

City of Bend, Oregon

# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011







# **CITY OF BEND, OREGON**

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

Prepared by the City of Bend Finance Department

Sonia Andrews, Finance Director



# CITY OF BEND, OREGON

## COMPREHENSIVE ANNUAL FINANCIAL REPORT Fiscal Year Ended June 30, 2011

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## CITY OF BEND, OREGON

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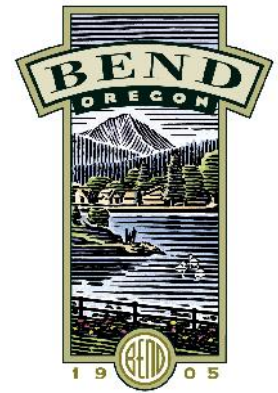
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## INTRODUCTORY SECTION





December 16, 2011

Honorable Mayor Jeff Eager  
Members of the City Council and  
Citizens of the City of Bend, Oregon

The Comprehensive Annual Financial Report (CAFR) of the City of Bend, Oregon (City) for the fiscal year ended June 30, 2011 is hereby submitted.

FINANCE  
DEPARTMENT

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This report presents the City's financial position as of June 30, 2011 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.

JEFF EAGER  
*Mayor*

JODIE BARRAM  
*Mayor Pro Tem*

TOM GREENE  
*City Councilor*

KATHIE ECKMAN  
*City Councilor*

JIM CLINTON  
*City Councilor*

MARK CAPELL  
*City Councilor*

SCOTT RAMSAY  
*City Councilor*

ERIC KING  
*City Manager*

SONIA ANDREWS  
*Finance Director*

Talbot, Korvola & Warwick LLP, Certified Public Accountants, have issued an unqualified or "clean" opinion on the City's financial statements for the fiscal year ended June 30, 2011. The independent auditor's opinion is located at page 1 in the Financial Section of this report.

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

### City Profile

The City is located in Central Oregon, just east of the Cascade mountain range and encompasses an area of 32.5 square miles. Originally a small mill town in the early 20th century, Bend is now the largest city in Central Oregon with a population estimate of 76,639. Bend serves as the seat for Deschutes County and as the hub of economic activity in a three-county region including Deschutes, Jefferson and Crook counties. Bend is the principal city of the Bend Metropolitan Statistical Area (Bend MSA).

The City was founded in 1904 and incorporated in 1905. It is organized under a council/manager form of government and is served by a seven member Council. Councilors are elected to four-year terms and select a mayor and mayor pro-tem from among themselves, each for a term of two years. The Council sets policies and enacts ordinances. The City Council hires and directs a City Manager who is the City's Chief Executive Officer. The City Manager is responsible for the administration of the City and manages a staff of eight department heads with approximately 453 full-time equivalent employees.

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

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

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

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

### **Local Economy and Outlook**

Bend started as a logging town but is now a gateway for many outdoor recreational activities such as mountain biking, fishing, golfing, skiing and rock climbing. The employment base and economic base have expanded to include a variety of businesses serving tourism, government, healthcare, utilities, high technology and research. Over the last 10 years, Bend experienced a large influx of new residents drawn by the lifestyle. Population grew significantly as a result of this influx, by 45% from 2001 to 2010 (52,800 in 2001 to 76,639 in 2010). Low interest rates and easy lending fostered explosive home construction in 2001-2005, causing the rate of home price appreciation in Bend to grow substantially during that period. In June 2006, Money Magazine named the Bend MSA the fifth most overpriced real estate market in the United States. By September 2006, the Bend metro area ranked second in the list of most overpriced housing markets, and in June 2007 it was named the most overpriced housing market in America.

The 2008-2009 housing downturn had a significant impact on Bend's housing and economic situation. Unemployment (not seasonally adjusted) in the Bend MSA reached 13.6% in August 2009 and home foreclosure activity was the highest in the state. In May 2010, the Federal Housing and Finance Agency released a report in which Bend had the largest price drop in the country, 23% from first quarter of 2009 to the first quarter of 2010.

During fiscal year 2010-11, Bend's economy continued its slow recovery but remains fragile with unemployment at 11.4% in August 2011. Tourism provided a boost with visitor numbers picking up as national sporting events selected Bend for various championship events. Small businesses across various industries, such as microbreweries, are cautiously starting to expand. However the distressed housing market will prevent the economy from improving more quickly. Longer term, in-migration will continue to drive the growth in Bend.

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

Like many other communities, the City has been confronted with serious budget shortfalls driven by the downturn in real estate development and recession. In response, the City Council took proactive steps to limit new funding requests and reduce expenditures. Since 2007-08, multiple expenditure reductions have been

made, including 58 staff layoffs and elimination of 46 vacant positions for a total reduction of 19% of current and planned personnel. Despite the reductions made, the City's five-year financial projections reveal structural deficits where revenues are insufficient to support the current level of programs and services being provided to our citizens. Long term funding solutions are still needed for public safety, street maintenance and other basic services and funding basic services, while maintaining adequate General Fund reserves, remains a top priority for the City's management. 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. The next financial strategy work sessions has been scheduled for February 2012 to discuss funding issues and ensure the long term financial stability of the City.

## **Major Initiatives**

As a result of the explosive growth in population and real estate development over the last seven years, significant capital improvements need to be made to provide additional capacity, address aging infrastructure and meet federal and state mandates. A number of significant initiatives, outlined below are underway in Bend that will provide a positive effect on the City's economic health and its ability to provide services to its residents and businesses.

***Water and Water Reclamation Infrastructure Improvements*** - The City started updating its water and water reclamation master plans in 2008 and during fiscal year 2010-11, City Council formed an Infrastructure Advisory Committee consisting of citizen members with experience in infrastructure planning to provide guidance to the City. Over the next 5 years, the City anticipates spending over \$170 million on various water and water reclamation infrastructure projects. Major projects include:

- **Surface Water Project** - The City will be replacing the aging surface water supply lines that transport water from its surface water source to a new water treatment plant at the City's Outback site. The City is also required to treat its surface water system for Cryptosporidium in order to comply with federal regulatory requirements under the Safe Drinking Water Act (SDWA) and the Environmental Protection Agency's rules implementing the SDWA, known as the LT2 rule. The Surface Water Project is estimated to cost \$68 million and will be funded by water rates. Currently this project is reaching 60% design and construction is expected to begin in 2012.
- **Sewer System Improvements** - These improvements include expansion of the complex network of underground infrastructure and above ground facilities that move wastewater throughout the City for safe and efficient treatment. The Secondary Treatment Expansion and the South East Interceptor projects, together totaling \$74 million, will be constructed over the next 5 years to provide desperately needed capacity at the City's sewer treatment plant and sewer trunk lines.

***Transportation Infrastructure Improvements*** - On May 17, 2011 the City obtained voter approval for a \$30 million General Obligation Bond to fund various roundabouts and intersection improvements including improvements to Reed Market road. The bond measure will cost taxpayers an average of 22 cents per \$1,000 of assessed value.

***Airport Development*** - In the fall of 2010, the City began an Airport Master Plan update to identify current and long term needs of the airport. It is anticipated that the Master Plan process will be complete within 12 to 18 months. Preliminary recommendations include runway extension, construction of helicopter landing area, traffic pattern modifications and other improvements. In fiscal year 2011-12, the City received \$3.4 million from the Federal Aviation Administration for the construction of Taxiway A.

***Accessibility Program*** - In 2004 and 2007, the City entered into settlement agreements with the United States Department of Justice (DOJ) and Disability Rights Oregon (DRO) following a series of inspections initiated by a complaint filed against the City under Title II of the Americans with Disabilities Act of 1990 (ADA). The complaint alleged that the City has not taken steps to provide access to its programs and services. Specifically, City facilities, bus stops and curb ramps have various accessibility issues. As a result of the inspections, the DOJ and DRO identified areas needing improvement. To date, the City has completed significant work to assess, prioritize and fix curb ramp and bus stop design and construction throughout the City. Structural modifications to city owned buildings including City Hall, public works facilities, fire and police stations, airport facilities and public parking lots have been completed. The City conducted a self-evaluation of its programs, policies and

procedures and developed a "Transition Plan" to address various areas of ADA compliance, including a city-wide review of public facilities. As a result, the City has systematically increased the number of programs accessible to individuals with disabilities.

**Public Safety Funding** - In the spring of 2010, the City Council appointed nine citizens to form the Bend Public Safety Funding Committee and charged them to "study and recommend options to maintain current public safety services over the next five years." In December 2010, the Committee presented recommendations to City Council which included a variety of cost reduction efforts, reducing personnel costs, prioritizing General Fund expenditures and raising new revenues. In September 2011, the City moved all employees to a high deductible health plan in an effort to reduce personnel costs. The City continues to work on the recommendations of the Committee and is currently incorporating some of the recommendations into a comprehensive financial plan for discussion at the next Council financial strategy worksession.

### **Other Financial Information**

**Independent Audit** - State statutes require an annual audit by an independent certified public accountant. The accounting firm of Talbot, Korvola & Warwick LLP, selected by the City Council, performed the City's annual audit for the fiscal year ended June 30, 2011. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and revised OMB Circular A-133. The auditor's report on the financial statements and required supplementary information is included in the Financial Section of this report. The auditor's reports related specifically to the single audit are included in the Compliance Section.

**Certificate of Achievement** - The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bend for its comprehensive annual financial report for the fiscal year ended June 30, 2010. 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 18 consecutive years since June 30, 1993. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that conforms to program standards and satisfies both GAAP and applicable legal requirements. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

Respectfully submitted,

  
Sonia Andrews  
CFO/Finance Director

  
Eric King  
City Manager



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Bend  
Oregon

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

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



*Linda C. Davison*

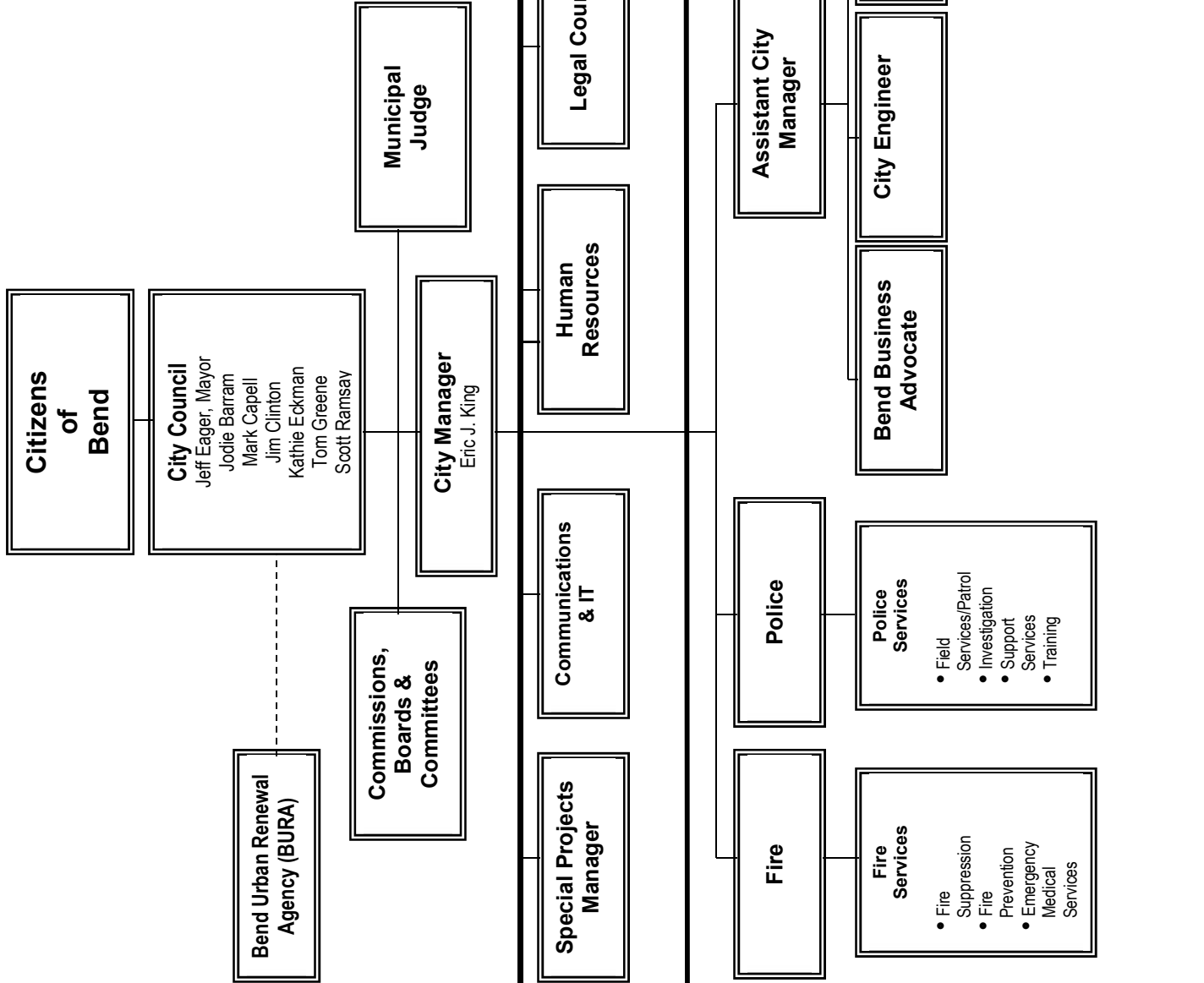
President

*Jeffrey R. Emer*

Executive Director

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# City of Bend Organizational Chart



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**THE CITY OF BEND, OREGON**

**City Officials as of June 30, 2011**

***Mayor***

Jeff Eager

***Mayor Pro-Tem***

Jodie Barram

***Council Members***

Mark Capell  
Kathie Eckman  
Scott Ramsay

Jim Clinton  
Tom Greene

**City Manager**

Eric King

**Finance Director**

Sonia Andrews

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

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## FINANCIAL SECTION







**Talbot, Korvola  
& Warwick, LLP**

Certified Public Accountants  
& Consultants

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## INDEPENDENT AUDITOR'S REPORT

December 16, 2011

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bend, Oregon (the City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2011, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2011 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an

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

Honorable Mayor and City Council  
City of Bend, Oregon  
Page 2

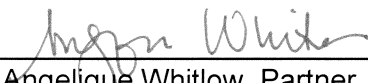
opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary comparison information for the General Fund and Major Special Revenue Funds presented as Required Supplementary Information and Notes to Required Supplementary Information, as listed in the Table of Contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. The Other Supplementary Information and Other Financial Schedules, listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

By   
Angelique Whitlow, Partner

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year Ended June 30, 2011

This Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the City of Bend (the City) for the fiscal year ended June 30, 2011. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

### FINANCIAL HIGHLIGHTS

- The City's assets totaled \$918.3 million at fiscal year-end consisting of \$809.3 million in capital assets, \$70.9 million in unrestricted cash and investments, and \$38.1 million in receivables, prepaid expenses and other assets. Total assets increased by \$11.5 million due mainly to an increase in cash and investments of \$6.7 million, an increase in investments in capital assets of \$4.2 million, an increase in loans and notes receivable of \$3.1 million, and an increase in receivables of \$2.1 million, offset by a decrease in amounts due from other governments of \$4.1 million and a decrease in prepaid expenses and other assets of \$0.5 million.
- The City's liabilities totaled \$118.5 million at fiscal year-end consisting of \$98.0 million in long-term debt and \$20.5 million in accounts payable and other liabilities. Total liabilities increased by \$2.6 million from the prior year due mainly to an increase in long term debt of \$7.1 million, an increase of other post-employment benefits payable of \$1.8 million, offset by a decrease in accounts payable and other liabilities of \$6.3 million.
- The assets of the City exceeded its liabilities by \$799.8 million at fiscal year-end. Net assets consisted of capital assets net of related debt of \$725.5 million, unrestricted net assets of \$60.4 million, and \$13.9 million of restricted net assets for debt service, capital projects, the building program, grant activity and tourism.
- Expenses for governmental activities totaled \$74.5 million in direct program and \$2.0 million in transfers. These activities were funded by \$18.2 million in charges for services, \$22.4 million in grants and contributions and \$37.0 million of general revenues from property taxes, franchise fees, investments and gains on sales of capital assets. This resulted in an increase of net assets of \$1.1 million.
- Expenses for business-type activities totaled \$29.1 million. These activities were funded by \$32.0 million of charges for services, \$2.8 million in grants and contributions and \$2.3 million of general revenues from investment income and transfers. This resulted in an increase in net assets of \$8.0 million.
- The City's general revenues of \$37.4 million for the year consisted of \$26.0 million in property taxes, \$7.2 million in franchise fees, \$3.4 million of transient room taxes, \$0.7 million of investment income, and \$0.1 million of gains on sales of capital assets.
- Unassigned fund balance in the General Fund was \$9.3 million at June 30, 2011, an increase of \$1.2 million from June 30, 2010. The net increase resulted from a combination of increased property tax revenues and inclusion of the General Fund Stabilization fund balance due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54.

## Management's Discussion and Analysis (Continued)

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

#### **1. Government-wide Financial Statements**

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

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

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

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

## Management's Discussion and Analysis (Continued)

Governmental activities of the City are categorized as follows:

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

Business-type activities include the following:

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

## **2. Fund Financial Statements**

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

**Governmental Funds.** The governmental fund statements emphasize available financial resources rather than net assets. They are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

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

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

The City has 29 governmental funds. The governmental fund statements present three major funds separately: General Fund, Fire/Emergency Medical Services Fund, and the Community Development Block Grant Fund. The other 26 nonmajor funds are combined and presented in a single column as nonmajor governmental funds.

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

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

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

Internal service funds are generally used to accumulate and allocate internally the costs of the City's central services. The City has established an internal service fund with the following divisions – garage, information technology, facility management, engineering, public works administration, public works laboratory, risk management, administration and financial services, city attorney's office, and community development administration. Because the internal service fund activities predominantly benefit governmental rather than business-type functions, their assets and liabilities have been included with governmental activities in the government-wide financial statements.

**Fiduciary Funds.** The fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

**Analysis of Net Assets**

The City's assets exceeded liabilities by \$799.8 million at June 30, 2011. The vast majority of the net assets (91%) is invested in capital assets (land, buildings, infrastructure, etc.) less any related outstanding debt used to acquire those assets. The following is a condensed statement of net assets and an analysis of the change in the City's financial position from the previous year.

**Net Assets as of June 30th**

(in millions)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total City Net Assets</b>	
	<b>Restated</b>		<b>Restated</b>		<b>Restated</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Capital assets, net	\$ 525.9	\$ 533.4	\$ 283.4	\$ 271.6	\$ 809.3	\$ 805.0
Current and other assets	69.7	65.6	39.3	36.2	109.0	101.8
<b>Total assets</b>	<b>595.6</b>	<b>599.0</b>	<b>322.7</b>	<b>307.8</b>	<b>918.3</b>	<b>906.8</b>
Long-term debt	55.3	61.7	42.7	29.1	98.0	90.8
Other liabilities	14.2	12.3	6.3	12.8	20.5	25.1
<b>Total liabilities</b>	<b>69.5</b>	<b>74.0</b>	<b>49.0</b>	<b>41.9</b>	<b>118.5</b>	<b>115.9</b>
<b>Net assets</b>						
Invested in capital, net of related debt	484.8	485.3	240.7	242.0	725.5	727.3
Restricted	13.9	15.4	-	0.9	13.9	16.3
Unrestricted	27.4	24.3	33.0	22.8	60.4	47.1
<b>Total net assets</b>	<b>\$ 526.1</b>	<b>\$ 525.0</b>	<b>\$ 273.7</b>	<b>\$ 265.7</b>	<b>\$ 799.8</b>	<b>\$ 790.7</b>

As mentioned earlier, net assets may be an indicator of the City's financial position. At the end of the current year, the City's net asset balance increased by \$9.1 million from the prior year.

Restricted and unrestricted cash and investments increased \$6.7 million, capital assets increased \$4.2 million, receivables increased \$2.1 million, loans and notes receivable increased \$3.1 million, offset by a decrease of \$4.1 million in amounts due from other governments and other assets decreased \$0.5 million.

Long-term debt increased by \$7.1 million as discussed in further detail in the debt administration section. Other post-employment benefits payable increased by \$1.8 million, offset by a decrease of \$6.2 in accrued liabilities and other liabilities of \$0.1 million.

Management's Discussion and Analysis (Continued)

**Analysis of Changes in Net Assets**

**Changes in Net Assets**  
(in millions)

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>FY10-11</b>	<b>Restated FY09-10</b>	<b>FY10-11</b>	<b>Restated FY09-10</b>	<b>FY10-11</b>	<b>Restated FY09-10</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 18.2	\$ 15.9	\$ 32.0	\$ 29.8	50.2	45.7
Operating grants & contributions	15.7	11.6	0.1	-	15.8	11.6
Capital grants & contributions	6.7	4.2	2.7	3.9	9.4	8.1
General revenues:						
Taxes	29.4	28.4	-	-	29.4	28.4
Franchise fees	7.2	7.4	-	-	7.2	7.4
Gain on sale of capital assets	-	2.3	-	-	-	2.3
Investment earnings	0.4	0.4	0.3	0.3	0.7	0.7
<b>Total revenues</b>	<b>77.6</b>	<b>70.2</b>	<b>35.1</b>	<b>34.0</b>	<b>112.7</b>	<b>104.2</b>
<b>Expenses</b>						
Government Activities						
General government	18.5	16.7	-	-	18.5	16.7
Public safety	28.0	28.0	-	-	28.0	28.0
Public ways and facilities	16.0	15.7	-	-	16.0	15.7
Community & economic development	8.0	6.2	-	-	8.0	6.2
Urban renewal	0.2	0.4	-	-	0.2	0.4
Transit	1.8	1.9	-	-	1.8	1.9
Interest on long-term debt	2.0	2.3	-	-	2.0	2.3
Business-type Activities						
Water	-	-	12.8	12.7	12.8	12.7
Water Reclamation	-	-	12.0	11.8	12.0	11.8
Airport	-	-	1.0	0.7	1.0	0.7
Cemetery	-	-	0.1	0.1	0.1	0.1
Downtown parking	-	-	0.9	0.9	0.9	0.9
Stormwater	-	-	2.4	2.2	2.4	2.2
<b>Total expenses</b>	<b>74.5</b>	<b>71.2</b>	<b>29.1</b>	<b>28.4</b>	<b>103.6</b>	<b>99.6</b>
<b>Revenues over expenses</b>	<b>3.1</b>	<b>(1.0)</b>	<b>6.0</b>	<b>5.6</b>	<b>9.1</b>	<b>4.6</b>
Transfers	(2.0)	(1.2)	2.0	1.2	-	-
<b>Change in net assets</b>	<b>1.1</b>	<b>(2.2)</b>	<b>8.0</b>	<b>6.8</b>	<b>9.1</b>	<b>4.6</b>
Net assets, beginning	525.0	527.2	265.7	258.9	790.7	786.1
<b>Net assets, ending</b>	<b>\$ 526.1</b>	<b>\$ 525.0</b>	<b>\$ 273.7</b>	<b>\$ 265.7</b>	<b>\$ 799.8</b>	<b>\$ 790.7</b>



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

**Government-wide Activities**

Total revenues from governmental activities increased by \$7.4 million from the prior year. Program revenues increased by \$8.9 million. This increase is due mainly to increased charges for services of \$2.3 million including court fines, ambulance billings, building permits and affordable housing fees. Capital and operating grants and contributions increased \$6.6 million due mainly to \$3.3 million in community and economic development, \$2.8 in public ways & facilities, and \$0.4 million in transit grants. Tax revenue increased \$1.0 million. These increases were offset by a decrease of \$2.3 million in gains on sales of capital assets in the Juniper Ridge urban renewal area.

Governmental expenses increased by \$3.3 million mainly due to increases in general government and community and economic development.

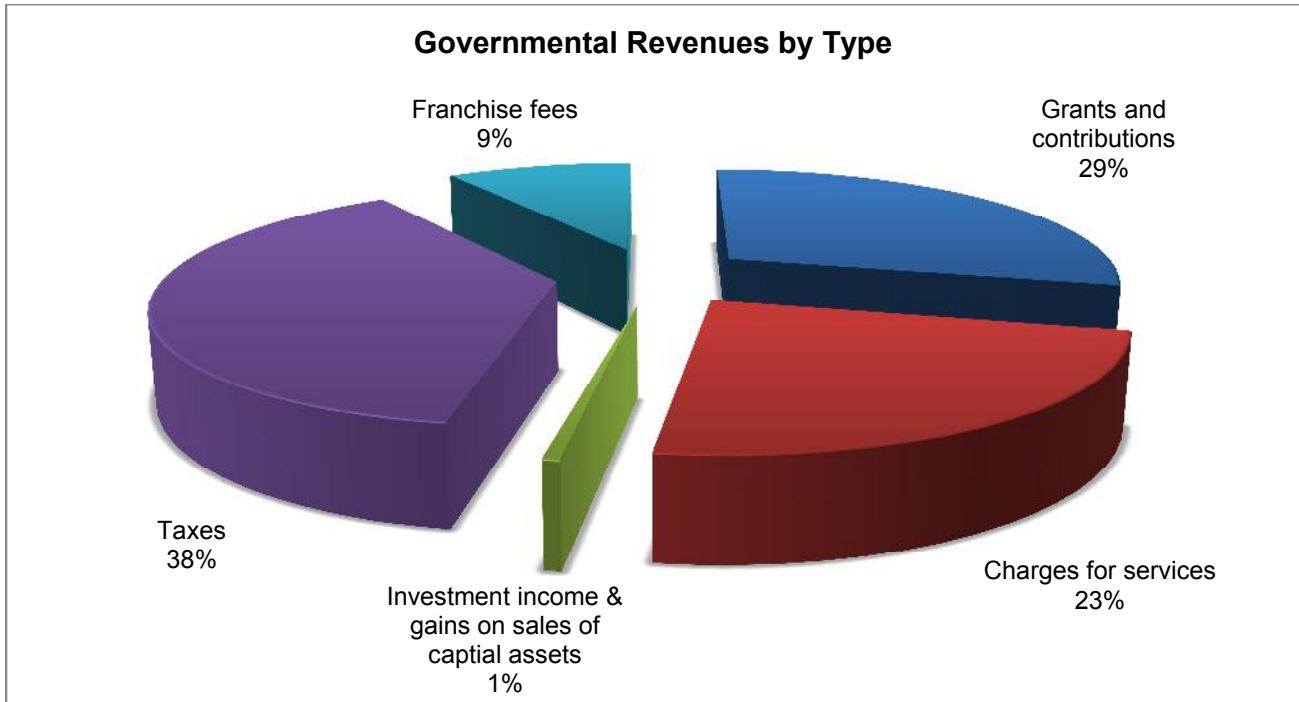
Total revenues from business-type activities increased by \$1.1 million from the prior year. Increases in charges for services of \$2.2 million are due to higher water reclamation rates (8.75%) and water rates (7.1%). These increases were offset by decreases in capital grants and contributions of \$1.1 million. Water and water reclamation infrastructure contributed by developers were considerably lower in the current year due to the slow economic recovery and reduced development activity.

Business-type expenses increased by \$0.7 million due to slight increases in water, water reclamation, airport and stormwater program expenses.

Overall, total net assets for the City increased by \$9.1 million due mainly to increased program revenues.

**Governmental Activities**

As previously mentioned, governmental activities increased the City’s net assets by \$1.1 million, with revenues totaling \$77.6 million, expenses totaling \$74.5 million, and transfers to business-type activities totaling \$2.0 million. Revenues consisted of taxes of \$29.4 million, operating and capital grants and contributions of \$22.4 million, charges for services of \$18.2 million, franchise fees of \$7.2 million, and \$0.4 million of investment income and gains on sales of capital assets.

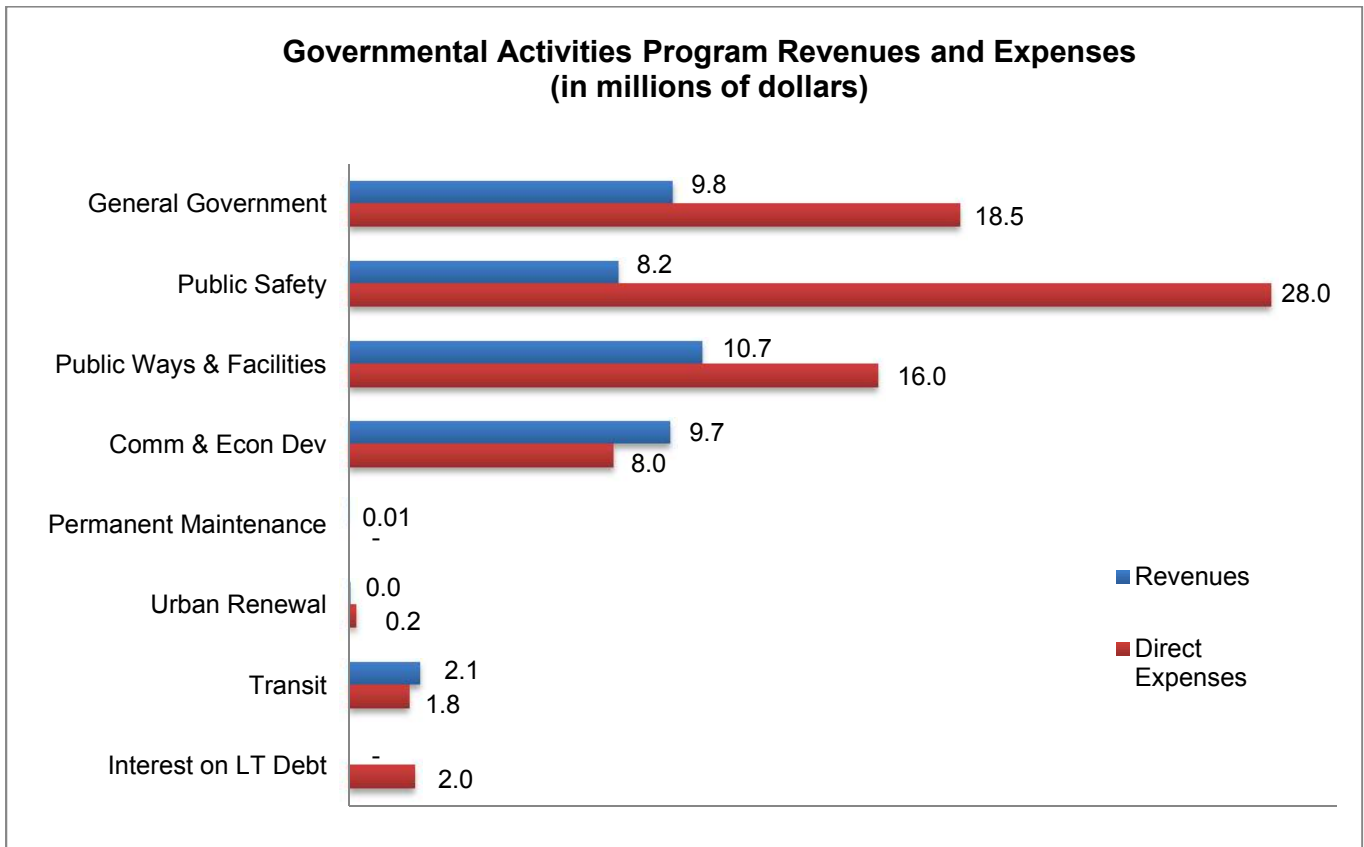


**Management’s Discussion and Analysis (Continued)**

Property taxes increased by \$0.6 million (2.2%) from the prior year due to growth in property tax assessed values. Charges for services increased by \$2.4 million (14.9%) from the prior year due to increased activity in general government and community development revenues. Grants and contributions increased by \$6.6 million (41.7%) from the prior year due to increased grant revenues from the community and economic development, public ways and facilities and transportation programs.

As discussed earlier, the City’s governmental activities are categorized into the following programs: public safety; public ways and facilities; community and economic development; permanent maintenance; urban renewal and transit. General government activities are activities not categorized in any of the programs and include central services such as garage, information technology, facility management, public works administration, public works laboratory, risk management, administration and financial services, and city attorney’s office.

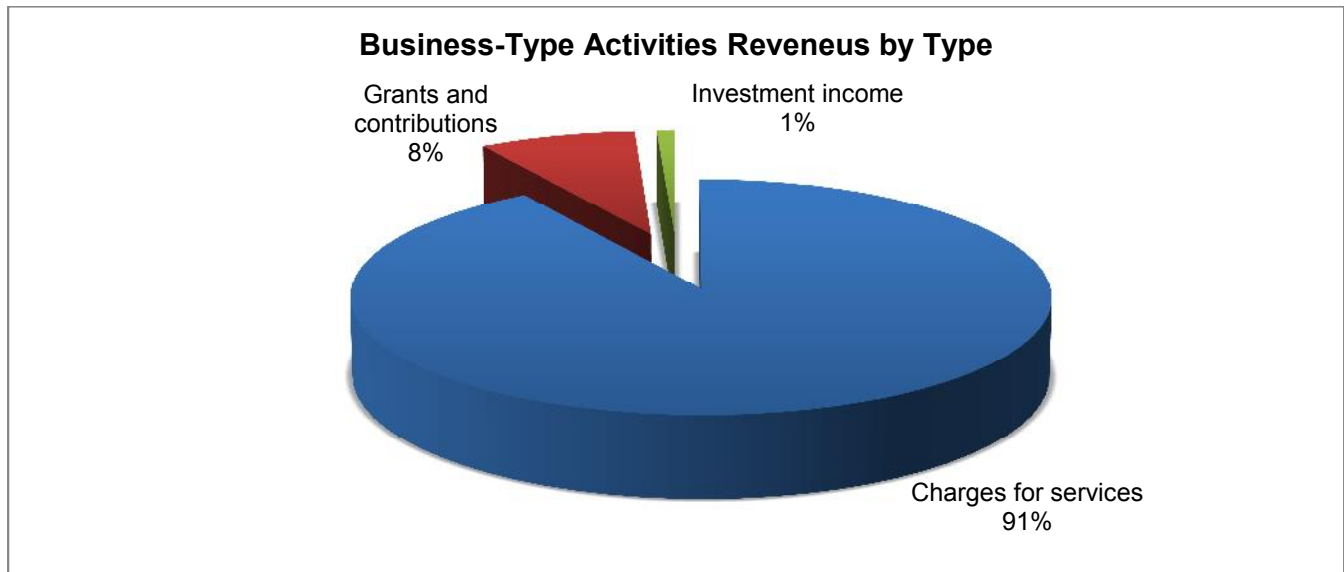
All governmental programs utilize general revenues to support their functions. Some programs such as public safety are dependent on general revenues to fund operations. The following chart compares the revenues and expenditures for each of the City’s programs and shows the extent of each program’s dependence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



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

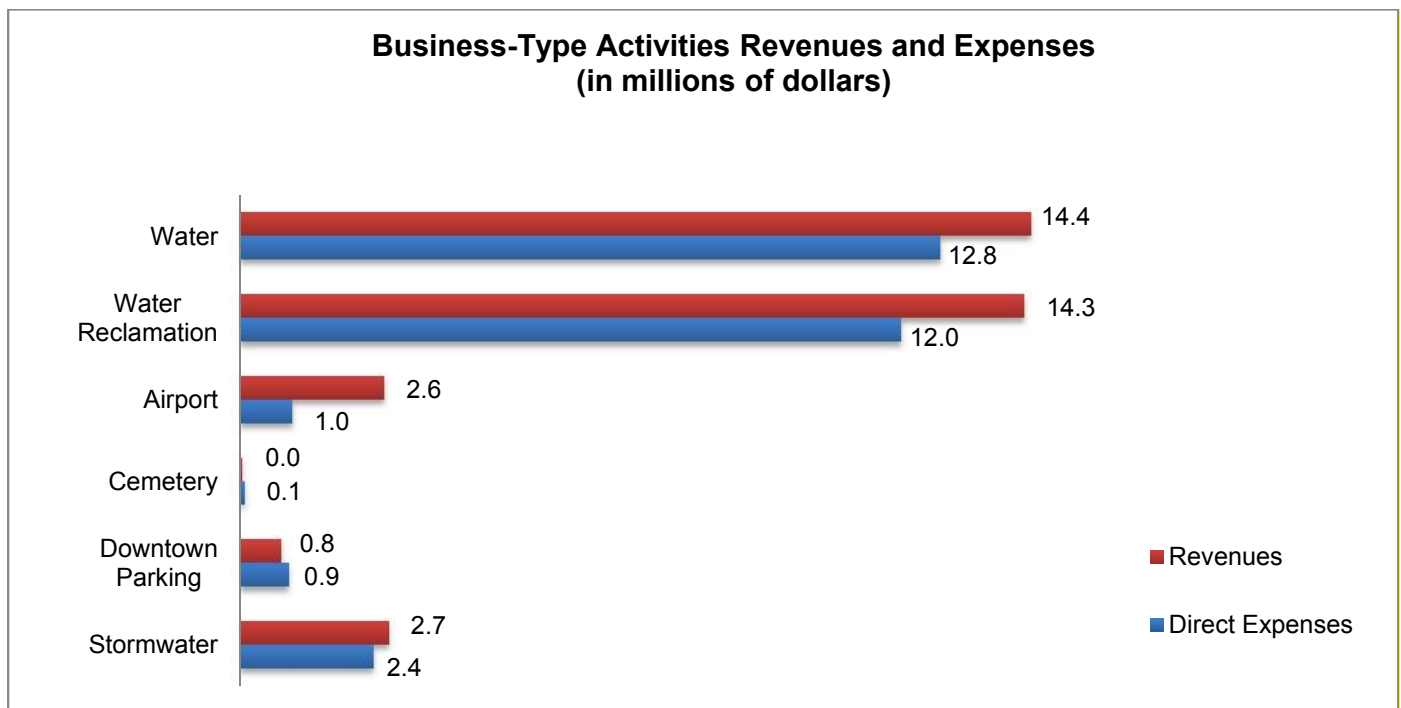
**Business-Type Activities**

Business-type revenues consisted of charges for services of \$32.0 million, grants and contributions of \$2.8 million and \$0.3 million of investment income.



Charges for services accounted for 91% of total business-type revenue in fiscal year 2010-11 compared to 88% in fiscal year 2009-10. This shift resulted from a combination of increased rates for water and sewer services and a decrease in capital grants and contributions of \$1.2 million primarily due to decreased developer contributions of water and water reclamation infrastructure.

Business-type activities are self-supporting and revenues are expected to cover expenses. The following chart shows the sufficiency of revenues generated to cover expenses for each type of business activity.



## Management's Discussion and Analysis (Continued)

Revenues for water and water reclamation operations are significantly higher than the respective direct expenses because water and water reclamation rates have been increased to generate revenues for infrastructure spending over the next five years, and developer contributed assets are recognized as contribution revenue. Airport revenues were significantly higher than direct expenses in the current year due to continued grant revenue related to the construction of the eastside taxiway. Acquisitions of capital assets and principal payments on long-term debt are not reported as direct expenses, but are reported as additions to assets and reductions to liabilities respectively on the Statement of Net Assets. Cemetery and downtown parking revenues are essentially equivalent to the related direct expenses as there are minimal capital improvements and no debt service for these two operations. A stormwater fee was enacted in fiscal year 2007-08 to support the City's stormwater operations and allow the City to make needed improvements to the infrastructure.

## FUND ANALYSIS

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

### Governmental Funds

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

At the end of the current year, the City's governmental funds had combined ending fund balances of \$36.5 million which is an increase of \$1.0 million. This increase is due to increased property, intergovernmental and license and permit revenue.

As discussed in the Notes to the Financial Statements the City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended June 30, 2011. The GASB Statement changes the fund balance classifications so they can be more consistently applied. Of the combined ending fund balance of \$36.5 million, \$5.2 million was nonspendable; \$7.6 million was restricted by creditors, grantors or by law; \$12.2 million was committed to specific purposes through council resolution or ordinance; \$2.6 million was assigned by intent of the City to a specific purpose; and \$8.9 million, consisting of \$9.3 million in the General Fund and (\$0.3) million in the Nonmajor Governmental Funds, 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 \$9.3 million, up \$1.2 million (15.5%) from the previous year. The unassigned fund balance represents 28.0% of total General Fund requirements.

The other major governmental funds are the Fire/Emergency Medical Services (EMS) Fund and the Community Development Block Grant (CDBG) Fund. The Fire/EMS fund balance increased by \$0.6 million due to increased intergovernmental revenues, charges for services and repayment of long-term debt. The CDBG Fund balance increased due to intergovernmental revenues from neighborhood stabilization grants.

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

### **Proprietary Funds**

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

Unrestricted net assets of the Water Fund and Water Reclamation Fund at the end of the year amounted to \$11.3 million and \$16.4 million, respectively. The growth in net assets of the Water Fund and the Water Reclamation Fund was \$3.5 million and \$6.4 million respectively, reflecting the implementation of rate increases and debt issuances to fund needed improvements in infrastructure. In the Water Fund, system development charges generated \$0.9 million of revenue and developer contributed infrastructure totaled \$0.3 million. In the Water Reclamation Fund, system development charges generated \$1.1 million of revenue and developer contributed infrastructure totaled \$0.1 million. Contributed infrastructure decreased significantly in both funds from the prior year due to reduced development activity.

System development charges are received in the System Development Charges Fund (a governmental fund) and transferred to the Water and Water Reclamation Funds as qualifying expenses are incurred. Revenues from system development charges increased in both the Water and Water Reclamation Funds by 63% and 58% respectively in fiscal year 2010-11 over fiscal year 2009-10, but are still much lower than prior fiscal years.

