (1,482,378) |
| Net debt subject to 3% limitation | 17,892,622 |
| Legal debt margin | \$ 600,721,901 |
| Debt capacity percent | 97 % |

| Fiscal Year | 3% Debt Limit (1) | Net Debt Subject to 3% Limit (1) | Legal Debt Margin (1) | Debt Capacity Percent |
|-------------|-------------------|-------------------------------------|--------------------------|--------------------------|
| 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 % |
| 2019 | 618,615 | 17,893 | 600,722 | 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 | | Net Revenue Available for Debt | | | | Coverage Ratio | Monthly Metered Rate (4) | Monthly Flat Rate (5) |
|-------------|--------------|------------------------|--------------------------------|------------------------------------|----------|-------|----------------|--------------------------|-----------------------|
| | Revenues (1) | Operating Expenses (2) | Service | First Lien Annual Debt Service (3) | | | | | |
| | | | | Principal | Interest | Total | | | |
| 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 | - | - | - | na | 19.69 | 23.29 |
| 2013 | 16,045 | 9,520 | 6,526 | - | - | - | na | 20.67 | 24.45 |
| 2014 | 17,610 | 10,892 | 6,718 | - | - | - | na | 21.29 | na |
| 2015 | 17,773 | 9,833 | 7,940 | - | - | - | na | 22.36 | na |
| 2016 | 18,796 | 11,799 | 6,997 | - | - | - | na | 22.02 | na |
| 2017 | 23,372 | 10,758 | 12,614 | - | 2,039 | 2,039 | 6.2 | 22.46 | na |
| 2018 | 23,334 | 11,793 | 11,541 | 1,545 | 2,391 | 3,936 | 2.9 | 22.91 | na |
| 2019 | 26,666 | 12,330 | 14,336 | 1,600 | 2,336 | 3,936 | 3.6 | 23.37 | na |

Subordinated Lien Safe Drinking Water Loan

| Fiscal Year | Net Revenue Available for Debt | | Net Revenue Available for Subordinated Lien | | | | Coverage Ratio | Monthly Metered Rate (4) | Monthly Flat Rate (5) |
|-------------|--------------------------------|--------------|---|---|----------|--------|----------------|--------------------------|-----------------------|
| | Service | Debt Service | Debt Service | Subordinated Lien Annual Debt Service (4) | | | | | |
| | | | | Principal | Interest | Total | | | |
| 2013 | \$ 6,526 | \$ - | \$ 6,526 | \$ 103 | \$ 111 | \$ 214 | 30.5 | \$ 20.67 | \$ 24.45 |
| 2014 | 6,718 | - | 6,718 | 108 | 79 | 187 | 36.0 | 21.29 | na |
| 2015 | 7,940 | - | 7,940 | 111 | 76 | 187 | 42.5 | 22.36 | na |
| 2016 | 6,997 | - | 6,997 | 114 | 75 | 189 | 37.1 | 22.02 | na |
| 2017 | 12,614 | 2,039 | 10,575 | - | - | - | na | 22.46 | na |
| 2018 | 11,541 | 3,936 | 7,605 | - | - | - | na | 22.91 | na |
| 2019 | 14,336 | 3,936 | 10,400 | - | - | - | na | 23.37 | na |

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 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 and 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 base water charge for a 3/4" meter. An additional water usage charge based on actual consumption 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
Demographic and Economic Statistics
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Population (1)</u> | <u>Area (Square Miles) (2)</u> | <u>Average Density (person / square miles)</u> | <u>Personal Income (2) (expressed in thousands)</u> | <u>Per Capita Income (3)</u> | <u>School Enrollment (4)</u> | <u>Unemployment Rate (5)</u> |
|--------------------|-----------------------|--|--|---|----------------------------------|----------------------------------|----------------------------------|
| 2010 | 82,280 | 32.5 | 2,532 | \$ 2,896,585 | \$ 35,204 | 15,719 | 13.4 |
| 2011 | 76,639 | 32.5 | 2,358 | 2,749,347 | 35,874 | 15,818 | 12.0 |
| 2012 | 76,925 | 32.5 | 2,367 | 2,759,607 | 35,874 | 15,519 | 10.5 |
| 2013 | 77,455 | 32.5 | 2,383 | 2,977,990 | 38,448 | 16,473 | 10.0 |
| 2014 | 78,280 | 32.5 | 2,409 | 2,955,383 | 37,754 | 16,863 | 8.1 |
| 2015 | 79,985 | 32.5 | 2,461 | 3,155,888 | 39,456 | 17,163 | 6.2 |
| 2016 | 81,310 | 36.2 | 2,246 | 3,388,594 | 41,675 | 17,517 | 5.2 |
| 2017 | 83,500 | 36.2 | 2,307 | 3,992,052 | 47,809 | 18,375 | 3.8 |
| 2018 | 89,505 | 36.2 | 2,473 | 4,404,989 | 49,215 | 18,428 | 3.9 |
| 2019 | 91,385 | 36.2 | 2,524 | 5,039,243 | 55,143 | 18,587 | 3.9 |