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

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the biennium budget, General Fund revenues and expenditures were increased by \$1.1 million for the receipt and use of franchise fees collected as a result of an audit. Nearly half of the increased franchise fees were used to build reserves in the General Fund Stabilization Fund to provide for severe economic downturns or major unforeseen events. The General Fund budgeted revenues and expenditures were also increased by \$0.4 million to recognize the 911 excise tax state shared revenues and the related expenditures. The actual 911 excise tax revenues will continue to be paid directly to the local 911 agency. Advances and transfers to other funds were increased by \$1.9 million and \$0.3 million in fiscal years 2009-10 and 2010-11 respectively to provide funding for year end loans and transfers that were not anticipated when the budget was adopted. The increase in advances and transfers to other funds was offset by a decrease in budgeted contingency of \$4.7 million to \$2.5 million.

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

**CAPITAL ASSETS**

As of June 30, 2011 the City had invested \$809.3 million in capital assets, net of depreciation, as reflected in the following table. This represents a net increase (additions, disposals and depreciation) of \$4.3 million. Governmental capital assets totaled \$525.9 million while business-type capital assets totaled \$283.4 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land including right-of-way	\$ 151.7	\$ 151.7	\$ 6.7	\$ 6.7	\$ 158.4	\$ 158.4
Land use rights	-	-	1.1	1.0	1.1	1.0
Artwork	0.7	0.7	-	-	0.7	0.7
Buildings and improvements	34.8	35.7	16.1	16.8	50.9	52.5
Infrastructure	321.6	326.5	224.7	219.9	546.3	546.4
Vehicles and equipment	6.9	7.4	1.2	1.7	8.1	9.1
Software	0.5	0.5	0.3	0.4	0.9	0.9
Construction in progress	9.6	10.9	33.3	25.1	42.9	36.0
	<u>\$ 525.9</u>	<u>\$ 533.4</u>	<u>\$ 283.4</u>	<u>\$ 271.6</u>	<u>\$ 809.3</u>	<u>\$ 805.0</u>

Major construction projects affecting capital assets for fiscal year 2010-11 are as follows:

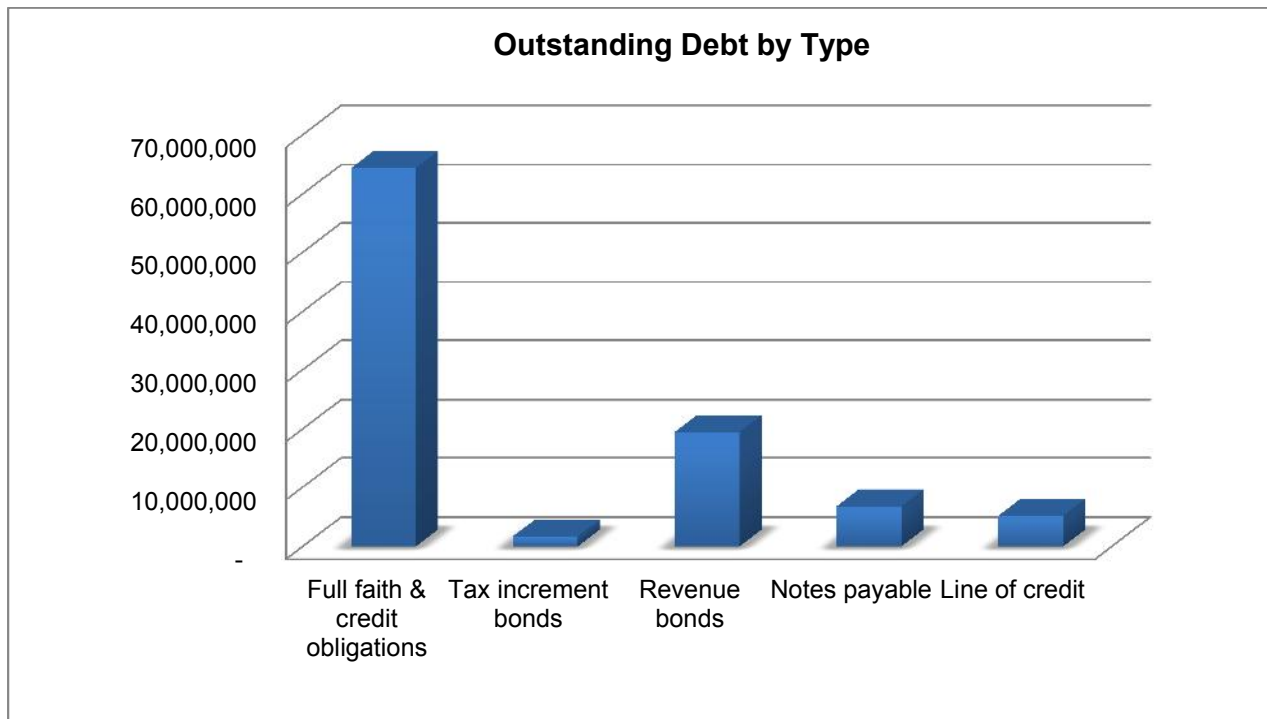
- Street Construction - Construction of various street improvements added \$3.1 million to capital assets. Major projects included street overlays of \$0.3 million, accessibility improvements of \$1.2 million, and other street construction and safety projects of \$1.3 million. Developer constructed infrastructure totaled \$0.9 million.
- Airport Improvements - The City spent \$1.4 million on the eastside taxiway project that was funded primarily by federal grants.
- Water Improvements - Improvements to the City's water system added \$6.4 million to capital assets. Major projects included the Surface Water Improvement project of \$3.0 million, Pilot Butte Wells of \$0.9 million, Automatic Meter Reading System of \$0.8 million, Shiloh Well improvements of \$0.7 million and Timber Ridge waterline replacements of \$0.3 million. Developer constructed infrastructure contributed to the City totaled \$0.3 million in the current year.
- Water Reclamation Improvements - Improvements to the water reclamation system added \$9.3 million to capital assets. Major projects included the southeast interceptor of \$7.7 million and expansion of the treatment facility of \$1.1 million. Developer constructed infrastructure totaled \$0.1 million.

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

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

**DEBT ADMINISTRATION**

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



The City has \$64.4 million of full faith & credit obligations outstanding for airport improvements (\$1.0 million), land acquired (\$3.5 million), street improvements (\$18.1 million), fire and police stations (\$11.4 million), equipment (\$1.7 million), pension obligation (\$13.5 million) and water and sewer improvements (\$15.2 million). The airport improvement bonds are serviced by airport lease revenues and street improvement bonds are serviced by transportation system development charges. The fire and police station bonds are serviced by property taxes and other discretionary revenues and the equipment bonds are repaid from other tax revenues. The pension obligation bonds are serviced by property taxes and other revenues of the City. The water and sewer improvement bonds are serviced by charges for services.

The City has \$1.7 million in urban renewal tax increment bonds outstanding that are repaid from tax increment revenues generated from the City's urban renewal district.

Revenue bonds outstanding total \$19.5 million and are for water and water reclamation infrastructure. These bonds are repaid from water reclamation service charges and system development charges. During fiscal year 2010-11 the City refunded \$2.2 million of the Water, series 2000 bonds to benefit from lower interest rates.

The City's has \$6.8 million of notes payable issued for various capital improvement projects.

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

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

Change in debt outstanding is as follows:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Full faith & credit obligations	\$ 48.1	\$ 50.3	\$ 16.3	\$ 1.3	\$ 64.4	\$ 51.5
Revenue bonds	-	-	19.5	23.4	19.5	23.4
Tax increment bonds	1.7	6.0	-	-	1.7	6.0
Notes payable	-	-	6.8	4.4	6.8	4.4
Line of credit	5.2	5.2	-	-	5.2	5.2
	<u>55.0</u>	<u>61.4</u>	<u>42.6</u>	<u>29.0</u>	<u>97.6</u>	<u>90.4</u>
Unamortized premiums & discounts	0.3	0.3	0.1	0.1	0.4	0.4
Total Outstanding Debt	<u>\$ 55.3</u>	<u>\$ 61.7</u>	<u>\$ 42.7</u>	<u>\$ 29.1</u>	<u>\$ 98.0</u>	<u>\$ 90.8</u>

As of June 30, 2011, the City had \$98.0 million in long-term debt and unamortized premiums and discounts, an increase of \$7.2 million from the prior year. The City has an unamortized balance of premiums and discounts on long-term debt issuances of \$0.4 million that are amortized over the life of the associated debt.

The significant changes in long-term debt include the issuance of \$13.3 million of full faith and credit Recovery Zone Economic Development Bonds through the American Reinvestment and Recovery Act to fund water and sewer infrastructure improvements and the refunding of the Water, series 2000 revenue bonds. During fiscal year 2010-11 the city also received a State of Oregon Business Development Department (OBDD) Safe Drinking Water Revolving Loan Fund (SDWRLF) Loan and an American Recovery and Reinvestment Act (ARRA) Forgivable Loan for a total of \$2.6 million. These increases were offset by \$5.0 million in scheduled principal payments and early repayment of \$3.0 million of the 2004 tax increment bonds for urban renewal and \$0.2 million of the Woodriver Village Sewer Notes payable.

**Debt Limitation and Ratings**

Oregon Revised Statutes provides a limit on non-self-supporting general obligation debt of 3% of the real market value of all taxable property within the City. Based on the fiscal year 2010-11 value, the City's debt limitation is \$323.8 million. The City is well within its debt limitation with an amount of outstanding debt subject to this limitation of \$62.5 million.

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

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

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



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

### **ECONOMIC FACTORS**

The population of the City of Bend as of July 1, 2010, was 76,639, which is 48% of Deschutes County's population of 157,733. Between July 1, 2002 and July 1, 2009, the non-annexation population increased by 56%. With the growth in population, the City experienced significant building activity in both residential and commercial developments that has dramatically fallen off with the national housing market crisis. The City of Bend has been hit very hard by the impacts of the nationwide recession and both residential and commercial construction activity decreased dramatically from prior fiscal years. The recession has lowered many of the City's revenue sources including system development charges, developer contributed infrastructure, and community development fees. The recession has also significantly slowed the growth rate in property taxes and has increased delinquent property taxes.

In response to the slow economic recovery during fiscal year 2010-11, the City has continued cost constraints at all levels of the organization in order to decrease nonessential expenditures thereby increasing revenues available for core priority programs such as public safety, transportation, and providing water and water reclamation services to its citizens. Since December 2007, the City has made five rounds of budget cuts eliminating more than 100 filled and unfilled positions. In addition to layoffs, the City delayed hiring or eliminated many vacant positions.

The City is dependent on property taxes, charges for services, and grants and contributions to support its operations. Property taxes make up approximately 23% of the City's total revenue sources. In May 1997, Oregon voters approved Measure 50 which rolled back property assessed values to 90 percent of 1995-96 levels, established permanent tax rates, and limited assessed value growth for individual properties to 3% per year plus new construction. The current permanent tax rate for the City of Bend is \$2.8035 per \$1,000 of assessed value which is one of the lowest in Oregon. In the past, significant increases in the number of properties subject to property tax helped mitigate the effects of Measure 50 on property tax revenues. These significant increases ended and property tax revenues only increased 2.2% for fiscal year 2010-11. The gap between current real market values and taxable assessed values has narrowed considerably. Although the taxable assessed values of 60% of properties continue to grow as allowed by Measure 50, the taxable assessed values of 40% of properties have decreased, resulting in relatively flat property tax levels for the near term. The low permanent tax rate and minimal growth in the tax base will continue to present challenges in providing services at the current rate without additional sources of revenue.

Both the water and sewer rates were increased for fiscal year 2010-11 by 7.1% and 8.75%, respectively. These increases were necessary to finance construction of new and replacement infrastructure.

### **REQUEST FOR INFORMATION**

The City's financial statements are designed to present users with a general overview of the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Sonia Andrews, City of Bend Finance Director, at 709 NW Wall Street, Bend, Oregon 97701. The telephone number for the City's Finance Department is 541-388-5521.

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## BASIC FINANCIAL STATEMENTS



City of Bend, Oregon  
**Statement of Net Assets**  
June 30, 2011

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>
	<b>Activities</b>		<b>Activities</b>		
<b>Assets</b>					
Pooled cash and investments	\$ 38,098,644	\$	32,775,352	\$	70,873,996
Receivables, net	6,632,281		3,977,354		10,609,635
Internal balances	28,400		(28,400)		-
Due from other governments	1,366,567		740,466		2,107,033
Restricted cash and investments	3,008,884		324,650		3,333,535
Other assets	142,951		41,254		184,205
Prepaid pension obligation	9,232,402		-		9,232,402
Assessments receivable	21,289		286,226		307,515
Loans and notes receivable	5,697,082		135,903		5,832,984
Assets held for resale	4,611,047		-		4,611,047
Bond issue costs, net	908,157		1,078,402		1,986,559
Non-depreciable capital assets	162,046,251		41,066,895		203,113,146
Depreciable capital assets, net	363,819,473		242,335,478		606,154,951
<b>Total Assets</b>	<b>595,613,428</b>		<b>322,733,581</b>		<b>918,347,009</b>
<b>Liabilities</b>					
Accounts payable	2,251,478		3,325,641		5,577,118
Accrued liabilities	4,817,029		1,450,536		6,267,566
Due to developers	243,342		-		243,342
Deposits	778,100		324,650		1,102,750
Unearned revenue	301,215		-		301,215
Long-term debt, net					
Other post-employment benefits payable	5,805,020		1,270,756		7,075,776
Portion due or payable within one year	3,875,479		2,176,504		6,051,983
Portion due or payable after one year	51,415,123		40,487,261		91,902,384
<b>Total Liabilities</b>	<b>69,486,786</b>		<b>49,035,349</b>		<b>118,522,135</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	484,814,259		241,176,240		725,990,499
Restricted for:					
Debt service	4,799,947		-		4,799,947
Capital projects	8,070,269		-		8,070,269
Building program	940,705		-		940,705
Tourism	91,850		-		91,850
Grant activity	11,734		-		11,734
Unrestricted	27,397,877		32,521,992		59,919,870
<b>Total Net Assets</b>	<b>\$ 526,126,642</b>	<b>\$</b>	<b>273,698,232</b>	<b>\$</b>	<b>799,824,874</b>

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

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City of Bend, Oregon  
**Statement of Activities**

For the fiscal year ended June 30, 2011

Functions/ Programs	Direct Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General government	\$ 18,529,853	\$ 9,661,114	\$ 202,539	\$ (28,263)	\$ (8,694,463)	\$ -	\$ (8,694,463)
Public safety	27,957,638	3,388,599	4,739,015	40,203	(19,789,820)	-	(19,789,820)
Public ways and facilities	16,042,013	1,051,929	3,998,029	5,678,640	(5,313,415)	-	(5,313,415)
Community and economic development	8,011,983	4,015,010	5,600,774	95,183	1,698,983	-	1,698,983
Permanent maintenance	-	11,349	-	-	11,349	-	11,349
Urban renewal	192,126	34,712	82	-	(157,332)	-	(157,332)
Transit	1,799,686	73,580	1,173,141	873,609	320,644	-	320,644
Interest on long-term debt	1,972,588	-	-	-	(1,972,588)	-	(1,972,588)
<b>Total Governmental Activities</b>	<b>74,505,888</b>	<b>18,236,292</b>	<b>15,713,581</b>	<b>6,659,372</b>	<b>(33,896,643)</b>	<b>-</b>	<b>(33,896,643)</b>
<b>Business-Type Activities:</b>							
Water	12,756,613	14,067,776	30,684	297,038	-	1,638,884	1,638,884
Water reclamation	12,045,221	13,920,192	104,601	250,883	-	2,230,455	2,230,455
Airport	951,286	777,203	275	1,835,776	-	1,661,968	1,661,968
Cemetery	75,317	44,510	93	-	-	(30,713)	(30,713)
Downtown parking	877,592	643,406	324	106,700	-	(127,163)	(127,163)
Stormwater	2,425,047	2,514,769	2,716	179,875	-	272,313	272,313
<b>Total Business-Type Activities</b>	<b>29,131,077</b>	<b>31,967,855</b>	<b>138,692</b>	<b>2,670,273</b>	<b>-</b>	<b>5,645,743</b>	<b>5,645,743</b>
<b>Total Activities</b>	<b>\$ 103,636,964</b>	<b>\$ 50,204,147</b>	<b>\$ 15,852,273</b>	<b>\$ 9,329,645</b>	<b>(33,896,643)</b>	<b>5,645,743</b>	<b>(28,250,900)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property taxes, levied for general purposes					22,130,963	-	22,130,963
Property taxes, levied for debt service					3,847,802	-	3,847,802
Transient room taxes					3,407,279	-	3,407,279
Franchise Fees					7,240,937	-	7,240,937
Unrestricted investment income					424,982	321,689	746,671
Gain on sale of capital assets					15,405	-	15,405
Transfers					(2,035,129)	2,035,129	-
<b>Total General Revenues and Transfers</b>					<b>35,032,239</b>	<b>2,356,818</b>	<b>37,389,057</b>
<b>Change in Net Assets</b>					<b>1,135,596</b>	<b>8,002,561</b>	<b>9,138,157</b>
Net Assets, July 1, 2010, as previously stated					524,991,046	265,988,171	790,979,217
Restatement, Note 19					-	(292,500)	(292,500)
Net Assets, July 1, 2010, as restated					524,991,046	265,695,671	790,686,717
<b>Net Assets, June 30, 2011</b>					<b>\$ 526,126,642</b>	<b>\$ 273,698,232</b>	<b>\$ 799,824,874</b>

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

City of Bend, Oregon  
**Balance Sheet**  
 Governmental Funds  
 June 30, 2011

	<u>General</u>	<u>Fire / Emergency Medical Services</u>	<u>Community Development Block Grant Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>					
Pooled cash and investments	\$ 9,814,090	\$ 2,448,092	\$ 3,057	\$ 16,762,587	\$ 29,027,826
Restricted cash and investments	101,848	-	-	2,907,037	3,008,884
Receivables:					
Property taxes	1,817,967	-	-	300,955	2,118,922
Accounts, net	2,462,549	339,984	-	1,352,785	4,155,318
Assessments, net	-	-	-	21,289	21,289
Loans and notes, net	87,975	-	3,657,443	1,951,664	5,697,082
Interest	262,839	-	-	-	262,839
Due from other funds	35,000	-	-	60,839	95,839
Due from other governments	609,428	57,073	82,549	617,518	1,366,567
Other assets	1,316	-	-	-	1,316
Advances to other funds	28,400	-	-	-	28,400
Assets held for resale	4,611,047	-	-	-	4,611,047
<b>Total Assets</b>	<b>\$ 19,832,458</b>	<b>\$ 2,845,148</b>	<b>\$ 3,743,049</b>	<b>\$ 23,974,674</b>	<b>\$ 50,395,328</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 702,784	\$ 63,748	\$ 23,883	\$ 1,070,441	\$ 1,860,857
Salaries and benefits payable	219,212	176,558	3,134	88,901	487,806
Retainage payable	-	-	-	9,095	9,095
Due to developers	-	-	-	243,342	243,342
Other accrued liabilities	837,687	-	-	223,927	1,061,614
Deposits	101,848	-	-	676,252	778,100
Deferred revenues	2,817,077	195,795	3,657,443	2,663,848	9,334,162
Due to other funds	-	-	48,585	47,253	95,839
<b>Total Liabilities</b>	<b>4,678,608</b>	<b>436,101</b>	<b>3,733,046</b>	<b>5,023,060</b>	<b>13,870,814</b>
Fund Balances (Deficits):					
Nonspendable:					
In form	4,639,447	-	-	34,461	4,673,908
Required to remain intact	-	-	-	586,225	586,225
Restricted:					
Externally imposed	-	-	10,003	6,693,392	6,703,395
Imposed by law	-	-	-	940,705	940,705
Committed	1,263,008	2,409,047	-	8,460,073	12,132,128
Assigned	-	-	-	2,552,545	2,552,545
Unassigned	9,251,395	-	-	(315,787)	8,935,607
<b>Total Fund Balances (Deficits)</b>	<b>15,153,850</b>	<b>2,409,047</b>	<b>10,003</b>	<b>18,951,614</b>	<b>36,524,514</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 19,832,458</b>	<b>\$ 2,845,148</b>	<b>\$ 3,743,049</b>	<b>\$ 23,974,674</b>	<b>\$ 50,395,328</b>

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



City of Bend, Oregon

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

June 30, 2011

**Total Fund Balances (Deficits)** \$ 36,524,514

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in funds. 498,271,187

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

Interest receivable	5,407
Prepaid pension obligation	9,232,402
Bond issuance costs	757,639

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

Deferred property taxes	1,758,815
Deferred assessments and loan	4,626,748
Other deferred revenues	2,647,384
Interest payable	(153,851)
Accrued compensated absences	(2,003,687)
Other post-employment benefits	(4,567,441)
Long-term debt	(43,220,548)

Internal service funds are used by management to charge costs of certain activities such as garage services, information technology support, engineering services and administration and financial services to individual funds. The net assets of the internal service fund are reported with governmental activities. 22,248,073

**Total Net Assets** \$ 526,126,642

*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, 2011

	<u>General</u>	<u>Fire / Emergency Medical Services</u>	<u>Community Development Block Grant Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Taxes	\$ 24,581,586	\$ -	\$ -	\$ 4,864,462	\$ 29,446,048
Franchise fees	5,798,520	-	-	1,412,319	7,210,839
Intergovernmental	2,045,550	2,460,808	2,503,824	7,428,403	14,438,585
Assessments	-	-	-	153,973	153,973
Licenses and permits	313,844	-	-	2,536,358	2,850,202
Charges for services	125,971	2,317,326	-	3,715,411	6,158,708
System development charges	-	-	-	3,341,138	3,341,138
Contributions	-	-	-	55,118	55,118
Fines and forfeitures	1,231,195	-	-	-	1,231,195
Loan repayments	-	-	27,953	447,736	475,690
Permanent maintenance fees	-	-	-	11,349	11,349
Investment income	114,481	12,362	(3,472)	217,414	340,785
Miscellaneous	1,031	4,492	-	120,005	125,528
<b>Total Revenues</b>	<b>34,212,178</b>	<b>4,794,988</b>	<b>2,528,305</b>	<b>24,303,686</b>	<b>65,839,156</b>
<b>Expenditures</b>					
Current operating:					
General government	1,972,850	-	-	20,400	1,993,250
Public safety	16,377,809	13,525,326	-	21,552	29,924,687
Public ways and facilities	-	-	-	6,457,838	6,457,838
Community and economic development	-	-	2,598,046	6,349,767	8,947,813
Urban renewal	-	-	-	405,042	405,042
Transit	-	-	-	1,743,627	1,743,627
Debt service:					
Principal	-	304,800	-	5,688,600	5,993,400
Interest	-	85,717	-	1,895,777	1,981,494
Capital outlay	316,200	-	-	3,914,965	4,231,165
<b>Total Expenditures</b>	<b>18,666,859</b>	<b>13,915,843</b>	<b>2,598,046</b>	<b>26,497,568</b>	<b>61,678,316</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>15,545,319</b>	<b>(9,120,855)</b>	<b>(69,741)</b>	<b>(2,193,882)</b>	<b>4,160,840</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of assets	2,101	275	-	13,030	15,405
Insurance proceeds	-	25,535	-	14,223	39,758
Interfund loan repayments	1,050	-	-	-	1,050
Transfers in	683,360	9,700,036	-	5,143,200	15,526,596
Transfers out	(14,464,687)	(9,352)	-	(4,309,416)	(18,783,455)
<b>Total Other Financing Sources (Uses)</b>	<b>(13,778,177)</b>	<b>9,716,495</b>	<b>-</b>	<b>861,037</b>	<b>(3,200,646)</b>
Net change in fund balances	1,767,142	595,639	(69,741)	(1,332,845)	960,194
Fund Balances, July 1, 2010, as previously stated	12,502,418	1,813,408	79,744	21,168,749	35,564,320
Restatement, Note 18	884,289	-	-	(884,289)	-
Fund Balances (Deficits), July 1, 2010, as restated	13,386,708	1,813,408	79,744	20,284,460	35,564,320
<b>Fund Balances (Deficits), June 30, 2011</b>	<b>\$ 15,153,850</b>	<b>\$ 2,409,047</b>	<b>\$ 10,003</b>	<b>\$ 18,951,614</b>	<b>\$ 36,524,514</b>

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

City of Bend, Oregon

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

For the fiscal year ended June 30, 2011

**Net Change in Fund Balances** \$ 960,194

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	4,278,316	
Depreciation	<u>(11,927,149)</u>	(7,648,834)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 3,466,870

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

Long-term debt principal repayments	5,993,400
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued interest payable	8,906
Amortization of bond issuance costs	(66,195)
Amortization of bond premium and discounts	20,564
Amortization of prepaid pension obligations	(545,103)
Accrued compensated absences	42,968
Accrued other postemployment benefit obligations	(1,064,508)

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

The net revenues and expenses of the internal service fund are reported with governmental activities. (32,666)

**Change in Net Assets** \$ 1,135,596

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

City of Bend, Oregon  
**Statement of Net Assets**  
 Proprietary Funds  
 June 30, 2011

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds	Total	Internal Service Fund
<b>Assets</b>					
Current assets:					
Pooled cash and investments	\$ 11,581,599	\$ 16,223,267	\$ 4,970,486	\$ 32,775,352	\$ 9,070,818
Receivables:					
Accounts, net	1,900,996	1,652,401	360,826	3,914,223	89,796
Loans and notes, net	-	-	106,700	106,700	-
Interest	24	63,108	-	63,131	-
Due from other governments	138,879	-	601,587	740,466	-
Other assets	25,463	-	-	25,463	39,049
Prepays and deposits	15,791	-	-	15,791	102,586
Bond issue costs, net	32,705	89,463	4,599	126,767	12,081
<b>Total Current Assets</b>	<b>13,695,456</b>	<b>18,028,240</b>	<b>6,044,197</b>	<b>37,767,893</b>	<b>9,314,330</b>
Noncurrent assets:					
Restricted cash and investments	254,142	10,641	59,867	324,650	-
Assessments receivable, net	-	286,226	-	286,226	-
Loans and notes receivable, net	425	28,778	-	29,203	-
Bond issue costs, net	63,133	856,067	32,436	951,635	138,437
<b>Capital assets, net</b>	<b>91,910,334</b>	<b>130,837,087</b>	<b>60,654,953</b>	<b>283,402,373</b>	<b>27,594,537</b>
<b>Total Noncurrent Assets</b>	<b>92,228,034</b>	<b>132,018,798</b>	<b>60,747,255</b>	<b>284,994,088</b>	<b>27,732,974</b>
<b>Total Assets</b>	<b>105,923,490</b>	<b>150,047,038</b>	<b>66,791,453</b>	<b>322,761,981</b>	<b>37,047,304</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	1,588,850	1,394,385	342,405	3,325,641	390,621
Salaries and benefits payable	51,874	53,650	23,033	128,557	128,999
Retainage payable	38,407	386,168	125,546	550,121	-
Other accrued liabilities:					
Compensated absences	187,455	153,577	34,406	375,438	507,778
Interest	25,177	212,239	33,371	270,786	42,471
Insurance claims	-	-	-	-	421,727
Other	4,849	100,631	20,155	125,635	-
Deposits - restricted	254,142	10,641	59,867	324,650	-
Advances from other funds	-	-	6,600	6,600	-
Current portion of long-term debt, net	703,834	1,234,035	238,635	2,176,504	632,515
<b>Total Current Liabilities</b>	<b>2,854,588</b>	<b>3,545,324</b>	<b>884,019</b>	<b>7,283,932</b>	<b>2,124,112</b>
Noncurrent liabilities:					
Advances from other funds	-	-	21,800	21,800	-
Other post-retirement benefits payable	526,355	542,676	201,725	1,270,756	1,237,579
Long-term debt, net	9,391,540	29,040,278	2,055,443	40,487,261	11,437,539
<b>Total Noncurrent Liabilities</b>	<b>9,917,895</b>	<b>29,582,954</b>	<b>2,278,968</b>	<b>41,779,817</b>	<b>12,675,118</b>
<b>Total Liabilities</b>	<b>12,772,483</b>	<b>33,128,278</b>	<b>3,162,987</b>	<b>49,063,749</b>	<b>14,799,230</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	81,814,959	101,000,406	58,360,875	241,176,240	15,524,483
Unrestricted	11,336,047	15,918,354	5,267,591	32,521,992	6,723,590
<b>Total Net Assets</b>	<b>\$ 93,151,007</b>	<b>\$ 116,918,760</b>	<b>\$ 63,628,466</b>	<b>\$ 273,698,232</b>	<b>\$ 22,248,073</b>

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

City of Bend, Oregon

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

Proprietary Funds

For the fiscal year ended June 30, 2011

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds	Total	Internal Service Fund
<b>Operating Revenues</b>					
Intergovernmental	\$ 30,684	\$ 104,601	\$ 38,294	\$ 173,579	\$ 42,631
Charges for services	13,959,728	13,907,174	3,885,908	31,752,810	24,776,989
Loan repayments	-	91,072	-	91,072	-
Miscellaneous	104,530	13,018	74,478	192,026	214,248
<b>Total Operating Revenues</b>	<b>14,094,942</b>	<b>14,115,865</b>	<b>3,998,680</b>	<b>32,209,487</b>	<b>25,033,868</b>
<b>Operating Expenses</b>					
Salaries and benefits	3,538,400	3,749,229	1,371,279	8,658,907	8,779,410
Materials and supplies	4,180,784	1,877,969	619,934	6,678,686	4,215,712
Internal services	2,738,153	2,553,329	788,414	6,079,896	1,850,921
Insurance premiums and claims	-	-	-	-	9,768,250
Depreciation	2,204,052	2,973,196	1,460,144	6,637,392	1,229,756
<b>Total Operating Expenses</b>	<b>12,661,389</b>	<b>11,153,723</b>	<b>4,239,770</b>	<b>28,054,882</b>	<b>25,844,049</b>
<b>Operating income (loss)</b>	<b>1,433,552</b>	<b>2,962,143</b>	<b>(241,090)</b>	<b>4,154,605</b>	<b>(810,180)</b>
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	124,969	150,542	46,178	321,689	84,073
Interest expense	(61,889)	(813,872)	(89,661)	(965,422)	(519,258)
Parking improvement fees	-	-	106,700	106,700	-
Insurance proceeds	3,630	-	4,615	8,245	-
Amortization of bond issue costs	(28,870)	(85,428)	(338)	(114,637)	(9,566)
Interfund loan repayment	-	-	(1,050)	(1,050)	-
Gain (loss) on disposal of assets	(4,465)	7,801	1,577	4,914	535
<b>Total Nonoperating Revenues (Expenses)</b>	<b>33,375</b>	<b>(740,956)</b>	<b>68,020</b>	<b>(639,561)</b>	<b>(444,216)</b>
<b>Income (loss) before contributions and transfers</b>	<b>1,466,928</b>	<b>2,221,186</b>	<b>(173,070)</b>	<b>3,515,044</b>	<b>(1,254,396)</b>
<b>Contributions and Transfers</b>					
Capital grants and contributions	296,925	159,811	1,995,651	2,452,388	-
Transfers in	916,510	1,314,689	366,809	2,598,009	1,255,000
Transfers out	-	(228,696)	(334,184)	(562,880)	(33,270)
<b>Total Contributions and Transfers</b>	<b>1,213,435</b>	<b>1,245,804</b>	<b>2,028,277</b>	<b>4,487,517</b>	<b>1,221,730</b>
Change in net assets	2,680,363	3,466,991	1,855,207	8,002,561	(32,666)
Net Assets, July 1, 2010, as previously stated	90,470,644	113,451,769	62,065,758	265,988,171	22,280,739
Restatement, Note 19	-	-	(292,500)	(292,500)	-
Net Assets, July 1, 2010, as restated	90,470,644	113,451,769	61,773,258	265,695,671	22,280,739
<b>Net Assets, June 30, 2011</b>	<b>\$ 93,151,007</b>	<b>\$ 116,918,760</b>	<b>\$ 63,628,466</b>	<b>\$ 273,698,232</b>	<b>\$ 22,248,073</b>

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

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

Proprietary Funds

For the fiscal year ended June 30, 2011

	<b>Business-Type Activities</b>				<b>Governmental</b>
	<b>Enterprise Funds</b>				<b>Activities</b>
	<b>Water</b>	<b>Water Reclamation</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b><u>Cash Flows from Operating Activities</u></b>					
Cash received from customers	\$ 13,471,190	\$ 13,641,527	\$ 3,879,546	\$ 30,992,264	\$ 483,315
Cash received from interfund services provided	166,764	20,463	17,612	204,839	23,833,020
Cash paid to employees for services	(3,352,135)	(3,579,242)	(1,274,965)	(8,206,342)	(8,372,823)
Cash paid to suppliers for goods and services	(7,651,243)	(4,293,794)	(562,226)	(12,507,263)	(13,875,818)
Cash paid for interfund services used	(2,738,153)	(2,553,329)	(788,414)	(6,079,896)	(1,850,921)
<b>Net Cash From Operating Activities</b>	<b>(103,577)</b>	<b>3,235,625</b>	<b>1,271,553</b>	<b>4,403,601</b>	<b>216,774</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>					
Interfund loan repayments	-	224,000	(557,650)	(333,650)	-
Transfers from other funds	916,510	1,314,689	366,809	2,598,009	1,255,000
Transfers to other funds	-	(228,696)	(334,184)	(562,880)	(33,270)
<b>Net Cash From Noncapital Financing Activities</b>	<b>916,510</b>	<b>1,309,993</b>	<b>(525,024)</b>	<b>1,701,479</b>	<b>1,221,730</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>					
Insurance proceeds	3,630	-	4,615	8,245	-
Issuance of debt	9,987,201	10,730,000	-	20,717,201	-
Payment of bond issue costs	(60,812)	(212,696)	-	(273,508)	-
Principal payments on capital debt	(185,000)	(1,404,743)	(227,888)	(1,817,631)	(415,000)
Interest payments on capital debt	(71,734)	(744,708)	(91,814)	(908,256)	(520,595)
Escrow payments	(2,512,439)	-	-	(2,512,439)	-
Capital grants and contributions	2,198	-	2,188,114	2,190,312	-
Proceeds from sale of assets	864	4,175	1,577	6,616	535
Acquisition and construction of capital assets	(7,069,012)	(9,151,439)	(2,417,499)	(18,637,950)	(342,498)
<b>Net Cash From Capital and Related Financing Activities</b>	<b>94,897</b>	<b>(779,411)</b>	<b>(542,896)</b>	<b>(1,227,409)</b>	<b>(1,277,558)</b>
<b><u>Cash Flows from Investing Activities</u></b>					
Investment income	124,969	150,542	46,178	321,689	84,073
<b>Net Cash From Investing Activities</b>	<b>124,969</b>	<b>150,542</b>	<b>46,178</b>	<b>321,689</b>	<b>84,073</b>
<b>Net change in pooled cash and investments</b>	<b>1,032,799</b>	<b>3,916,750</b>	<b>249,811</b>	<b>5,199,360</b>	<b>245,020</b>
Pooled Cash and Investments, July 1, 2010	10,802,942	12,317,159	4,780,542	27,900,643	8,825,798
<b>Pooled Cash and Investments, June 30, 2011</b>	<b>\$ 11,835,741</b>	<b>\$ 16,233,908</b>	<b>\$ 5,030,353</b>	<b>\$ 33,100,003</b>	<b>\$ 9,070,818</b>
<b><u>Reconciliation to Statement of Net Assets</u></b>					
Pooled cash and investments	\$ 11,581,599	\$ 16,223,267	\$ 4,970,486	\$ 32,775,352	\$ 9,070,818
Restricted cash and investments	254,142	10,641	59,867	324,650	-
<b>Pooled Cash and Investments, June 30, 2011</b>	<b>\$ 11,835,741</b>	<b>\$ 16,233,908</b>	<b>\$ 5,030,353</b>	<b>\$ 33,100,003</b>	<b>\$ 9,070,818</b>

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

City of Bend, Oregon  
**Statement of Cash Flows (Continued)**

Proprietary Funds  
 For the fiscal year ended June 30, 2011

	Business-Type Activities				Governmental
	Enterprise Funds			Total	Activities
	Water	Water Reclamation	Nonmajor Enterprise Funds		Internal Service Fund
<b>Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities</b>					
Operating income (loss)	\$ 1,433,552	\$ 2,962,143	\$ (241,090)	\$ 4,154,605	\$ (810,180)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	2,204,052	2,973,196	1,460,144	6,637,392	1,229,756
Change in:					
Accounts receivable	(432,931)	(538,890)	(101,025)	(1,072,847)	(89,521)
Loans, notes and assessments receivable	2,111	74,374	-	76,484	-
Inventories	200,153	-	-	200,153	(8,418)
Prepays and deposits	266	-	-	266	(82,133)
Accounts payable	116,800	79,115	62,472	258,387	19,868
Salaries and benefits payable	(966)	1,054	7,009	7,098	6,376
Other post-employment benefits	161,793	179,838	90,982	432,612	348,400
Compensated absences payable	25,438	(10,904)	(1,678)	12,855	51,810
Insurance claims payable	-	-	-	-	178,828
Other accrued liabilities	(3,787,678)	(2,494,940)	(4,765)	(6,287,384)	-
Prepays and deposits payable	(26,167)	10,641	(496)	(16,022)	(628,012)
<b>Net Cash From Operating Activities</b>	<b>\$ (103,577)</b>	<b>\$ 3,235,625</b>	<b>\$ 1,271,553</b>	<b>\$ 4,403,601</b>	<b>\$ 216,774</b>

Noncash Operating Activities

The City settled a lawsuit in fiscal year 2010-11 for less than the associated liability booked in the Water and Water Reclamation funds. The City wrote off \$301,566 and \$297,971 in the Water and Water Reclamation funds, respectively.

In the Nonmajor Enterprise Funds the City deferred in-lieu of parking development fees for a \$106,700 loan.

Noncash Capital and Related Financing Activities

The City received donated Water, Water Reclamation, and Nonmajor Enterprise Funds infrastructure totaling \$296,925, \$136,811, \$159,875, respectively, in the current year.

The City received \$23,000 as a trade in value for Water Reclamation equipment.

Acquisition of capital assets financed through accounts payable for the current year totaled \$1,234,033 in the Water Fund, \$1,164,479 in the Water Reclamation Fund, \$260,598 in the Nonmajor Enterprise Funds, and \$43,060 in the Internal Service Fund.

The net book value of capital assets contributed to other Nonmajor Governmental funds in the current year totaled \$4,672 in the Nonmajor Enterprise Fund.

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

City of Bend, Oregon  
**Statement of Fiduciary Assets and Liabilities**  
 Fiduciary Fund  
 June 30, 2011

**Agency Fund**

**Assets**

Cash and investments	\$	141,393
Accounts receivable, net		5
<b>Total Assets</b>		<b>141,398</b>

**Liabilities**

Amounts held for others		141,398
<b>Total Liabilities</b>		<b>141,398</b>

<b>Net Assets</b>	<b>\$</b>	<b>-</b>
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*The accompanying notes are an integral part of the basic financial statements.*



## CITY OF BEND, OREGON

### Notes to Basic Financial Statements

Fiscal Year Ended June 30, 2011

#### **Note 1 - Summary of Significant Accounting Policies**

The financial statements of the City of Bend, Oregon (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements have incorporated all applicable GASB pronouncements as well as, for the proprietary funds, the Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. No FASB guidance issued after November 30, 1989 has been applied unless specifically adopted by Governmental Accounting Standards Board pronouncements.

The City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended June 30, 2011. This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. Changes to the government fund type fund balances are reflected in the financial statements and related disclosures are included in Note 1 and 18.

#### The Financial Reporting Entity

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

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

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

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

#### Organization

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

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Financial Statement Presentation, Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

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

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

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), and the acquisition or construction of capital assets (capital projects funds).

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

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

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

The City considers property taxes available and susceptible to accrual if they are collected within sixty days after year-end.

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

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

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

The following are the City's major governmental funds:

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

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

**Community Development Block Grant Fund** – This fund accounts for the City's Community Development Block Grants. The principal sources of revenue include grant receipts, as well as loan repayments from prior grant recipients. Primary expenditures are for the distribution of grants for qualified projects and/or loans to qualified recipients.

In addition the City also reports the following 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 and general obligation bonds.

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

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

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Proprietary Funds

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

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

The following are the City's major enterprise funds:

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

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

Additionally, the City reports the following fund types:

**Internal Service Fund** - The Internal Service Fund accounts for those activities and services furnished internally to other departments within the City on a cost reimbursement basis. Charges are made to the various departments to support these activities. The City has one internal service fund comprised of the following divisions: Garage, Information Technology, Facility Management, Engineering, Public Works Administration, Public Works Laboratory, Risk Management, Administration and Financial Services, City Attorney's Office, and Community Development Administration. The Engineering, Public Works Laboratory and Administration and Financial Services divisions charge external customers fees for services. The aggregate of all these divisions is reflected as the Internal Service Fund in the fund financial statements.

Fiduciary Fund

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

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

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Use of Estimates

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

Cash and Investments

The City maintains a common cash and investment pool for all City funds. Investments in the State Treasurer's Local Government Investment Pool (LGIP) are considered short-term and highly liquid where the remaining maturity at the time of purchase is one year or less and are stated at fair value. Fair value of the investment in the LGIP is the same as the value of the pool shares. The LGIP is governed by the Oregon Short Term Fund Board and audited by the Secretary of State, Audits Division.

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

Restricted Cash and Investments

Restricted cash and investments are those whose use is restricted to specific purposes by state statute, bond indenture or otherwise. At June 30, 2011, the City had \$3,317,402 of cash and investments restricted for debt service, construction, the building program, and deposits.

Receivables

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

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

Prepaid Pension Obligation

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

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Assets Held for Resale

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

Capital Assets

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

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

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

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

Capitalized Interest

Capital assets of the proprietary funds constructed with tax-exempt borrowing include capitalized interest as part of the costs of the assets. All interest costs of the borrowing less any interest earned on investments acquired with the proceeds of the borrowing are capitalized from the date of the borrowing until the assets are ready for their intended use. For the fiscal year ended June 30, 2011, the City capitalized \$61,672 in the Water Fund and \$274,885 in the Water Reclamation Fund.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability reported for unpaid accumulated sick leave since the City by policy does not pay out sick leave banks when employees separate from service with the City. All vacation pay is accrued when incurred in the government wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of termination or retirement.

Other Post Employment Benefits Obligation

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for the Post Employment Benefits Other Than Pensions (OPEB)*, the City's net OPEB obligation is actuarially determined and is recognized as a long-term liability in the government-wide financial statements and in the proprietary funds statements. The annual required contribution is recognized on the accrual basis based upon actuarial accounting principles.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Long-term Debt and Bond Issuance Costs

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

Fund Balances

In the 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 inventories, prepaid amounts, and assets held for resale.

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

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

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

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

The City established a stabilization reserve in fiscal year 2009-10 to provide temporary support to minimize the impacts to citizens of severe economic downturns or major unforeseen events and to enhance the City's credit rating. Additions to the stabilization reserves may include investment earnings and excess revenues and/or additional allocations from the General Fund. The stabilization funds may be spent for City Council approved temporary support for critical basic services and operations meeting the General Fund Stabilization Fund Policy. The stabilization balance as of June 30, 2011 is \$1,227,345.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

**Note 2 - Cash and Investments**

The City maintains a common cash and investment pool for all City funds. The types of investments in which the City may invest are restricted by State of Oregon statutes and a Council adopted investment policy. Authorized investments include general obligations of the United States Government and its agencies, obligations of the States of Oregon, California, Idaho and Washington that have a rating of AA or better, A-1 rated commercial paper and banker's acceptances, Aa rated corporate bonds, time deposits, repurchase agreements and the State of Oregon Local Government Investment Pool.

At June 30, 2011, the City's cash and investments are comprised of the following:

Cash on hand	\$ 5,750
Deposits with financial institutions	6,505,141
Investments:	
State of Oregon Local Government Investment Pool	32,276,545
Corporate notes	17,835,593
U.S. agency obligations	16,588,637
Obligations of the States of Oregon, California, Idaho and Washington	<u>1,137,258</u>
Total pooled cash and investments	<u>\$ 74,348,924</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	\$ 38,098,644	\$ 32,775,352	\$ 141,393	\$ 71,015,389
Restricted cash and investments	3,008,884	324,650	-	3,333,535
	<u>\$ 41,107,528</u>	<u>\$ 33,100,003</u>	<u>\$ 141,393</u>	<u>\$ 74,348,924</u>

Deposits with Financial Institutions

The City's cash deposits with financial institutions are in a public funds checking account that is fully insured by the Federal Depository Insurance Corporation (FDIC) and a Public Funds Savings Account that is insured up to \$250,000 by the FDIC. The total cash in bank is \$6,690,529, of these deposits \$1,808,093 was not insured by the FDIC as of June 30, 2011. The uninsured cash deposits are part of the Public Funds Collateralization Program. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. Bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank loss.

ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected.



CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Interest Rate Risk

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

<u>Maturity</u>	<u>Minimum Investment</u>	<u>Actual at June 30, 2011</u>
Less than 30 days	10%	52%
Less than 12 months	50%	62%
Less than 18 months	65%	86%
Less than 7 years	100%	100%

Credit Risk

The City's investment policy limits investments in commercial paper and corporate bonds to those rated at least A-1 and AA respectively by a nationally recognized rating agency. In addition, ownership of commercial paper and corporate bonds is limited to a combined total of 35% of the portfolio with no more than 5% of the portfolio held in any one issuer. At June 30, 2011, the City was in compliance with the above policy requirements with commercial paper and corporate bonds totaling just over 24% of the portfolio. Investments in obligations of the States of Oregon, California, Idaho and Washington must be rated AA or better and ownership of such obligations is limited to 25% of the portfolio with no more than 10% held in any one issuer.

The State of Oregon Local Government Pool and money market account are unrated. Investments held at June 30, 2011 are categorized by rating as follows:

<u>Investor Service Rating</u>	<u>U.S. Agency Obligations</u>	<u>State Obligations</u>	<u>Corporate Notes</u>
Aaa	\$ 16,588,637	\$ -	\$ 2,205,031
Aa	-	1,137,258	15,630,562
	<u>\$ 16,588,637</u>	<u>\$ 1,137,258</u>	<u>\$ 17,835,593</u>

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy limits its exposure to custodial credit risk by requiring that all security transactions entered into by the City be conducted on a delivery-versus-payment basis. Securities are to be held by a third party custodian in a segregated account. For each transaction, the broker or securities dealer issues a confirmation ticket to the City listing the specific instrument, issue, rating, coupon, maturity, CUSIP number, purchase or sale price, yield, transaction date, and other pertinent information. At June 30, 2011, the City does not have investments exposed to custodial credit risk.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Assessments receivable consist of amounts levied against benefited property owners for the cost of public improvements and attach as an enforceable lien on the property until paid. All the City's assessment loans are made over a period of 10 years and bear interest ranging from 5.00% to 7.50%. Promissory notes consist of business development loans/grants made over a period of 2 years with no interest, System Development Charge (SDC) deferrals and loans over a period of 9 months to 10 years and bear interest ranging from 5% 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, 2011:

	Governmental Activities	Business-type Activities
<u>Assessments Receivable</u>		
Assessments receivable for downtown economic improvements	\$ 21,289	\$ -
Assessments receivable for local improvements, 10 year terms with 5% to 7.25% interest	-	315,726
Allowance for uncollectible assessments	-	(29,500)
Total Assessments Receivable	21,289	286,226
 <u>Loans and Notes Receivable</u>		
Promissory notes receivable for business development forgivable loans/grants, various terms with 0% interest	87,975	-
Promissory notes receivable for system development charges and improvement fees, 1 to 10 year terms with 6% to 7.5% interest	219,234	33,128
Promissory notes receivable for system development charge deferrals due the earlier of 9 months or the issuance of the certificate of occupancy, interest accrues at 12% if payment is late	375,161	-
Promissory notes receivable for building permits and energy efficiency upgrade deferrals due upon property sale/transfer, 0% interest	45,283	-
Community development block grant loans to qualified individuals or organizations, various terms with 0% to 2% interest	3,657,443	-
Affordable Housing Loans to qualified organizations	1,277,525	-
Low interest deferred loans to downtown businesses for urban renewal	34,461	-
Promissory notes receivable for in lieu of parking fees deferrals due the earlier of 12 months or the issuance of the certificate of occupancy	-	106,700
Allowance for uncollectible loans and notes receivable	-	(3,925)
Total Loans and Notes Receivable	5,697,082	135,903
 Total Assessments, Loans and Notes Receivables	\$ 5,718,371	\$ 422,129

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

**Note 4 - Assets Held for Resale**

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

Governmental activities	Balance June 30, 2010	Increases	Decreases	Balance June 30, 2011
Assets held for resale	\$ 4,434,244	\$ 176,803	\$ -	\$ 4,611,047

**Note 5 - Capital Assets**

Governmental capital asset activity for the year ended June 30, 2011 was as follows:

Governmental activities	Balance June 30, 2010	Increases	Decreases	Transfers/ Adjustments	Balance June 30, 2011
Capital assets not depreciated:					
Land including right-of-way	\$ 151,678,928	\$ 2,853	\$ -	\$ -	\$ 151,681,781
Artwork	719,215	-	-	-	719,215
Construction in progress	10,917,832	3,515,775	(4,774,440)	(13,912)	9,645,255
Total capital assets not being depreciated	163,315,975	3,518,628	(4,774,440)	(13,912)	162,046,251
Capital assets being depreciated:					
Buildings and improvements	40,853,295	11,932	-	51,077	40,916,304
Infrastructure	471,681,268	5,684,971	-	(51,077)	477,315,162
Vehicles and equipment	18,422,824	969,142	(145,381)	22,955	19,269,540
Software	1,943,020	135,594	-	-	2,078,614
Total capital assets being depreciated	532,900,407	6,801,639	(145,381)	22,955	539,579,620
Less accumulated depreciation for:					
Buildings and improvements	5,157,892	958,840	-	-	6,116,732
Infrastructure	145,145,378	10,578,754	-	-	155,724,132
Vehicles and equipment	11,036,671	1,479,990	(141,374)	(14,517)	12,360,770
Software	1,419,192	139,321	-	-	1,558,513
Total accumulated depreciation	162,759,133	13,156,905	(141,374)	(14,517)	175,760,147
Total capital assets being depreciated, net	370,141,274	(6,355,266)	(4,007)	37,472	363,819,473
Governmental activities capital assets, net	\$ 533,457,249	\$ (2,836,638)	\$ (4,778,447)	\$ 23,560	\$ 525,865,724

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Depreciation expense was charged to governmental activities as follows:

Governmental activities

General government	\$ 1,229,756
Public safety	765,272
Public ways and facilities	10,831,826
Community and economic development	45,433
Urban Renewal	82,475
Transit	<u>202,143</u>
Governmental activities depreciation expense	<u>\$ 13,156,905</u>

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Business-type capital asset activity for the year ended June 30, 2011 was as follows:

<u>Business-type activities</u>	Balance June 30, 2010	Increases	Decreases	Transfers/ Adjustments	Balance June 30, 2011
Capital assets not depreciated:					
Land including right-of-way	\$ 6,718,582	\$ -	\$ -	\$ -	\$ 6,718,582
Land use rights	957,076	112,107	-	-	1,069,183
Construction in progress	25,141,887	18,090,140	(9,956,523)	3,626	33,279,130
Total capital assets not being depreciated	<u>32,817,545</u>	<u>18,202,247</u>	<u>(9,956,523)</u>	<u>3,626</u>	<u>41,066,895</u>
Capital assets being depreciated:					
Buildings and improvements	23,993,466	36,186	-	-	24,029,652
Vehicles and equipment	10,641,417	288,908	(129,622)	32,845	10,833,548
Software	715,979	6,645	-	-	722,624
Water infrastructure	97,916,865	673,080	(313,395)	80	98,276,629
Water reclamation infrastructure	135,032,255	9,565,821	(297,912)	(58)	144,300,106
Stormwater infrastructure	35,376,752	162,940	-	-	35,539,692
Other infrastructure	13,232,366	-	-	-	13,232,366
Total capital assets being depreciated	<u>316,909,100</u>	<u>10,733,579</u>	<u>(740,930)</u>	<u>32,867</u>	<u>326,934,617</u>
Less accumulated depreciation for:					
Buildings and improvements	7,162,034	769,050	-	-	7,931,084
Vehicles and equipment	8,935,169	801,806	(129,622)	14,517	9,621,869
Software	271,389	119,386	-	-	390,776
Water infrastructure	19,524,347	1,930,190	(6,421)	-	21,448,116
Water reclamation infrastructure	30,912,206	1,992,026	-	-	32,904,232
Stormwater infrastructure	10,668,230	672,231	-	-	11,340,461
Other infrastructure	609,898	352,703	-	-	962,601
Total accumulated depreciation	<u>78,083,273</u>	<u>6,637,392</u>	<u>(136,044)</u>	<u>14,517</u>	<u>84,599,139</u>
Total capital assets being depreciated, net	<u>238,825,828</u>	<u>4,096,187</u>	<u>(604,886)</u>	<u>18,349</u>	<u>242,335,478</u>
Business-type activities capital assets, net	<u>\$ 271,643,372</u>	<u>\$ 22,298,434</u>	<u>\$ (10,561,409)</u>	<u>\$ 21,975</u>	<u>\$ 283,402,373</u>

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

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

Business-type activities

Airport	\$ 405,046
Water	2,204,052
Water reclamation	2,973,196
Parking	319,001
Stormwater	722,414
Other business activities	<u>13,683</u>
Business-type activities depreciation expense	<u>\$ 6,637,392</u>

**Note 6 - Lease Obligations**

The City leases fire stations from the Deschutes County Rural Fire Protection District No. 2 under operating lease agreements expiring in June 2050 with options to renew for five successive terms of ten years each. Lease payments are due semi-annually on December 1 and June 1 each year. Rental expense for the fiscal year ended June 30, 2011 totaled \$217,609. Minimum future lease payments not including annual consumer price index adjustments are \$220,080 each fiscal year from 2012 through 2050.

The City leases office space under an operating lease agreement expiring in March 2012. Lease payments are due monthly on the first day of the month. Rental expense for the fiscal year ended June 30, 2011 totaled \$259,014. Minimum future lease payments not including annual consumer price index adjustments are \$194,206 for 2012.

**Note 7 - Lease Receivables**

The City is the lessor of numerous ground and hangar leases associated with the municipal airport. Most of these leases carry 20 year terms with current leases expiring through 2030. In general, the leases call for monthly rent payments based on square footage as defined in each lease agreement. Total lease revenue included in the Airport Fund for the fiscal year ended June 30, 2011 is \$655,201. Cost of leased assets totaled \$1,947,061 at June 30, 2011 with a carrying amount of \$1,296,261 and current year depreciation of \$41,134.

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

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

Amount    Description

\$ 35,000	Due to the General Fund from the Community Development Block Grant Fund
13,585	Due to Nonmajor Governmental Funds from the Community Development Block Grant Fund
47,253	Due to Nonmajor Governmental Funds from other Nonmajor Governmental Funds

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

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

**Note 9 - Advances**

On June 16, 2010 the city council authorized a \$35,000 advance from the General Fund to the Downtown Parking Fund to provide the necessary financing of capital expenditures. The loan matures on June 30, 2015 with an interest rate of 3%. Revenues from building rental and other operating revenues will be utilized to repay the loan. For the fiscal year ended June 30, 2011, the remaining outstanding balance is \$28,400.

**Note 10 - Interfund Transfers**

Transfers between funds provide support for various City programs in accordance with budgetary authorizations. During fiscal year 2010-11, the City made the following interfund transfers between its governmental activities and business-type activities:

<u>Amount</u>	<u>Description</u>
\$ 916,510	From the Nonmajor Governmental Funds to the Water Fund for SDC projects
1,314,689	From the Nonmajor Governmental Funds to the Water Reclamation Fund for SDC projects
361,534	From the General Fund to the Nonmajor Enterprise Funds for general operations
5,275	From the Nonmajor Governmental Funds to the Nonmajor Enterprise Funds for general operations
228,696	From the Water Reclamation Fund to the Nonmajor Governmental Funds for abandoned Local Improvement Districts
334,184	From the Nonmajor Enterprise Funds to the Permanent Fund for permanent maintenance fees

**Note 11 - Compensated Absences**

Change in compensated absences during the fiscal year ended June 30, 2011 was as follows and are included in accrued liabilities on the Statement of Net Assets:

	Balance at <u>June 30, 2010</u>	Earned	Used	Balance at <u>June 30, 2011</u>	Due within <u>one year</u>
Governmental activities	\$ 2,505,591	\$ (2,280,925)	\$ 2,289,767	\$ 2,514,432	\$ 2,388,711
Business-type activities	362,582	(385,710)	398,565	375,438	356,666
	<u>\$ 2,868,173</u>	<u>\$ (2,666,635)</u>	<u>\$ 2,688,332</u>	<u>\$ 2,889,870</u>	<u>\$ 2,745,376</u>

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

**Note 12 - Long-Term Debt**

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

<u>Governmental activities:</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity</u>
Full faith & credit obligations			
Police facility & street equipment, 2002	\$ 7,130,000	4.00% to 5.00%	12/01/26
Transportation, street & fire, 2003	13,050,800	2.00% to 4.50%	12/01/22
Pension obligation bonds, 2004	13,725,000	2.13% to 6.095%	06/01/28
Police expansion and ambulance 2006	4,950,000	3.75% to 6.00%	12/01/31
Cooley road, police expansion, and fire, 2008	4,425,000	3.00% to 4.25%	12/01/27
Fire stations, 2010 refinance 1999	3,225,000	3.23%	06/01/24
Transportation system, 2010 refinance of 2000	4,103,000	2.84%	06/01/21
Accessibility 2010	3,265,000	2.62%	06/30/24
City hall land, 2010 refinance of 2005	3,600,000	3.65%	06/01/15
Tax increment bonds			
Downtown Urban Renewal, 2004	6,900,000	4.25%	12/01/13
Line of credit	6,000,000	variable	06/19/13



CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

<u>Governmental activities:</u>	<u>Balance at June 30, 2010</u>	<u>Additions</u>	<u>Reductions/ Adjustments</u>	<u>Balance at June 30, 2011</u>	<u>Due within one year</u>
Full faith & credit obligations					
Police facility & street equip., 2002	\$ 5,360,000	\$ -	\$ (210,000)	\$ 5,150,000	\$ 220,000
Transportation, street & fire, 2003	8,597,200	-	(583,400)	8,013,800	602,400
Pension obligation bonds, 2004	13,590,000	-	(130,000)	13,460,000	175,000
Police expansion and ambulance 2006	4,490,000	-	(240,000)	4,250,000	250,000
Cooley road, police expansion, and fire, 2008	4,340,000	-	(205,000)	4,135,000	210,000
Fire stations, 2010 refinance 1999	3,055,000	-	(175,000)	2,880,000	180,000
Transportation system, 2010 refinance of 2000	4,038,000	-	(325,000)	3,713,000	325,000
Accessibility 2010	3,185,000	-	(190,000)	2,995,000	190,000
City hall land, 2010 refinance of 2005	3,600,000	-	(100,000)	3,500,000	300,000
Tax increment bonds					
Downtown Urban Renewal, 2004	5,960,000	-	(4,250,000)	1,710,000	1,400,000
Line of credit	5,208,850	-	-	5,208,850	-
Long-term debt obligations	61,424,050	-	(6,408,400)	55,015,650	3,852,400
Premiums and discounts	298,031	-	(23,079)	274,952	23,079
Total governmental activities	<u>\$ 61,722,081</u>	<u>\$ -</u>	<u>\$ (6,431,479)</u>	<u>\$ 55,290,602</u>	<u>\$ 3,875,479</u>

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

<u>Business-type activities:</u>	Original Issue	Interest Rate	Maturity
Full faith & credit obligations			
Airport, series 2003	\$ 279,200	2.00% to 3.70%	12/01/13
Stormwater, series 2008	275,000	3.00%	12/01/12
Airport, series 2010	1,057,000	2.60%	06/01/19
Water RZEDB, series 2010	2,300,000	3.05%	11/01/30
Water, series 2010, refunding	2,175,000	1.56%	11/01/13
Sewer RZEDB, series 2010	10,730,000	3.05%	11/01/30
Revenue bonds			
Water, series 2000	4,000,000	4.40% to 5.38%	10/01/20
Sewer, series 2000	7,000,000	4.40% to 5.38%	10/01/10
Sewer, series 2002	5,500,000	1.77% to 5.04%	11/01/22
Sewer, series 2005	7,585,000	3.00% to 4.00%	11/01/20
Sewer, series 2008	10,000,000	3.50% to 4.50%	10/31/28
Notes payable			
Pacific Aviation	655,000	5.01%	12/01/17
Woodriver Village	300,000	3.00% to 5.00%	01/01/22
Airport Eastside Improvement	867,335	4.00% to 4.375%	12/01/31
Safe Water Drinking Loan	2,806,500	3.83%	to be determined
ARRA Forgivable Loan	2,806,500	3.00%	to be determined

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Business-type activities:	Balance at June 30, 2010	Additions	Reductions/ Adjustments	Balance at June 30, 2011	Due within one year
<b>Full faith &amp; credit obligations</b>					
Airport, series 2003	\$ 112,800	\$ -	\$ (26,600)	\$ 86,200	\$ 27,600
Stormwater, series 2008	170,000	-	(55,000)	115,000	55,000
Airport, series 2010	977,000	-	(80,000)	897,000	85,000
Water RZEDB, series 2010	-	2,300,000	-	2,300,000	-
Water, series 2010, refunding	-	2,175,000	-	2,175,000	700,000
Sewer RZEDB series 2010	-	10,730,000	-	10,730,000	-
<b>Revenue bonds</b>					
Water, series 2000	2,665,000	-	(2,665,000)	-	-
Sewer, series 2000	325,000	-	(325,000)	-	-
Sewer, series 2002	4,035,000	-	(235,000)	3,800,000	245,000
Sewer, series 2005	6,665,000	-	(295,000)	6,370,000	625,000
Sewer, series 2008	9,665,000	-	(345,000)	9,320,000	360,000
<b>Notes payable</b>					
Pacific Aviation	429,571	-	(42,330)	387,241	42,657
Woodriver Village	204,743	-	(204,743)	-	-
Airport Eastside Improvement	802,230	-	(23,958)	778,272	24,117
Safe Water Drinking Loan	166,852	2,639,648	-	2,806,500	N/A
ARRA Forgivable Loan	2,806,500	-	-	2,806,500	N/A
Long-term debt obligations	29,024,696	17,844,648	(4,297,631)	42,571,713	2,164,374
Premiums and discounts	66,103	38,080	(12,130)	92,052	12,130
Total business-type activities	\$ 29,090,799	\$ 17,882,728	\$ (4,309,761)	\$ 42,663,765	\$ 2,176,504

Total long-term debt obligations:	Governmental Activities	Business-type Activities	Total	Due within one year
Full faith & credit	\$ 48,096,800	\$ 16,303,200	\$ 64,400,000	\$ 3,320,000
Tax increment bonds	1,710,000	-	1,710,000	1,400,000
Revenue bonds	-	19,490,000	19,490,000	1,230,000
Notes payable	-	6,778,513	6,778,513	66,774
Line of credit	5,208,850	-	5,208,850	-
Long-term debt obligations	55,015,650	42,571,713	97,587,363	6,016,774
Premiums and discounts	274,952	92,052	367,004	35,209
Total long-term debt obligations	\$ 55,290,602	\$ 42,663,765	\$ 97,954,367	\$ 6,051,983

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

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

Year ending June 30	Governmental activities		Business-type activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 3,852,400	\$ 2,403,635	\$ 2,164,374	\$ 1,481,078	\$ 6,016,774	\$ 3,884,713
2013	8,300,250	2,260,242	2,275,882	1,415,984	10,576,132	3,676,225
2014	3,010,000	1,959,155	2,848,786	1,343,685	5,858,786	3,302,839
2015	4,425,000	1,852,236	2,184,431	1,270,515	6,609,431	3,122,752
2016	2,545,000	1,686,031	2,260,105	1,195,448	4,805,105	2,881,478
2017-2021	14,643,000	6,678,849	10,996,298	4,667,233	25,639,298	11,346,082
2022-2026	13,485,000	3,150,020	7,583,291	2,643,369	21,068,291	5,793,389
2027-2031	4,550,000	387,155	6,591,195	846,293	11,141,195	1,233,448
2032	205,000	4,228	54,351	2,378	259,351	6,606
	<u>\$ 55,015,650</u>	<u>\$ 20,381,550</u>	<u>\$ 36,958,713</u>	<u>\$ 14,865,983</u>	<u>\$ 91,974,363</u>	<u>\$ 35,247,533</u>

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

The balance of unamortized premiums and discounts on long-term debt issuances is \$367,004, which is amortized over the life of the associated debt.

All bond reserve requirements were met at the time of issuance and the City is in compliance with any ongoing reserve requirements. The City is in compliance with the bond covenants regarding debt service coverage.

Full Faith & Credit Obligations

In prior years, the City issued full faith & credit obligations to provide financing for the construction of police and fire facilities, airport, stormwater, and street infrastructure and equipment, and to partially fund unfunded pension costs attributable to the unfunded actuarial liability in the Public Employees' Retirement System plan in which the City participates. These bonds are backed by the full faith and credit of the City with stated interest rates on specific maturities ranging from 1.56% to 6.095% and maturities through fiscal year 2032.

New Debt Issuances. On November 30, 2010 the City issued \$13,030,000 in Recovery Zone Economic Development Bonds through the American Reinvestment and Recovery Act with an interest rate of 3.05% and maturity in fiscal year 2030. The proceeds of the obligations were used to finance capital infrastructure improvements to the City's water and sewer systems.

Current Refunding. On November 30, 2010, the City issued \$2,175,000 in bonds with an interest rate of 1.56% to refinance the 2000 series Water Revenue Bonds with an interest rate of 5.06%. The refunding was undertaken to reduce the total future debt service payments by \$1,007,043. The transaction also resulted in an economic gain of \$554,517.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Tax Increment Bonds

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

During fiscal year 2010-11 the city paid off a portion of the 2004 series of tax increment bonds leaving \$1.7 million of the 2004 series outstanding.

Revenue Bonds

The City issued revenue bonds to provide funds for major expansions of the City's water and water reclamation systems. The revenue bonds are not backed by the full faith and credit of the City, but are secured and serviced by the pledged net revenues of the respective operations. The revenue bonds include a rate covenant requiring the City to maintain net revenues from its water and water reclamation operations at a minimum of 1.25 times the debt service of each operation. The City was in compliance with the rate covenant for the year ended June 30, 2011. The outstanding bonds have stated interest rates on specific maturities ranging from 1.77% to 5.04% and maturities through fiscal year 2029.

Refunded Debt. In 2005, the City defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the City's financial statements. On October 1, 2010, the trust paid in full the balance of the defeased debt.

Notes Payable

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

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

The SDWRLF Note has an interest rate of 3.83% and repayment will be required annually following project completion. The ARRA Forgivable Note has an interest rate of 3.0%. If the City complies with the terms and completes the activities as set forth in the loan agreement, the State shall forgive repayment of the ARRA Forgivable Loan of \$2,806,500. These loans are drawn on a reimbursement basis. As of June 30, 2011, the City has requested reimbursement for \$2,806,500 of the SDWRLF Note and \$2,806,500 of the ARRA Forgivable Note.

In May 2011, Council approved a loan of \$5,482,336 from the Oregon Department of Environmental Quality (DEQ) for the Wastewater Treatment Plant upgrade. The loan term is 20 years with an interest rate of 3.32% with no prepayment penalties.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

The City applied for additional funding from the DEQ for this project and has been awarded another \$14,484,130 loan in October 2011. The loan term is 20 years with an interest rate of 2.71% with no prepayment penalties and an annual fee of 0.5% of the outstanding loan amount.

Long-Term Line of Credit

On June 19, 2010 the City extended the maturity date of the line of credit with Bank of America to June 19, 2013. As of June 30, 2011 the City had drawn \$5,208,850 on the line of credit which provides funding for Juniper Ridge development. The line of credit is available up to \$6,000,000 with interest paid quarterly on the outstanding balance at a variable interest rate. The interest rate is fixed at 1.67% through June 20, 2012.

**Note 13 - Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City obtains insurance policies from commercial suppliers and annual premiums are paid for the following coverages: general and automobile liability limit of \$10,000,000 per occurrence or \$30,000,000 in the aggregate; commercial property blanket building and contents limit \$100,000,000; a public employee dishonesty bond for claims up to \$100,000 covering the Finance Director; a blanket fidelity bond at \$500,000; and various real, personal and inland marine property coverage for replacement costs. The City also carries \$1,000,000 commercial insurance for workers' compensation and \$10,000,000 for airport liability. Employee health, life and disability coverages are also maintained. Settled claims from these risks have not exceeded commercial insurance limits in any of the past three fiscal years.

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

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

<u>Fiscal Year</u>	<u>Balance at June 30, 2010</u>	<u>Claims Incurred and Changes in</u>		<u>Balance at June 30, 2011</u>
		<u>Estimate</u>	<u>Claims Paid</u>	
2008-2009	\$ 47,268	\$ 385,000	\$ (282,268)	\$ 150,000
2009-2010	150,000	449,556	(356,657)	242,899
2010-2011	242,899	554,626	(375,798)	421,727

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Plan Description

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

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

The State of Oregon PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281 3700 or by calling 1 888 320 7377.

Funding Policy

The rate of employers' contributions to PERS is determined periodically by PERS based on actuarial valuations performed at least every two years. The City is required by ORS 238.225 to contribute at an actuarially determined rate. For fiscal year 2010-11, the City was required to contribute 8.23% of covered Tier One and Tier Two employees' salaries. For OPSRP employees, the City contributed 7.01% of eligible police and fire salaries and 4.30% of eligible general service salaries to the plan. These contribution rates were determined based on actuarial valuations as of 12/31/07 and are effective for the period beginning July 1, 2009 through June 30, 2011. These rates include the effect of side account rate offsets, but exclude contributions to the Individual Account Program (IAP) and debt service for pension obligation bonds.

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

Annual Pension Cost

For fiscal year 2010-11, the City's annual pension cost for PERS was equal to the City's required and actual contributions and consisted of \$2,354,923 for the City's required share. The City also paid the employees' contribution of \$1,863,999.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Actuarial Methods and Assumptions

The actuarial assumptions include:

- An underlying long-term assumed rate of inflation of 2.75% compounded annually and an assumed rate of healthcare cost inflation graded from 7.0% in 2011 to 4.5% in 2029.
- An investment rate of return of 8.0% compounded annually.
- Interest crediting of 8% annually on regular account balances and 8.25% on variable account balances.
- Projected general wage inflation of 3.75% per year.

The actuarial valuation method used is the Projected Unit Credit (PUC) method. The Employer's unfunded actuarial liability is being amortized as a level percentage of combined valuation payroll over 16 to 20 years. The following table presents the three-year trend information.

Three Year Trend Information

Fiscal Year	Annual Pension		Percentage of APC	Net Pension
	Cost (APC)	Contribution	Contributed	Obligation
2008-09	\$ 2,915,687	\$ 2,915,687	100%	\$ -
2009-10	2,288,072	2,288,072	100%	-
2010-11	2,354,923	2,354,923	100%	-

The City issued \$13,725,000 of pension obligation bonds during fiscal year 2003-04 and made a \$13,122,795 lump sum contribution towards its unfunded actuarial liability which was determined to be at a fair value of \$11,798,515 on December 31, 2010. The lump sum contribution is being amortized through June 1, 2028 to provide employer contribution rate relief and the current year amortization expense totaled \$545,103. With the lump sum contribution, the City's employer rate was reduced by 2.99% effective July 1, 2010. As of December 31, 2010, the defined benefit plan funded status was \$104,519,923 and the City had funded \$80,335,074 or 77%.

As of December 31, 2010, the most recent actuarial valuation date, the plan was 90% funded. The actuarial accrued liability for benefits was \$128.7 million, and the actuarial value of assets was \$116.3 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$12.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$31.5 million, and the ratio of the UAAL to the covered payroll was 39%.

The schedule of funding progress for the postemployment defined benefit plan in the required supplementary information section presents multi-year trend information about the increasing or decreasing over time of the actuarial value of plan assets relative to the actuarial accrued liability.



CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

The City has adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The OPEB for the City combines three separate plans. The City provides an implicit rate subsidy for retiree Health Insurance Continuation premiums, a stand alone plan for employees meeting certain eligibility requirements, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined benefit plan.

**Health Insurance Continuation and Stand Alone Plans**

Plan Description

The OPEB for the City includes an implicit rate subsidy for retiree health insurance. Per ORS 243.303, the City 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 PERS group insurance since date of retirement until the qualifying age of 62 (age 60 for emergency personnel). The City will pay the PERS sponsored supplement to Medicare insurance beginning at age 65 if the retiree has continuously maintained coverage.

Funding Policy

The City has not established a trust fund to supplement the costs for the net OPEB obligation. Contribution requirements are negotiated between the City and union representatives. The City's funding policy provides for contributions at amounts sufficient to fund benefits on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

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

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes to the City's net OPEB obligation.

	For the Year Ended <u>June 30, 2011</u>
<u>Determination of Annual Required Contribution</u>	
Normal cost at year end	\$ 1,059,870
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	<u>1,508,787</u>
Annual required contribution (ARC)	<u>\$ 2,568,657</u>
 <u>Determination of Net OPEB Obligation</u>	
Annual required contribution	\$ 2,568,657
Interest on prior year net OPEB obligation	235,361
Adjustment to annual required contribution	<u>(366,522)</u>
Annual OPEB expense	2,437,496
Benefit payments	<u>(591,975)</u>
Increase in net OPEB obligation	1,845,521
Net OPEB obligation - beginning of year	<u>5,230,255</u>
Net OPEB obligation - end of year	<u>\$ 7,075,776</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2009-11 were as follows.

Year ending <u>June 30</u>	Annual <u>OPEB Cost</u>	OPEB <u>Contribution</u>	Percentage of <u>Cost Contributed</u>
2009	\$ 3,130,178	\$ 536,852	17%
2010	3,309,923	672,994	20%
2011	2,389,403	591,975	25%

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010 was as follows:

Actuarial accrued liability (AAL)	\$ 20,603,241
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL )	<u>\$ 20,603,241</u>

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 Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members), and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and the plan members. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the projected unit credit cost method (PUC) was used. The actuarial assumptions included a discount rate of 4.5% for unfunded liabilities based on the expected long-term annual investment returns for Oregon's LGIP pool and comparable investments. An annual healthcare cost trend rate of 9.0%, reduced incrementally to an ultimate rate of 5 percent, is assumed. The rates include projected annual payroll increases of 3.75%. Retirement and withdrawal rates were based on the Oregon PERS in its actuarial valuations of retirement benefits.

**PERS Retirement Health Insurance Account (RHIA)**

Plan Description

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

Funding Policy

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

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.29% of annual covered payroll for Tier 1 & 2 and 0.19% for OPSRP. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to RHIA for the years ended June 30, 2011 and June 30, 2010 were \$80,847 and \$78,801, respectively, which equaled the required contributions for each year.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

**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, 2011 the City was committed on outstanding construction, engineering, consulting, service and equipment purchase contracts totaling \$1,469,597 in the governmental activities, and \$11,620,237 in the business-type activities.

The City has agreements to reimburse various developers for the construction of certain street, water and sewer infrastructure through system development charges or recovery fees collected from properties established as reimbursement or recovery areas. As of June 30, 2011, amounts collected and potentially due to developers totaled \$243,342 and are recorded as a liability in the System Development Charges Fund.

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.

The City was a defendant in a lawsuit alleging breach of contract and tortious interference relating to the City's condemnation of the Juniper Utility Company. During fiscal year 2010-11 a settlement was reached related to this lawsuit in the amount of \$6,100,000.

**Note 18 - Restatement Due to Change in Accounting Principle**

The item below represents a restatement to beginning fund balance of the General Fund and Nonmajor Governmental funds as of July 1, 2010.

In the fiscal year ending June 30, 2010 the General Fund Stabilization Fund was reported as a nonmajor special revenue fund. According to GASB Statement No. 54, stabilization amounts should be reported in the General Fund. The General Fund beginning fund balance was restated to include the beginning fund balance of the General Fund Stabilization Fund due to the implementation of GASB Statement No. 54.

CITY OF BEND, OREGON

Notes to Basic Financial Statements (Continued)

Fiscal Year Ended June 30, 2011

**Note 19 - Restatement Due to Prior Period Adjustments**

The item below represents a restatement to beginning net assets of the business-type activities and beginning net assets of the Nonmajor Enterprise funds as of July 1, 2010.

In the fiscal year 2006-07, the City received \$400,000 of contribution revenue from Pacific Power for a solar project. The City spent only \$107,500 of the contribution but the total \$400,000 was recognized in the Downtown Parking Fund in fiscal year 2007-08. In fiscal year 2010-11, the city returned the unspent contribution of \$292,500 to Pacific Power. The Downtown Parking Fund beginning net assets were restated to recognize the return of the revenue recorded in a previous year rather than an adjustment to the current year's expenditures. For fiscal year 2011-12, Pacific Power has agreed to assist the City with its on-going efforts on the solar project by reimbursing the City for solar improvements made to the downtown parking garage up to \$292,500.

**Note 20 - Subsequent Events**

In fiscal year 2010-11 the City began transitioning employee groups' health insurance coverage from a Co-Pay Plan to a High Deductible Health Plan (HDHP) coupled with a Health Reimbursement Account (HRA) and a Voluntary Employee Beneficiary Association (VEBA) in order to reduce the cost of health insurance coverage. As of September 1, 2011 all employee groups are on the HDHP coupled with an HRA and a VEBA.

In fiscal year 2010-11 the City entered into an Intergovernmental Agreement (IGA) and Property Use Agreement with Central Oregon Intergovernmental Council (COIC) transferring the management and governance of the Bend Area Transit to COIC. Due to the success of the transition, the City is in the process of transferring the grants, facilities and other assets to COIC after conclusion of the transition period, and as of September 1, 2011 COIC is fully operating the Bend Area Transit. The City will continue to contribute \$1 million (with annual CPI increases) in support of the Bend Area Transit until a transit district is formed, or through 2015 after which this contribution will be renegotiated between the City and COIC.

On September 15, 2011 the City was awarded a grant in the amount of \$3,425,000 from the Federal Aviation Administration (FAA) for the rehabilitation of an existing taxiway at the Bend Municipal Airport. In October 2011 the City authorized an agreement with Jack Robinson and Sons, Inc for construction of the taxiway in the amount of \$2.7 million.

On September 21, 2011 City Council authorized an early work contract amendment with Mortenson Construction for the purchase of steel pipe for the Surface Water Improvement project. Based on the current and projected increase in pricing of hot rolled steel in the North American steel industry, the city is contracting for the purchase of the steel pipe now rather than waiting for construction bidding in the early spring of 2012. The amount of the early work contract amendment is based on bids received and is not to exceed \$4,008,076.

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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.

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

This fund accounts for the operations of the Fire / EMS department which are funded primarily by general discretionary revenues, fire protection contracts and charges for emergency medical services.

### Community Development Block Grant Fund

This fund accounts for monies received from Community Development Block Grants. Revenues include grant receipts, as well as loan repayments from prior grant recipients. Expenditures are for the distribution of grants for qualified projects and/or loans to qualified recipients.