Source:

- (1) Population figures obtained from Portland State University Population Research Center.
- (2) Square mileage increased due to the Urban Growth Boundary expansion in 2016.
- (3) Per capita personal income figures are for the Bend-Redmond 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.
- (4) School enrollment figures obtained from Bend-LaPine Administrative School District No. 1 and does not include alternative schools.
- (5) 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, 2019 and June 30, 2010

| Employer | Product or Service | 2019 | | | 2010 | | |
|----------------------------------|----------------------|------|---------------|---|------|---------------|---|
| | | Rank | Employees | Percentage of Total City Employment (1) | Rank | Employees | Percentage of Total City Employment (1) |
| St. Charles Medical Center | Health care | 1 | 3,408 | 3.7 % | 1 | 3,028 | 4.3 % |
| Bend La Pine School District | Education | 2 | 2,200 | 2.4 % | 2 | 1,783 | 2.6 % |
| Deschutes County | Government | 3 | 1,118 | 1.2 % | 4 | 950 | 1.4 % |
| Mt. Bachelor | Resort | 4 | 975 | 1.1 % | 7 | 750 | 1.1 % |
| Central Oregon Community College | Education | 5 | 954 | 1.0 % | | - | - % |
| City of Bend | Government | 6 | 674 | 0.7 % | | - | - % |
| Summit Memorial Group | Health care | 7 | 581 | 0.6 % | | - | - % |
| Safeway | Grocery chain | 8 | 572 | 0.6 % | 10 | 578 | 0.8 % |
| Deschutes National Forest | Government | 9 | 550 | 0.6 % | | - | - % |
| Bend Park and Recreation Area | Special tax district | 10 | 549 | 0.6 % | | - | - % |
| Les Schwab | Tire manufacturer | | - | - % | 3 | 1,500 | 2.2 % |
| Sunriver Resort | Resort | | - | - % | 5 | 850 | 1.2 % |
| T-Mobile | Call center | | - | - % | 6 | 850 | 1.2 % |
| Walmart | Retailer | | - | - % | 8 | 700 | 1.0 % |
| TRG Customer Solutions | Call center | | - | - % | 9 | 650 | 0.9 % |
| | Total | | 11,581 | 12.5 % | | 11,639 | 16.7 % |

Sources:

Economic Development for Central Oregon, 2019 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 92,695 for June 2019 and 69,655 for June 2010 (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>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> | <u>2019</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Government | | | | | | | | | | |
| Administration, finance & legal | 36.3 | 37.3 | 38.0 | 38.0 | 37.5 | 48.5 | 51.0 | 53.3 | 58.4 | 51.8 |
| Information technology | 12.5 | 13.0 | 13.0 | 14.0 | 14.0 | 17.0 | 22.0 | 21.0 | 21.0 | 23.0 |
| Public works | | | | | | | | | | |
| administration/laboratory | 18.0 | 18.0 | 14.0 | 12.0 | 13.0 | 13.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| Facility management | 5.0 | 5.0 | 4.5 | 3.0 | 3.0 | 4.0 | 5.0 | 5.0 | 6.0 | 7.0 |
| Garage | 8.0 | 8.0 | 8.0 | 7.0 | 6.7 | 6.7 | 7.7 | 7.7 | 9.0 | 9.7 |
| Accessibility program | 1.0 | 1.0 | 1.5 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Economic development | | | | | | | | | | |
| administration | 2.0 | 1.8 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 | 1.0 | 4.0 |
| Public Safety | | | | | | | | | | |
| Police | 110.0 | 110.0 | 108.0 | 108.0 | 112.0 | 120.0 | 122.0 | 122.0 | 132.0 | 135.0 |
| Fire/EMS | 85.8 | 89.8 | 87.8 | 87.5 | 85.5 | 112.7 | 129.7 | 124.7 | 123.1 | 123.1 |
| Municipal Court | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.5 | 5.5 |
| Public Ways and Facilities | | | | | | | | | | |
| Street operations | 31.0 | 31.0 | 31.0 | 31.0 | 34.5 | 38.5 | 41.0 | 42.0 | 44.0 | 46.0 |
| Engineering | 8.0 | 8.0 | 16.0 | 18.0 | 20.0 | 21.0 | 22.0 | 22.0 | 27.0 | 29.0 |
| Community and Economic Development | | | | | | | | | | |
| Community development | | | | | | | | | | |
| administration | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | - | - | 15.0 | 13.0 |
| Planning | 13.0 | 13.0 | 13.0 | 12.0 | 15.0 | 14.0 | 11.0 | 15.0 | 17.0 | 18.0 |
| Building | 17.0 | 17.0 | 18.0 | 21.0 | 28.0 | 34.0 | 41.0 | 45.0 | 40.5 | 40.0 |
| Private development engineering | 2.0 | 2.0 | 1.0 | 1.0 | 4.0 | 6.0 | 9.0 | 8.0 | 14.0 | 14.0 |
| Code enforcement | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Growth management | - | - | - | - | - | 8.0 | 8.5 | 9.0 | 9.5 | 10.5 |
| Business advocacy | - | - | - | - | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Community development block grant program | 1.0 | 2.0 | 2.0 | 2.0 | 3.0 | 2.0 | 2.0 | 3.0 | 1.0 | 2.0 |
| Other | | | | | | | | | | |
| Transit | 1.0 | 1.0 | - | - | - | - | - | - | - | - |
| Airport | 1.5 | 1.6 | 1.5 | 1.8 | 1.8 | 1.8 | 2.3 | 2.5 | 2.5 | 2.3 |
| Water | 26.5 | 26.5 | 29.5 | 30.5 | 29.5 | 32.0 | 37.0 | 40.0 | 40.5 | 41.5 |
| Water reclamation | 21.5 | 21.5 | 34.0 | 33.0 | 34.0 | 36.0 | 34.0 | 32.0 | 32.5 | 32.5 |
| Stormwater | 3.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| Utility support division | 30.5 | 32.5 | 14.5 | 14.5 | 7.5 | 9.5 | 14.0 | 14.0 | 14.0 | 25.6 |
| Data support division | - | - | - | - | 5.0 | 5.0 | 6.0 | 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 | 2.0 |
| Total | 441.6 | 453.0 | 450.3 | 450.3 | 472.0 | 549.7 | 593.2 | 601.2 | 640.5 | 662.5 |