City of Bend, Oregon

**General Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Property taxes:						
Current year's property tax levy	\$ 41,609,800	\$ 41,150,200	\$ 20,601,949	\$ 20,968,710	\$ 41,570,659	\$ 420,459
Delinquent property taxes	1,303,150	1,532,150	1,285,327	1,227,781	2,513,108	980,958
Transient room taxes	3,593,300	3,893,200	2,076,415	2,385,096	4,461,511	568,311
Franchise fees	11,178,600	12,111,916	6,211,755	5,798,520	12,010,275	(101,641)
Intergovernmental	4,220,400	4,608,700	1,964,449	2,045,550	4,009,999	(598,701)
Licenses and permits	610,100	604,500	305,474	313,844	619,317	14,817
Charges for services:						
Charges to others	400,000	298,100	92,089	99,971	192,060	(106,040)
Charges to other City funds	427,200	411,050	58,600	26,000	84,600	(326,450)
Fines and forfeitures	2,228,700	2,153,100	1,059,441	1,231,195	2,290,636	137,536
Investment income	201,200	228,300	103,505	104,396	207,901	(20,399)
Miscellaneous	6,000	6,000	11,745	1,031	12,777	6,777
<b>Total Revenues</b>	<b>65,778,450</b>	<b>66,997,216</b>	<b>33,770,750</b>	<b>34,202,092</b>	<b>67,972,842</b>	<b>975,626</b>
<b>Expenditures</b>						
Accessibility	581,189	581,249	255,765	279,821	535,585	45,664
Municipal court	1,132,729	1,089,513	522,706	511,528	1,034,234	55,279
Code enforcement	204,766	206,738	99,106	106,695	205,800	938
Business Advocacy	-	25,000	-	22,837	22,837	2,163
Police	35,452,580	34,778,610	16,156,196	16,694,009	32,850,205	1,928,405
Nondepartmental	166,600	1,566,000	94,207	1,051,970	1,146,177	419,823
Contingency	4,729,786	2,464,364	-	-	-	2,464,364
Reserves	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>42,267,650</b>	<b>40,711,474</b>	<b>17,127,980</b>	<b>18,666,859</b>	<b>35,794,838</b>	<b>4,916,636</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>23,510,800</b>	<b>26,285,742</b>	<b>16,642,770</b>	<b>15,535,234</b>	<b>32,178,004</b>	<b>5,892,262</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	7,319,200	4,300,500	4,365,845	2,101	4,367,946	67,446
Insurance proceeds	-	-	16,460	-	16,460	16,460
Advances to other governments	(100,000)	(105,000)	(50,000)	(135,000)	(185,000)	(80,000)
Repayments from other governments	90,000	95,000	32,000	50,000	82,000	(13,000)
Advances to other funds	-	(2,240,000)	(640,000)	(35,000)	(675,000)	1,565,000
Interfund loan repayments	45,000	345,000	36,000	612,650	648,650	303,650
Transfers in	-	69,474	461,000	173,586	634,586	565,112
Transfers out	(36,317,600)	(34,203,316)	(20,219,581)	(14,464,687)	(34,684,268)	(480,952)
<b>Total Other Financing Sources (Uses)</b>	<b>(28,963,400)</b>	<b>(31,738,342)</b>	<b>(15,998,276)</b>	<b>(13,796,350)</b>	<b>(29,794,626)</b>	<b>1,943,716</b>
Net change in fund balance	(5,452,600)	(5,452,600)	644,494	1,738,883	2,383,377	7,835,977

City of Bend, Oregon

**General Fund**

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

For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
Beginning Fund Balance	\$ 5,452,600	\$ 5,452,600	\$ 6,733,680	\$ 7,378,174	\$ 14,111,855	\$ 8,659,255
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,378,174</b>	<b>\$ 9,117,058</b>	<b>\$ 16,495,232</b>	<b>\$ 16,495,232</b>

**Reconciliation of Budgetary basis to GAAP basis**

Other Financing Sources (Uses) - Budgetary Basis		\$ (13,796,350)
Advances to other governments reported as other financing uses on the budgetary basis are reported as receivables on the GAAP basis		135,000
Repayments from other governments reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis		(50,000)
Advances to other funds reported as other financing uses on the budgetary basis are reported as assets on the GAAP basis		35,000
Repayments from other funds reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis		(611,600)
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis		176,803
<b>Other Financing Sources (Uses) - GAAP Basis</b>		<b>\$ (14,111,148)</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual <u>Budget</u> <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ 4,613,100	\$ 4,671,900	\$ 2,392,904	\$ 2,460,808	\$ 4,853,712	\$ 181,812
Charges for services:						
Charges to others	4,155,600	4,093,300	2,169,176	2,313,485	4,482,661	389,361
Charges to other City funds	-	3,800	3,600	3,841	7,440	3,640
Investment income	24,900	20,600	3,289	12,362	15,651	(4,949)
Miscellaneous	13,000	18,000	14,426	4,492	18,919	919
<b>Total Revenues</b>	<b>8,806,600</b>	<b>8,807,600</b>	<b>4,583,395</b>	<b>4,794,988</b>	<b>9,378,382</b>	<b>570,782</b>
<b>Expenditures</b>						
Current:						
Personal services	22,536,878	22,446,059	10,997,954	11,214,536	22,212,490	233,569
Materials and services	2,539,690	2,623,764	1,189,894	1,032,816	2,222,709	401,055
Interfund charges	2,418,200	2,468,120	1,190,382	1,277,974	2,468,356	(236)
Debt service	950,800	1,357,400	891,383	390,517	1,281,900	75,500
Capital outlay	60,000	65,000	71,420	-	71,420	(6,420)
Contingency	385,432	83,280	-	-	-	83,280
Reserved for maintenance	763,000	829,477	-	-	-	829,477
<b>Total Expenditures</b>	<b>29,654,000</b>	<b>29,873,100</b>	<b>14,341,033</b>	<b>13,915,843</b>	<b>28,256,876</b>	<b>1,616,224</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(20,847,400)</b>	<b>(21,065,500)</b>	<b>(9,757,638)</b>	<b>(9,120,855)</b>	<b>(18,878,494)</b>	<b>2,187,006</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	-	-	275	275	275
Insurance proceeds	-	-	18,063	25,535	43,598	43,598
Issuance of long-term debt	-	502,000	495,000	-	495,000	(7,000)
Premium on debt issuance	-	-	12,781	-	12,781	12,781
Transfers in	19,699,300	19,415,400	9,592,300	9,700,036	19,292,336	(123,064)
Transfers out	(12,000)	(12,000)	(6,000)	(9,352)	(15,352)	(3,352)
<b>Total Other Financing Sources (Uses)</b>	<b>19,687,300</b>	<b>19,905,400</b>	<b>10,112,144</b>	<b>9,716,495</b>	<b>19,828,639</b>	<b>(76,761)</b>
Net change in fund balance	(1,160,100)	(1,160,100)	354,506	595,639	950,145	2,110,245
Beginning Fund Balance (Deficit)	1,160,100	1,160,100	1,458,902	1,813,408	3,272,310	2,112,210
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,813,408</b>	<b>\$ 2,409,047</b>	<b>\$ 4,222,455</b>	<b>\$ 4,222,455</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Intergovernmental	\$ 1,062,300	\$ 3,953,400	\$ 816,565	\$ 2,503,824	\$ 3,320,389	\$ (633,011)
Loan repayments	56,400	61,400	40,858	27,953	68,811	7,411
Investment income	1,200	900	568	(3,472)	(2,904)	(3,804)
<b>Total Revenues</b>	<b>1,119,900</b>	<b>4,015,700</b>	<b>857,991</b>	<b>2,528,305</b>	<b>3,386,296</b>	<b>(629,404)</b>
<b>Expenditures</b>						
Current:						
Personal services	209,493	334,531	135,366	197,481	332,847	1,684
Materials and services	815,422	3,511,269	703,567	2,276,083	2,979,650	531,619
Interfund charges	38,300	264,800	18,500	124,483	142,983	121,817
Contingency	57,785	6,200	-	-	-	6,200
<b>Total Expenditures</b>	<b>1,121,000</b>	<b>4,116,800</b>	<b>857,433</b>	<b>2,598,046</b>	<b>3,455,480</b>	<b>661,320</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,100)</b>	<b>(101,100)</b>	<b>558</b>	<b>(69,741)</b>	<b>(69,184)</b>	<b>31,916</b>
<b>Other Financing Sources (Uses)</b>						
Advances from other funds	-	-	35,000	35,000	70,000	70,000
Interfund loan repayment	-	-	-	(35,000)	(35,000)	(35,000)
Transfers in	-	100,000	-	-	-	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>100,000</b>	<b>35,000</b>	<b>-</b>	<b>35,000</b>	<b>(65,000)</b>
Net change in fund balance	(1,100)	(1,100)	35,558	(69,741)	(34,184)	(33,084)
Beginning Fund Balance (Deficit)	1,100	1,100	79,186	114,744	193,931	192,831
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 114,744</b>	<b>\$ 45,003</b>	<b>\$ 159,747</b>	<b>\$ 159,747</b>

**Reconciliation of Budgetary basis to GAAP basis**

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

City of Bend, Oregon  
**Oregon Public Employees Retirement System**  
 Schedule of Funding Progress  
 For the fiscal year ended June 30, 2011

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as of Percentage of Covered Payroll</b>
12/31/2007	\$ 123,895,049	\$ 110,585,933	\$ (13,309,116)	112%	\$ 31,627,544	-42%
12/31/2008	93,975,721	113,200,430	19,224,709	83%	30,478,644	63%
12/31/2009	107,912,057	121,599,417	13,687,360	89%	30,492,744	45%
12/31/2010	116,318,438	128,704,772	12,386,334	90%	31,485,779	39%

City of Bend, Oregon  
**Other Postemployment Benefit Plans**  
 Schedule of Funding Progress  
 For the fiscal year ended June 30, 2011

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as of Percentage of Covered Payroll</b>
7/1/2007	\$ -	\$ 18,757,092	\$ 18,757,092	0%	\$ 32,258,818	58%
7/1/2009	-	22,829,327	22,829,327	0%	30,450,696	75%
7/1/2010	-	20,603,241	20,603,241	0%	31,668,881	65%



CITY OF BEND, OREGON

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2011

Required Supplementary Information includes budgetary comparisons for the General Fund, the Fire/Emergency Medical Service (EMS) Fund, and the Community Development Block Grant (CDBG) 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). The City Manager is responsible for submitting a proposed budget to the Citizens Budget Committee comprised of the City Council and an equal number of citizens of the City. The City is required to prepare a budget for each fund that is balanced in accordance with Oregon Revised Statutes. Each fund is budgeted on the modified accrual basis of accounting.

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

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

Appropriations lapse at the end of the biennium for goods or services not yet received. The City Council may modify the budget by transferring appropriations between levels of control and by adopting supplemental budgets. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publications in newspapers and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. Supplemental appropriations were approved by the City Council for the 2009-11 biennium. All appropriations terminate on June 30, 2011.

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OTHER SUPPLEMENTARY INFORMATION



City of Bend, Oregon  
**General Fund and Major Special Revenue Funds**  
 Schedule of Expenditures and Other Uses by Appropriation Levels  
 For the fiscal year ended June 30, 2011

	<u>Appropriation</u>	<u>Actual Expenditures</u>	<u>Variance Positive (Negative)</u>
<b><u>General Fund</u></b>			
Accessibility	\$ 581,249	\$ 535,585	\$ 45,664
Municipal court	1,089,513	1,034,234	55,279
Code enforcement	206,738	205,800	938
Business Advocacy	25,000	22,837	2,163
Police	34,778,610	32,850,205	1,928,405
Nondepartmental	38,114,316	36,690,445	1,423,871
Contingency	2,464,364	-	2,464,364
	\$ 77,259,790	\$ 71,339,107	\$ 5,920,683
<b><u>Fire/ Emergency Medical Services Fund</u></b>			
Expenditures & other uses	\$ 28,972,343	\$ 28,272,227	\$ 700,116
Contingency	83,280	-	83,280
Other requirements	829,477	-	829,477
	\$ 29,885,100	\$ 28,272,227	\$ 1,612,873
<b><u>Community Development Block Grant</u></b>			
Expenditures & other uses	\$ 4,110,600	\$ 3,490,480	\$ 620,120
Contingency	6,200	-	6,200
	\$ 4,116,800	\$ 3,490,480	\$ 626,320

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## **MAJOR ENTERPRISE FUNDS**

### Water Fund

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

### Water Reclamation Fund

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





City of Bend, Oregon

**Water Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual <u>Budget</u> <u>Basis</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>				<u>Positive</u>
						<u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	\$ 2,000	\$ 2,198	\$ 30,684	\$ 32,882	\$ 30,882
Charges for services:						
Charges to others	25,771,100	25,736,500	12,345,470	13,792,965	26,138,434	401,934
Charges to other City funds	420,500	439,400	203,441	166,764	370,205	(69,195)
Investment income	105,100	118,200	130,057	124,969	255,026	136,826
Miscellaneous	141,800	189,800	140,260	104,530	244,790	54,990
<b>Total Revenues</b>	<b>26,438,500</b>	<b>26,485,900</b>	<b>12,821,426</b>	<b>14,219,911</b>	<b>27,041,337</b>	<b>555,437</b>
<b>Expenditures</b>						
Current:						
Personal services	7,274,596	7,076,856	3,214,452	3,376,607	6,591,059	485,797
Materials and services	9,423,484	9,469,575	3,898,251	4,241,596	8,139,847	1,329,728
Interfund charges	5,772,600	5,721,100	2,640,480	2,738,153	5,378,633	342,467
Debt service	1,960,000	1,844,000	317,167	308,561	625,728	1,218,272
Capital outlay	13,398,000	17,576,100	4,618,234	6,397,414	11,015,649	6,560,451
Contingency	2,906,270	10,557,169	-	-	-	10,557,169
Reserved for rate stabilization	-	1,000,000	-	-	-	1,000,000
Reserved for debt service	323,000	703,000	-	-	-	703,000
Reserved for construction	-	2,500,000	-	-	-	2,500,000
<b>Total Expenditures</b>	<b>41,057,950</b>	<b>56,447,800</b>	<b>14,688,584</b>	<b>17,062,331</b>	<b>31,750,915</b>	<b>24,696,885</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(14,619,450)</b>	<b>(29,961,900)</b>	<b>(1,867,158)</b>	<b>(2,842,421)</b>	<b>(4,709,578)</b>	<b>25,252,322</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	-	-	864	864	864
Insurance proceeds	-	-	-	3,630	3,630	3,630
Issuance of long-term debt	10,500,000	28,260,600	2,973,352	7,114,648	10,088,000	(18,172,600)
Premium on issuance of long-term debt	-	-	-	38,080	38,080	38,080
Payment to refunded bond escrow agent	-	(2,213,100)	-	(2,512,439)	(2,512,439)	(299,339)
Transfers in	1,332,200	1,127,150	558,301	916,510	1,474,811	347,661
<b>Total Other Financing Sources (Uses)</b>	<b>11,832,200</b>	<b>27,174,650</b>	<b>3,531,653</b>	<b>5,561,293</b>	<b>9,092,946</b>	<b>(18,081,704)</b>
Net change in fund balance	(2,787,250)	(2,787,250)	1,664,496	2,718,872	4,383,368	7,170,618
Beginning Fund Balance (Deficit)	2,787,250	2,787,250	7,192,631	8,857,127	16,049,757	13,262,507
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,857,127</b>	<b>\$ 11,575,999</b>	<b>\$ 20,433,125</b>	<b>\$ 20,433,125</b>

City of Bend, Oregon

**Water Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
For the fiscal year ended June 30, 2011

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 14,219,911
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>296,925</u>
<b>Total Revenues - GAAP Basis</b>	<b><u>\$ 14,516,836</u></b>
Total Expenditures - Budgetary Basis	\$ 17,062,331
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	161,793
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(6,458,226)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(246,672)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	2,204,052
Amortization of bond issue costs is not reported on the budgetary basis but is reported as an expense on the GAAP basis	<u>28,870</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 12,752,148</u></b>
Other Financing Sources (Uses) - Budgetary Basis	\$ 5,561,293
Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis	(7,152,728)
Payments to bond escrow agents for refunded bonds reported as other financing use on the budgetary basis are reported as reduction in the bond liability on the GAAP basis	2,512,439
Loss on disposal of asset reported as an expense on the GAAP basis	<u>(5,329)</u>
<b>Other Financing Sources - GAAP Basis</b>	<b><u>\$ 915,676</u></b>

City of Bend, Oregon  
**Water Reclamation Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		<u>FY2009-10</u> <u>Actual</u>	<u>FY2010-11</u> <u>Actual</u>	<u>Total Actual</u> <u>Budget</u> <u>Basis</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 104,601	\$ 104,601	\$ 104,601
Charges for services:						
Charges to others	28,146,100	27,209,300	13,012,414	13,886,711	26,899,124	(310,176)
Charges to other City funds	37,600	77,100	56,318	20,463	76,781	(319)
Loan repayments	264,700	27,900	175,119	91,072	266,192	238,292
Investment income	130,700	152,200	131,375	150,542	281,917	129,717
Miscellaneous	45,400	45,400	12,816	13,018	25,835	(19,565)
<b>Total Revenues</b>	<b>28,624,500</b>	<b>27,511,900</b>	<b>13,388,043</b>	<b>14,266,408</b>	<b>27,654,450</b>	<b>142,550</b>
<b>Expenditures</b>						
Current:						
Personal services	7,515,209	7,444,751	3,265,480	3,569,392	6,834,871	609,880
Materials and services	4,621,484	4,633,279	1,709,120	2,090,665	3,799,785	833,494
Interfund charges	6,073,200	5,723,000	2,743,675	2,553,329	5,297,004	425,996
Debt service	5,442,000	4,871,000	2,015,370	2,493,500	4,508,870	362,130
Capital outlay	26,622,600	27,314,700	4,001,558	9,605,961	13,607,519	13,707,181
Contingency	2,078,257	4,681,420	-	-	-	4,681,420
Reserved for debt service	521,500	333,300	-	-	-	333,300
<b>Total Expenditures</b>	<b>52,874,250</b>	<b>55,001,450</b>	<b>13,735,204</b>	<b>20,312,846</b>	<b>34,048,050</b>	<b>20,953,400</b>
<b>Excess (deficiency) of revenues</b> <b>over expenditures</b>	<b>(24,249,750)</b>	<b>(27,489,550)</b>	<b>(347,161)</b>	<b>(6,046,439)</b>	<b>(6,393,600)</b>	<b>21,095,950</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	-	34,358	4,175	38,534	38,534
Issuance of long-term debt	14,000,000	17,500,000	-	10,730,000	10,730,000	(6,770,000)
Advances to other funds	-	(315,000)	(224,000)	-	(224,000)	91,000
Interfund loan repayments	307,700	522,700	303,127	224,000	527,127	4,427
Transfers in	1,906,500	1,651,500	881,600	1,314,689	2,196,289	544,789
Transfers out	(512,800)	(418,000)	(86,650)	(228,696)	(315,346)	102,654
<b>Total Other Financing Sources (Uses)</b>	<b>15,701,400</b>	<b>18,941,200</b>	<b>908,436</b>	<b>12,044,169</b>	<b>12,952,604</b>	<b>(5,988,596)</b>
Net change in fund balance	(8,548,350)	(8,548,350)	561,275	5,997,730	6,559,005	15,107,355
Beginning Fund Balance (Deficit)	8,548,350	8,548,350	9,249,431	9,810,706	19,060,137	10,511,787
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,810,706</b>	<b>\$ 15,808,436</b>	<b>\$ 25,619,142</b>	<b>\$ 25,619,142</b>

City of Bend, Oregon

**Water Reclamation Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
For the fiscal year ended June 30, 2011

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 14,266,408
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>159,811</u>
<b>Total Revenues - GAAP Basis</b>	<b><u>\$ 14,426,219</u></b>
Total Expenditures - Budgetary Basis	\$ 20,312,846
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	179,838
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(9,818,657)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(1,404,743)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	2,973,196
Amortization of bond issue costs is not reported on the budgetary basis but is reported as an expense on the GAAP basis	<u>85,428</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 12,327,908</u></b>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ 12,044,169
Proceeds from bond issuance reported as other financing sources on the budgetary basis are reported as bond payable liability on the GAAP basis	(10,730,000)
Repayments from other funds reported as other financing sources on the budgetary basis are reported as reduction of receivable on the GAAP basis	(224,000)
Loss on disposal of asset reported as an expense on the GAAP basis	<u>3,626</u>
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b><u>\$ 1,093,795</u></b>

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

Schedule of Expenditures and Other Uses by Appropriation Levels  
 For the fiscal year ended June 30, 2011

	<b>Appropriation</b>	<b>Actual Expenditures</b>	<b>Variance Positive (Negative)</b>
<b><u>Water Fund</u></b>			
Expenditures & other uses	\$ 43,900,731	\$ 34,263,354	\$ 9,637,377
Contingency	10,557,169	-	10,557,169
Reserves	4,203,000	-	4,203,000
	<b>\$ 58,660,900</b>	<b>\$ 34,263,354</b>	<b>\$ 24,397,546</b>
<b><u>Water Reclamation Fund</u></b>			
Expenditures & other uses	\$ 50,719,730	\$ 34,587,396	\$ 16,132,334
Contingency	4,681,420	-	4,681,420
Reserves	333,300	-	333,300
	<b>\$ 55,734,450</b>	<b>\$ 34,587,396</b>	<b>\$ 21,147,054</b>

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**NONMAJOR GOVERNMENTAL AND  
ENTERPRISE FUNDS**





City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Governmental Funds  
 June 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total
<b>Assets</b>					
Pooled cash and investments	\$ 4,412,330	\$ 3,898,520	\$ 7,865,513	\$ 586,225	\$ 16,762,587
Restricted cash and investments	2,052,462	850,000	4,575	-	2,907,037
Receivables:					
Property taxes	-	300,955	-	-	300,955
Accounts, net	669,248	-	683,538	-	1,352,785
Assessments, net	21,289	-	-	-	21,289
Loans and notes, net	1,917,203	-	34,461	-	1,951,664
Due from other funds	684	-	60,155	-	60,839
Due from other governments	617,518	-	-	-	617,518
<b>Total Assets</b>	<b>\$ 9,690,732</b>	<b>\$ 5,049,475</b>	<b>\$ 8,648,242</b>	<b>\$ 586,225</b>	<b>\$ 23,974,674</b>

**Liabilities and Fund Balances**

<b>Liabilities:</b>					
Accounts payable	\$ 964,401	\$ -	\$ 106,040	\$ -	\$ 1,070,441
Salaries and benefits payable	88,901	-	-	-	88,901
Retainage payable	44	-	9,051	-	9,095
Due to developers	243,342	-	-	-	243,342
Other accrued liabilities	-	-	223,927	-	223,927
Deposits	671,677	-	4,575	-	676,252
Deferred revenues	2,179,940	249,528	234,380	-	2,663,848
Due to other funds	47,253	-	-	-	47,253
<b>Total Liabilities</b>	<b>4,195,559</b>	<b>249,528</b>	<b>577,972</b>	<b>-</b>	<b>5,023,060</b>

**Fund balances (deficits):**

<b>Nonspendable:</b>					
In form	-	-	34,461	-	34,461
Required to remain intact	-	-	-	586,225	586,225
<b>Restricted:</b>					
Externally imposed	93,581	4,799,947	1,799,865	-	6,693,392
Imposed by law	940,705	-	-	-	940,705
Committed	1,908,341	-	6,551,731	-	8,460,073
Assigned	2,552,545	-	-	-	2,552,545
Unassigned	-	-	(315,787)	-	(315,787)
<b>Total Fund Balances (Deficits)</b>	<b>5,495,173</b>	<b>4,799,947</b>	<b>8,070,269</b>	<b>586,225</b>	<b>18,951,614</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,690,732</b>	<b>\$ 5,049,475</b>	<b>\$ 8,648,242</b>	<b>\$ 586,225</b>	<b>\$ 23,974,674</b>

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, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total
<b>Revenues</b>					
Property taxes	\$ -	\$ 3,842,278	\$ -	\$ -	\$ 3,842,278
Transient room taxes	1,022,183	-	-	-	1,022,183
Franchise fees	480,468	-	931,851	-	1,412,319
Intergovernmental	6,617,837	217,609	592,958	-	7,428,403
Assessments	153,973	-	-	-	153,973
Licenses and permits	2,536,358	-	-	-	2,536,358
Charges for services	2,451,739	1,085,371	178,302	-	3,715,411
System development charges	3,341,138	-	-	-	3,341,138
Contributions	-	-	55,118	-	55,118
Permanent maintenance fees	-	-	-	11,349	11,349
Loan repayments	435,279	-	12,457	-	447,736
Investment income	82,428	62,404	72,462	120	217,414
Miscellaneous	112,841	-	7,164	-	120,005
<b>Total Revenues</b>	<b>17,234,243</b>	<b>5,207,661</b>	<b>1,850,313</b>	<b>11,469</b>	<b>24,303,686</b>
<b>Expenditures</b>					
Current:					
General government	-	20,400	-	-	20,400
Public safety	15,402	6,150	-	-	21,552
Public ways and facilities	5,848,778	6,800	602,260	-	6,457,838
Community and economic development	6,349,767	-	-	-	6,349,767
Urban renewal	71,358	-	333,685	-	405,042
Transit	1,743,627	-	-	-	1,743,627
Debt service:					
Principal	-	4,670,000	1,018,600	-	5,688,600
Interest	-	1,254,643	641,134	-	1,895,777
Capital outlay	1,356,809	-	2,558,157	-	3,914,965
<b>Total Expenditures</b>	<b>15,385,740</b>	<b>5,957,993</b>	<b>5,153,835</b>	<b>-</b>	<b>26,497,568</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,848,503</b>	<b>(750,332)</b>	<b>(3,303,522)</b>	<b>11,469</b>	<b>(2,193,882)</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of assets	13,030	-	-	-	13,030
Insurance proceeds	14,223	-	-	-	14,223
Transfers in	2,181,700	6,000	2,380,624	574,876	5,143,200
Transfers out	(3,973,522)	(141,972)	(193,803)	(120)	(4,309,416)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,764,569)</b>	<b>(135,972)</b>	<b>2,186,822</b>	<b>574,756</b>	<b>861,037</b>
Net change in fund balances	83,934	(886,304)	(1,116,700)	586,225	(1,332,845)
Fund Balances (Deficits), July 1, 2010	5,411,239	5,686,250	9,186,970	-	20,284,460
<b>Fund Balances (Deficits), June 30, 2011</b>	<b>\$ 5,495,173</b>	<b>\$ 4,799,947</b>	<b>\$ 8,070,269</b>	<b>\$ 586,225</b>	<b>\$ 18,951,614</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

### BURA General Fund

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

### Transportation Operations and Planning Fund

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

### Police Grant Fund

This fund accounts for the grant revenues and expenditures of the police department.

### Energy American Recovery and Reinvestment Act (ARRA) Grant Fund

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

### System Development Charges (SDC) Fund

This fund accounts for the collection of system development charges for street, water and water reclamation systems. Revenues are used to fund eligible construction projects.

### Building Fund

This fund accounts for the City's building inspection and compliance operations. The principal sources of revenues are permit fees and other fees charged for services provided.

### Planning Fund

This fund accounts for the City's current and long-range planning activities. Revenues include plan review fees and transfers from other City funds.

### Private Development Engineering

This fund accounts for private development engineering plan reviews and other engineering services. Revenues are engineering fees used to cover operating expenses.

### Affordable Housing Fund

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

### Public Transit Operations Fund

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

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

### Public Transit Grant Fund

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

### Tourism Fund

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

### Economic Improvement District Fund

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

### Police Reserve Fund

This fund accounts for the reserves of the police department.

City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Special Revenue Funds  
 June 30, 2011

	BURA General <u>Fund</u>	Transportation Operations and Planning <u>Fund</u>	Police Grant <u>Fund</u>	Energy ARRA Grant <u>Fund</u>	System Development Charges (SDC) <u>Fund</u>
<b>Assets</b>					
Pooled cash and investments	\$ 2,723	\$ 1,936,805	\$ -	\$ -	\$ -
Restricted cash and investments	3,514	44,400	51,324	110,747	429,142
Receivables:					
Accounts, net	-	46,275	-	-	-
Assessments, net	-	-	-	-	-
Loans and notes receivable, net	-	-	-	45,283	594,395
Due from other funds	-	-	-	-	-
Due from other governments	-	525,773	-	91,745	-
<b>Total Assets</b>	<b>\$ 6,237</b>	<b>\$ 2,553,252</b>	<b>\$ 51,324</b>	<b>\$ 247,775</b>	<b>\$ 1,023,537</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 1,062	\$ 247,051	\$ 3,249	\$ 44,492	\$ 4,375
Salaries and benefits payable	1,167	33,143	-	-	-
Retainage payable	-	44	-	-	-
Due to developers	-	-	-	-	243,342
Deposits	3,514	44,400	-	-	181,425
Deferred revenues	-	24,988	47,902	154,472	594,395
Due to other funds	-	-	-	47,253	-
<b>Total Liabilities</b>	<b>5,743</b>	<b>349,626</b>	<b>51,151</b>	<b>246,217</b>	<b>1,023,537</b>
Fund balances (deficits):					
Restricted:					
Externally imposed	-	-	173	1,558	-
Imposed by law	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	494	2,203,626	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>494</b>	<b>2,203,626</b>	<b>173</b>	<b>1,558</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,237</b>	<b>\$ 2,553,252</b>	<b>\$ 51,324</b>	<b>\$ 247,775</b>	<b>\$ 1,023,537</b>

City of Bend, Oregon  
**Combining Balance Sheet (Continued)**  
 Nonmajor Special Revenue Funds  
 June 30, 2011

	<b>Building Fund</b>	<b>Planning Fund</b>	<b>Private Development Engineering Fund</b>	<b>Affordable Housing Fund</b>	<b>Public Transit Operations Fund</b>
<b>Assets</b>					
Pooled cash and investments	\$ -	\$ 217,276	\$ 171,922	\$ 1,509,364	\$ -
Restricted cash and investments	988,640	199,214	225,482	-	-
Receivables:					
Accounts, net	60,165	3,609	1,754	-	-
Assessments, net	-	-	-	-	-
Loans and notes receivable, net	-	-	-	1,277,525	-
Due from other funds	30	654	-	-	-
Due from other governments	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,048,835</b>	<b>\$ 420,752</b>	<b>\$ 399,158</b>	<b>\$ 2,786,889</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 3,119	\$ 16,320	\$ 52	\$ 104,862	\$ -
Salaries and benefits payable	27,203	23,527	3,283	579	-
Retainage payable	-	-	-	-	-
Due to developers	-	-	-	-	-
Deposits	17,643	199,214	225,482	-	-
Deferred revenues	60,165	3,609	-	1,277,525	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>108,129</b>	<b>242,669</b>	<b>228,816</b>	<b>1,382,967</b>	<b>-</b>
Fund balances (deficits):					
Restricted:					
Externally imposed	-	-	-	-	-
Imposed by law	940,705	-	-	-	-
Committed	-	-	-	1,403,923	-
Assigned	-	178,083	170,342	-	-
<b>Total Fund Balances (Deficits)</b>	<b>940,705</b>	<b>178,083</b>	<b>170,342</b>	<b>1,403,923</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,048,835</b>	<b>\$ 420,752</b>	<b>\$ 399,158</b>	<b>\$ 2,786,889</b>	<b>\$ -</b>

City of Bend, Oregon  
**Combining Balance Sheet (Continued)**  
 Nonmajor Special Revenue Funds  
 June 30, 2011

	Public Transit Grant Fund	Tourism Fund	Economic Improvement District Fund	Police Reserve Fund	Total
<b>Assets</b>					
Pooled cash and investments	\$ -	\$ 6,045	\$ 63,776	\$ 504,419	\$ 4,412,330
Restricted cash and investments	-	-	-	-	2,052,462
Receivables:					
Accounts, net	451,777	105,668	-	-	669,248
Assessments, net	-	-	21,289	-	21,289
Loans and notes receivable, net	-	-	-	-	1,917,203
Due from other funds	-	-	-	-	684
Due from other governments	-	-	-	-	617,518
<b>Total Assets</b>	<b>\$ 451,777</b>	<b>\$ 111,713</b>	<b>\$ 85,065</b>	<b>\$ 504,419</b>	<b>\$ 9,690,732</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 451,777	\$ 19,863	\$ 68,181	\$ -	\$ 964,401
Salaries and benefits payable	-	-	-	-	88,901
Retainage payable	-	-	-	-	44
Due to developers	-	-	-	-	243,342
Deposits	-	-	-	-	671,677
Deferred revenues	-	-	16,884	-	2,179,940
Due to other funds	-	-	-	-	47,253
<b>Total Liabilities</b>	<b>451,777</b>	<b>19,863</b>	<b>85,065</b>	<b>-</b>	<b>4,195,559</b>
Fund balances (deficits):					
Restricted:					
Externally imposed	-	91,850	-	-	93,581
Imposed by law	-	-	-	-	940,705
Committed	-	-	-	504,419	1,908,341
Assigned	-	-	-	-	2,552,545
<b>Total Fund Balances (Deficits)</b>	<b>-</b>	<b>91,850</b>	<b>-</b>	<b>504,419</b>	<b>5,495,173</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 451,777</b>	<b>\$ 111,713</b>	<b>\$ 85,065</b>	<b>\$ 504,419</b>	<b>\$ 9,690,732</b>

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, 2011

	BURA General Fund	Transportation Operations and Planning Fund	Police Grant Fund	Energy ARRA Grant Fund	System Development Charges (SDC) Fund
<b>Revenues</b>					
Franchise fees	\$ -	\$ 480,468	\$ -	\$ -	\$ -
Transient room taxes	-	-	-	-	-
Intergovernmental	69	4,329,945	55,252	161,358	-
Assessments	-	-	-	-	-
Licenses and permits	-	26,350	-	-	-
Charges for services	36,907	575,640	-	-	-
System development charges	-	-	-	-	3,341,138
Loan repayments	-	-	-	9,538	92,888
Investment income	97	14,002	526	1,030	30,862
Miscellaneous	1	109,503	-	-	-
<b>Total Revenues</b>	<b>37,074</b>	<b>5,535,907</b>	<b>55,778</b>	<b>171,926</b>	<b>3,464,888</b>
<b>Expenditures</b>					
Current:					
Public safety	-	-	15,402	-	-
Public ways and facilities	-	5,347,361	-	-	155,986
Community and economic development	-	-	-	161,337	-
Urban renewal	71,358	-	-	-	-
Transit	-	-	-	-	-
Capital outlay	-	627,666	40,203	9,031	-
<b>Total Expenditures</b>	<b>71,358</b>	<b>5,975,027</b>	<b>55,605</b>	<b>170,368</b>	<b>155,986</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(34,284)</b>	<b>(439,120)</b>	<b>173</b>	<b>1,558</b>	<b>3,308,902</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of assets	-	8,845	-	-	-
Insurance proceeds	-	14,223	-	-	-
Transfers in	17,000	1,110,000	-	-	-
Transfers out	(5,198)	-	-	-	(3,791,156)
<b>Total Other Financing Sources (Uses)</b>	<b>11,802</b>	<b>1,133,068</b>	<b>-</b>	<b>-</b>	<b>(3,791,156)</b>
Net change in fund balance	(22,482)	693,948	173	1,558	(482,254)
Fund Balances (Deficits), July 1, 2010	22,976	1,509,678	-	-	482,254
<b>Fund Balances (Deficits), June 30, 2011</b>	<b>\$ 494</b>	<b>\$ 2,203,626</b>	<b>\$ 173</b>	<b>\$ 1,558</b>	<b>\$ -</b>



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, 2011

	Building Fund	Planning Fund	Private Development Engineering Fund	Affordable Housing Fund	Public Transit Operations Fund
<b>Revenues</b>					
Franchise fees	\$ -	\$ -	\$ -	\$ -	\$ -
Transient room taxes	-	-	-	-	-
Intergovernmental	4,329	19,312	728	93	805,980
Assessments	-	-	-	-	-
Licenses and permits	2,510,008	-	-	-	-
Charges for services	88,327	1,005,359	245,049	426,489	72,300
System development charges	-	-	-	-	-
Loan repayments	-	-	-	332,853	-
Investment income	8,125	5,207	3,836	15,311	(232)
Miscellaneous	72	(849)	1	-	3,500
<b>Total Revenues</b>	<b>2,610,861</b>	<b>1,029,030</b>	<b>249,614</b>	<b>774,745</b>	<b>881,549</b>
<b>Expenditures</b>					
Current:					
Public safety	-	-	-	-	-
Public ways and facilities	-	-	345,432	-	-
Community and economic development	2,167,336	2,137,725	-	707,020	-
Urban renewal	-	-	-	-	-
Transit	-	-	-	-	500,577
Capital outlay	-	-	-	-	679,908
<b>Total Expenditures</b>	<b>2,167,336</b>	<b>2,137,725</b>	<b>345,432</b>	<b>707,020</b>	<b>1,180,485</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>443,525</b>	<b>(1,108,695)</b>	<b>(95,818)</b>	<b>67,726</b>	<b>(298,937)</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of assets	-	-	-	-	4,185
Insurance proceeds	-	-	-	-	-
Transfers in	-	788,000	100,000	-	166,700
Transfers out	-	(2,122)	(1,459)	-	(173,586)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>785,878</b>	<b>98,541</b>	<b>-</b>	<b>(2,701)</b>
Net change in fund balance	443,525	(322,817)	2,723	67,726	(301,638)
Fund Balances (Deficits), July 1, 2010	497,181	500,900	167,619	1,336,197	301,638
<b>Fund Balances (Deficits), June 30, 2011</b>	<b>\$ 940,705</b>	<b>\$ 178,083</b>	<b>\$ 170,342</b>	<b>\$ 1,403,923</b>	<b>\$ -</b>

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, 2011

	Public Transit Grant Fund	Tourism Fund	Economic Improvement District Fund	Police Reserve Fund	Total
<b>Revenues</b>					
Franchise fees	\$ -	\$ -	\$ -	\$ -	\$ 480,468
Transient room taxes	-	1,022,183	-	-	1,022,183
Intergovernmental	1,240,770	-	-	-	6,617,837
Assessments	-	-	153,973	-	153,973
Licenses and permits	-	-	-	-	2,536,358
Charges for services	1,667	-	-	-	2,451,739
System development charges	-	-	-	-	3,341,138
Loan repayments	-	-	-	-	435,279
Investment income	-	82	125	3,460	82,428
Miscellaneous	613	-	-	-	112,841
<b>Total Revenues</b>	<b>1,243,050</b>	<b>1,022,265</b>	<b>154,097</b>	<b>3,460</b>	<b>17,234,243</b>
<b>Expenditures</b>					
Current:					
Public safety	-	-	-	-	15,402
Public ways and facilities	-	-	-	-	5,848,778
Community and economic development	-	1,022,251	154,097	-	6,349,767
Urban renewal	-	-	-	-	71,358
Transit	1,243,050	-	-	-	1,743,627
Capital outlay	-	-	-	-	1,356,809
<b>Total Expenditures</b>	<b>1,243,050</b>	<b>1,022,251</b>	<b>154,097</b>	<b>-</b>	<b>15,385,740</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>3,460</b>	<b>1,848,503</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of assets	-	-	-	-	13,030
Insurance proceeds	-	-	-	-	14,223
Transfers in	-	-	-	-	2,181,700
Transfers out	-	-	-	-	(3,973,522)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,764,569)</b>
Net change in fund balance	-	14	-	3,460	83,934
Fund Balances (Deficits), July 1, 2010	-	91,837	-	500,959	5,411,239
<b>Fund Balances (Deficits), June 30, 2011</b>	<b>\$ -</b>	<b>\$ 91,850</b>	<b>\$ -</b>	<b>\$ 504,419</b>	<b>\$ 5,495,173</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 69	\$ 69	\$ 69
Rental income:						
Rent from others	51,300	93,500	49,346	36,907	86,254	(7,246)
Investment income	-	200	176	97	273	73
Miscellaneous	4,000	2,000	5,158	1	5,159	3,159
<b>Total Revenues</b>	<b>55,300</b>	<b>95,700</b>	<b>54,681</b>	<b>37,074</b>	<b>91,755</b>	<b>(3,945)</b>
<b>Expenditures</b>						
Current:						
Personal services	32,488	54,416	27,020	30,179	57,200	(2,784)
Materials and services	34,259	41,909	31,728	13,442	45,170	(3,261)
Interfund charges	71,800	62,200	16,041	27,736	43,776	18,424
Contingency	-	1,709	-	-	-	1,709
<b>Total Expenditures</b>	<b>138,547</b>	<b>160,234</b>	<b>74,789</b>	<b>71,358</b>	<b>146,147</b>	<b>14,087</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(83,247)</b>	<b>(64,534)</b>	<b>(20,109)</b>	<b>(34,284)</b>	<b>(54,392)</b>	<b>10,142</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	83,247	64,634	45,231	17,000	62,231	(2,403)
Transfers out	-	(100)	(56)	(5,198)	(5,255)	(5,155)
<b>Total Other Financing Sources (Uses)</b>	<b>83,247</b>	<b>64,534</b>	<b>45,175</b>	<b>11,802</b>	<b>56,976</b>	<b>(7,558)</b>
Net change in fund balance	-	-	25,066	(22,482)	2,584	2,584
Beginning Fund Balance (Deficit)	-	-	(2,090)	22,976	20,886	20,886
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,976</b>	<b>\$ 494</b>	<b>\$ 23,471</b>	<b>\$ 23,471</b>

City of Bend, Oregon

**Transportation Operations & Planning Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Franchise fees	\$ 956,400	\$ 947,200	\$ 471,558	\$ 480,468	\$ 952,026	\$ 4,826
Intergovernmental:						
State highway fund apportionment	6,363,700	7,863,700	3,398,550	3,963,860	7,362,410	(501,290)
Grants and agreements	1,036,700	1,091,000	536,699	366,085	902,784	(188,216)
Licenses and permits	128,400	97,600	26,702	26,350	53,052	(44,549)
Charges for services:						
Charges to others	2,800,000	-	-	-	-	-
Charges to other City funds	918,000	918,000	475,649	575,640	1,051,289	133,289
Investment income	71,200	37,200	7,957	14,002	21,959	(15,241)
Miscellaneous	71,000	71,000	28,096	109,503	137,599	66,599
<b>Total Revenues</b>	<b>12,345,400</b>	<b>11,025,700</b>	<b>4,945,211</b>	<b>5,535,907</b>	<b>10,481,118</b>	<b>(544,582)</b>
<b>Expenditures</b>						
Current:						
Personal services	5,075,565	4,835,430	2,341,661	2,365,175	4,706,835	128,595
Materials and services	2,468,500	3,050,279	1,349,143	1,451,563	2,800,706	249,573
Interfund charges	3,198,000	3,048,000	1,460,233	1,530,623	2,990,856	57,144
Capital outlay	2,694,700	1,803,100	856,112	627,666	1,483,778	319,322
Contingency	2,000,035	2,013,891	-	-	-	2,013,891
<b>Total Expenditures</b>	<b>15,436,800</b>	<b>14,750,700</b>	<b>6,007,148</b>	<b>5,975,027</b>	<b>11,982,175</b>	<b>2,768,525</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,091,400)</b>	<b>(3,725,000)</b>	<b>(1,061,937)</b>	<b>(439,120)</b>	<b>(1,501,057)</b>	<b>2,223,943</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	-	-	8,845	8,845	8,845
Insurance proceeds	-	-	57	14,223	14,280	14,280
Transfers in	2,200,000	2,225,000	1,125,000	1,110,000	2,235,000	10,000
<b>Total Other Financing Sources (Uses)</b>	<b>2,200,000</b>	<b>2,225,000</b>	<b>1,125,057</b>	<b>1,133,068</b>	<b>2,258,124</b>	<b>33,124</b>
Net change in fund balance	(891,400)	(1,500,000)	63,120	693,948	757,067	2,257,067
Beginning Fund Balance (Deficit)	891,400	1,500,000	1,446,559	1,509,678	2,956,237	1,456,237
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,509,678</b>	<b>\$ 2,203,626</b>	<b>\$ 3,713,304</b>	<b>\$ 3,713,304</b>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual <u>Budget</u> <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	\$ 387,038	\$ 172,348	\$ 55,252	\$ 227,600	\$ (159,438)
Investment income	-	700	597	526	1,123	423
<b>Total Revenues</b>	<b>-</b>	<b>387,738</b>	<b>172,945</b>	<b>55,778</b>	<b>228,723</b>	<b>(159,015)</b>
<b>Expenditures</b>						
Current:						
Materials and services	-	205,138	148,700	15,402	164,102	41,036
Capital outlay	-	86,300	24,245	40,203	64,448	21,852
Contingency	-	96,300	-	-	-	96,300
<b>Total Expenditures</b>	<b>-</b>	<b>387,738</b>	<b>172,945</b>	<b>55,605</b>	<b>228,550</b>	<b>159,188</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>173</b>	<b>173</b>	<b>173</b>
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 173</b>	<b>\$ 173</b>	<b>\$ 173</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual <u>Budget</u> <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	\$ 997,500	\$ 12,107	\$ 161,358	\$ 173,465	\$ (824,035)
Loan repayments	-	-	-	9,538	9,538	9,538
Investment income	-	-	-	1,030	1,030	1,030
<b>Total Revenues</b>	<b>-</b>	<b>997,500</b>	<b>12,107</b>	<b>171,926</b>	<b>184,033</b>	<b>(813,467)</b>
<b>Expenditures</b>						
Current:						
Materials and services	-	301,000	-	61,226	61,226	239,774
Interfund charges	-	271,800	3,107	100,111	103,218	168,582
Capital outlay	-	165,200	-	9,031	9,031	156,169
Contingency	-	250,500	-	-	-	250,500
<b>Total Expenditures</b>	<b>-</b>	<b>988,500</b>	<b>3,107</b>	<b>170,368</b>	<b>173,475</b>	<b>815,025</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>9,000</b>	<b>9,000</b>	<b>1,558</b>	<b>10,558</b>	<b>1,558</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	-	(9,000)	(9,000)	-	(9,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(9,000)</b>	<b>(9,000)</b>	<b>-</b>	<b>(9,000)</b>	<b>-</b>
Net change in fund balance	-	-	-	1,558	1,558	1,558
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,558</b>	<b>\$ 1,558</b>	<b>\$ 1,558</b>

City of Bend, Oregon

**System Development Charges Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget
	<u>Original</u>	<u>Final</u>				Positive <u>(Negative)</u>
<b>Revenues</b>						
System development charges	\$ 5,481,200	\$ 5,346,709	\$ 2,261,694	\$ 3,341,138	\$ 5,602,832	\$ 256,123
Loan repayments	186,300	431,291	448,296	92,888	541,184	109,893
Investment income	98,900	89,700	38,727	30,862	69,589	(20,111)
Miscellaneous	-	-	163	-	163	163
<b>Total Revenues</b>	<b>5,766,400</b>	<b>5,867,700</b>	<b>2,748,880</b>	<b>3,464,888</b>	<b>6,213,768</b>	<b>346,068</b>
<b>Expenditures</b>						
Current:						
Materials and services	100,000	119,600	91,548	27,986	119,534	66
Interfund charges	209,000	263,000	135,000	128,000	263,000	-
Contingency	1,095,200	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,404,200</b>	<b>382,600</b>	<b>226,548</b>	<b>155,986</b>	<b>382,534</b>	<b>66</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>4,362,200</b>	<b>5,485,100</b>	<b>2,522,332</b>	<b>3,308,902</b>	<b>5,831,234</b>	<b>346,134</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,083,200	135,350	-	-	-	(135,350)
Transfers out	(6,445,400)	(6,882,650)	(3,306,401)	(3,791,156)	(7,097,557)	(214,907)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,362,200)</b>	<b>(6,747,300)</b>	<b>(3,306,401)</b>	<b>(3,791,156)</b>	<b>(7,097,557)</b>	<b>(350,257)</b>
Net change in fund balance	(1,000,000)	(1,262,200)	(784,070)	(482,254)	(1,266,324)	(4,124)
Beginning Fund Balance (Deficit)	1,000,000	1,262,200	1,266,324	482,254	1,748,578	486,378
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 482,254</b>	<b>\$ -</b>	<b>\$ 482,254</b>	<b>\$ 482,254</b>

City of Bend, Oregon

**Building Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual <u>Budget Basis</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>				Positive <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 4,329	\$ 4,329	\$ 4,329
Licenses and permits	4,700,600	3,091,700	1,848,937	2,510,008	4,358,944	1,267,244
Charges for services:						
Charges to others	6,300	4,000	(2,963)	18,567	15,604	11,604
Charges to other City funds	-	104,500	110,814	69,760	180,574	76,074
Investment income	30,800	26,500	9,979	8,125	18,104	(8,396)
Miscellaneous	2,000	2,000	46	84	130	(1,870)
<b>Total Revenues</b>	<b>4,739,700</b>	<b>3,228,700</b>	<b>1,966,812</b>	<b>2,610,873</b>	<b>4,577,685</b>	<b>1,348,985</b>
<b>Expenditures</b>						
Current:						
Personal services	3,936,826	3,526,869	1,799,628	1,726,947	3,526,575	294
Materials and services	157,525	328,675	244,068	47,202	291,271	37,404
Interfund charges	1,141,600	959,800	555,964	393,187	949,151	10,649
Contingency	469,049	200,656	-	-	-	200,656
<b>Total Expenditures</b>	<b>5,705,000</b>	<b>5,016,000</b>	<b>2,599,661</b>	<b>2,167,336</b>	<b>4,766,997</b>	<b>249,003</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(965,300)</b>	<b>(1,787,300)</b>	<b>(632,849)</b>	<b>443,536</b>	<b>(189,312)</b>	<b>1,597,988</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	-	22,500	-	22,500	22,500
Insurance proceeds	-	-	20,000	-	20,000	20,000
Transfers in	142,200	332,200	132,847	-	132,847	(199,353)
<b>Total Other Financing Sources (Uses)</b>	<b>142,200</b>	<b>332,200</b>	<b>175,347</b>	<b>-</b>	<b>175,347</b>	<b>(156,853)</b>
Net change in fund balance	(823,100)	(1,455,100)	(457,501)	443,536	(13,965)	1,441,135
Beginning Fund Balance (Deficit)	823,100	1,455,100	954,670	497,169	1,451,839	(3,261)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 497,169</b>	<b>\$ 940,705</b>	<b>\$ 1,437,874</b>	<b>\$ 1,437,874</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 2,610,873
Other post-employment benefits are not reported on the budgetary basis but are reported on the GAAP basis	(12)
<b>Total Revenues - GAAP Basis</b>	<b>\$ 2,610,861</b>



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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual <u>Budget Basis</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>				Positive <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ 16,000	\$ 8,000	\$ 25,259	\$ 19,312	\$ 44,571	\$ 36,571
Charges for services:						
Charges to others	3,215,100	1,574,500	947,013	993,982	1,940,995	366,495
Charges to other City funds	5,700	24,700	3,107	11,378	14,485	(10,215)
Investment income	20,000	14,900	8,048	5,207	13,255	(1,645)
Miscellaneous	-	-	1,884	(841)	1,043	1,043
<b>Total Revenues</b>	<b>3,256,800</b>	<b>1,622,100</b>	<b>985,311</b>	<b>1,029,038</b>	<b>2,014,349</b>	<b>392,249</b>
<b>Expenditures</b>						
Current:						
Personal services	3,506,957	3,126,376	1,524,314	1,553,705	3,078,019	48,357
Materials and services	482,847	380,231	107,575	187,103	294,678	85,553
Interfund charges	846,300	835,700	421,211	396,918	818,129	17,571
Contingency	505,196	89,193	-	-	-	89,193
<b>Total Expenditures</b>	<b>5,341,300</b>	<b>4,431,500</b>	<b>2,053,101</b>	<b>2,137,725</b>	<b>4,190,826</b>	<b>240,674</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,084,500)</b>	<b>(2,809,400)</b>	<b>(1,067,790)</b>	<b>(1,108,687)</b>	<b>(2,176,477)</b>	<b>632,923</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,600,000	1,587,000	838,565	788,000	1,626,565	39,565
Transfers out	-	(5,400)	(3,280)	(2,122)	(5,402)	(2)
<b>Total Other Financing Sources (Uses)</b>	<b>1,600,000</b>	<b>1,581,600</b>	<b>835,285</b>	<b>785,878</b>	<b>1,621,163</b>	<b>39,563</b>
Net change in fund balance	(484,500)	(1,227,800)	(232,505)	(322,809)	(555,314)	672,486
Beginning Fund Balance (Deficit)	484,500	1,227,800	733,397	500,893	1,234,290	6,490
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,893</b>	<b>\$ 178,083</b>	<b>\$ 678,976</b>	<b>\$ 678,976</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 1,029,038
Other post-employment benefits are not reported on the budgetary basis but are reported on the GAAP basis	(8)
<b>Total Revenues - GAAP Basis</b>	<b>\$ 1,029,030</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 728	\$ 728	\$ 728
Charges for services:						
Charges to others	1,057,500	440,100	284,480	245,049	529,529	89,429
Investment income	7,400	6,500	4,594	3,836	8,430	1,930
Miscellaneous	-	-	883	1	884	884
<b>Total Revenues</b>	<b>1,064,900</b>	<b>446,600</b>	<b>289,957</b>	<b>249,614</b>	<b>539,570</b>	<b>92,970</b>
<b>Expenditures</b>						
Current:						
Personal services	670,764	596,362	202,730	265,525	468,255	128,107
Materials and services	51,690	59,438	40,199	7,529	47,728	11,710
Interfund charges	306,800	146,600	67,461	72,378	139,839	6,761
Contingency	147,146	106,700	-	-	-	106,700
<b>Total Expenditures</b>	<b>1,176,400</b>	<b>909,100</b>	<b>310,390</b>	<b>345,432</b>	<b>655,822</b>	<b>253,278</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(111,500)</b>	<b>(462,500)</b>	<b>(20,434)</b>	<b>(95,818)</b>	<b>(116,252)</b>	<b>346,248</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	140,000	40,000	100,000	140,000	-
Transfers out	-	(3,100)	(1,892)	(1,459)	(3,351)	(251)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>136,900</b>	<b>38,108</b>	<b>98,541</b>	<b>136,649</b>	<b>(251)</b>
Net change in fund balance	(111,500)	(325,600)	17,674	2,723	20,398	345,998
Beginning Fund Balance (Deficit)	111,500	325,600	149,944	167,619	317,563	(8,037)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 167,619</b>	<b>\$ 170,342</b>	<b>\$ 337,960</b>	<b>\$ 337,960</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 93	\$ 93	\$ 93
Charges for services	897,400	651,400	257,249	426,489	683,737	32,337
Loan Repayment	516,100	645,100	534,845	332,853	867,697	222,597
Investment income	32,900	28,500	12,582	15,311	27,892	(608)
<b>Total Revenues</b>	<b>1,446,400</b>	<b>1,325,000</b>	<b>804,675</b>	<b>774,745</b>	<b>1,579,420</b>	<b>254,420</b>
<b>Expenditures</b>						
Current:						
Personal services	76,837	76,368	39,759	38,920	78,678	(2,310)
Materials and services	901,688	1,641,985	454,398	643,700	1,098,098	543,887
Interfund charges	112,900	78,900	54,500	24,400	78,900	-
Contingency	1,097,375	286,647	-	-	-	286,647
<b>Total Expenditures</b>	<b>2,188,800</b>	<b>2,083,900</b>	<b>548,657</b>	<b>707,020</b>	<b>1,255,677</b>	<b>828,223</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(742,400)</b>	<b>(758,900)</b>	<b>256,018</b>	<b>67,726</b>	<b>323,744</b>	<b>1,082,644</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	16,500	95,000	-	95,000	78,500
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>16,500</b>	<b>95,000</b>	<b>-</b>	<b>95,000</b>	<b>78,500</b>
Net change in fund balance	(742,400)	(742,400)	351,018	67,726	418,744	1,161,144
Beginning Fund Balance (Deficit)	742,400	742,400	985,179	1,336,197	2,321,376	1,578,976
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,336,197</b>	<b>\$ 1,403,923</b>	<b>\$ 2,740,120</b>	<b>\$ 2,740,120</b>

City of Bend, Oregon  
**Public Transit Operations Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Intergovernmental	\$ 3,057,000	\$ 2,795,383	\$ 1,666,970	\$ 805,980	\$ 2,472,950	\$ (322,433)
Charges for services	450,200	296,143	270,258	72,300	342,558	46,415
Investment income	-	(602)	(527)	(232)	(759)	(157)
Miscellaneous	18,000	12,500	8,510	3,500	12,010	(490)
<b>Total Revenues</b>	<b>3,525,200</b>	<b>3,103,424</b>	<b>1,945,210</b>	<b>881,549</b>	<b>2,826,759</b>	<b>(276,665)</b>
<b>Expenditures</b>						
Current:						
Personal services	231,528	136,098	111,116	20,591	131,708	4,390
Materials and services	2,982,340	1,977,427	1,554,757	345,535	1,900,292	77,135
Interfund charges	1,626,800	916,752	775,657	134,452	910,108	6,644
Capital outlay	862,000	1,384,840	451,366	679,908	1,131,274	253,566
Contingency	32,332	128,669	-	-	-	128,669
<b>Total Expenditures</b>	<b>5,735,000</b>	<b>4,543,786</b>	<b>2,892,897</b>	<b>1,180,485</b>	<b>4,073,382</b>	<b>470,404</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,209,800)</b>	<b>(1,440,362)</b>	<b>(947,686)</b>	<b>(298,937)</b>	<b>(1,246,623)</b>	<b>193,739</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	4,185	12,851	4,185	17,036	12,851
Advances from other funds	-	-	20,000	-	20,000	20,000
Interfund loan repayment	-	(20,000)	-	(20,000)	(20,000)	-
Transfers in	2,116,500	1,266,700	1,100,000	166,700	1,266,700	-
Transfers out	-	(225,463)	(54,300)	(173,586)	(227,886)	(2,423)
<b>Total Other Financing Sources (Uses)</b>	<b>2,116,500</b>	<b>1,025,422</b>	<b>1,078,551</b>	<b>(22,701)</b>	<b>1,055,850</b>	<b>30,428</b>
Net change in fund balance	(93,300)	(414,940)	130,865	(321,638)	(190,773)	224,167
Beginning Fund Balance (Deficit)	93,300	414,940	190,773	321,638	512,412	97,472
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 321,638</b>	<b>\$ -</b>	<b>\$ 321,638</b>	<b>\$ 321,638</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Other Financing Sources (Uses) - Budgetary Basis	\$ (22,701)
Advance from other funds reported as other financing source on the budgetary basis is reported as a liability on the GAAP basis	<u>20,000</u>
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b><u>\$ (2,701)</u></b>

City of Bend, Oregon  
**Public Transit Grant Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 Actual	FY2010-11 Actual	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues</b>						
Intergovernmental	\$ -	\$ 1,279,700	\$ -	\$ 1,240,770	\$ 1,240,770	\$ (38,930)
Charges for services	-	-	-	1,667	1,667	1,667
Miscellaneous	-	12,000	-	613	613	(11,387)
<b>Total Revenues</b>	<b>-</b>	<b>1,291,700</b>	<b>-</b>	<b>1,243,050</b>	<b>1,243,050</b>	<b>(48,650)</b>
<b>Expenditures</b>						
Current:						
Materials and services	-	1,291,700	-	1,243,050	1,243,050	48,650
<b>Total Expenditures</b>	<b>-</b>	<b>1,291,700</b>	<b>-</b>	<b>1,243,050</b>	<b>1,243,050</b>	<b>48,650</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Transient room taxes	\$ 1,540,000	\$ 1,950,600	\$ 889,892	\$ 1,022,183	\$ 1,912,075	\$ (38,525)
Investment income	4,700	2,300	(252)	82	(170)	(2,470)
<b>Total Revenues</b>	<b>1,544,700</b>	<b>1,952,900</b>	<b>889,639</b>	<b>1,022,265</b>	<b>1,911,905</b>	<b>(40,995)</b>
<b>Expenditures</b>						
Current:						
Materials and services	1,453,400	1,866,300	833,539	1,003,051	1,836,591	29,709
Interfund charges	41,600	39,300	20,100	19,200	39,300	-
Contingency	120,800	118,400	-	-	-	118,400
<b>Total Expenditures</b>	<b>1,615,800</b>	<b>2,024,000</b>	<b>853,639</b>	<b>1,022,251</b>	<b>1,875,891</b>	<b>148,109</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(71,100)</b>	<b>(71,100)</b>	<b>36,000</b>	<b>14</b>	<b>36,014</b>	<b>107,114</b>
<b>Other Financing Sources (Uses)</b>						
Interfund loan repayments	(45,000)	(45,000)	(36,000)	-	(36,000)	9,000
<b>Total Other Financing Sources (Uses)</b>	<b>(45,000)</b>	<b>(45,000)</b>	<b>(36,000)</b>	<b>-</b>	<b>(36,000)</b>	<b>9,000</b>
Net change in fund balance	(116,100)	(116,100)	-	14	14	116,114
Beginning Fund Balance (Deficit)	116,100	116,100	91,837	91,837	183,673	67,573
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 91,837</b>	<b>\$ 91,850</b>	<b>\$ 183,687</b>	<b>\$ 183,687</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Assessments	\$ 240,000	\$ 259,000	\$ 121,283	\$ 153,973	\$ 275,256	\$ 16,256
Investment income	-	300	328	125	452	152
<b>Total Revenues</b>	<b>240,000</b>	<b>259,300</b>	<b>121,611</b>	<b>154,097</b>	<b>275,708</b>	<b>16,408</b>
<b>Expenditures</b>						
Current:						
Materials and services	228,000	264,450	133,629	146,399	280,027	(15,577)
Interfund charges	12,000	20,250	13,397	7,699	21,095	(845)
<b>Total Expenditures</b>	<b>240,000</b>	<b>284,700</b>	<b>147,025</b>	<b>154,097</b>	<b>301,123</b>	<b>(16,423)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(25,400)</b>	<b>(25,415)</b>	<b>-</b>	<b>(25,415)</b>	<b>(15)</b>
Beginning Fund Balance (Deficit)	-	25,400	25,415	-	25,415	15
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Investment income	\$ -	\$ -	\$ 959	\$ 3,460	\$ 4,419	\$ 4,419
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>959</b>	<b>3,460</b>	<b>4,419</b>	<b>4,419</b>
<b>Expenditures</b>						
Contingency	-	500,000	-	-	-	500,000
<b>Total Expenditures</b>	<b>-</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,000</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(500,000)</b>	<b>959</b>	<b>3,460</b>	<b>4,419</b>	<b>504,419</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	500,000	500,000	-	500,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>	<b>-</b>
Net change in fund balance	-	-	500,959	3,460	504,419	504,419
Beginning Fund Balance (Deficit)	-	-	-	500,959	500,959	500,959
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,959</b>	<b>\$ 504,419</b>	<b>\$ 1,005,378</b>	<b>\$ 1,005,378</b>



City of Bend, Oregon  
**Nonmajor Special Revenue Funds**  
 Schedule of Expenditures and Other Uses by Appropriation Levels  
 For the fiscal year ended June 30, 2011

	<b>Appropriation</b>	<b>Actual Expenditures</b>	<b>Variance Positive (Negative)</b>
<b><u>BURA General Fund</u></b>			
Expenditures & other uses	\$ 158,625	\$ 151,401	\$ 7,224
Contingency	1,709	-	1,709
	<b>\$ 160,334</b>	<b>\$ 151,401</b>	<b>\$ 8,933</b>
<b><u>Transportation Operations and Planning Fund</u></b>			
Expenditures & other uses	\$ 12,736,809	\$ 11,982,175	\$ 754,634
Contingency	2,013,891	-	2,013,891
	<b>\$ 14,750,700</b>	<b>\$ 11,982,175</b>	<b>\$ 2,768,525</b>
<b><u>Police Grant Fund</u></b>			
Expenditures & other uses	\$ 291,438	\$ 228,550	\$ 62,888
Contingency	96,300	-	96,300
	<b>\$ 387,738</b>	<b>\$ 228,550</b>	<b>\$ 159,188</b>
<b><u>Energy ARRA Grant Fund</u></b>			
Expenditures & other uses	\$ 747,000	\$ 182,475	\$ 564,525
Contingency	250,500	-	250,500
	<b>\$ 997,500</b>	<b>\$ 182,475</b>	<b>\$ 815,025</b>
<b><u>System Development Charges Fund</u></b>			
Expenditures & other uses	\$ 7,265,250	\$ 7,480,091	\$ (214,841)
	<b>\$ 7,265,250</b>	<b>\$ 7,480,091</b>	<b>\$ (214,841)</b>
<b><u>Building Fund</u></b>			
Expenditures & other uses	\$ 4,815,344	\$ 4,766,997	\$ 48,347
Contingency	200,656	-	200,656
	<b>\$ 5,016,000</b>	<b>\$ 4,766,997</b>	<b>\$ 249,003</b>
<b><u>Planning Fund</u></b>			
Expenditures & other uses	\$ 4,347,707	\$ 4,196,228	\$ 151,479
Contingency	89,193	-	89,193
	<b>\$ 4,436,900</b>	<b>\$ 4,196,228</b>	<b>\$ 240,672</b>
<b><u>Private Development Engineering Fund</u></b>			
Expenditures & other uses	\$ 805,500	\$ 659,173	\$ 146,327
Contingency	106,700	-	106,700
	<b>\$ 912,200</b>	<b>\$ 659,173</b>	<b>\$ 253,027</b>
<b><u>Affordable Housing Fund</u></b>			
Expenditures & other uses	\$ 1,797,253	\$ 1,255,677	\$ 541,576
Contingency	286,647	-	286,647
	<b>\$ 2,083,900</b>	<b>\$ 1,255,677</b>	<b>\$ 828,223</b>

City of Bend, Oregon  
**Nonmajor Special Revenue Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels (Continued)  
 For the fiscal year ended June 30, 2011

	<b>Appropriation</b>	<b>Actual Expenditures</b>	<b>Variance Positive (Negative)</b>
<b><u>Public Transit Operations Fund</u></b>			
Expenditures & other uses	\$ 4,660,580	\$ 4,321,268	\$ 339,312
Contingency	128,669	-	128,669
	<b>\$ 4,789,249</b>	<b>\$ 4,321,268</b>	<b>\$ 467,981</b>
<b><u>Public Transit Grant Fund</u></b>			
Expenditures & other uses	\$ 1,291,700	\$ 1,243,050	\$ 48,650
	<b>\$ 1,291,700</b>	<b>\$ 1,243,050</b>	<b>\$ 48,650</b>
<b><u>Tourism Fund</u></b>			
Expenditures & other uses	\$ 1,950,600	\$ 1,911,891	\$ 38,709
Contingency	118,400	-	118,400
	<b>\$ 2,069,000</b>	<b>\$ 1,911,891</b>	<b>\$ 157,109</b>
<b><u>Economic Improvement District Fund</u></b>			
Expenditures & other uses	\$ 284,700	\$ 301,123	\$ (16,423)
	<b>\$ 284,700</b>	<b>\$ 301,123</b>	<b>\$ (16,423)</b>
<b><u>Police Reserve Fund</u></b>			
Contingency	\$ 500,000	\$ -	\$ 500,000
	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ 500,000</b>

## **NONMAJOR DEBT SERVICE FUNDS**

### Improvement District Debt Service Fund

This fund accounts for the collection of special assessment loans and the servicing of the related bonded debt. There are no special assessments outstanding.

### Urban Renewal Debt Service Fund

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

### Murphy Crossing Urban Renewal Debt Service Fund

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

### Fire Station Debt Service Fund

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

### PERS Debt Service Fund

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

### Juniper Ridge Urban Renewal Debt Service Fund

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



City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Debt Service Funds  
 June 30, 2011

	Improvement District Debt Service Fund	Urban Renewal Debt Service Fund	Murphy Crossing Urban Renewal Debt Service Fund	Fire Station Debt Service Fund
<b>Assets</b>				
Pooled cash and investments	\$ 574,100	\$ 865,131	\$ 114,403	\$ 6,781
Restricted cash and investments	-	850,000	-	-
Receivables:				
Property taxes	-	252,162	4,213	-
<b>Total Assets</b>	<b>\$ 574,100</b>	<b>\$ 1,967,293</b>	<b>\$ 118,616</b>	<b>\$ 6,781</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Deferred revenues	\$ -	\$ 209,218	\$ 3,491	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>209,218</b>	<b>3,491</b>	<b>-</b>
Fund balances:				
Restricted:				
Externally imposed	574,100	1,758,075	115,125	6,781
<b>Total Fund Balances</b>	<b>574,100</b>	<b>1,758,075</b>	<b>115,125</b>	<b>6,781</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 574,100</b>	<b>\$ 1,967,293</b>	<b>\$ 118,616</b>	<b>\$ 6,781</b>

City of Bend, Oregon  
**Combining Balance Sheet (Continued)**  
 Nonmajor Debt Service Funds  
 June 30, 2011

	PERS Debt Service Fund	Juniper Ridge Urban Renewal Debt Service Fund	Total
<b>Assets</b>			
Pooled cash and investments	\$ 1,330,341	\$ 1,007,762	\$ 3,898,520
Restricted cash and investments	-	-	850,000
Receivables:			
Property taxes	-	44,580	300,955
<b>Total Assets</b>	<b>\$ 1,330,341</b>	<b>\$ 1,052,342</b>	<b>\$ 5,049,475</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Deferred revenues	\$ -	\$ 36,819	\$ 249,528
<b>Total Liabilities</b>	<b>-</b>	<b>36,819</b>	<b>249,528</b>
Fund balances (deficits):			
Restricted:			
Externally imposed	1,330,341	1,015,523	4,799,947
<b>Total Fund Balances (Deficits)</b>	<b>1,330,341</b>	<b>1,015,523</b>	<b>4,799,947</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,330,341</b>	<b>\$ 1,052,342</b>	<b>\$ 5,049,475</b>

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, 2011

	Improvement District Debt Service Fund	Urban Renewal Debt Service Fund	Murphy Crossing Urban Renewal Debt Service Fund	Fire Station Debt Service Fund
<b>Revenues</b>				
Property taxes	\$ -	\$ 3,108,935	\$ 65,047	\$ -
Intergovernmental	-	-	-	217,609
Charges for services	-	-	-	-
Investment income	6,870	31,397	913	492
<b>Total Revenues</b>	<b>6,870</b>	<b>3,140,332</b>	<b>65,960</b>	<b>218,101</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	6,150
Public ways and facilities	6,800	-	-	-
Debt service:				
Principal	-	4,250,000	-	135,000
Interest	-	226,738	-	82,606
<b>Total Expenditures</b>	<b>6,800</b>	<b>4,476,738</b>	<b>-</b>	<b>223,756</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>70</b>	<b>(1,336,405)</b>	<b>65,960</b>	<b>(5,656)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	6,000
Transfers out	(141,972)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(141,972)</b>	<b>-</b>	<b>-</b>	<b>6,000</b>
Net change in fund balances	(141,902)	(1,336,405)	65,960	344
Fund Balances (Deficits), July 1, 2010	716,002	3,094,481	49,165	6,437
<b>Fund Balances (Deficits), June 30, 2011</b>	<b>\$ 574,100</b>	<b>\$ 1,758,075</b>	<b>\$ 115,125</b>	<b>\$ 6,781</b>

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, 2011

	PERS Debt Service Fund	Juniper Ridge Urban Renewal Debt Service Fund	Total
<b>Revenues</b>			
Property taxes	\$ -	\$ 668,296	\$ 3,842,278
Intergovernmental	-	-	217,609
Charges for services	1,085,371	-	1,085,371
Investment income	13,894	8,838	62,404
<b>Total Revenues</b>	<b>1,099,265</b>	<b>677,134</b>	<b>5,207,661</b>
<b>Expenditures</b>			
Current:			
General government	20,400	-	20,400
Public safety	-	-	6,150
Public ways and facilities	-	-	6,800
Debt service:			
Principal	130,000	155,000	4,670,000
Interest	814,234	131,065	1,254,643
<b>Total Expenditures</b>	<b>964,634</b>	<b>286,065</b>	<b>5,957,993</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>134,630</b>	<b>391,069</b>	<b>(750,332)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	-	-	6,000
Transfers out	-	-	(141,972)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(135,972)</b>
Net change in fund balances	134,630	391,069	(886,304)
Fund Balances (Deficits), July 1, 2010	1,195,711	624,454	5,686,250
<b>Fund Balances (Deficits), June 30, 2011</b>	<b>\$ 1,330,341</b>	<b>\$ 1,015,523</b>	<b>\$ 4,799,947</b>



City of Bend, Oregon

**Improvement District Debt Service Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Assessments	\$ 101,300	\$ 54,000	\$ 79,690	\$ -	\$ 79,690	\$ 25,690
Charges for services	79,000	33,000	-	-	-	(33,000)
Investment income	31,200	23,600	9,235	6,870	16,105	(7,495)
<b>Total Revenues</b>	<b>211,500</b>	<b>110,600</b>	<b>88,926</b>	<b>6,870</b>	<b>95,795</b>	<b>(14,805)</b>
<b>Expenditures</b>						
Current:						
Interfund charges	37,500	24,900	18,100	6,800	24,900	-
Debt service	172,800	171,000	170,936	-	170,936	64
Reserved for debt service	803,200	571,700	-	-	-	571,700
<b>Total Expenditures</b>	<b>1,013,500</b>	<b>767,600</b>	<b>189,036</b>	<b>6,800</b>	<b>195,836</b>	<b>571,764</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(802,000)</b>	<b>(657,000)</b>	<b>(100,111)</b>	<b>70</b>	<b>(100,041)</b>	<b>556,959</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	-	(145,000)	-	(141,972)	(141,972)	3,028
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(145,000)</b>	<b>-</b>	<b>(141,972)</b>	<b>(141,972)</b>	<b>3,028</b>
Net change in fund balance	(802,000)	(802,000)	(100,111)	(141,902)	(242,012)	559,988
Beginning Fund Balance (Deficit)	802,000	802,000	816,113	716,002	1,532,115	730,115
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 716,002</b>	<b>\$ 574,100</b>	<b>\$ 1,290,103</b>	<b>\$ 1,290,103</b>

City of Bend, Oregon

**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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Property taxes	\$ 5,986,000	\$ 6,036,200	\$ 2,976,092	\$ 3,108,935	\$ 6,085,027	\$ 48,827
Investment income	127,200	110,800	47,890	31,397	79,287	(31,513)
<b>Total Revenues</b>	<b>6,113,200</b>	<b>6,147,000</b>	<b>3,023,982</b>	<b>3,140,332</b>	<b>6,164,314</b>	<b>17,314</b>
<b>Expenditures</b>						
Debt service	9,829,400	10,134,400	5,653,633	4,476,738	10,130,370	4,030
Reserved for debt service	1,927,600	1,656,400	-	-	-	1,656,400
<b>Total Expenditures</b>	<b>11,757,000</b>	<b>11,790,800</b>	<b>5,653,633</b>	<b>4,476,738</b>	<b>10,130,370</b>	<b>1,660,430</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(5,643,800)</b>	<b>(5,643,800)</b>	<b>(2,629,651)</b>	<b>(1,336,405)</b>	<b>(3,966,057)</b>	<b>1,677,743</b>
Beginning Fund Balance (Deficit)	5,643,800	5,643,800	5,724,132	3,094,481	8,818,613	3,174,813
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,094,481</b>	<b>\$ 1,758,075</b>	<b>\$ 4,852,556</b>	<b>\$ 4,852,556</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Property taxes	\$ 47,800	\$ 78,400	\$ 48,918	\$ 65,047	\$ 113,965	\$ 35,565
Investment income	900	500	247	913	1,160	660
<b>Total Revenues</b>	<b>48,700</b>	<b>78,900</b>	<b>49,165</b>	<b>65,960</b>	<b>115,125</b>	<b>36,225</b>
<b>Expenditures</b>						
Reserved for debt service	48,700	78,900	-	-	-	78,900
<b>Total Expenditures</b>	<b>48,700</b>	<b>78,900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,900</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>-</b>	<b>49,165</b>	<b>65,960</b>	<b>115,125</b>	<b>115,125</b>
Beginning Fund Balance (Deficit)	-	-	-	49,165	49,165	49,165
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 49,165</b>	<b>\$ 115,125</b>	<b>\$ 164,290</b>	<b>\$ 164,290</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Intergovernmental	\$ 516,900	\$ 476,300	\$ 218,702	\$ 217,609	\$ 436,311	\$ (39,989)
Investment income	200	800	494	492	986	186
<b>Total Revenues</b>	<b>517,100</b>	<b>477,100</b>	<b>219,196</b>	<b>218,101</b>	<b>437,296</b>	<b>(39,804)</b>
<b>Expenditures</b>						
Current:						
Materials and services	1,300	37,400	32,655	150	32,805	4,595
Interfund charges	10,900	11,300	5,300	6,000	11,300	-
Debt service	517,100	3,206,400	2,988,363	217,606	3,205,969	431
Reserved for debt service	7,000	7,400	-	-	-	7,400
<b>Total Expenditures</b>	<b>536,300</b>	<b>3,262,500</b>	<b>3,026,317</b>	<b>223,756</b>	<b>3,250,074</b>	<b>12,426</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(19,200)</b>	<b>(2,785,400)</b>	<b>(2,807,121)</b>	<b>(5,656)</b>	<b>(2,812,777)</b>	<b>(27,377)</b>
<b>Other Financing Sources (Uses)</b>						
Issuance of long term debt	-	2,766,200	2,730,000	-	2,730,000	(36,200)
Premium on issuance of debt	-	-	70,491	-	70,491	70,491
Transfers in	12,000	12,000	6,000	6,000	12,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>12,000</b>	<b>2,778,200</b>	<b>2,806,491</b>	<b>6,000</b>	<b>2,812,491</b>	<b>34,291</b>
Net change in fund balance	(7,200)	(7,200)	(630)	344	(286)	6,914
Beginning Fund Balance (Deficit)	7,200	7,200	7,067	6,437	13,504	6,304
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,437</b>	<b>\$ 6,781</b>	<b>\$ 13,218</b>	<b>\$ 13,218</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Charges to other City funds	\$ 2,325,200	\$ 2,279,400	\$ 1,047,072	\$ 1,085,371	\$ 2,132,443	\$ (146,957)
Investment income	51,700	39,200	14,240	13,894	28,134	(11,066)
<b>Total Revenues</b>	<b>2,376,900</b>	<b>2,318,600</b>	<b>1,061,312</b>	<b>1,099,265</b>	<b>2,160,577</b>	<b>(158,023)</b>
<b>Expenditures</b>						
Current:						
Interfund charges	34,600	37,100	16,700	20,400	37,100	-
Debt service	1,847,800	1,847,800	903,407	944,234	1,847,642	158
Reserved for debt service	1,552,100	1,491,300	-	-	-	1,491,300
<b>Total Expenditures</b>	<b>3,434,500</b>	<b>3,376,200</b>	<b>920,107</b>	<b>964,634</b>	<b>1,884,742</b>	<b>1,491,458</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,057,600)</b>	<b>(1,057,600)</b>	<b>141,205</b>	<b>134,630</b>	<b>275,835</b>	<b>1,333,435</b>
Beginning Fund Balance (Deficit)	1,057,600	1,057,600	1,054,506	1,195,711	2,250,217	1,192,617
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,195,711</b>	<b>\$ 1,330,341</b>	<b>\$ 2,526,052</b>	<b>\$ 2,526,052</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Property taxes	\$ 610,600	\$ 782,600	\$ 460,959	\$ 668,296	\$ 1,129,255	\$ 346,655
Investment income	16,500	13,200	5,207	8,838	14,045	845
<b>Total Revenues</b>	<b>627,100</b>	<b>795,800</b>	<b>466,166</b>	<b>677,134</b>	<b>1,143,300</b>	<b>347,500</b>
<b>Expenditures</b>						
Debt service	419,500	419,500	133,390	286,065	419,455	45
Reserved for debt service	495,200	663,900	-	-	-	663,900
<b>Total Expenditures</b>	<b>914,700</b>	<b>1,083,400</b>	<b>133,390</b>	<b>286,065</b>	<b>419,455</b>	<b>663,945</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(287,600)</b>	<b>(287,600)</b>	<b>332,776</b>	<b>391,069</b>	<b>723,845</b>	<b>1,011,445</b>
Beginning Fund Balance (Deficit)	287,600	287,600	291,678	624,454	916,132	628,532
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 624,454</b>	<b>\$ 1,015,523</b>	<b>\$ 1,639,977</b>	<b>\$ 1,639,977</b>

City of Bend, Oregon

**Nonmajor Debt Service Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels  
 For the fiscal year ended June 30, 2011

	<b>Appropriation</b>	<b>Actual Expenditures</b>	<b>Variance Positive (Negative)</b>
<b><u>Improvement District Debt Service Fund</u></b>			
Expenditures & other uses	\$ 340,900	\$ 337,808	\$ 3,092
Reserves	571,700	-	571,700
	<b>\$ 912,600</b>	<b>\$ 337,808</b>	<b>\$ 574,792</b>
<b><u>Urban Renewal Debt Service Fund</u></b>			
Expenditures & other uses	\$ 10,134,400	\$ 10,130,370	\$ 4,030
Reserves	1,656,400	-	1,656,400
	<b>\$ 11,790,800</b>	<b>\$ 10,130,370</b>	<b>\$ 1,660,430</b>
<b><u>Murphy Crossing Urban Renewal Debt Service Fund</u></b>			
Reserves	\$ 78,900	\$ -	\$ 78,900
	<b>\$ 78,900</b>	<b>\$ -</b>	<b>\$ 78,900</b>
<b><u>Fire Station Debt Service Fund</u></b>			
Expenditures & other uses	\$ 3,255,100	\$ 3,250,074	\$ 5,026
Reserves	7,400	-	7,400
	<b>\$ 3,262,500</b>	<b>\$ 3,250,074</b>	<b>\$ 12,426</b>
<b><u>PERS Debt Service Fund</u></b>			
Expenditures & other uses	\$ 1,884,900	\$ 1,884,742	\$ 158
Reserves	1,491,300	-	1,491,300
	<b>\$ 3,376,200</b>	<b>\$ 1,884,742</b>	<b>\$ 1,491,458</b>
<b><u>Juniper Ridge Urban Renewal Debt Service Fund</u></b>			
Expenditures & other uses	\$ 419,500	\$ 419,455	\$ 45
Reserves	663,900	-	663,900
	<b>\$ 1,083,400</b>	<b>\$ 419,455</b>	<b>\$ 663,945</b>

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## **NONMAJOR CAPITAL PROJECTS FUNDS**

### Improvement District Construction Fund

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

### Urban Renewal Construction Fund

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

### Juniper Ridge Urban Renewal Construction Fund

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

### Accessibility Construction Fund

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

### Transportation Construction Fund

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



City of Bend, Oregon  
**Combining Balance Sheet**  
 Nonmajor Capital Projects Funds  
 June 30, 2011

	Improvement District Construction Fund	Urban Renewal Construction Fund	Juniper Ridge Urban Renewal Construction Fund	Accessibility Construction Fund	Transportation Construction Fund	Total
<b>Assets</b>						
Pooled cash and investments	\$ -	\$ 453,954	\$ 77,080	\$ 1,140,702	\$ 6,193,776	\$ 7,865,513
Restricted cash and investments	-	-	-	-	4,575	4,575
Receivables:						
Accounts, net	-	-	-	-	683,538	683,538
Loans and notes, net	-	34,461	-	-	-	34,461
Due from other funds	-	-	-	13,585	46,570	60,155
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 488,415</b>	<b>\$ 77,080</b>	<b>\$ 1,154,288</b>	<b>\$ 6,928,459</b>	<b>\$ 8,648,242</b>

**Liabilities and Fund Balances (Deficit)**

Liabilities:						
Accounts payable	\$ -	\$ -	\$ 7,461	\$ 10,917	\$ 87,662	\$ 106,040
Retainage payable	-	1,162	-	-	7,888	9,051
Other accrued liabilities	-	-	-	-	223,927	223,927
Deposits	-	-	-	-	4,575	4,575
Deferred revenue	-	-	-	66,452	167,928	234,380
<b>Total Liabilities</b>	<b>-</b>	<b>1,162</b>	<b>7,461</b>	<b>77,369</b>	<b>491,980</b>	<b>577,972</b>

Fund balances (deficits):

Nonspendable:						
In form	-	34,461	-	-	-	34,461
Restricted:						
Externally imposed	-	-	-	1,076,919	722,946	1,799,865
Committed	-	452,792	385,407	-	5,713,532	6,551,731
Unassigned	-	-	(315,787)	-	-	(315,787)
<b>Total Fund Balances (Deficits)</b>	<b>-</b>	<b>487,253</b>	<b>69,620</b>	<b>1,076,919</b>	<b>6,436,478</b>	<b>8,070,269</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ -</b>	<b>\$ 488,415</b>	<b>\$ 77,080</b>	<b>\$ 1,154,288</b>	<b>\$ 6,928,459</b>	<b>\$ 8,648,242</b>

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

Nonmajor Capital Projects Funds  
For the fiscal year ended June 30, 2011

	Improvement District Construction Fund	Urban Renewal Construction Fund	Juniper Ridge Urban Renewal Construction Fund	Accessibility Construction Fund	Transportation Construction Fund	Total
<b>Revenues</b>						
Franchise fees	\$ -	\$ -	\$ -	\$ -	\$ 931,851	\$ 931,851
Intergovernmental	-	-	13	89,543	503,402	592,958
Rent from others	-	-	-	-	17,865	17,865
Charges for services	-	-	-	95,183	65,255	160,437
Contributions	-	-	-	-	55,118	55,118
Loan repayments	-	-	-	-	12,457	12,457
Investment income	(2,722)	4,681	3,063	15,818	51,622	72,462
Miscellaneous	-	-	1	7,162	-	7,164
<b>Total Revenues</b>	<b>(2,722)</b>	<b>4,681</b>	<b>3,078</b>	<b>207,706</b>	<b>1,637,570</b>	<b>1,850,313</b>
<b>Expenditures</b>						
Current:						
Public ways and facilities	2,900	-	-	394,869	204,491	602,260
Urban renewal	-	-	333,685	-	-	333,685
Debt service:						
Principal	-	-	-	190,000	828,600	1,018,600
Interest	-	-	72,556	118,875	449,703	641,134
Capital outlay	-	-	-	1,239,894	1,318,263	2,558,157
<b>Total Expenditures</b>	<b>2,900</b>	<b>-</b>	<b>406,241</b>	<b>1,943,638</b>	<b>2,801,057</b>	<b>5,153,835</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(5,622)</b>	<b>4,681</b>	<b>(403,163)</b>	<b>(1,735,932)</b>	<b>(1,163,487)</b>	<b>(3,303,522)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	228,696	-	-	450,000	1,701,928	2,380,624
Transfers out	-	(17,000)	(176,803)	-	-	(193,803)
<b>Total Other Financing Sources (Uses)</b>	<b>228,696</b>	<b>(17,000)</b>	<b>(176,803)</b>	<b>450,000</b>	<b>1,701,928</b>	<b>2,186,822</b>
Net change in fund balance	223,074	(12,319)	(579,965)	(1,285,932)	538,441	(1,116,700)
Fund Balances (Deficits), July 1, 2010	(223,074)	499,572	649,585	2,362,851	5,898,037	9,186,970
<b>Fund Balances (Deficits), June 30, 2011</b>	<b>\$ -</b>	<b>\$ 487,253</b>	<b>\$ 69,620</b>	<b>\$ 1,076,919</b>	<b>\$ 6,436,478</b>	<b>\$ 8,070,269</b>