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

| <u>Program</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> | <u>2019</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Physical arrest (1) | 3,616 | 3,744 | 3,843 | 3,652 | 3,916 | 3,504 | 3,453 | 3,556 | 3,729 | 4,427 |
| Traffic violations (1) | 9,563 | 13,143 | 10,119 | 12,878 | 11,432 | 11,802 | 10,717 | 9,008 | 8,971 | 11,769 |
| Calls for service | 51,336 | 55,229 | 53,973 | 49,286 | 48,676 | 46,943 | 48,763 | 51,374 | 50,295 | 51,643 |
| Fire/EMS: | | | | | | | | | | |
| Fire responses | 1,380 | 2,110 | 1,535 | 1,492 | 1,671 | 1,633 | 1,781 | 1,897 | 1,880 | 1,883 |
| Ambulance response | 6,096 | 6,649 | 6,484 | 6,755 | 7,292 | 7,585 | 7,928 | 8,514 | 8,924 | 9,260 |
| Inspections conducted | 2,919 | 2,298 | 2,073 | 1,476 | 1,385 | 1,271 | 2,015 | 1,761 | 1,835 | 1,611 |
| Public Ways and Facilities | | | | | | | | | | |
| Streets resurfaced (lane miles) | 12.9 | 13.6 | 39.0 | 28.0 | 47.2 | 41.0 | 62.5 | 93.8 | 83.5 | 119.5 |
| Streets cleaned (lane miles) (2) | 35,850 | 31,165 | 29,000 | 23,111 | 29,930 | 26,107 | 19,912 | 2,987 | 17,986 | 19,811 |
| Street signs repaired/replaced (3) | 1,850 | 559 | 665 | 1,216 | 632 | 777 | 835 | 268 | 836 | 1,952 |
| Community and Economic Development | | | | | | | | | | |
| Permits issued | 4,443 | 4,901 | 5,919 | 8,894 | 9,799 | 10,963 | 12,959 | 12,938 | 12,408 | 10,978 |
| Building inspections performed | 16,262 | 17,552 | 20,221 | 30,775 | 33,947 | 43,189 | 44,270 | 53,668 | 53,466 | 49,060 |
| Transit (in thousands) (4) | | | | | | | | | | |
| Total miles | 414 | 416 | - | - | - | - | - | - | - | - |
| Total service hours | 35 | 36 | - | - | - | - | - | - | - | - |
| Total rides | 377 | 434 | - | - | - | - | - | - | - | - |
| Water | | | | | | | | | | |
| New connections (5) | 107 | 419 | 147 | 377 | 667 | 597 | 769 | 668 | 641 | 786 |
| Maximum Day Demand (MDD) (million gallons) | 27.0 | 25.6 | 21.9 | 22.0 | 24.8 | 25.9 | 27.1 | 26.4 | 28.0 | 26.3 |
| Water Reclamation | | | | | | | | | | |
| New connections | 216 | 260 | 373 | 566 | 555 | 1,146 | 1,423 | 776 | 906 | 682 |
| Daily average treatment (million gallons) | 5.6 | 5.4 | 5.5 | 5.4 | 5.7 | 5.8 | 5.8 | 6.0 | 6.0 | 6.1 |
| Sewerlines cleaned (miles) | 122.0 | 105.4 | 126.7 | 78.1 | 94.7 | 97.7 | 46.3 | 61.8 | 88.9 | 79.8 |
| Downtown Parking | | | | | | | | | | |
| Tickets issued | 14,506 | 14,813 | 11,194 | 10,378 | 11,574 | 13,671 | 15,271 | 14,586 | 16,924 | 11,365 |
| Permits issued | 4,596 | 5,669 | 5,004 | 4,779 | 5,337 | 6,923 | 8,009 | 9,483 | 10,645 | 11,648 |

- (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>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> | <u>2019</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Main station | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 32 | 37 | 37 | 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) | 825 | 825 | 831 | 1,157 | 1,157 | 1,161 | 1,143 | 850 | 850 | 850 |
| Streetlights (2) | 2,051 | 2,051 | 2,051 | 2,051 | 2,051 | 2,051 | 2,595 | 2,595 | 2,595 | 2,574 |
| Traffic signals (3) | 65 | 65 | 65 | 65 | 36 | 35 | 35 | 36 | 36 | 36 |
| Transit | | | | | | | | | | |
| Buses (4) | 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 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Water | | | | | | | | | | |
| Water mains (miles) | 475 | 455 | 461 | 463 | 466 | 475 | 479 | 494 | 591 | 473 |
| Reservoirs | 18 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Wells (5) | 16 | 23 | 22 | 23 | 23 | 23 | 23 | 21 | 21 | 21 |
| Fire hydrants | 5,074 | 5,061 | 5,073 | 5,108 | 5,168 | 5,245 | 5,285 | 5,327 | 5,313 | 5,326 |
| Total Reservoir Capacity (million gallons) | 31.0 | 31.0 | 31.0 | 30.4 | 30.4 | 30.4 | 30.5 | 30.5 | 30.5 | 30.5 |
| Service connections | 23,056 | 23,475 | 23,622 | 23,999 | 23,457 | 24,228 | 24,997 | 24,548 | 25,332 | 26,118 |
| Water Reclamation | | | | | | | | | | |
| Treatment plant | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sewerlines (miles) | 424 | 430 | 430 | 412 | 446 | 453 | 457 | 463 | 454 | 474 |
| Large pump stations | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 88 | 82 | 74 |
| Small pump stations | 324 | 325 | 325 | 326 | 326 | 326 | 326 | 326 | 330 | 330 |
| Maximum daily capacity of plant (million gallons) | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 12.0 | 20.8 | 20.8 | 20.8 | 8.5 |
| Service connections | 27,280 | 27,540 | 27,913 | 28,479 | 27,420 | 28,672 | 30,095 | 30,783 | 31,929 | 32,611 |
| 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.