City of Bend, Oregon  
**Improvement District Construction Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Investment income	\$ -	\$ (4,900)	\$ (4,097)	\$ (2,722)	\$ (6,819)	\$ (1,919)
<b>Total Revenues</b>	<b>-</b>	<b>(4,900)</b>	<b>(4,097)</b>	<b>(2,722)</b>	<b>(6,819)</b>	<b>(1,919)</b>
<b>Expenditures</b>						
Current:						
Interfund charges	5,100	5,400	2,500	2,900	5,400	-
Capital outlay	200,000	195,500	-	-	-	195,500
<b>Total Expenditures</b>	<b>205,100</b>	<b>200,900</b>	<b>2,500</b>	<b>2,900</b>	<b>5,400</b>	<b>195,500</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(205,100)</b>	<b>(205,800)</b>	<b>(6,597)</b>	<b>(5,622)</b>	<b>(12,219)</b>	<b>193,581</b>
<b>Other Financing Sources (Uses)</b>						
Advances from other funds	-	315,000	224,000	-	224,000	(91,000)
Interfund loan repayments	(307,700)	(527,200)	(303,127)	(224,000)	(527,127)	73
Transfers in	512,800	418,000	86,650	228,696	315,346	(102,654)
<b>Total Other Financing Sources (Uses)</b>	<b>205,100</b>	<b>205,800</b>	<b>7,523</b>	<b>4,696</b>	<b>12,219</b>	<b>(193,581)</b>
Net change in fund balance	-	-	926	(926)	-	-
Beginning Fund Balance (Deficit)	-	-	-	926	926	926
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 926</b>	<b>\$ -</b>	<b>\$ 926</b>	<b>\$ 926</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Other Financing Sources (Uses) - Budgetary Basis	\$ 4,696
Repayment of interfund loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis	<u>224,000</u>
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b><u>\$ 228,696</u></b>

City of Bend, Oregon  
**Urban Renewal Construction Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 Actual	FY2010-11 Actual	Total Actual Budget Basis	Variance with
	Original	Final				Final Budget Positive (Negative)
<b>Revenues</b>						
Investment income	\$ 21,400	\$ 17,400	\$ 5,833	\$ 4,681	\$ 10,514	\$ (6,886)
<b>Total Revenues</b>	<b>21,400</b>	<b>17,400</b>	<b>5,833</b>	<b>4,681</b>	<b>10,514</b>	<b>(6,886)</b>
<b>Expenditures</b>						
Current:						
Materials and services	-	7,000	-	-	-	7,000
Capital outlay	-	51,000	31,230	-	31,230	19,771
Contingency	510,753	427,366	-	-	-	427,366
<b>Total Expenditures</b>	<b>510,753</b>	<b>485,366</b>	<b>31,230</b>	<b>-</b>	<b>31,230</b>	<b>454,137</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(489,353)</b>	<b>(467,966)</b>	<b>(25,397)</b>	<b>4,681</b>	<b>(20,716)</b>	<b>447,250</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	(83,247)	(104,634)	(85,231)	(17,000)	(102,231)	2,403
<b>Total Other Financing Sources (Uses)</b>	<b>(83,247)</b>	<b>(104,634)</b>	<b>(85,231)</b>	<b>(17,000)</b>	<b>(102,231)</b>	<b>2,403</b>
Net change in fund balance	(572,600)	(572,600)	(110,628)	(12,319)	(122,947)	449,653
Beginning Fund Balance (Deficit)	572,600	572,600	575,738	465,111	1,040,849	468,249
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 465,111</b>	<b>\$ 452,792</b>	<b>\$ 917,903</b>	<b>\$ 917,903</b>

**Reconciliation of Budgetary basis to GAAP basis**

Ending Fund Balance (Deficit) - Budgetary Basis	\$ 452,792
Balance of loans receivable	34,461
<b>Ending Fund Balance (Deficit) - GAAP Basis</b>	<b>\$ 487,253</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive <u>(Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 13	\$ 13	\$ 13
Investment income	12,200	4,300	(16,464)	3,063	(13,401)	(17,701)
Miscellaneous	-	-	1	1	3	3
<b>Total Revenues</b>	<b>12,200</b>	<b>4,300</b>	<b>(16,463)</b>	<b>3,078</b>	<b>(13,385)</b>	<b>(17,685)</b>
<b>Expenditures</b>						
Current:						
Personal services	149,555	120,047	94,692	34,030	128,722	(8,675)
Materials and services	298,202	284,954	134,552	33,155	167,707	117,247
Interfund charges	611,300	547,400	277,287	266,500	543,787	3,613
Debt service	8,390,000	7,170,000	75,657	72,556	148,212	7,021,788
Capital outlay	2,933,100	3,024,310	2,560,519	176,803	2,737,321	286,989
Contingency	435,643	241,839	-	-	-	241,839
<b>Total Expenditures</b>	<b>12,817,800</b>	<b>11,388,550</b>	<b>3,142,707</b>	<b>583,043</b>	<b>3,725,750</b>	<b>7,662,800</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(12,805,600)</b>	<b>(11,384,250)</b>	<b>(3,159,170)</b>	<b>(579,965)</b>	<b>(3,739,135)</b>	<b>7,645,115</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from short-term notes payable	500,000	500,000	-	-	-	(500,000)
Issuance of long-term debt	6,000,000	6,000,000	8,850	-	8,850	(5,991,150)
Transfers in	7,319,200	4,300,500	4,700,046	-	4,700,046	399,546
Transfers out	(1,083,200)	(135,350)	-	-	-	135,350
<b>Total Other Financing Sources (Uses)</b>	<b>12,736,000</b>	<b>10,665,150</b>	<b>4,708,896</b>	<b>-</b>	<b>4,708,896</b>	<b>(5,956,254)</b>
Net change in fund balance	(69,600)	(719,100)	1,549,726	(579,965)	969,761	1,688,861
Beginning Fund Balance (Deficit)	69,600	719,100	(900,141)	649,585	(250,557)	(969,657)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 649,585</b>	<b>\$ 69,620</b>	<b>\$ 719,204</b>	<b>\$ 719,204</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenditures - Budgetary Basis	\$ 583,043
Capitalized amounts reported as expenditures on the budgetary basis are reported as capital contributions to other funds on the GAAP basis	(176,803)
<b>Total Expenditures - GAAP Basis</b>	<b>\$ 406,241</b>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ -
Capitalized amounts reported as expenditures on the budgetary basis are reported as capital contributions to other funds on the GAAP basis	(176,803)
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<b>\$ (176,803)</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ 54,400	\$ 15,382	\$ 89,543	\$ 104,925	\$ 50,525
Charges to other City funds	-	217,000	-	95,183	95,183	(121,817)
Investment income	26,200	20,100	4,082	15,818	19,901	(199)
Miscellaneous	-	-	2,990	7,162	10,152	10,152
<b>Total Revenues</b>	<b>26,200</b>	<b>291,500</b>	<b>22,454</b>	<b>207,706</b>	<b>230,160</b>	<b>(61,340)</b>
<b>Expenditures</b>						
Current:						
Personal services	-	7,100	-	7,098	7,098	2
Materials and services	160,200	215,900	63,757	431	64,188	151,712
Interfund charges	478,600	596,800	201,326	387,340	588,665	8,135
Debt service	840,100	675,500	114,243	308,875	423,118	252,382
Capital outlay	1,786,000	2,974,100	668,673	1,239,894	1,908,567	1,065,533
Contingency	88,900	1,971,700	-	-	-	1,971,700
<b>Total Expenditures</b>	<b>3,353,800</b>	<b>6,441,100</b>	<b>1,047,999</b>	<b>1,943,638</b>	<b>2,991,637</b>	<b>3,449,463</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,327,600)</b>	<b>(6,149,600)</b>	<b>(1,025,545)</b>	<b>(1,735,932)</b>	<b>(2,761,477)</b>	<b>3,388,124</b>
<b>Other Financing Sources (Uses)</b>						
Repayment of short-term notes payable	(900,000)	(440,000)	(440,000)	-	(440,000)	-
Issuance of long-term debt	3,200,000	3,200,000	3,265,000	-	3,265,000	65,000
Discount on issuance of long-term debt	-	-	(1,488)	-	(1,488)	(1,488)
Transfers in	900,000	900,000	450,000	450,000	900,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>3,200,000</b>	<b>3,660,000</b>	<b>3,273,512</b>	<b>450,000</b>	<b>3,723,512</b>	<b>63,512</b>
Net change in fund balance	(127,600)	(2,489,600)	2,247,968	(1,285,932)	962,036	3,451,636
Beginning Fund Balance (Deficit)	127,600	2,489,600	114,883	2,362,851	2,477,734	(11,866)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,362,851</b>	<b>\$ 1,076,919</b>	<b>\$ 3,439,770</b>	<b>\$ 3,439,770</b>



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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Franchise fees	\$ 1,818,125	\$ 1,818,710	\$ 764,119	\$ 931,851	\$ 1,695,971	\$ (122,739)
Intergovernmental	127,500	751,400	127,500	503,402	630,902	(120,498)
Rental income	40,200	44,100	20,695	17,865	38,560	(5,540)
Charges for services	-	6,400	6,332	65,255	71,586	65,186
Contributions	-	-	91,935	55,118	147,053	147,053
Loan repayments	27,300	27,300	14,757	12,457	27,214	(86)
Investment income	79,500	105,000	52,125	51,622	103,746	(1,254)
Miscellaneous	-	-	4,525	-	4,525	4,525
<b>Total Revenues</b>	<b>2,092,625</b>	<b>2,752,910</b>	<b>1,081,987</b>	<b>1,637,570</b>	<b>2,719,557</b>	<b>(33,353)</b>
<b>Expenditures</b>						
Current:						
Materials and services	226,400	359,000	98,417	18,558	116,975	242,025
Interfund charges	621,900	569,100	389,525	185,934	575,459	(6,359)
Debt service	2,621,900	2,582,600	1,304,548	1,278,303	2,582,852	(252)
Capital outlay	2,905,000	4,353,400	1,413,100	1,318,263	2,731,363	1,622,037
Contingency	815,725	1,368,010	-	-	-	1,368,010
Reserved	2,000,000	1,900,000	-	-	-	1,900,000
<b>Total Expenditures</b>	<b>9,190,925</b>	<b>11,132,110</b>	<b>3,205,591</b>	<b>2,801,057</b>	<b>6,006,648</b>	<b>5,125,462</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(7,098,300)</b>	<b>(8,379,200)</b>	<b>(2,123,604)</b>	<b>(1,163,487)</b>	<b>(3,287,091)</b>	<b>5,092,109</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	61,700	211,134	-	211,134	149,434
Issuance of long-term debt	-	4,063,200	4,103,000	-	4,103,000	39,800
Premium on issuance of long-term debt	-	-	160,303	-	160,303	160,303
Payment to refunded bond escrow agent	-	(4,215,200)	(4,215,198)	-	(4,215,198)	2
Transfers in	3,350,700	2,573,600	1,866,500	1,701,928	3,568,428	994,828
<b>Total Other Financing Sources (Uses)</b>	<b>3,350,700</b>	<b>2,483,300</b>	<b>2,125,739</b>	<b>1,701,928</b>	<b>3,827,667</b>	<b>1,344,367</b>
Net change in fund balance	(3,747,600)	(5,895,900)	2,135	538,441	540,576	6,436,476
Beginning Fund Balance (Deficit)	3,747,600	5,895,900	5,895,902	5,898,037	11,793,939	5,898,039
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,898,037</b>	<b>\$ 6,436,478</b>	<b>\$ 12,334,515</b>	<b>\$ 12,334,515</b>

City of Bend, Oregon  
**Nonmajor Capital Projects Funds**  
 Schedule of Expenditures and Other Uses by Appropriation Levels  
 For the fiscal year ended June 30, 2011

	<b>Appropriation</b>	<b>Actual Expenditures</b>	<b>Variance Positive (Negative)</b>
<b><u>Improvement District Construction Fund</u></b>			
Expenditures & other uses	\$ 728,100	\$ 532,527	\$ 195,573
	<b>\$ 728,100</b>	<b>\$ 532,527</b>	<b>\$ 195,573</b>
<b><u>Urban Renewal Construction Fund</u></b>			
Expenditures & other uses	\$ 162,634	\$ 133,461	\$ 29,174
Contingency	427,366	-	427,366
	<b>\$ 590,000</b>	<b>\$ 133,461</b>	<b>\$ 456,540</b>
<b><u>Juniper Ridge Urban Renewal Construction Fund</u></b>			
Expenditures & other uses	\$ 11,282,061	\$ 3,725,750	\$ 7,556,311
Contingency	241,839	-	241,839
	<b>\$ 11,523,900</b>	<b>\$ 3,725,750</b>	<b>\$ 7,798,150</b>
<b><u>Accessibility Construction Fund</u></b>			
Expenditures & other uses	\$ 4,909,400	\$ 3,433,124	\$ 1,476,276
Contingency	1,971,700	-	1,971,700
	<b>\$ 6,881,100</b>	<b>\$ 3,433,124</b>	<b>\$ 3,447,976</b>
<b><u>Transportation Construction Fund</u></b>			
Expenditures & other uses	\$ 12,079,300	\$ 10,221,846	\$ 1,857,454
Contingency	1,368,010	-	1,368,010
Reserves	1,900,000	-	1,900,000
	<b>\$ 15,347,310</b>	<b>\$ 10,221,846</b>	<b>\$ 5,125,464</b>

## **NONMAJOR PERMANENT FUNDS**

### Cemetery Permanent Maintenance Fund

This fund accounts for the collection of cemetery permanent maintenance revenues. The earnings, not principal, on 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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Permanent maintenance fees	\$ -	\$ 11,500	\$ -	\$ 11,349	\$ 11,349	\$ (151)
Investment income	-	2,800	-	120	120	(2,680)
<b>Total Revenues</b>	<b>-</b>	<b>14,300</b>	<b>-</b>	<b>11,469</b>	<b>11,469</b>	<b>(2,831)</b>
<b>Expenditures</b>						
Reserved for permanent maintenance	-	586,376	-	-	-	586,376
<b>Total Expenditures</b>	<b>-</b>	<b>586,376</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>586,376</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>-</b>	<b>(572,076)</b>	<b>-</b>	<b>11,469</b>	<b>11,469</b>	<b>583,545</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	574,876	-	574,876	574,876	-
Transfers out	-	(2,800)	-	(120)	(120)	2,680
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>572,076</b>	<b>-</b>	<b>574,756</b>	<b>574,756</b>	<b>2,680</b>
Net change in fund balance	-	-	-	586,225	586,225	586,225
Beginning Fund Balance (Deficit)	-	-	-	-	-	-
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 586,225</b>	<b>\$ 586,225</b>	<b>\$ 586,225</b>

City of Bend, Oregon

**Nonmajor Permanent Funds**

Schedule of Expenditures and Other Uses by Appropriation Levels

For the fiscal year ended June 30, 2011

	<b>Appropriation</b>	<b>Actual Expenditures</b>	<b>Variance Positive (Negative)</b>
<b><u>Cemetery Permanent Maintenance Fund</u></b>			
Expenditures & other uses	\$ 2,800	\$ 120	\$ 2,680
Reserves	586,376	-	586,376
	<b>\$ 589,176</b>	<b>\$ 120</b>	<b>\$ 589,056</b>

## **NONMAJOR ENTERPRISE FUNDS**

### Airport Fund

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

### Cemetery Fund

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

### Downtown Parking Fund

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

### Stormwater Fund

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





City of Bend, Oregon  
**Combining Statement of Net Assets**  
 Nonmajor Enterprise Funds  
 June 30, 2011

	Airport Fund	Cemetery Fund	Downtown Parking Fund	Stormwater Fund	Total
<b>Assets</b>					
Current assets:					
Pooled cash and investments	\$ 102,486	\$ 11,053	\$ 953,649	\$ 3,903,297	\$ 4,970,486
Accounts receivable, net	5,471	-	46,849	308,505	360,826
Due from other governments	601,587	-	-	-	601,587
Bond issue costs, net	4,161	-	-	438	4,599
Loans & notes receivable	-	-	106,700	-	106,700
<b>Total Current Assets</b>	<b>713,705</b>	<b>11,053</b>	<b>1,107,199</b>	<b>4,212,240</b>	<b>6,044,197</b>
Noncurrent assets:					
Restricted cash	40,818	-	19,049	-	59,867
Bond issue costs, net	25,427	-	-	7,009	32,436
Capital assets, net	21,271,829	152,364	14,051,089	25,179,670	60,654,953
<b>Total Noncurrent Assets</b>	<b>21,338,074</b>	<b>152,364</b>	<b>14,070,138</b>	<b>25,186,679</b>	<b>60,747,255</b>
<b>Total Assets</b>	<b>22,051,779</b>	<b>163,418</b>	<b>15,177,337</b>	<b>29,398,919</b>	<b>66,791,453</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	247,401	705	23,261	71,038	342,405
Salaries and benefits payable	2,237	451	6,284	14,061	23,033
Retainage payable	125,546	-	-	-	125,546
Compensated absences	6,470	9,893	-	18,042	34,406
Interest payable	33,084	-	-	288	33,371
Other accrued liabilities	20,152	-	3	-	20,155
Deposits - restricted	40,818	-	19,049	-	59,867
Advances from other funds	-	-	6,600	-	6,600
Current portion of long-term debt, net	183,584	-	-	55,051	238,635
<b>Total Current Liabilities</b>	<b>659,294</b>	<b>11,049</b>	<b>55,197</b>	<b>158,479</b>	<b>884,019</b>
Noncurrent liabilities:					
Advances from other funds	-	-	21,800	-	21,800
Other post-retirement benefits payable	21,295	4,812	17,628	157,990	201,725
Long-term debt, net	1,994,632	-	-	60,811	2,055,443
<b>Total Noncurrent Liabilities</b>	<b>2,015,927</b>	<b>4,812</b>	<b>39,428</b>	<b>218,801</b>	<b>2,278,968</b>
<b>Total Liabilities</b>	<b>2,675,221</b>	<b>15,861</b>	<b>94,625</b>	<b>377,280</b>	<b>3,162,987</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	19,093,612	152,364	14,051,089	25,063,809	58,360,875
Unrestricted	282,946	(4,808)	1,031,623	3,957,830	5,267,591
<b>Total Net Assets</b>	<b>\$ 19,376,558</b>	<b>\$ 147,556</b>	<b>\$ 15,082,712</b>	<b>\$ 29,021,639</b>	<b>\$ 63,628,466</b>

City of Bend, Oregon

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

Nonmajor Enterprise Funds

For the fiscal year ended June 30, 2011

	Airport Fund	Cemetery Fund	Downtown Parking Fund	Stormwater Fund	Total
<b>Operating Revenues</b>					
Intergovernmental	\$ 275	\$ 93	\$ 324	\$ 37,603	\$ 38,294
Charges for services	698,743	44,510	642,979	2,499,675	3,885,908
Miscellaneous	73,845	-	427	207	74,478
<b>Total Operating Revenues</b>	<b>772,863</b>	<b>44,603</b>	<b>643,729</b>	<b>2,537,484</b>	<b>3,998,680</b>
<b>Operating Expenses</b>					
Salaries and benefits	159,059	31,387	145,324	1,035,508	1,371,279
Materials and supplies	77,586	14,808	289,964	237,576	619,934
Internal services	224,121	17,016	122,253	425,024	788,414
Depreciation	405,046	13,683	319,001	722,414	1,460,144
<b>Total Operating Expenses</b>	<b>865,812</b>	<b>76,894</b>	<b>876,542</b>	<b>2,420,522</b>	<b>4,239,770</b>
<b>Operating income (loss)</b>	<b>(92,949)</b>	<b>(32,291)</b>	<b>(232,813)</b>	<b>116,962</b>	<b>(241,090)</b>
<b>Nonoperating Revenues (Expenses)</b>					
Investment income	(3,756)	2,539	11,104	36,292	46,178
Interest expense	(85,524)	-	-	(4,138)	(89,661)
Insurance proceeds	4,615	-	-	-	4,615
Parking improvement fees	-	-	106,700	-	106,700
Amortization of bond issue costs	50	-	-	(387)	(338)
Interfund loan repayment	-	-	(1,050)	-	(1,050)
Gain on disposal of assets	-	1,577	-	-	1,577
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(84,616)</b>	<b>4,116</b>	<b>116,754</b>	<b>31,767</b>	<b>68,020</b>
<b>Income (loss) before contributions and transfers</b>	<b>(177,565)</b>	<b>(28,175)</b>	<b>(116,059)</b>	<b>148,729</b>	<b>(173,070)</b>
<b>Contributions and Transfers</b>					
Capital contributions	1,835,776	-	-	159,875	1,995,651
Transfers in	350,000	11,654	5,155	-	366,809
Transfers out	-	(334,184)	-	-	(334,184)
<b>Total Contributions and Transfers</b>	<b>2,185,776</b>	<b>(322,529)</b>	<b>5,155</b>	<b>159,875</b>	<b>2,028,277</b>
Change in net assets	2,008,211	(350,704)	(110,904)	308,604	1,855,207
Net Assets, July 1, 2010, as previously stated	17,368,347	498,260	15,486,116	28,713,035	62,065,758
Restatement, Note 19	-	-	(292,500)	-	(292,500)
Net Assets, July 1, 2010, as restated	17,368,347	498,260	15,193,616	28,713,035	61,773,258
<b>Net Assets, June 30, 2011</b>	<b>\$ 19,376,558</b>	<b>\$ 147,556</b>	<b>\$ 15,082,712</b>	<b>\$ 29,021,639</b>	<b>\$ 63,628,466</b>

City of Bend, Oregon  
**Combining Statement of Cash Flows**  
 Nonmajor Enterprise Funds  
 For the fiscal year ended June 30, 2011

	Airport Fund	Cemetery Fund	Downtown Parking Fund	Stormwater Fund	Total
<b><u>Cash Flows from Operating Activities</u></b>					
Cash received from customers	\$ 777,918	\$ 44,603	\$ 625,106	\$ 2,431,918	\$ 3,879,546
Cash received from interfund services provided	-	-	-	17,612	17,612
Cash paid to employees for services	(149,253)	(32,555)	(145,736)	(947,421)	(1,274,965)
Cash paid to suppliers for goods and services	(77,279)	(9,742)	(272,117)	(203,088)	(562,226)
Cash paid for interfund services used	(224,121)	(17,016)	(122,253)	(425,024)	(788,414)
<b>Net Cash From Operating Activities</b>	<b>327,266</b>	<b>(14,709)</b>	<b>85,000</b>	<b>873,997</b>	<b>1,271,553</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>					
Interfund loan repayments	(550,000)	-	(7,650)	-	(557,650)
Transfers from other funds	350,000	11,654	5,155	-	366,809
Transfers to other funds	-	(334,184)	-	-	(334,184)
<b>Net Cash From Noncapital Financing Activities</b>	<b>(200,000)</b>	<b>(322,529)</b>	<b>(2,495)</b>	<b>-</b>	<b>(525,024)</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>					
Insurance proceeds	4,615	-	-	-	4,615
Principal payments on capital debt	(172,888)	-	-	(55,000)	(227,888)
Interest payments on capital debt	(87,539)	-	-	(4,275)	(91,814)
Capital grants and contributions	2,480,614	-	(292,500)	-	2,188,114
Proceeds from sale of assets	-	1,577	-	-	1,577
Acquisition and construction of capital assets	(2,246,470)	-	(1,809)	(169,220)	(2,417,499)
<b>Net Cash From Capital and Related Financing Activities</b>	<b>(21,669)</b>	<b>1,577</b>	<b>(294,309)</b>	<b>(228,495)</b>	<b>(542,896)</b>
<b><u>Cash Flows from Investing Activities</u></b>					
Investment income	(3,756)	2,539	11,104	36,291	46,178
<b>Net Cash From Investing Activities</b>	<b>(3,756)</b>	<b>2,539</b>	<b>11,104</b>	<b>36,291</b>	<b>46,178</b>
Net change in pooled cash and investments	101,841	(333,123)	(200,700)	681,793	249,811
Pooled Cash and Investments, July 1, 2010	41,463	344,176	1,173,398	3,221,504	4,780,542
<b>Pooled Cash and Investments, June 30, 2011</b>	<b>\$ 143,304</b>	<b>\$ 11,053</b>	<b>\$ 972,698</b>	<b>\$ 3,903,297</b>	<b>\$ 5,030,353</b>

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

Nonmajor Enterprise Funds  
 For the fiscal year ended June 30, 2011

	<u>Airport Fund</u>	<u>Cemetery Fund</u>	<u>Downtown Parking Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating income (loss)	\$ (92,949)	\$ (32,291)	\$ (232,813)	\$ 116,962	\$ (241,090)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	405,046	13,683	319,001	722,414	1,460,144
Change in:					
Accounts receivable	21,833	-	(34,904)	(87,954)	(101,025)
Accounts payable	3,354	5,066	19,565	34,487	62,472
Salaries and benefits payable	273	(53)	4,355	2,434	7,009
Other post-employment benefits	8,832	(1,835)	6,594	77,391	90,982
Compensated absences payable	701	719	(11,361)	8,262	(1,678)
Other accrued liabilities	(3,047)	-	(1,718)	-	(4,765)
Prepays and deposits payable	(16,778)	-	16,281	-	(496)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ 327,266</b>	<b>\$ (14,709)</b>	<b>\$ 85,000</b>	<b>\$ 873,997</b>	<b>\$ 1,271,553</b>

Noncash Operating Activities

The City deferred in-lieu of parking development fees for a \$106,700 loan.

Noncash Capital and Related Financing Activities

The City received donated and stormwater infrastructure totaling \$159,875 in the current year.

Acquisition of capital assets financed through accounts payable for the current year totaled \$237,596 in the Airport Fund and \$23,002 in the Stormwater Fund.

City of Bend, Oregon  
**Airport Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Intergovernmental	\$ 5,727,900	\$ 4,594,400	\$ 1,808,906	\$ 1,836,051	\$ 3,644,957	\$ (949,443)
Charges for services	1,348,500	1,355,000	702,869	698,743	1,401,613	46,613
Investment income	5,900	(100)	(1,039)	(3,756)	(4,795)	(4,695)
Miscellaneous	124,900	132,600	70,492	73,845	144,337	11,737
<b>Total Revenues</b>	<b>7,207,200</b>	<b>6,081,900</b>	<b>2,581,227</b>	<b>2,604,883</b>	<b>5,186,111</b>	<b>(895,789)</b>
<b>Expenditures</b>						
Current:						
Personal services	317,779	294,488	136,073	150,227	286,299	8,189
Materials and services	140,655	179,184	79,675	77,586	157,261	21,923
Interfund charges	427,800	451,200	206,465	224,121	430,586	20,614
Capital outlay	6,008,600	4,248,400	1,831,725	1,870,570	3,702,295	546,105
Debt service	556,900	1,612,400	1,359,727	258,412	1,618,139	(5,739)
Contingency	303,166	378,128	-	-	-	378,128
<b>Total Expenditures</b>	<b>7,754,900</b>	<b>7,163,800</b>	<b>3,613,664</b>	<b>2,580,916</b>	<b>6,194,580</b>	<b>969,220</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(547,700)</b>	<b>(1,081,900)</b>	<b>(1,032,437)</b>	<b>23,968</b>	<b>(1,008,469)</b>	<b>73,431</b>
<b>Other Financing Sources (Uses)</b>						
Insurance proceeds	-	-	-	4,615	4,615	4,615
Advances from other funds	-	650,000	550,000	-	550,000	(100,000)
Repayment of short-term notes payab	(200,000)	(500,000)	(500,000)	-	(500,000)	-
Issuance of long term debt	-	1,084,200	1,057,000	-	1,057,000	(27,200)
Premium on issuance of long-term del	-	-	43,313	-	43,313	43,313
Interfund loan repayment	-	(550,000)	-	(550,000)	(550,000)	-
Transfers in	650,000	300,000	-	350,000	350,000	50,000
<b>Total Other Financing Sources (Uses)</b>	<b>450,000</b>	<b>984,200</b>	<b>1,150,313</b>	<b>(195,385)</b>	<b>954,928</b>	<b>(29,272)</b>
Net change in fund balance	(97,700)	(97,700)	117,877	(171,418)	(53,541)	44,159
Beginning Fund Balance (Deficit)	97,700	97,700	353,740	471,616	825,356	727,656
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 471,616</b>	<b>\$ 300,199</b>	<b>\$ 771,815</b>	<b>\$ 771,815</b>

City of Bend, Oregon

**Airport Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)  
For the fiscal year ended June 30, 2011

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenditures - Budgetary Basis	\$ 2,580,916
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	8,832
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(1,870,570)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(172,888)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	405,046
Amortization of bond issue costs is not reported on the budgetary basis but is reported as an expense on the GAAP basis	(50)
<b>Total Expenses - GAAP Basis</b>	<u>\$ 951,286</u>
Total Other Financing Sources (Uses) - Budgetary Basis	\$ (195,385)
reduction of liabilities on the GAAP basis	<u>550,000</u>
<b>Total Other Financing Sources (Uses) - GAAP Basis</b>	<u>\$ 354,615</u>

City of Bend, Oregon  
**Cemetery Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 93	\$ 93	\$ 93
Burial and lot fees	89,900	83,600	41,245	44,510	85,755	2,155
Permanent maintenance fees	35,100	24,800	8,262	-	8,262	(16,538)
Investment income	13,000	11,100	3,980	2,539	6,519	(4,581)
Miscellaneous	-	-	5	-	5	5
<b>Total Revenues</b>	<b>138,000</b>	<b>119,500</b>	<b>53,493</b>	<b>47,142</b>	<b>100,635</b>	<b>(18,865)</b>
<b>Expenditures</b>						
Current:						
Personal services	60,359	63,435	29,934	33,222	63,156	279
Materials and services	5,600	22,231	10,440	10,136	20,576	1,655
Interfund charges	109,900	72,005	51,305	17,016	68,321	3,684
Reserved for permanent maintenance	308,941	-	-	-	-	-
<b>Total Expenditures</b>	<b>484,800</b>	<b>157,671</b>	<b>91,680</b>	<b>60,374</b>	<b>152,053</b>	<b>5,618</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(346,800)</b>	<b>(38,171)</b>	<b>(38,187)</b>	<b>(13,232)</b>	<b>(51,419)</b>	<b>(13,248)</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	-	-	1,577	1,577	1,577
Transfers in	-	-	-	11,654	11,654	11,654
Transfers out	-	(334,200)	-	(334,184)	(334,184)	16
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(334,200)</b>	<b>-</b>	<b>(320,952)</b>	<b>(320,952)</b>	<b>13,248</b>
Net change in fund balance	(346,800)	(372,371)	(38,187)	(334,184)	(372,371)	-
Beginning Fund Balance (Deficit)	346,800	372,371	372,371	334,184	706,554	334,184
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 334,184</b>	<b>\$ -</b>	<b>\$ 334,184</b>	<b>\$ 334,184</b>

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenditures - Budgetary Basis	\$ 60,374
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	4,672
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	(1,835)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	13,683
<b>Total Expenses - GAAP Basis</b>	<b>\$ 76,894</b>

City of Bend, Oregon  
**Downtown Parking Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		<u>FY2009-10 Actual</u>	<u>FY2010-11 Actual</u>	<u>Total Actual Budget Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 324	\$ 324	\$ 324
Fines and lot rental fees	1,267,100	1,203,150	550,835	636,869	1,187,704	(15,446)
License & permits	-	5,800	-	6,110	6,110	310
Parking improvement fees	-	10,000	14,000	106,700	120,700	110,700
Investment income	37,900	30,800	10,749	11,104	21,852	(8,948)
Miscellaneous	5,000	5,000	5	427	432	(4,568)
<b>Total Revenues</b>	<b>1,310,000</b>	<b>1,254,750</b>	<b>575,589</b>	<b>761,533</b>	<b>1,337,121</b>	<b>82,371</b>
<b>Expenditures</b>						
Current:						
Personal services	256,520	281,874	131,789	138,731	270,520	11,354
Materials and services	610,414	642,139	308,493	289,964	598,457	43,682
Interfund charges	300,200	273,550	130,839	122,253	253,092	20,458
Capital outlay	50,000	348,900	36,495	-	36,495	312,405
Contingency	141,466	46,295	-	-	-	46,295
Reserved for construction	917,200	1,015,792	-	-	-	1,015,792
<b>Total Expenditures</b>	<b>2,275,800</b>	<b>2,608,550</b>	<b>607,616</b>	<b>550,947</b>	<b>1,158,564</b>	<b>1,449,986</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(965,800)</b>	<b>(1,353,800)</b>	<b>(32,028)</b>	<b>210,586</b>	<b>178,558</b>	<b>1,532,358</b>
<b>Other Financing Sources (Uses)</b>						
Advance from other funds	-	35,000	35,000	-	35,000	-
Interfund loan repayment	-	-	-	(7,650)	(7,650)	(7,650)
Transfers in	-	205,000	205,000	5,155	210,155	5,155
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>240,000</b>	<b>240,000</b>	<b>(2,495)</b>	<b>237,505</b>	<b>(2,495)</b>
Net change in fund balance	(965,800)	(1,113,800)	207,972	208,091	416,063	1,529,863
Beginning Fund Balance,						
as previously stated	965,800	1,113,800	955,482	870,955	1,826,437	712,637
Restatement, Note 19	-	-	(292,500)	-	(292,500)	(292,500)
Beginning Fund Balance, as restated	965,800	1,113,800	662,982	870,955	1,533,937	420,137
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 870,955</b>	<b>\$ 1,079,045</b>	<b>\$ 1,950,000</b>	<b>\$ 1,950,000</b>



City of Bend, Oregon

**Downtown Parking Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)  
For the fiscal year ended June 30, 2011

**Reconciliation of Budgetary basis to GAAP basis**

Total Expenditures - Budgetary Basis	\$ 550,947
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	6,594
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	<u>319,001</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 876,542</u></b>
Total Other Financing Sources - Budgetary Basis	\$ (2,495)
Repayment of interfund loan reported as other financing use on the budgetary basis is reported as a reduction of liabilities on the GAAP basis	<u>6,600</u>
<b>Total Other Financing Sources - GAAP Basis</b>	<b><u>\$ 4,105</u></b>

City of Bend, Oregon  
**Stormwater Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 37,603	\$ 37,603	\$ 37,603
Charges for services:						
Charges to others	4,829,400	4,853,100	2,420,711	2,482,063	4,902,774	49,674
Charges to other City funds	106,400	70,800	44,334	17,612	61,946	(8,854)
Investment income	81,600	64,900	28,544	36,292	64,836	(64)
Miscellaneous	-	-	23	207	229	229
<b>Total Revenues</b>	<b>5,017,400</b>	<b>4,988,800</b>	<b>2,493,612</b>	<b>2,573,776</b>	<b>5,067,388</b>	<b>78,588</b>
<b>Expenditures</b>						
Current:						
Personal services	1,911,558	1,884,965	788,542	958,118	1,746,660	138,305
Materials and services	825,400	874,241	235,009	237,576	472,585	401,656
Interfund charges	777,100	898,900	357,139	425,024	782,163	116,737
Debt service	120,300	120,300	60,788	59,138	119,925	375
Capital outlay	1,614,000	1,659,000	52,154	175,189	227,344	1,431,656
Contingency	2,117,242	1,899,594	-	-	-	1,899,594
<b>Total Expenditures</b>	<b>7,365,600</b>	<b>7,337,000</b>	<b>1,493,632</b>	<b>1,855,045</b>	<b>3,348,677</b>	<b>3,988,323</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,348,200)</b>	<b>(2,348,200)</b>	<b>999,980</b>	<b>718,731</b>	<b>1,718,712</b>	<b>4,066,912</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	(338,000)	(338,000)	(338,000)	-	(338,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(338,000)</b>	<b>(338,000)</b>	<b>(338,000)</b>	<b>-</b>	<b>(338,000)</b>	<b>-</b>
Net change in fund balance	(2,686,200)	(2,686,200)	661,980	718,731	1,380,712	4,066,912
Beginning Fund Balance (Deficit)	2,686,200	2,686,200	2,727,660	3,389,640	6,117,300	3,431,100
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,389,640</b>	<b>\$ 4,108,372</b>	<b>\$ 7,498,012</b>	<b>\$ 7,498,012</b>

City of Bend, Oregon  
**Stormwater Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)  
For the fiscal year ended June 30, 2011

**Reconciliation of Budgetary basis to GAAP basis**

Total Revenues - Budgetary Basis	\$ 2,573,776
Contributed infrastructure not reported on the budgetary basis is reported as contribution revenue on the GAAP basis	<u>159,875</u>
<b>Total Revenues - GAAP Basis</b>	<b><u>\$ 2,733,651</u></b>
Total Expenditures - Budgetary Basis	\$ 1,855,045
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	77,391
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(175,189)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(55,000)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	722,414
Amortization of bond issue costs is not reported on the budgetary basis but is reported as an expense on the GAAP basis	<u>387</u>
<b>Total Expenses - GAAP Basis</b>	<b><u>\$ 2,425,047</u></b>

City of Bend, Oregon  
**Nonmajor Enterprise Funds**  
 Schedule of Expenditures and Other Uses by Appropriation Levels  
 For the fiscal year ended June 30, 2011

	<b>Appropriation</b>	<b>Actual Expenditures</b>	<b>Variance Positive (Negative)</b>
<b><u>Airport Fund</u></b>			
Expenditures & other uses	\$ 7,835,672	\$ 7,244,580	\$ 591,092
Contingency	378,128	-	378,128
	<b>\$ 8,213,800</b>	<b>\$ 7,244,580</b>	<b>\$ 969,220</b>
<b><u>Cemetery Fund</u></b>			
Expenditures & other uses	\$ 491,871	\$ 486,237	\$ 5,634
	<b>\$ 491,871</b>	<b>\$ 486,237</b>	<b>\$ 5,634</b>
<b><u>Downtown Parking Fund</u></b>			
Expenditures & other uses	\$ 1,546,463	\$ 1,166,214	\$ 380,249
Contingency	46,295	-	46,295
Reserves	1,015,792	-	1,015,792
	<b>\$ 2,608,550</b>	<b>\$ 1,166,214</b>	<b>\$ 1,442,336</b>
<b><u>Stormwater Fund</u></b>			
Expenditures & other uses	\$ 5,775,406	\$ 3,686,677	\$ 2,088,729
Contingency	1,899,594	-	1,899,594
	<b>\$ 7,675,000</b>	<b>\$ 3,686,677</b>	<b>\$ 3,988,323</b>

## **INTERNAL SERVICE FUND**

### Garage Division

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

### Information Technology Division

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

### Facility Management Division

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

### Engineering Division

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

### Public Works Administration Division

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

### Public Works Laboratory Division

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

### Risk Management Division

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

### Administration & Financial Services Division

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

### City Attorney's Office Division

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

### Community Development Administration Division

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



City of Bend, Oregon  
**Combining Statement of Net Assets**  
Internal Service Fund  
June 30, 2011

	<u>Garage Division</u>	<u>Information Technology Division</u>	<u>Facility Management Division</u>	<u>Engineering Division</u>	<u>Public Works Administration Division</u>
<b>Assets</b>					
Current assets:					
Pooled cash and investments	\$ 204,023	\$ 1,234,577	\$ 2,528,352	\$ 245,136	\$ 701,932
Accounts receivable, net	82,535	-	3,476	-	-
Other assets	39,049	-	-	-	-
Prepays and deposits	-	42,650	-	-	6,895
Bond issue costs, net	-	-	12,081	-	-
<b>Total Current Assets</b>	<b>325,607</b>	<b>1,277,227</b>	<b>2,543,910</b>	<b>245,136</b>	<b>708,826</b>
Noncurrent assets:					
Bond issue costs, net	-	-	138,437	-	-
Capital assets, net	27,577	914,046	26,548,028	363	-
<b>Total Noncurrent Assets</b>	<b>27,577</b>	<b>914,046</b>	<b>26,686,465</b>	<b>363</b>	<b>-</b>
<b>Total Assets</b>	<b>353,184</b>	<b>2,191,273</b>	<b>29,230,374</b>	<b>245,500</b>	<b>708,826</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	126,512	68,906	65,250	493	5,364
Salaries and benefits payable	10,805	10,809	7,159	11,560	24,238
Other accrued liabilities:					
Compensated absences	42,421	78,247	36,681	41,699	58,860
Interest	-	-	42,471	-	-
Insurance claims	-	-	-	-	-
Current portion of long-term debt, net	-	-	632,515	-	-
<b>Total Current Liabilities</b>	<b>179,737</b>	<b>157,962</b>	<b>784,075</b>	<b>53,753</b>	<b>88,462</b>
Noncurrent liabilities:					
Other post-retirement benefits payable	112,025	94,757	73,593	108,759	222,358
Long-term debt, net	-	-	11,437,539	-	-
<b>Total Noncurrent Liabilities</b>	<b>112,025</b>	<b>94,757</b>	<b>11,511,132</b>	<b>108,759</b>	<b>222,358</b>
<b>Total Liabilities</b>	<b>291,762</b>	<b>252,719</b>	<b>12,295,206</b>	<b>162,512</b>	<b>310,820</b>
<b>Net Assets (Deficits)</b>					
Invested in capital assets, net of related debt					
	27,577	914,046	14,477,974	363	-
Unrestricted	33,844	1,024,508	2,457,194	82,624	398,006
<b>Total Net Assets (Deficits)</b>	<b>\$ 61,421</b>	<b>\$ 1,938,554</b>	<b>\$ 16,935,168</b>	<b>\$ 82,987</b>	<b>\$ 398,006</b>

City of Bend, Oregon  
**Combining Statement of Net Assets (Continued)**  
Internal Service Fund  
June 30, 2011

	Public Works Laboratory Division	Risk Management Division	Administration & Financial Services Division	City Attorney's Office Division	Total
<b>Assets</b>					
Current assets:					
Pooled cash and investments	\$ 488,976	\$ 2,840,858	\$ 643,043	\$ 183,922	\$ 9,070,818
Accounts receivable, net	-	-	3,785	-	89,796
Other assets	-	-	-	-	39,049
Prepays and deposits	-	37,767	15,274	-	102,586
Bond issue costs, net	-	-	-	-	12,081
<b>Total Current Assets</b>	<b>488,976</b>	<b>2,878,624</b>	<b>662,102</b>	<b>183,922</b>	<b>9,314,330</b>
Noncurrent assets:					
Bond issue costs, net	-	-	-	-	138,437
Capital assets, net	93,767	-	10,756	-	27,594,537
<b>Total Noncurrent Assets</b>	<b>93,767</b>	<b>-</b>	<b>10,756</b>	<b>-</b>	<b>27,732,974</b>
<b>Total Assets</b>	<b>582,743</b>	<b>2,878,624</b>	<b>672,858</b>	<b>183,922</b>	<b>37,047,304</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	21,609	47,640	54,189	659	390,621
Salaries and benefits payable	7,401	-	51,966	5,063	128,999
Other accrued liabilities:					
Compensated absences	37,980	-	184,682	27,208	507,778
Interest	-	-	-	-	42,471
Insurance claims	-	421,727	-	-	421,727
Current portion of long-term debt, net	-	-	-	-	632,515
<b>Total Current Liabilities</b>	<b>66,989</b>	<b>469,367</b>	<b>290,838</b>	<b>32,930</b>	<b>2,124,112</b>
Noncurrent liabilities:					
Other post-retirement benefits payable	66,499	-	520,599	38,988	1,237,579
Long-term debt, net	-	-	-	-	11,437,539
<b>Total Noncurrent Liabilities</b>	<b>66,499</b>	<b>-</b>	<b>520,599</b>	<b>38,988</b>	<b>12,675,118</b>
<b>Total Liabilities</b>	<b>133,488</b>	<b>469,367</b>	<b>811,437</b>	<b>71,918</b>	<b>14,799,230</b>
<b>Net Assets (Deficits)</b>					
Invested in capital assets, net of related debt	93,767	-	10,756	-	15,524,483
Unrestricted	355,487	2,409,258	(149,335)	112,004	6,723,590
<b>Total Net Assets (Deficits)</b>	<b>\$ 449,254</b>	<b>\$ 2,409,258</b>	<b>\$ (138,579)</b>	<b>\$ 112,004</b>	<b>\$ 22,248,073</b>



City of Bend, Oregon

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

Internal Service Fund

For the fiscal year ended June 30, 2011

	<b>Garage Division</b>	<b>Information Technology Division</b>	<b>Facility Management Division</b>	<b>Engineering Division</b>	<b>Public Works Administration Division</b>
<b><u>Operating Revenues</u></b>					
Intergovernmental	\$ 2,132	\$ 1,813	\$ 21,523	\$ 2,060	\$ 4,210
Charges for services	2,380,563	2,022,149	53,098	556,409	1,528,562
Rental income					
Rental income from other City funds	-	-	2,348,500	-	-
Insurance settlement and refunds	-	-	-	-	-
Miscellaneous	11,733	1,252	8,541	73	62
<b>Total Operating Revenues</b>	<b>2,394,429</b>	<b>2,025,214</b>	<b>2,431,662</b>	<b>558,542</b>	<b>1,532,834</b>
<b><u>Operating Expenses</u></b>					
Salaries and benefits	774,574	745,036	484,299	815,858	1,553,695
Materials and supplies	1,301,121	838,082	954,439	30,209	119,090
Internal services	312,431	135,566	98,886	204,509	304,764
Insurance premiums and claims	-	-	-	-	-
Depreciation	3,244	318,468	866,340	4,360	3,268
<b>Total Operating Expenses</b>	<b>2,391,370</b>	<b>2,037,151</b>	<b>2,403,964</b>	<b>1,054,935</b>	<b>1,980,818</b>
<b>Operating income (loss)</b>	<b>3,058</b>	<b>(11,937)</b>	<b>27,698</b>	<b>(496,394)</b>	<b>(447,984)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment income	1,905	11,527	19,641	2,123	8,872
Interest expense	-	-	(519,258)	-	-
Amortization of bond issue costs	-	-	(9,566)	-	-
Gain (loss) on disposal of assets	16	-	185	-	334
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,921</b>	<b>11,527</b>	<b>(508,998)</b>	<b>2,123</b>	<b>9,206</b>
<b>Income (loss) before contributions and transfers</b>	<b>4,979</b>	<b>(410)</b>	<b>(481,300)</b>	<b>(494,271)</b>	<b>(438,778)</b>
<b><u>Contributions and Transfers</u></b>					
Transfers in	-	-	840,000	400,000	-
Transfers out	(717)	(4,337)	(8,617)	(778)	(3,625)
<b>Total Contributions and Transfers</b>	<b>(717)</b>	<b>(4,337)</b>	<b>831,383</b>	<b>399,222</b>	<b>(3,625)</b>
Change in net assets	4,263	(4,747)	350,083	(95,049)	(442,403)
Net Assets (Deficits), July 1 2010	57,159	1,943,301	16,585,084	178,036	840,409
<b>Net Assets (Deficits), June 30, 2011</b>	<b>\$ 61,421</b>	<b>\$ 1,938,554</b>	<b>\$ 16,935,168</b>	<b>\$ 82,987</b>	<b>\$ 398,006</b>

City of Bend, Oregon

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

Internal Service Fund

For the fiscal year ended June 30, 2011

	<b>Public Works Laboratory Division</b>	<b>Risk Management Division</b>	<b>Administration &amp; Financial Services Division</b>	<b>City Attorney's Office Division</b>	<b>Total</b>
<b><u>Operating Revenues</u></b>					
Intergovernmental	\$ 1,260	\$ -	\$ 9,068	\$ 564	\$ 42,631
Charges for services	756,400	10,309,526	4,552,857	268,925	22,428,489
Rental income					
Rental income from other City funds	-	-	-	-	2,348,500
Insurance settlement and refunds	-	35,466	-	-	35,466
Miscellaneous	5	138,629	18,488	-	178,783
<b>Total Operating Revenues</b>	<b>757,664</b>	<b>10,483,621</b>	<b>4,580,413</b>	<b>269,489</b>	<b>25,033,868</b>
<b><u>Operating Expenses</u></b>					
Salaries and benefits	490,532	-	3,527,687	387,729	8,779,410
Materials and supplies	140,471	-	808,795	23,506	4,215,712
Internal services	95,964	-	672,557	26,244	1,850,921
Insurance premiums and claims	-	9,768,250	-	-	9,768,250
Depreciation	27,844	-	6,232	-	1,229,756
<b>Total Operating Expenses</b>	<b>754,810</b>	<b>9,768,250</b>	<b>5,015,271</b>	<b>437,479</b>	<b>25,844,049</b>
<b>Operating income (loss)</b>	<b>2,854</b>	<b>715,371</b>	<b>(434,857)</b>	<b>(167,989)</b>	<b>(810,180)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Investment income	4,775	26,384	6,515	2,331	84,073
Interest expense	-	-	-	-	(519,258)
Amortization of bond issue costs	-	-	-	-	(9,566)
Gain (loss) on disposal of assets	-	-	-	-	535
<b>Total Nonoperating Revenues (Expenses)</b>	<b>4,775</b>	<b>26,384</b>	<b>6,515</b>	<b>2,331</b>	<b>(444,216)</b>
<b>Income (loss) before contributions and transfers</b>	<b>7,629</b>	<b>741,754</b>	<b>(428,342)</b>	<b>(165,659)</b>	<b>(1,254,396)</b>
<b><u>Contributions and Transfers</u></b>					
Transfers in	-	-	15,000	-	1,255,000
Transfers out	(1,822)	(9,909)	(2,514)	(950)	(33,270)
<b>Total Contributions and Transfers</b>	<b>(1,822)</b>	<b>(9,909)</b>	<b>12,486</b>	<b>(950)</b>	<b>1,221,730</b>
Change in net assets	5,807	731,845	(415,857)	(166,609)	(32,666)
Net Assets (Deficits), July 1 2010	443,447	1,677,412	277,277	278,613	22,280,739
<b>Net Assets (Deficits), June 30, 2011</b>	<b>\$ 449,254</b>	<b>\$ 2,409,258</b>	<b>\$ (138,579)</b>	<b>\$ 112,004</b>	<b>\$ 22,248,073</b>

City of Bend, Oregon  
**Combining Statement of Cash Flows**  
Internal Service Fund  
For the fiscal year ended June 30, 2011

	<b>Garage Division</b>	<b>Information Technology Division</b>	<b>Facility Management Division</b>	<b>Engineering Division</b>
<b><u>Cash Flows from Operating Activities</u></b>				
Cash received from customers	\$ 306,520	\$ 3,065	\$ 26,588	\$ 27,526
Cash received from interfund services provided	2,005,374	2,022,149	2,401,598	531,016
Cash paid to employees for services	(740,222)	(690,320)	(462,165)	(817,030)
Cash paid to suppliers for goods and services	(1,278,335)	(861,680)	(956,711)	(30,290)
Cash paid for interfund services used	(312,431)	(135,566)	(98,886)	(204,509)
<b>Net Cash From Operating Activities</b>	<b>(19,095)</b>	<b>337,648</b>	<b>910,424</b>	<b>(493,287)</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers from other funds	-	-	840,000	400,000
Transfers to other funds	(717)	(4,337)	(8,617)	(778)
<b>Net Cash From Noncapital Financing Activities</b>	<b>(717)</b>	<b>(4,337)</b>	<b>831,383</b>	<b>399,222</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Principal payments on notes, bonds, and certificates	-	-	(415,000)	-
Interest payments on notes, bonds, and certificates	-	-	(520,595)	-
Proceeds from sale of assets	16	-	185	-
Acquisition and construction of capital assets	1,814	(244,288)	(53,637)	-
<b>Net Cash From Capital and Related Financing Activities</b>	<b>1,830</b>	<b>(244,288)</b>	<b>(989,047)</b>	<b>-</b>
<b><u>Cash Flows from Investing Activities</u></b>				
Investment income	1,905	11,527	19,641	2,123
<b>Net Cash From Investing Activities</b>	<b>1,905</b>	<b>11,527</b>	<b>19,641</b>	<b>2,123</b>
Net change in pooled cash and investments	(16,076)	100,551	772,401	(91,942)
Pooled Cash and Investments, July 1, 2010	220,099	1,134,026	1,755,951	337,078
<b>Pooled Cash and Investments, June 30, 2011</b>	<b>\$ 204,023</b>	<b>\$ 1,234,577</b>	<b>\$ 2,528,352</b>	<b>\$ 245,136</b>

City of Bend, Oregon  
**Combining Statement of Cash Flows (Continued)**  
Internal Service Fund  
For the fiscal year ended June 30, 2011

	Public Works Administration Division	Public Works Laboratory Division	Risk Management Division	Administration & Financial Services Division
<b><u>Cash Flows from Operating Activities</u></b>				
Cash received from customers	\$ 4,272	\$ 1,264	\$ 52,332	\$ 61,184
Cash received from interfund services provided	1,528,562	756,400	9,803,352	4,515,645
Cash paid to employees for services	(1,476,000)	(439,811)	-	(3,398,066)
Cash paid to suppliers for goods and services	(119,085)	(125,895)	(9,659,585)	(821,042)
Cash paid for interfund services used	(304,764)	(95,964)	-	(672,557)
<b>Net Cash From Operating Activities</b>	<b>(367,016)</b>	<b>95,994</b>	<b>196,098</b>	<b>(314,836)</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers from other funds	-	-	-	15,000
Transfers to other funds	(3,625)	(1,822)	(9,909)	(2,514)
<b>Net Cash From Noncapital Financing Activities</b>	<b>(3,625)</b>	<b>(1,822)</b>	<b>(9,909)</b>	<b>12,486</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Principal payments on notes, bonds, and certificates	-	-	-	-
Interest payments on notes, bonds, and certificates	-	-	-	-
Proceeds from sale of assets	334	-	-	-
Acquisition and construction of capital assets	-	(35,876)	-	(10,512)
<b>Net Cash From Capital and Related Financing Activities</b>	<b>334</b>	<b>(35,876)</b>	<b>-</b>	<b>(10,512)</b>
<b><u>Cash Flows from Investing Activities</u></b>				
Investment income	8,872	4,775	26,384	6,515
<b>Net Cash From Investing Activities</b>	<b>8,872</b>	<b>4,775</b>	<b>26,384</b>	<b>6,515</b>
Net change in pooled cash and investments	(361,435)	63,071	212,573	(306,347)
Pooled Cash and Investments, July 1, 2010	1,063,366	425,905	2,628,285	949,389
<b>Pooled Cash and Investments, June 30, 2011</b>	<b>\$ 701,932</b>	<b>\$ 488,976</b>	<b>\$ 2,840,858</b>	<b>\$ 643,043</b>

City of Bend, Oregon  
**Combining Statement of Cash Flows (Continued)**  
Internal Service Fund  
For the fiscal year ended June 30, 2011

	City Attorney's Office Division	Total
<b><u>Cash Flows from Operating Activities</u></b>		
Cash received from customers	\$ 564	\$ 483,315
Cash received from interfund services provided	268,925	23,833,020
Cash paid to employees for services	(349,209)	(8,372,823)
Cash paid to suppliers for goods and services	(23,194)	(13,875,818)
Cash paid for interfund services used	(26,244)	(1,850,921)
<b>Net Cash From Operating Activities</b>	<b>(129,157)</b>	<b>216,774</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>		
Transfers from other funds	-	1,255,000
Transfers to other funds	(950)	(33,270)
<b>Net Cash From Noncapital Financing Activities</b>	<b>(950)</b>	<b>1,221,730</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>		
Principal payments on notes, bonds, and certificates	-	(415,000)
Interest payments on notes, bonds, and certificates	-	(520,595)
Proceeds from sale of assets	-	535
Acquisition and construction of capital assets	-	(342,498)
<b>Net Cash From Capital and Related Financing Activities</b>	<b>-</b>	<b>(1,277,558)</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Investment income	2,331	84,073
<b>Net Cash From Investing Activities</b>	<b>2,331</b>	<b>84,073</b>
Net change in pooled cash and investments	(127,777)	245,020
Pooled Cash and Investments, July 1, 2010	311,699	8,825,798
<b>Pooled Cash and Investments, June 30, 2011</b>	<b>\$ 183,922</b>	<b>\$ 9,070,818</b>

City of Bend, Oregon  
**Combining Statement of Cash Flows (Continued)**  
Internal Service Fund  
For the fiscal year ended June 30, 2011

	<u>Garage Division</u>	<u>Information Technology Division</u>	<u>Facility Management Division</u>	<u>Engineering Division</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities</b>				
Operating income (loss)	\$ 3,058	\$ (11,937)	\$ 27,698	\$ (496,394)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	3,244	318,468	866,340	4,360
Change in:				
Accounts receivable	(82,535)	-	(3,476)	-
Inventories	(8,418)	-	-	-
Prepays and deposits	-	(42,650)	-	-
Accounts payable	31,204	19,052	(2,272)	(81)
Salaries and benefits payable	81	1,114	92	(1,415)
Other post-employment benefits	31,160	36,834	20,069	5,090
Compensated absences payable	3,111	16,768	1,973	(4,848)
Insurance claims payable	-	-	-	-
Prepays and deposits payable	-	-	-	-
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ (19,095)</b>	<b>\$ 337,648</b>	<b>\$ 910,424</b>	<b>\$ (493,287)</b>

City of Bend, Oregon  
**Combining Statement of Cash Flows (Continued)**  
Internal Service Fund  
For the fiscal year ended June 30, 2011

	<b>Public Works Administration Division</b>	<b>Public Works Laboratory Division</b>	<b>Risk Management Division</b>	<b>Administration &amp; Financial Services Division</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities</b>				
Operating income (loss)	\$ (447,984)	\$ 2,854	\$ 715,371	\$ (434,857)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	3,268	27,844	-	6,232
Change in:				
Accounts receivable	-	-	-	(3,510)
Inventories	-	-	-	-
Prepays and deposits	(337)	-	(37,767)	(1,379)
Accounts payable	342	14,575	(32,396)	(10,867)
Salaries and benefits payable	3,551	1,328	-	1,272
Other post-employment benefits	62,915	42,634	-	123,837
Compensated absences payable	11,229	6,758	-	4,512
Insurance claims payable	-	-	178,828	-
Prepays and deposits payable	-	-	(627,937)	(75)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ (367,016)</b>	<b>\$ 95,994</b>	<b>\$ 196,098</b>	<b>\$ (314,836)</b>

City of Bend, Oregon  
**Combining Statement of Cash Flows (Continued)**  
Internal Service Fund  
For the fiscal year ended June 30, 2011

	<b>City Attorney's Office Division</b>	<b>Total</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities</b>		
Operating income (loss)	\$ (167,989)	\$ (810,180)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	-	1,229,756
Change in:		
Accounts receivable	-	(89,521)
Inventories	-	(8,418)
Prepays and deposits	-	(82,133)
Accounts payable	312	19,868
Salaries and benefits payable	352	6,376
Other post-employment benefits	25,862	348,400
Compensated absences payable	12,307	51,810
Insurance claims payable	-	178,828
Prepays and deposits payable	-	(628,012)
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>\$ (129,157)</b>	<b>\$ 216,774</b>

Noncash Capital and Related Financing Activities

Acquisition of capital assets financed through accounts payable for the current year totaled \$27,299 in the Facility Management Division and \$8,211 in the Information Technology Division.



City of Bend, Oregon  
**Garage Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,132	\$ 2,132	\$ 2,132
Charges for services:						
Charges to others	-	366,700	-	375,189	375,189	8,489
Charges to other City funds	4,658,800	4,294,620	2,171,387	2,005,374	4,176,761	(117,859)
Investment income	5,700	5,900	3,746	1,905	5,651	(249)
Miscellaneous	18,500	18,500	4,749	11,733	16,483	(2,017)
<b>Total Revenues</b>	<b>4,683,000</b>	<b>4,685,720</b>	<b>2,179,882</b>	<b>2,396,333</b>	<b>4,576,216</b>	<b>(109,504)</b>
<b>Expenditures</b>						
Current:						
Personal services	1,407,349	1,424,339	680,905	743,414	1,424,319	20
Materials and services	2,352,700	2,536,700	1,181,356	1,301,121	2,482,477	54,223
Interfund charges	803,200	705,700	393,903	312,431	706,334	(634)
Capital outlay	5,000	12,500	10,229	5,736	15,965	(3,465)
Contingency	218,951	177,081	-	-	-	177,081
<b>Total Expenditures</b>	<b>4,787,200</b>	<b>4,856,320</b>	<b>2,266,393</b>	<b>2,362,702</b>	<b>4,629,096</b>	<b>227,224</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(104,200)</b>	<b>(170,600)</b>	<b>(86,511)</b>	<b>33,631</b>	<b>(52,880)</b>	<b>117,720</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	-	-	16	16	16
Transfers out	-	(78,600)	(70,362)	(717)	(71,079)	7,521
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(78,600)</b>	<b>(70,362)</b>	<b>(700)</b>	<b>(71,063)</b>	<b>7,537</b>
Net change in fund balance	(104,200)	(249,200)	(156,873)	32,931	(123,942)	125,258
Beginning Fund Balance (Deficit)	104,200	249,200	293,746	136,873	430,619	181,419
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 136,873</b>	<b>\$ 169,804</b>	<b>\$ 306,677</b>	<b>\$ 306,677</b>

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 2,362,702
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	31,160
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(5,736)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	3,244
<b>Expenses - GAAP Basis</b>	<b>\$ 2,391,370</b>

City of Bend, Oregon  
**Information Technology Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,813	\$ 1,813	\$ 1,813
Charges to other City funds	3,985,600	4,055,692	1,955,435	2,050,411	4,005,846	(49,846)
Investment income	31,100	25,700	9,777	11,527	21,304	(4,396)
Miscellaneous	-	-	2,529	1,252	3,781	3,781
<b>Total Revenues</b>	<b>4,016,700</b>	<b>4,081,392</b>	<b>1,967,741</b>	<b>2,065,004</b>	<b>4,032,744</b>	<b>(48,648)</b>
<b>Expenditures</b>						
Current:						
Personal services	1,330,295	1,343,059	624,411	708,202	1,332,613	10,446
Materials and services	1,614,130	1,865,032	832,837	838,082	1,670,918	194,114
Interfund charges	252,800	257,600	121,461	135,566	257,028	572
Capital outlay	728,500	675,800	266,362	259,346	525,708	150,092
Contingency	326,775	188,201	-	-	-	188,201
Reserved for replacements	500,000	700,000	-	-	-	700,000
<b>Total Expenditures</b>	<b>4,752,500</b>	<b>5,029,692</b>	<b>1,845,070</b>	<b>1,941,196</b>	<b>3,786,266</b>	<b>1,243,426</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(735,800)</b>	<b>(948,300)</b>	<b>122,670</b>	<b>123,808</b>	<b>246,478</b>	<b>1,194,778</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	-	(12,600)	(3,803)	(4,337)	(8,140)	4,460
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(12,600)</b>	<b>(3,803)</b>	<b>(4,337)</b>	<b>(8,140)</b>	<b>4,460</b>
Net change in fund balance	(735,800)	(960,900)	118,867	119,471	238,339	1,199,239
Beginning Fund Balance (Deficit)	735,800	960,900	906,190	1,025,058	1,931,248	970,348
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,025,058</b>	<b>\$ 1,144,529</b>	<b>\$ 2,169,586</b>	<b>\$ 2,169,586</b>

**Reconciliation of Budgetary basis to GAAP basis**

Revenues - Budgetary Basis	\$ 2,065,004
Transfers of capital assets reported as revenues on the budgetary basis are reported as assets on the GAAP basis	(28,263)
<b>Revenues - GAAP Basis</b>	<b>\$ 2,036,741</b>
Expenditures - Budgetary Basis	\$ 1,941,196
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	36,834
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(259,346)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	318,468
<b>Expenses - GAAP Basis</b>	<b>\$ 2,037,151</b>

City of Bend, Oregon  
**Facility Management Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual <u>Budget Basis</u>	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget <u>Positive (Negative)</u>
<b>Revenues</b>						
Intergovernmental	\$ -	\$ 63,800	\$ 33,864	\$ 21,523	\$ 55,387	\$ (8,413)
Charges to other City funds	720,000	1,450,700	8,297	53,098	61,396	(1,389,304)
Rental income						
Rental income from others	132,300	64,300	48,743	-	48,743	(15,557)
Rental income from other City funds	4,982,100	4,786,300	2,434,700	2,348,500	4,783,200	(3,100)
Investment income	66,100	75,100	32,481	19,641	52,122	(22,978)
Contributions	-	11,100	11,025	-	11,025	(75)
Miscellaneous	-	-	78	8,541	8,619	8,619
<b>Total Revenues</b>	<b>5,900,500</b>	<b>6,451,300</b>	<b>2,569,188</b>	<b>2,451,304</b>	<b>5,020,492</b>	<b>(1,430,808)</b>
<b>Expenditures</b>						
Current:						
Personal services	922,983	907,964	440,738	464,230	904,967	2,997
Materials and services	2,396,445	2,240,840	972,740	954,439	1,927,179	313,661
Interfund charges	279,300	283,000	171,890	98,886	270,776	12,224
Debt service	6,621,400	6,596,400	5,644,303	934,258	6,578,561	17,839
Capital outlay	1,200,000	1,275,900	66,149	77,877	144,025	1,131,875
Contingency	782,172	1,075,596	-	-	-	1,075,596
Reserved for debt service	-	595,000	-	-	-	595,000
Reserved for construction	330,000	380,000	-	-	-	380,000
Reserved for major maintenance	430,000	605,000	-	-	-	605,000
<b>Total Expenditures</b>	<b>12,962,300</b>	<b>13,959,700</b>	<b>7,295,820</b>	<b>2,529,689</b>	<b>9,825,509</b>	<b>4,134,191</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(7,061,800)</b>	<b>(7,508,400)</b>	<b>(4,726,632)</b>	<b>(78,385)</b>	<b>(4,805,017)</b>	<b>2,703,383</b>
<b>Other Financing Sources (Uses)</b>						
Repayment of short-term notes payable	-	(560,000)	(560,000)	-	(560,000)	-
Proceeds from sale of assets	-	-	-	185	185	185
Issuance of long-term debt	3,600,000	3,600,000	3,600,000	-	3,600,000	-
Transfers in	432,600	1,159,900	285,600	840,000	1,125,600	(34,300)
Transfers out	-	(210,700)	(140,135)	(8,617)	(148,752)	61,948
<b>Total Other Financing Sources (Uses)</b>	<b>4,032,600</b>	<b>3,989,200</b>	<b>3,185,465</b>	<b>831,568</b>	<b>4,017,032</b>	<b>27,832</b>
Net change in fund balance	(3,029,200)	(3,519,200)	(1,541,167)	753,182	(787,985)	2,731,215
Beginning Fund Balance (Deficit)	3,029,200	3,519,200	3,192,826	1,651,658	4,844,484	1,325,284
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,651,658</b>	<b>\$ 2,404,841</b>	<b>\$ 4,056,499</b>	<b>\$ 4,056,499</b>

City of Bend, Oregon  
**Facility Management Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)  
For the fiscal year ended June 30, 2011

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 2,529,689
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	20,069
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(77,877)
Principal payments on bonds reported as expenditures on the budgetary basis are reported as a reduction of bonds payable on the GAAP basis	(415,000)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	866,340
Amortization of bond issue costs is not reported on the budgetary basis but is reported as an expense on the GAAP basis	<u>9,566</u>
<b>Expenses - GAAP Basis</b>	<u><u>\$ 2,932,788</u></u>

City of Bend, Oregon  
**Engineering Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 2,060	\$ 2,060	\$ 2,060
Charges for services:						
Charges to others	61,000	47,000	23,171	25,393	48,564	1,564
Charges to other City funds	1,099,000	992,400	547,192	531,016	1,078,208	85,808
Investment income	8,500	6,400	2,676	2,123	4,800	(1,601)
Miscellaneous	-	-	12	73	85	85
<b>Total Revenues</b>	<b>1,168,500</b>	<b>1,045,800</b>	<b>573,051</b>	<b>560,665</b>	<b>1,133,716</b>	<b>87,916</b>
<b>Expenditures</b>						
Current:						
Personal services	1,460,197	1,731,819	877,129	810,768	1,687,897	43,922
Materials and services	98,946	84,832	31,172	30,209	61,381	23,451
Interfund charges	474,800	443,950	245,177	204,509	449,685	(5,735)
Contingency	232,657	62,599	-	-	-	62,599
<b>Total Expenditures</b>	<b>2,266,600</b>	<b>2,323,200</b>	<b>1,153,478</b>	<b>1,045,485</b>	<b>2,198,963</b>	<b>124,237</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,098,100)</b>	<b>(1,277,400)</b>	<b>(580,427)</b>	<b>(484,820)</b>	<b>(1,065,248)</b>	<b>212,152</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,000,000	1,000,000	600,000	400,000	1,000,000	-
Transfers out	-	(1,700)	(1,015)	(778)	(1,794)	(94)
<b>Total Other Financing Sources (Uses)</b>	<b>1,000,000</b>	<b>998,300</b>	<b>598,985</b>	<b>399,222</b>	<b>998,206</b>	<b>(94)</b>
Net change in fund balance	(98,100)	(279,100)	18,557	(85,598)	(67,041)	212,059
Beginning Fund Balance (Deficit)	98,100	279,100	279,075	297,632	576,707	297,607
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 297,632</b>	<b>\$ 212,033</b>	<b>\$ 509,665</b>	<b>\$ 509,665</b>

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 1,045,485
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	5,090
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	4,360
<b>Expenses - GAAP Basis</b>	<b>\$ 1,054,935</b>

City of Bend, Oregon  
**Public Works Administration Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 4,210	\$ 4,210	\$ 4,210
Charges to other City funds	3,986,700	3,493,762	1,965,200	1,528,562	3,493,762	-
Investment income	29,000	29,700	11,533	8,872	20,406	(9,294)
Miscellaneous	-	-	173	62	235	235
<b>Total Revenues</b>	<b>4,015,700</b>	<b>3,523,462</b>	<b>1,976,906</b>	<b>1,541,706</b>	<b>3,518,613</b>	<b>(4,849)</b>
<b>Expenditures</b>						
Current:						
Personal services	3,270,923	3,044,048	1,283,273	1,490,781	2,774,054	269,994
Materials and services	409,996	417,440	100,267	119,090	219,358	198,082
Interfund charges	653,500	644,500	313,714	304,764	618,478	26,022
Capital outlay	25,000	-	-	-	-	-
Contingency	514,181	267,874	-	-	-	267,874
<b>Total Expenditures</b>	<b>4,873,600</b>	<b>4,373,862</b>	<b>1,697,255</b>	<b>1,914,635</b>	<b>3,611,890</b>	<b>761,972</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(857,900)</b>	<b>(850,400)</b>	<b>279,652</b>	<b>(372,929)</b>	<b>(93,277)</b>	<b>757,123</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of assets	-	-	-	334	334	334
Transfers in	-	-	20,000	-	20,000	20,000
Transfers out	(115,000)	(122,500)	(119,749)	(3,625)	(123,374)	(874)
<b>Total Other Financing Sources (Uses)</b>	<b>(115,000)</b>	<b>(122,500)</b>	<b>(99,749)</b>	<b>(3,291)</b>	<b>(103,040)</b>	<b>19,460</b>
Net change in fund balance	(972,900)	(972,900)	179,903	(376,220)	(196,317)	776,583
Beginning Fund Balance (Deficit)	972,900	972,900	873,031	1,052,934	1,925,964	953,064
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,052,934</b>	<b>\$ 676,714</b>	<b>\$ 1,729,647</b>	<b>\$ 1,729,647</b>

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 1,914,635
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	62,915
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	3,268
<b>Expenses - GAAP Basis</b>	<b>\$ 1,980,818</b>

City of Bend, Oregon

**Public Works Laboratory Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,260	\$ 1,260	\$ 1,260
Charges for services:						
Charges to others	-	10,000	9,819	-	9,819	(181)
Charges to other City funds	1,873,600	1,661,500	905,100	756,400	1,661,500	-
Investment income	6,700	4,300	2,203	4,775	6,977	2,677
Miscellaneous	-	-	-	5	5	5
<b>Total Revenues</b>	<b>1,880,300</b>	<b>1,675,800</b>	<b>917,122</b>	<b>762,439</b>	<b>1,679,561</b>	<b>3,761</b>
<b>Expenditures</b>						
Current:						
Personal services	972,444	959,837	399,716	447,898	847,613	112,224
Materials and services	494,800	505,000	97,064	140,471	237,535	267,465
Interfund charges	244,600	219,900	125,016	95,964	220,980	(1,080)
Capital outlay	103,000	110,500	28,054	35,876	63,930	46,570
Contingency	180,456	376,363	-	-	-	376,363
<b>Total Expenditures</b>	<b>1,995,300</b>	<b>2,171,600</b>	<b>649,850</b>	<b>720,208</b>	<b>1,370,058</b>	<b>801,542</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(115,000)</b>	<b>(495,800)</b>	<b>267,271</b>	<b>42,231</b>	<b>309,502</b>	<b>805,302</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	115,000	115,000	115,000	-	115,000	-
Transfers out	-	(800)	(694)	(1,822)	(2,516)	(1,716)
<b>Total Other Financing Sources (Uses)</b>	<b>115,000</b>	<b>114,200</b>	<b>114,306</b>	<b>(1,822)</b>	<b>112,484</b>	<b>(1,716)</b>
Net change in fund balance	-	(381,600)	381,578	40,409	421,986	803,586
Beginning Fund Balance (Deficit)	-	381,600	-	381,578	381,578	(22)
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 381,578</b>	<b>\$ 421,986</b>	<b>\$ 803,564</b>	<b>\$ 803,564</b>

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 720,208
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	42,634
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(35,876)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	27,844
<b>Expenses - GAAP Basis</b>	<b>\$ 754,810</b>

City of Bend, Oregon  
**Risk Management Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Charges for services:						
Charges to others	\$ 1,428,100	\$ 1,351,600	\$ 577,431	\$ 506,174	\$ 1,083,605	\$ (267,995)
Charges to other City funds	20,032,700	18,580,900	8,867,973	9,803,352	18,671,325	90,425
Insurance settlements and refunds	32,000	29,000	147,790	35,466	183,255	154,255
Investment income	94,800	75,700	24,615	26,384	50,998	(24,702)
Miscellaneous	-	-	-	138,629	138,629	138,629
<b>Total Revenues</b>	<b>21,587,600</b>	<b>20,037,200</b>	<b>9,617,808</b>	<b>10,510,004</b>	<b>20,127,813</b>	<b>90,613</b>
<b>Expenditures</b>						
Current:						
Materials and services	21,250,100	19,996,720	9,435,973	9,768,250	19,204,223	792,497
Contingency	100,000	100,000	-	-	-	100,000
Reserve for insurance	2,444,500	2,117,480	-	-	-	2,117,480
<b>Total Expenditures</b>	<b>23,794,600</b>	<b>22,214,200</b>	<b>9,435,973</b>	<b>9,768,250</b>	<b>19,204,223</b>	<b>3,009,977</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,207,000)</b>	<b>(2,177,000)</b>	<b>181,836</b>	<b>741,754</b>	<b>923,590</b>	<b>3,100,590</b>
<b>Other Financing Sources (Uses)</b>						
Transfers out	-	(30,000)	(9,791)	(9,909)	(19,700)	10,300
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(30,000)</b>	<b>(9,791)</b>	<b>(9,909)</b>	<b>(19,700)</b>	<b>10,300</b>
Net change in fund balance	(2,207,000)	(2,207,000)	172,045	731,845	903,890	3,110,890
Beginning Fund Balance (Deficit)	2,207,000	2,207,000	2,093,889	2,265,933	4,359,822	2,152,822
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,265,933</b>	<b>\$ 2,997,779</b>	<b>\$ 5,263,712</b>	<b>\$ 5,263,712</b>



City of Bend, Oregon

**Administration and Financial Services Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with Final Budget
	<u>Original</u>	<u>Final</u>				Positive (Negative)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 9,068	\$ 9,068	\$ 9,068
Charges for services:						
Charges to others	16,800	44,000	38,140	37,212	75,352	31,352
Charges to other City funds	9,129,300	8,924,796	4,444,297	4,515,645	8,959,941	35,145
Contributions	-	-	4,000	15,000	19,000	19,000
Investment income	15,400	23,800	11,112	6,515	17,628	(6,172)
Miscellaneous	2,000	2,200	6,250	3,488	9,738	7,538
<b>Total Revenues</b>	<b>9,163,500</b>	<b>8,994,796</b>	<b>4,503,799</b>	<b>4,586,929</b>	<b>9,090,728</b>	<b>95,932</b>
<b>Expenditures</b>						
Current:						
Personal services	6,834,859	6,745,670	3,236,230	3,403,850	6,640,080	105,590
Materials and services	1,849,842	1,852,211	752,801	808,795	1,561,596	290,615
Interfund charges	1,118,400	1,316,700	572,177	672,557	1,244,734	71,966
Capital outlay	-	10,600	-	10,512	10,512	88
Contingency	56,499	515,215	-	-	-	515,215
<b>Total Expenditures</b>	<b>9,859,600</b>	<b>10,440,396</b>	<b>4,561,208</b>	<b>4,895,714</b>	<b>9,456,922</b>	<b>983,474</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(696,100)</b>	<b>(1,445,600)</b>	<b>(57,409)</b>	<b>(308,785)</b>	<b>(366,194)</b>	<b>1,079,406</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	43,200	105,400	97,000	15,000	112,000	6,600
Transfers out	(227,000)	(270,700)	(301,584)	(2,514)	(304,098)	(33,398)
<b>Total Other Financing Sources (Uses)</b>	<b>(183,800)</b>	<b>(165,300)</b>	<b>(204,584)</b>	<b>12,486</b>	<b>(192,098)</b>	<b>(26,798)</b>
Net change in fund balance	(879,900)	(1,610,900)	(261,993)	(296,299)	(558,292)	1,052,608
Beginning Fund Balance (Deficit)	879,900	1,610,900	993,054	731,061	1,724,115	113,215
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 731,061</b>	<b>\$ 434,762</b>	<b>\$ 1,165,823</b>	<b>\$ 1,165,823</b>

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 4,895,714
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	123,837
Capitalized amounts reported as expenditures on the budgetary basis are reported as assets on the GAAP basis	(10,512)
Depreciation not reported on the budgetary basis is reported as an expense on the GAAP basis	6,232
<b>Expenses - GAAP Basis</b>	<b>\$ 5,015,271</b>

City of Bend, Oregon  
**City Attorney's Office Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget Basis	Variance with
	<u>Original</u>	<u>Final</u>				Final Budget Positive (Negative)
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 564	\$ 564	\$ 564
Charges for services:						
Charges to other City funds	674,300	594,625	325,700	268,925	594,625	-
Investment income	4,300	2,100	781	2,331	3,111	1,011
Miscellaneous	-	-	11	-	11	11
<b>Total Revenues</b>	<b>678,600</b>	<b>596,725</b>	<b>326,491</b>	<b>271,820</b>	<b>598,311</b>	<b>1,586</b>
<b>Expenditures</b>						
Current:						
Personal services	711,751	688,588	316,421	361,868	678,289	10,299
Materials and services	83,908	90,814	13,726	23,506	37,231	53,583
Interfund charges	3,900	28,700	1,417	26,244	27,661	1,039
Contingency	106,041	15,523	-	-	-	15,523
<b>Total Expenditures</b>	<b>905,600</b>	<b>823,625</b>	<b>331,564</b>	<b>411,617</b>	<b>743,181</b>	<b>80,444</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(227,000)</b>	<b>(226,900)</b>	<b>(5,073)</b>	<b>(139,797)</b>	<b>(144,870)</b>	<b>82,030</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	227,000	227,000	296,904	-	296,904	69,904
Transfers out	-	(100)	(92)	(950)	(1,042)	(942)
<b>Total Other Financing Sources (Uses)</b>	<b>227,000</b>	<b>226,900</b>	<b>296,812</b>	<b>(950)</b>	<b>295,862</b>	<b>68,962</b>
Net change in fund balance	-	-	291,739	(140,747)	150,992	150,992
Beginning Fund Balance (Deficit)	-	-	-	291,739	291,739	291,739
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 291,739</b>	<b>\$ 150,992</b>	<b>\$ 442,732</b>	<b>\$ 442,732</b>

**Reconciliation of Budgetary basis to GAAP basis**

Expenditures - Budgetary Basis	\$ 411,617
Other post-employment benefits are not reported on the budgetary basis but are reported as an expense on the GAAP basis	<u>25,862</u>
<b>Expenses - GAAP Basis</b>	<b><u>\$ 437,479</u></b>

City of Bend, Oregon

**Community Development Administration Division**

Schedule of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Budget and Actual  
 For the fiscal year ended June 30, 2011

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

City of Bend, Oregon  
**Internal Service Fund**

Schedule of Expenditures and Other Uses by Appropriation Levels  
 For the fiscal year ended June 30, 2011

	<b>Appropriation</b>	<b>Actual Expenditures</b>	<b>Variance Positive (Negative)</b>
Garage division	\$ 4,757,839	\$ 4,700,175	\$ 57,664
Information technology division	4,154,091	3,794,406	359,685
Facility management division	12,074,804	10,534,261	1,540,543
Engineering division	2,262,301	2,200,757	61,544
Public works administration division	4,228,488	3,735,264	493,224
Public works laboratory division	1,796,037	1,372,574	423,463
Risk management division	20,026,720	19,223,923	802,797
Administration and financial services division	10,195,881	9,761,020	434,861
City attorney's office division	808,202	744,223	63,979
Community development administration division	242,200	221,413	20,787
Contingency	2,778,452	-	2,778,452
Reserves	4,397,480	-	4,397,480
	\$ 67,722,495	\$ 56,288,014	\$ 11,434,481

## **AGENCY FUND**

### Agency Fund

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



City of Bend, Oregon  
**Statement of Changes in Assets and Liabilities**  
 Agency Fund  
 For the fiscal year ended June 30, 2011

	<b>Balance</b>				<b>Balance</b>
	<b>July 1, 2010</b>	<b>Additions</b>	<b>Deductions</b>		<b>June 30, 2011</b>
<b>Assets</b>					
Cash and investments	\$ 48,223	\$ 1,169,624	\$ (1,076,454)	\$	141,393
Accounts receivable, net	5	650	(650)	\$	5
<b>Total Assets</b>	<b>\$ 48,227</b>	<b>\$ 1,170,275</b>	<b>\$ (1,077,104)</b>	<b>\$</b>	<b>141,398</b>
<b>Liabilities</b>					
Amounts held for others	\$ 48,227	\$ 1,329,558	\$ (1,236,388)	\$	141,398
<b>Total Liabilities</b>	<b>\$ 48,227</b>	<b>\$ 1,329,558</b>	<b>\$ (1,236,388)</b>	<b>\$</b>	<b>141,398</b>