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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, 2019 and have issued our report thereon dated December 27, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 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:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the biennium budgets for biennium years July 1, 2017 to June 30, 2019 and July 1, 2019 to June 30, 2021.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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, 2019

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, 2019, 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, 2019.

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, 2019

Report of Independent Auditors on Compliance for Each 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 Each 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 each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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, 2019

City of Bend, Oregon

Schedule of Expenditures of Federal Awards

For the fiscal year ended June 30, 2019

| <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 | \$ 575,588 | \$ 421,802 |
| Total Department of Housing and Urban Development | | | 575,588 | |
| <u>National Park Service</u> | | | | |
| Pass-through | | | | |
| State Parks and Recreation, Oregon Historic Preservation Fund Grants in Aid | 15.904 | n/a | 12,402 | - |
| Total National Park Service | | | 12,402 | |
| <u>Department of Justice</u> | | | | |
| Direct | | | | |
| Bureau of Justice Assistance Bulletproof Vest Partnership Program | 16.607 | n/a | 10,662 | - |
| Total Department of Justice | | | 10,662 | |
| <u>Department of Transportation</u> | | | | |
| Direct | | | | |
| Federal Aviation Administration Airport Improvement Program | 20.106 | n/a | 1,007,505 | - |
| Pass-through | | | | |
| Federal Highway Administration Oregon Department of Transportation, Transportation Safety Division Highway Planning and Construction | 20.205 | n/a | 40,000 | - |
| Total Department of Transportation | | | 1,047,505 | |
| <u>Department of General Services Administration</u> | | | | |
| Pass-through | | | | |
| Oregon Department of Administrative Services Donation of Federal Surplus Personal Property | 39.003 | n/a | 1,475 | - |
| Total Department of General Services Administration | | | 1,475 | |
| <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 | R14514 | 3,351,591 | - |
| Capitalization Grants for Clean Water State Revolving Funds | 66.458 | R14517 | 5,186,758 | - |
| Capitalization Grants for Clean Water State Revolving Funds | 66.458 | R14518 | 550,126 | - |
| Capitalization Grants for Clean Water State Revolving Funds | 66.458 | R14519 | 205,446 | - |
| Total Clean Water State Revolving Fund Cluster | | | <u>9,293,921</u> | |
| Total Environmental Protection Agency | | | 9,293,921 | |

City of Bend, Oregon
Schedule of Expenditures of Federal Awards (Continued)
 For the fiscal year ended June 30, 2019

| <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>Department of Energy</u> | | | | |
| Direct | | | | |
| ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG) (Recovery Act Funded) | 81.128 | n/a | 72,859 | - |
| Total Department of Energy | | | 72,859 | |
| <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 | n/a | 18,917 | - |
| Total Executive Office of the President | | | 18,917 | |
| <u>Department of Homeland Security</u> | | | | |
| Direct | | | | |
| USDA, Forest Service Fire Management Assistance Grant | 97.046 | n/a | 90,146 | - |
| Federal Emergency Management Agency Assistance to Firefighters Grant | 97.044 | n/a | \$ 54,906 | - |
| Total Department of Homeland Security | | | 145,052 | |
| Total Federal Expenditures | | | \$ 11,178,381 | \$ 421,802 |

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, 2019. 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 - 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 | \$ 72,859 |
| Community Development Block Grants/Entitlement Grants | 14.218 | 572,071 |
| | | <u>\$ 644,930</u> |

In addition, in fiscal year 2018-2019, the City received \$46,492.10 from loan repayment of federally funded Neighborhood Stabilization loans that have not yet been lent back out as of June 30, 2019.

**CITY OF BEND, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

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> |
|-----------------------|---|---|
| 20.106 | Airport Improvement Program | <i>Unmodified</i> |
| 66.458 | Clean Water State Revolving Fund Cluster | <i>Unmodified</i> |

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