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**OTHER FUNDS**



City of Bend, Oregon  
**Combining Balance Sheet**

General Fund  
 June 30, 2011

	<u>General Fund</u>	<u>General Fund Stabilization Fund</u>	<u>Total General Fund</u>
<b>Assets</b>			
Pooled cash and investments	\$ 8,586,744	\$ 1,227,345	\$ 9,814,090
Restricted cash and investments	101,848	-	101,848
Receivables:			
Property taxes	1,817,967	-	1,817,967
Accounts, net	2,462,549	-	2,462,549
Loans and notes, net	87,975	-	87,975
Interest	262,839	-	262,839
Due from other funds	35,000	-	35,000
Due from other governments	609,428	-	609,428
Other assets	1,316	-	1,316
Advances to other funds	28,400	-	28,400
Assets held for resale	4,611,047	-	4,611,047
<b>Total Assets</b>	<b>\$ 18,605,112</b>	<b>\$ 1,227,345</b>	<b>\$ 19,832,458</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 702,784	\$ -	\$ 702,784
Salaries and benefits payable	219,212	-	219,212
Other accrued liabilities	837,687	-	837,687
Deposits	101,848	-	101,848
Deferred revenues	2,817,077	-	2,817,077
<b>Total Liabilities</b>	<b>4,678,608</b>	<b>-</b>	<b>4,678,608</b>
Fund Balances (Deficits):			
Nonspendable:			
In form	4,639,447	-	4,639,447
Committed	35,663	1,227,345	1,263,008
Unassigned	9,251,395	-	9,251,395
<b>Total Fund Balances (Deficits)</b>	<b>13,926,504</b>	<b>1,227,345</b>	<b>15,153,850</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 18,605,112</b>	<b>\$ 1,227,345</b>	<b>\$ 19,832,458</b>

City of Bend, Oregon

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

General Fund

For the fiscal year ended June 30, 2011

	<u>General Fund</u>	<u>General Fund Stabilization Fund</u>	<u>Total General Fund</u>
<b>Revenues</b>			
Taxes	\$ 24,581,586	\$ -	\$ 24,581,586
Franchise fees	5,798,520	-	5,798,520
Intergovernmental	2,045,550	-	2,045,550
Licenses and permits	313,844	-	313,844
Charges for services	125,971	-	125,971
Fines and forfeitures	1,231,195	-	1,231,195
Investment income	104,396	10,085	114,481
Miscellaneous	1,031	-	1,031
<b>Total Revenues</b>	<b>34,202,092</b>	<b>10,085</b>	<b>34,212,178</b>
<b>Expenditures</b>			
Current operating:			
General government	1,972,850	-	1,972,850
Public safety	16,377,809	-	16,377,809
Capital outlay	316,200	-	316,200
<b>Total Expenditures</b>	<b>18,666,859</b>	<b>-</b>	<b>18,666,859</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>15,535,234</b>	<b>10,085</b>	<b>15,545,319</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from sale of assets	2,101	-	2,101
Interfund loan repayments	1,050	-	1,050
Transfers in	350,389	332,971	683,360
Transfers out	(14,464,687)	-	(14,464,687)
<b>Total Other Financing Sources (Uses)</b>	<b>(14,111,148)</b>	<b>332,971</b>	<b>(13,778,177)</b>
Net change in fund balances	1,424,086	343,056	1,767,142
Fund Balances (Deficits), July 1, 2010	12,502,418	884,289	13,386,708
<b>Fund Balances (Deficits), June 30, 2011</b>	<b>\$ 13,926,504</b>	<b>\$ 1,227,345</b>	<b>\$ 15,153,850</b>

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, 2011

	<u>Biennium Budget</u>		FY2009-10 <u>Actual</u>	FY2010-11 <u>Actual</u>	Total Actual Budget <u>Basis</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>				
<b>Revenues</b>						
Investment income	\$ 10,100	\$ 5,600	\$ 3,806	\$ 10,085	\$ 13,891	\$ 8,291
<b>Total Revenues</b>	<b>10,100</b>	<b>5,600</b>	<b>3,806</b>	<b>10,085</b>	<b>13,891</b>	<b>8,291</b>
<b>Expenditures</b>						
Reserves	510,100	639,100	-	-	-	639,100
<b>Total Expenditures</b>	<b>510,100</b>	<b>639,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>639,100</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(500,000)</b>	<b>(633,500)</b>	<b>3,806</b>	<b>10,085</b>	<b>13,891</b>	<b>647,391</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	500,000	633,500	880,484	332,971	1,213,454	579,954
<b>Total Other Financing Sources</b>	<b>500,000</b>	<b>633,500</b>	<b>880,484</b>	<b>332,971</b>	<b>1,213,454</b>	<b>579,954</b>
Net change in fund balance	-	-	884,289	343,056	1,227,345	1,227,345
Beginning Fund Balance (Deficit)	-	-	-	884,289	-	-
<b>Ending Fund Balance (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 884,289</b>	<b>\$ 1,227,345</b>	<b>\$ 1,227,345</b>	<b>\$ 1,227,345</b>

City of Bend, Oregon

**General Fund Stabilization Fund**

Schedule of Expenditures and Other Uses by Appropriation Levels  
For the fiscal year ended June 30, 2011

	<b>Appropriation</b>	<b>Actual Expenditures</b>	<b>Variance Positive (Negative)</b>
<b>General Fund Stabilization Fund</b>			
Reserves	\$ 639,100	\$ -	\$ 639,100
	\$ 639,100	\$ -	\$ 639,100

OTHER FINANCIAL SCHEDULES





City of Bend, Oregon  
**Schedule of Property Tax Transactions**  
For the fiscal year ended June 30, 2011

<u>Fiscal Year</u>	<u>Uncollected Balances June 30, 2010</u>	<u>Current Year's Levy</u>	<u>Adjustments, Interest and Discounts</u>	<u>Net Collections</u>	<u>Uncollected Balances June 30, 2011</u>
Prior	\$ 1,387	\$ -	\$ 165	\$ (488)	1,064
2001-02	1,277	-	(319)	(39)	919
2002-03	1,870	-	(85)	(161)	1,624
2003-04	(52)	-	41	(355)	(366)
2004-05	2,548	-	108	(1,137)	1,520
2005-06	3,840	-	489	(3,067)	1,262
2006-07	23,962	-	5,301	(38,464)	(9,201)
2007-08	202,722	-	23,940	(145,837)	80,826
2008-09	564,157	-	30,215	(321,581)	272,791
2009-10	1,459,005	-	29,773	(915,746)	573,033
2010-11	-	26,641,736	(755,709)	(24,690,575)	1,195,452
<b>Totals</b>	<b>\$ 2,260,716</b>	<b>\$ 26,641,736</b>	<b>\$ (666,082)</b>	<b>\$ (26,117,448)</b>	<b>\$ 2,118,922</b>

Reconciliation to revenues:

Collections	\$ 26,117,448
60 day accrual adjustments	(78,680)
Change in deferred revenue	(60,004)
<b>Total Property Tax Revenues</b>	<b>\$ 25,978,765</b>

<u>Summary by fund:</u>	<u>Revenues</u>	<u>Property Tax Receivable</u>
General Fund	\$ 22,130,963	\$ 1,817,967
Urban Renewal Debt Service Fund	3,102,852	252,162
Juniper Ridge Urban Renewal Debt Service Fund	678,735	44,580
Murphy Crossing Urban Renewal Debt Service Fund	66,214	4,213
<b>Totals</b>	<b>\$ 25,978,765</b>	<b>\$ 2,118,922</b>

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

For the fiscal year ended June 30, 2011

<u>Series</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Unmatured and Outstanding June 30, 2010</u>	<u>Bonds Issued</u>	<u>Bonds Called and Matured</u>	<u>Unmatured and Outstanding June 30, 2011</u>
<b>Full Faith &amp; Credit Obligation Bonds:</b>							
Police facility and street equipment, series 2002	06/01/02	12/01/26	\$ 7,130,000	\$ 5,360,000	\$ -	\$ (210,000)	\$ 5,150,000
Transportation system and fire, series 2003	04/01/03	12/01/22	13,050,800	8,597,200	-	(583,400)	8,013,800
Airport, series 2003	04/01/03	12/01/13	279,200	112,800	-	(26,600)	86,200
Pension obligation bonds, series 2004	05/27/04	06/01/28	13,725,000	13,590,000	-	(130,000)	13,460,000
Police expansion/ambulance, series 2006	12/21/06	12/01/31	4,950,000	4,490,000	-	(240,000)	4,250,000
Police, Cooley Rd, and fire equipment, series 2008	02/14/08	12/01/27	4,425,000	4,340,000	-	(205,000)	4,135,000
Stormwater equipment, series 2008	02/14/08	12/01/12	275,000	170,000	-	(55,000)	115,000
Fire stations 1999 refinance, series 2010	02/18/10	06/01/24	3,225,000	3,055,000	-	(175,000)	2,880,000
Accessibility, series 2010	02/18/10	06/30/24	3,265,000	3,185,000	-	(190,000)	2,995,000
Transportation system 2000 refinance, series 2010	02/18/10	06/01/21	4,103,000	4,038,000	-	(325,000)	3,713,000
Airport 1999 refinance, series 2010	02/18/10	06/01/19	1,057,000	977,000	-	(80,000)	897,000
City Hall land 2005 refinance, series 2010	05/28/10	06/01/15	3,600,000	3,600,000	-	(100,000)	3,500,000
Water revenue 2000 refinance, series 2010D	11/30/10	11/01/13	2,175,000	-	2,175,000	-	2,175,000
Water recovery zone, series 2010C	11/30/10	11/01/30	2,300,000	-	2,300,000	-	2,300,000
Water reclamation recovery zone, series 2010C	11/30/10	11/01/30	10,730,000	-	10,730,000	-	10,730,000
<b>Total Full Faith &amp; Credit Obligation Bonds</b>				<b>51,515,000</b>	<b>15,205,000</b>	<b>(2,320,000)</b>	<b>64,400,000</b>
<b>Tax Increment Bonds</b>							
Series 2004B	06/21/04	12/01/13	6,900,000	5,960,000	-	(4,250,000)	1,710,000
<b>Total Tax Increment Bonds</b>				<b>5,960,000</b>	<b>-</b>	<b>(4,250,000)</b>	<b>1,710,000</b>
<b>Revenue Bonds:</b>							
Water, series 2000	10/01/00	10/01/20	4,000,000	2,665,000	-	(2,665,000)	-
Water reclamation, Series 2000	10/01/00	10/01/10	7,000,000	325,000	-	(325,000)	-
Water reclamation, Series 2002	11/15/02	11/01/22	5,500,000	4,035,000	-	(235,000)	3,800,000
Water reclamation, Series 2005	09/29/05	11/01/20	7,585,000	6,665,000	-	(295,000)	6,370,000
Water reclamation, Series 2008	08/14/08	10/31/28	10,000,000	9,665,000	-	(345,000)	9,320,000
<b>Total Revenue Bonds</b>				<b>23,355,000</b>	<b>-</b>	<b>(3,865,000)</b>	<b>19,490,000</b>
<b>Notes Payable:</b>							
Oregon Economic & Community Development Department:							
Pacific Aviation composites	10/15/97	12/01/17	655,000	429,571	-	(42,330)	387,241
Woodriver Village sewer	01/23/02	01/01/22	300,000	204,743	-	(204,743)	-
Airport eastside improvements	05/01/07	12/01/31	867,335	802,230	-	(23,958)	778,272
Safe drinking water loan	09/03/09	tbd	n/a	166,852	2,639,648	-	2,806,500
ARRA forgivable loan	09/03/09	tbd	n/a	2,806,500	-	-	2,806,500
<b>Total Notes Payable</b>				<b>4,409,896</b>	<b>2,639,648</b>	<b>(271,031)</b>	<b>6,778,513</b>
<b>Lines of Credit</b>							
Bank of America							
Juniper Ridge	06/19/08	06/19/13	n/a	5,208,850	-	-	5,208,850
<b>Total Lines of Credit</b>				<b>5,208,850</b>	<b>-</b>	<b>-</b>	<b>5,208,850</b>
<b>Total Long-Term Debt</b>				<b>\$ 90,448,746</b>	<b>\$ 17,844,648</b>	<b>\$ (10,706,031)</b>	<b>\$ 97,587,363</b>

City of Bend, Oregon  
**Schedule of Long-Term Debt Transactions - Interest**  
For the fiscal year ended June 30, 2011

<u>Series</u>	<u>Interest Rates on Outstanding Balances</u>	<u>Unmatured and Outstanding June 30, 2010</u>	<u>Bonds Issued</u>	<u>Coupons Called and Matured</u>	<u>Unmatured and Outstanding June 30, 2011</u>
<u>Full Faith &amp; Credit Obligation Bonds:</u>					
Police facility and street equipment, series 2002	4.00% - 5.00%	\$ 2,543,234	\$ -	\$ (250,714)	\$ 2,292,521
Transportation system, and fire, series 2003	2.00% - 4.50%	2,509,751	-	(335,554)	2,174,197
Airport, series 2003	2.00% - 3.70%	8,265	-	(3,540)	4,725
Pension obligation bonds, series 2004	2.13% - 6.095%	10,223,762	-	(814,270)	9,409,493
Police expansion/ambulance, series 2006	3.75% - 6.00%	1,847,158	-	(180,940)	1,666,218
Police, Cooley Rd, and fire equipment, series 2008	3.00% - 4.25%	1,605,904	-	(151,489)	1,454,416
Stormwater equipment, series 2008	3.00%	7,800	-	(4,275)	3,525
Fire stations 1999 refinance, series 2010	3.23%	861,119	-	(97,063)	764,056
Accessibility, series 2010	2.62%	1,113,660	-	(118,875)	994,785
Transportation system 2000 refinance, series 2010	2.84%	853,568	-	(121,433)	732,135
Airport 1999 refinance, series 2010	2.60%	173,470	-	(28,480)	144,990
City Hall land 2005 refinance, series 2010	3.65%	547,500	-	(131,400)	416,100
Water revenue 2000 refinance, series 2010D	1.56%	-	83,996	(18,246)	65,750
Water recovery zone series 2010C	3.05%	-	1,461,619	(45,116)	1,416,503
Water reclamation recovery zone, series 2010C	3.05%	-	6,818,769	(210,476)	6,608,293
<b>Total Full Faith &amp; Credit Obligation Bonds</b>		<b>22,295,191</b>	<b>8,364,384</b>	<b>(2,511,869)</b>	<b>28,147,706</b>
<u>Tax Increment Bonds</u>					
Series 2004B	4.25%	541,238	-	(263,607)	277,631
<b>Total Tax Increment Bonds</b>		<b>541,238</b>	<b>-</b>	<b>(263,607)</b>	<b>277,631</b>
<u>Revenue Bonds:</u>					
Water, series 2000	4.40% - 5.38%	856,083	-	(856,083)	-
Water reclamation, Series 2000	4.40% - 5.38%	7,800	-	(7,800)	-
Water reclamation, Series 2002	1.77% - 5.04%	1,339,626	-	(175,658)	1,163,968
Water reclamation, Series 2005	3.00% - 4.00%	1,362,678	-	(228,755)	1,133,923
Water reclamation, Series 2008	3.50% - 4.50%	4,205,669	-	(383,375)	3,822,294
<b>Total Revenue Bonds</b>		<b>7,771,856</b>	<b>-</b>	<b>(1,651,672)</b>	<b>6,120,184</b>
<u>Notes Payable:</u>					
Oregon Economic & Community Development Department:					
Pacific Aviation Composites	5.01%	105,022	-	(21,605)	83,417
Woodriver Village sewer	3.00% - 5.00%	70,011	-	(70,011)	-
Airport Eastside Improvements	4.00% - 4.375%	452,510	-	(33,914)	418,595
Safe drinking water loan	3.83%	-	-	-	-
ARRA forgivable loan	3.00%	-	-	-	-
<b>Total Notes Payable</b>		<b>627,543</b>	<b>-</b>	<b>(125,531)</b>	<b>502,012</b>
<u>Lines of Credit</u>					
Bank of America Juniper Ridge	variable	348,997	-	(148,997)	200,000
<b>Total Lines of Credit</b>		<b>348,997</b>	<b>-</b>	<b>(148,997)</b>	<b>200,000</b>
<b>Total Long-Term Debt</b>		<b>\$ 31,584,825</b>	<b>\$ 8,364,384</b>	<b>\$ (4,701,676)</b>	<b>\$ 35,247,533</b>

City of Bend, Oregon

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

For the fiscal year ended June 30, 2011

<u>Fiscal Year</u>	<u>Total Requirements</u>			<u>Police Facility and Street Equipment Series 2002</u>		<u>Transportation System, Fire, Airport and Street Equipment Series 2003</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011-12	\$ 3,320,000	\$ 2,811,133	\$ 6,131,133	\$ 220,000	\$ 241,976	\$ 630,000	\$ 316,656
2012-13	3,710,000	2,712,084	6,422,084	230,000	232,695	655,000	294,956
2013-14	4,455,000	2,595,198	7,050,198	240,000	222,701	595,000	272,486
2014-15	5,150,000	2,467,822	7,617,822	250,000	211,983	580,000	250,604
2015-16	3,285,000	2,283,669	5,568,669	260,000	200,664	605,000	228,007
2016-17	3,445,000	2,156,593	5,601,593	275,000	188,454	620,000	203,885
2017-18	3,470,000	2,020,352	5,490,352	290,000	175,208	650,000	178,160
2018-19	3,660,000	1,869,833	5,529,833	305,000	161,000	680,000	150,555
2019-20	3,740,000	1,705,291	5,445,291	320,000	145,840	720,000	120,975
2020-21	3,955,000	1,530,918	5,485,918	335,000	129,625	750,000	89,175
2021-22	3,770,000	1,345,395	5,115,395	355,000	112,375	790,000	54,900
2022-23	3,940,000	1,160,247	5,100,247	370,000	94,250	825,000	18,563
2023-24	3,325,000	981,059	4,306,059	390,000	75,250	-	-
2024-25	2,955,000	805,753	3,760,753	415,000	55,125	-	-
2025-26	3,175,000	642,096	3,817,096	435,000	33,875	-	-
2026-27	3,415,000	464,138	3,879,138	460,000	11,500	-	-
2027-28	2,210,000	282,807	2,492,807	-	-	-	-
2028-29	1,035,000	164,209	1,199,209	-	-	-	-
2029-30	1,070,000	104,038	1,174,038	-	-	-	-
2030-31	1,110,000	40,843	1,150,843	-	-	-	-
2031-32	205,000	4,228	209,228	-	-	-	-
	<b>\$ 64,400,000</b>	<b>\$ 28,147,706</b>	<b>\$ 92,547,706</b>	<b>\$ 5,150,000</b>	<b>\$ 2,292,521</b>	<b>\$ 8,100,000</b>	<b>\$ 2,178,922</b>

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

For the fiscal year ended June 30, 2011

<u>Fiscal Year</u>	<u>Pension Obligation Bonds</u>		<u>Police Facility</u>		<u>Police Facility, Cooley Rd, Water</u>	
	<u>Series 2004</u>		<u>Expansion/Ambulance</u>		<u>and Stormwater Equipment</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011-12	\$ 175,000	\$ 807,514	\$ 250,000	\$ 171,140	\$ 265,000	\$ 147,889
2012-13	230,000	798,326	265,000	160,840	275,000	139,789
2013-14	285,000	786,021	275,000	150,040	220,000	132,364
2014-15	345,000	770,144	280,000	138,940	225,000	125,689
2015-16	410,000	750,579	295,000	127,440	200,000	119,314
2016-17	485,000	726,918	310,000	112,240	210,000	113,164
2017-18	565,000	698,443	160,000	99,940	215,000	106,789
2018-19	650,000	664,877	170,000	93,668	220,000	99,989
2019-20	750,000	625,779	175,000	87,026	230,000	92,389
2020-21	850,000	580,667	185,000	80,050	235,000	84,104
2021-22	965,000	529,539	190,000	72,738	250,000	75,001
2022-23	1,085,000	471,495	140,000	66,268	260,000	64,958
2023-24	1,215,000	406,232	145,000	60,639	265,000	54,458
2024-25	1,360,000	332,178	150,000	54,775	275,000	43,520
2025-26	1,515,000	249,286	160,000	48,575	285,000	32,040
2026-27	1,680,000	156,946	165,000	41,972	305,000	19,793
2027-28	895,000	54,550	170,000	35,063	315,000	6,694
2028-29	-	-	180,000	27,844	-	-
2029-30	-	-	185,000	20,316	-	-
2030-31	-	-	195,000	12,478	-	-
2031-32	-	-	205,000	4,228	-	-
	<b>\$ 13,460,000</b>	<b>\$ 9,409,493</b>	<b>\$ 4,250,000</b>	<b>\$ 1,666,218</b>	<b>\$ 4,250,000</b>	<b>\$ 1,457,941</b>

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

For the fiscal year ended June 30, 2011

<u>Fiscal Year</u>	<u>Fire Stations</u> <u>Series 2010</u>		<u>Accessibility</u> <u>Series 2010</u>		<u>Transportation System</u> <u>Series 2010</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011-12	\$ 180,000	\$ 93,563	\$ 190,000	\$ 116,975	\$ 325,000	\$ 114,933
2012-13	185,000	89,963	195,000	113,745	335,000	108,433
2013-14	190,000	86,263	195,000	109,553	340,000	101,733
2014-15	190,000	82,463	200,000	104,483	355,000	94,933
2015-16	200,000	76,763	210,000	98,983	365,000	84,283
2016-17	210,000	70,763	215,000	91,633	370,000	73,332
2017-18	215,000	64,463	225,000	83,463	385,000	62,232
2018-19	225,000	55,863	235,000	74,124	398,000	46,832
2019-20	235,000	46,863	240,000	64,137	410,000	30,912
2020-21	240,000	37,463	255,000	53,337	430,000	14,512
2021-22	260,000	29,363	265,000	41,352	-	-
2022-23	265,000	19,938	280,000	28,500	-	-
2023-24	285,000	10,331	290,000	14,500	-	-
2024-25	-	-	-	-	-	-
2025-26	-	-	-	-	-	-
2026-27	-	-	-	-	-	-
2027-28	-	-	-	-	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
	<b>\$ 2,880,000</b>	<b>\$ 764,056</b>	<b>\$ 2,995,000</b>	<b>\$ 994,785</b>	<b>\$ 3,713,000</b>	<b>\$ 732,135</b>

City of Bend, Oregon

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

For the fiscal year ended June 30, 2011

<u>Fiscal Year</u>	<u>Airport</u>		<u>Land</u>		<u>Water &amp; Sewer RZEDB</u>	
	<u>Series 2010</u>		<u>Series 2010</u>		<u>Series 2010</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011-12	\$ 85,000	\$ 26,880	\$ 300,000	\$ 127,750	\$ -	\$ 609,358
2012-13	90,000	25,180	500,000	116,800	-	609,358
2013-14	90,000	23,380	700,000	98,550	600,000	604,858
2014-15	120,000	21,580	2,000,000	73,000	605,000	594,005
2015-16	125,000	17,980	-	-	615,000	579,658
2016-17	125,000	14,230	-	-	625,000	561,975
2017-18	130,000	10,480	-	-	635,000	541,175
2018-19	132,000	5,280	-	-	645,000	517,646
2019-20	-	-	-	-	660,000	491,370
2020-21	-	-	-	-	675,000	461,985
2021-22	-	-	-	-	695,000	430,128
2022-23	-	-	-	-	715,000	396,278
2023-24	-	-	-	-	735,000	359,650
2024-25	-	-	-	-	755,000	320,155
2025-26	-	-	-	-	780,000	278,320
2026-27	-	-	-	-	805,000	233,928
2027-28	-	-	-	-	830,000	186,500
2028-29	-	-	-	-	855,000	136,365
2029-30	-	-	-	-	885,000	83,723
2030-31	-	-	-	-	915,000	28,365
2031-32	-	-	-	-	-	-
	\$ 897,000	\$ 144,990	\$ 3,500,000	\$ 416,100	\$ 13,030,000	\$ 8,024,796

City of Bend, Oregon

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

For the fiscal year ended June 30, 2011

<u>Fiscal Year</u>	<u>Water</u>	
	<u>Series 2010D</u>	
	<u>Principal</u>	<u>Interest</u>
2011-12	\$ 700,000	\$ 36,500
2012-13	750,000	22,000
2013-14	725,000	7,250
2014-15	-	-
2015-16	-	-
2016-17	-	-
2017-18	-	-
2018-19	-	-
2019-20	-	-
2020-21	-	-
2021-22	-	-
2022-23	-	-
2023-24	-	-
2024-25	-	-
2025-26	-	-
2026-27	-	-
2027-28	-	-
2028-29	-	-
2029-30	-	-
2030-31	-	-
2031-32	-	-
	<b>\$ 2,175,000</b>	<b>\$ 65,750</b>



City of Bend, Oregon

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

For the fiscal year ended June 30, 2011

**Bend Urban Renewal Agency**

<b><u>Fiscal Year</u></b>	<b><u>Series 2004</u></b>		<b><u>Total</u></b>
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	
2011-12	\$ 1,400,000	\$ 170,425	\$ 1,570,425
2012-13	310,000	107,206	417,206
	<b>\$ 1,710,000</b>	<b>\$ 277,631</b>	<b>\$ 1,987,631</b>

City of Bend, Oregon  
**Schedule of Future Debt Service Requirements of Revenue Bonds**  
 For the fiscal year ended June 30, 2011

<b>Fiscal Year</b>	<b>Total Requirements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011-12	\$ 1,230,000	\$ 750,711	\$ 1,980,711
2012-13	1,275,000	707,588	1,982,588
2013-14	1,325,000	661,665	1,986,665
2014-15	1,375,000	612,648	1,987,648
2015-16	1,430,000	559,453	1,989,453
2016-17	1,485,000	502,189	1,987,189
2017-18	1,545,000	442,256	1,987,256
2018-19	1,295,000	384,834	1,679,834
2019-20	1,350,000	328,431	1,678,431
2020-21	1,410,000	269,313	1,679,313
2021-22	925,000	220,041	1,145,041
2022-23	965,000	179,519	1,144,519
2023-24	585,000	147,000	732,000
2024-25	605,000	123,200	728,200
2025-26	630,000	98,500	728,500
2026-27	660,000	72,700	732,700
2027-28	685,000	44,944	729,944
2028-29	715,000	15,194	730,194
	<b>\$ 19,490,000</b>	<b>\$ 6,120,184</b>	<b>\$ 25,610,184</b>

<b>Fiscal Year</b>	<b>Series 2002</b>		<b>Series 2005</b>		<b>Series 2008</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2011-12	\$ 245,000	\$ 167,344	\$ 625,000	\$ 214,955	\$ 360,000	\$ 368,413
2012-13	255,000	158,373	645,000	195,502	375,000	353,713
2013-14	265,000	148,716	670,000	174,536	390,000	338,413
2014-15	280,000	137,031	690,000	152,091	405,000	323,525
2015-16	290,000	123,494	715,000	128,021	425,000	307,938
2016-17	305,000	109,363	740,000	102,189	440,000	290,638
2017-18	320,000	94,519	770,000	74,431	455,000	273,306
2018-19	335,000	78,963	485,000	50,597	475,000	255,275
2019-20	350,000	62,694	505,000	31,100	495,000	234,638
2020-21	365,000	45,713	525,000	10,500	520,000	213,100
2021-22	385,000	28,141	-	-	540,000	191,900
2022-23	405,000	9,619	-	-	560,000	169,900
2023-24	-	-	-	-	585,000	147,000
2024-25	-	-	-	-	605,000	123,200
2025-26	-	-	-	-	630,000	98,500
2026-27	-	-	-	-	660,000	72,700
2027-28	-	-	-	-	685,000	44,944
2028-29	-	-	-	-	715,000	15,194
	<b>\$ 3,800,000</b>	<b>\$ 1,163,968</b>	<b>\$ 6,370,000</b>	<b>\$ 1,133,923</b>	<b>\$ 9,320,000</b>	<b>\$ 3,822,294</b>

City of Bend, Oregon  
**Schedule of Future Debt Service Requirements of Notes Payable**

For the fiscal year ended June 30, 2011

**Oregon Economic & Community Development Department**

<b>Fiscal Year</b>	<b>Total Requirements</b>			<b>Pacific Aviation Composites 1998</b>		<b>Airport Eastside Improvements 2007</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2011-12	\$ 66,774	\$ 52,445	\$ 119,219	\$ 42,657	\$ 19,489	\$ 24,117	\$ 32,956
2012-13	72,282	49,348	121,630	48,000	17,357	24,282	31,991
2013-14	78,786	45,977	124,763	54,333	14,957	24,453	31,020
2014-15	84,431	42,283	126,714	54,800	12,241	29,631	30,042
2015-16	90,105	38,358	128,463	60,289	9,501	29,816	28,857
2016-17	90,814	34,151	124,965	60,805	6,487	30,009	27,664
2017-18	96,566	29,849	126,415	66,357	3,385	30,209	26,464
2018-19	30,417	25,255	55,672	-	-	30,417	25,255
2019-20	30,634	24,039	54,673	-	-	30,634	24,039
2020-21	35,867	22,775	58,642	-	-	35,867	22,775
2021-22	36,113	21,269	57,382	-	-	36,113	21,269
2022-23	36,373	19,734	56,107	-	-	36,373	19,734
2023-24	36,644	18,188	54,832	-	-	36,644	18,188
2024-25	41,929	16,612	58,541	-	-	41,929	16,612
2025-26	42,232	14,778	57,010	-	-	42,232	14,778
2026-27	42,549	12,930	55,479	-	-	42,549	12,930
2027-28	47,879	11,069	58,948	-	-	47,879	11,069
2028-29	48,224	8,974	57,198	-	-	48,224	8,974
2029-30	48,584	6,864	55,448	-	-	48,584	6,864
2030-31	53,959	4,739	58,698	-	-	53,959	4,739
2031-32	54,351	2,378	56,729	-	-	54,351	2,378
	<b>\$ 1,165,513</b>	<b>\$ 502,012</b>	<b>\$ 1,667,525</b>	<b>\$ 387,241</b>	<b>\$ 83,417</b>	<b>\$ 778,272</b>	<b>\$ 418,595</b>

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

City of Bend, Oregon

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

For the fiscal year ended June 30, 2011

<u>Fiscal Year</u>	<u>Bank of America</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2011-12	\$ -	\$ 100,000	\$ 100,000
2012-13	5,208,850	100,000	5,308,850
	<u>\$ 5,208,850</u>	<u>\$ 200,000</u>	<u>\$ 5,408,850</u>

## STATISTICAL SECTION



## STATISTICAL SECTION

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

### Financial Trends (pages 17Í to 18I )

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

### Revenue Capacity (pages 18Í to 18ì )

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

### Debt Capacity (pages 18J to 19I )

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### Demographic and Economic Information (pages 19Í to 19Ï )

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

### Operating Information (pages 19Ì to 19Ö)

These schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.





City of Bend, Oregon  
**Net Assets by Component**

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

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

City of Bend, Oregon

**Net Assets by Component (Continued)**

Last nine fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>Governmental activities</u></b>					
Invested in capital assets, net of related debt	\$ 501,420	\$ 491,487	\$ 493,230	\$ 485,325	\$ 484,814
Restricted	5,522	6,782	13,119	15,370	13,915
Unrestricted	35,884	29,912	20,823	24,295	27,398
<b>Total Governmental Activities Net Assets</b>	<b>542,826</b>	<b>528,181</b>	<b>527,172</b>	<b>524,991</b>	<b>526,127</b>
<b><u>Business-type activities</u></b>					
Invested in capital assets, net of related debt	186,218	237,030	237,706	242,003	241,176
Restricted	844	844	844	936	-
Unrestricted	10,028	8,329	20,638	23,050	32,522
<b>Total Business-type Activities Net Assets</b>	<b>197,090</b>	<b>246,203</b>	<b>259,188</b>	<b>265,988</b>	<b>273,698</b>
<b><u>Primary government</u></b>					
Invested in capital assets, net of related debt	687,638	728,517	730,935	727,328	725,990
Restricted	6,366	7,626	13,963	16,307	13,915
Unrestricted	45,912	38,241	41,461	47,345	59,920
<b>Total Primary Government Net Assets</b>	<b>\$ 739,916</b>	<b>\$ 774,384</b>	<b>\$ 786,360</b>	<b>\$ 790,979</b>	<b>\$ 799,825</b>

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

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

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

City of Bend, Oregon  
**Changes in Net Assets (Continued)**

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

	2007	2008	2009	2010	2011
<b>Expenses</b>					
Governmental activities:					
General government	\$ 14,010	\$ 15,155	\$ 17,159	\$ 16,732	\$ 18,530
Public safety	24,178	26,176	27,812	28,025	27,958
Public ways and facilities	11,679	16,928	15,691	15,699	16,042
Community and economic development	8,673	8,728	8,087	6,216	8,012
Urban renewal	302	585	1,841	358	192
Transit	1,854	1,902	1,941	1,851	1,800
Interest on long-term debt	2,936	2,909	2,373	2,287	1,973
<b>Total Governmental Activities Expenses</b>	<b>63,632</b>	<b>72,383</b>	<b>74,904</b>	<b>71,168</b>	<b>74,506</b>
Business-type activities:					
Water	11,519	9,776	10,690	12,686	12,757
Water reclamation	10,250	10,184	10,844	11,832	12,045
Airport	690	733	731	746	951
Cemetery	151	182	141	110	75
Downtown parking	744	816	881	889	878
Stormwater	222	1,378	1,744	2,159	2,425
Other business activities	-	-	-	-	-
<b>Total Business-type Activities Expenses</b>	<b>23,576</b>	<b>23,069</b>	<b>25,032</b>	<b>28,422</b>	<b>29,131</b>
<b>Total Primary Government Expenses</b>	<b>\$ 87,208</b>	<b>\$ 95,452</b>	<b>\$ 99,936</b>	<b>\$ 99,590</b>	<b>\$ 103,637</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 5,875	\$ 7,599	\$ 7,064	\$ 7,598	\$ 9,661
Public safety	4,303	4,057	3,396	3,615	3,389
Public ways and facilities	3,165	2,761	1,368	1,253	1,052
Community and economic development	8,177	7,869	5,282	3,083	4,015
Permanent maintenance	-	-	-	-	11
Urban renewal	64	98	1,611	57	35
Transit	208	172	234	269	74
Operating grants and contributions	10,219	9,372	9,209	11,610	15,714
Capital grants and contributions	17,014	16,641	11,208	4,176	6,659
<b>Total Governmental Activities Program Revenues</b>	<b>49,025</b>	<b>48,569</b>	<b>39,373</b>	<b>31,660</b>	<b>40,609</b>
Business-type activities:					
Charges for services:					
Water	10,676	11,012	12,020	12,689	14,068
Water reclamation	9,099	10,206	12,393	13,257	13,920
Airport	702	684	700	773	777
Cemetery	111	102	69	50	45
Downtown parking	387	610	606	551	643
Stormwater	-	2,458	2,405	2,465	2,515
Other business activities	-	-	-	-	139
Capital grants and contributions	20,148	16,373	9,282	3,914	2,670
<b>Total Business-type Activities Program Revenues</b>	<b>41,123</b>	<b>41,446</b>	<b>37,475</b>	<b>33,699</b>	<b>34,777</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 90,148</b>	<b>\$ 90,015</b>	<b>\$ 76,848</b>	<b>\$ 65,359</b>	<b>\$ 75,386</b>
<b>Net Revenues (Expenses)</b>					
Governmental activities	\$ (14,607)	\$ (23,814)	\$ (35,532)	\$ (39,507)	\$ (33,897)
Business-type activities	21,203	18,378	12,443	5,276	5,646
<b>Total Primary Government Net Revenues (Expenses)</b>	<b>\$ 6,596</b>	<b>\$ (5,436)</b>	<b>\$ (23,088)</b>	<b>\$ (34,231)</b>	<b>\$ (28,251)</b>

City of Bend, Oregon

**Changes in Net Assets (Continued)**

Last nine fiscal years

(accrual basis of accounting; amounts expressed in thousands)

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

City of Bend, Oregon

**Changes in Net Assets (Continued)**

Last nine fiscal years

(accrual basis of accounting; amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 20,752	\$ 22,656	\$ 24,140	\$ 25,428	\$ 25,979
Transient room taxes	3,303	3,427	2,938	2,966	3,407
Franchise fees	5,644	6,158	6,386	7,447	7,241
Unrestricted investment income	2,245	2,204	968	412	425
Other revenues	1,029	3,976	-	2,293	15
Transfers	(9,980)	(29,253)	91	(1,220)	(2,035)
<b>Total Governmental Activities</b>	<b>22,993</b>	<b>9,168</b>	<b>34,523</b>	<b>37,327</b>	<b>35,032</b>
Business-type activities:					
Franchise fees	556	604	-	-	-
Unrestricted investment income	1,243	853	626	304	322
Other revenues	-	27	5	-	-
Transfers	9,980	29,253	(91)	1,220	2,035
<b>Total Business-type Activities</b>	<b>11,779</b>	<b>30,737</b>	<b>541</b>	<b>1,524</b>	<b>2,357</b>
<b>Total Primary Government</b>	<b>\$ 34,772</b>	<b>\$ 39,905</b>	<b>\$ 35,063</b>	<b>\$ 38,850</b>	<b>\$ 37,389</b>
<b>Change in Net Assets</b>					
Governmental activities	\$ 8,386	\$ (14,646)	\$ (1,009)	\$ (2,181)	\$ 1,136
Business-type activities	29,327	49,114	12,984	6,800	8,003
<b>Total Primary Government</b>	<b>\$ 41,368</b>	<b>\$ 34,469</b>	<b>\$ 11,975</b>	<b>\$ 4,619</b>	<b>\$ 9,138</b>

City of Bend, Oregon

**Fund Balances (Deficits), Governmental Funds**

Last ten fiscal years

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>General Fund</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	560	220	270	80	-
Unreserved	3,976	4,906	6,240	7,132	9,012
<b>Total General Fund</b>	<b>\$ 4,536</b>	<b>\$ 5,126</b>	<b>\$ 6,510</b>	<b>\$ 7,212</b>	<b>\$ 9,012</b>

**All Other Governmental Funds**

Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved for:					
Debt service	90	3,818	3,006	4,031	4,405
Long-term loans and advances	-	2,013	119	119	49
Construction	-	-	-	-	-
Building program	-	-	-	-	-
Designations reported in:					
Special revenue funds	8,374	11,535	12,786	15,077	14,213
Capital projects funds	(1,173)	6	10,599	7,535	304
<b>Total All Other Governmental Funds</b>	<b>\$ 7,291</b>	<b>\$ 17,372</b>	<b>\$ 26,510</b>	<b>\$ 26,762</b>	<b>\$ 18,971</b>

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

City of Bend, Oregon

**Fund Balances (Deficits), Governmental Funds (Continued)**

Last ten fiscal years

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

	<u>2007</u>		<u>2008</u>		<u>2009</u>		<u>2010</u>		<u>2011</u>	
<b>General Fund</b>										
Nonspendable	\$	-	\$	-	\$	-	\$	-	\$	4,639
Committed		-		-		-		-		1,263
Assigned		-		-		-		-		-
Unassigned		-		-		-		-		9,251
Reserved		-		-		36		4,469		-
Unreserved		8,722		6,449		6,766		8,033		-
<b>Total General Fund</b>	<b>\$</b>	<b>8,722</b>	<b>\$</b>	<b>6,449</b>	<b>\$</b>	<b>6,802</b>	<b>\$</b>	<b>12,502</b>	<b>\$</b>	<b>15,154</b>

**All Other Governmental Funds**

Nonspendable	\$	-	\$	-	\$	-	\$	-	\$	621
Restricted		-		-		-		-		7,644
Committed		-		-		-		-		10,869
Assigned		-		-		-		-		2,553
Unassigned		-		-		-		-		(316)
Reserved for:										
Debt service		5,522		6,782		7,893		5,686		-
Long-term loans and advances		-		-		967		34		-
Construction		-		-		4,271		9,858		-
Building program		-		-		955		497		-
Designations reported in:										
Special revenue funds		15,833		7,659		5,123		7,209		-
Capital projects funds		(1,312)		5,139		-		(223)		-
<b>Total All Other Governmental Funds</b>	<b>\$</b>	<b>20,043</b>	<b>\$</b>	<b>19,580</b>	<b>\$</b>	<b>19,210</b>	<b>\$</b>	<b>23,061</b>	<b>\$</b>	<b>21,371</b>



City of Bend, Oregon  
**Changes in Fund Balances (Deficits), Governmental Funds**

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Revenues</b>					
Taxes	\$ 14,461	\$ 15,888	\$ 17,635	\$ 19,519	\$ 21,731
Franchise fees	3,561	3,635	3,735	4,283	5,018
Intergovernmental	7,013	7,156	8,308	8,819	13,181
Assessments	117	3,856	669	678	576
Licenses and permits	2,440	2,929	3,796	5,059	5,501
Charges for services	4,776	3,215	3,174	4,668	6,259
System development charges	3,472	4,202	5,388	6,415	7,311
Contributions	-	-	-	-	-
Fines and forfeitures	508	492	616	685	917
Loan repayments	-	-	-	-	-
Permanent maintenance fees	-	-	-	-	-
Investment income	763	518	317	995	1,610
Issuance of short-term debt	-	-	2,000	-	1,043
Miscellaneous	547	830	641	218	197
<b>Total Revenues</b>	<b>37,658</b>	<b>42,721</b>	<b>46,279</b>	<b>51,339</b>	<b>63,344</b>
<b>Expenditures</b>					
General government	201	902	362	428	889
Public safety	16,636	18,191	19,758	21,472	24,133
Public ways and facilities	4,725	5,256	4,988	5,866	6,813
Community and economic development	5,031	4,894	5,974	7,407	8,990
Urban renewal	653	432	535	380	705
Transit	914	1,075	1,372	1,946	1,893
Debt service:					
Principal	1,024	1,404	4,311	2,442	3,784
Interest	924	972	1,468	1,744	2,369
Capital outlay	12,965	16,313	8,512	8,662	22,056
<b>Total Expenditures</b>	<b>43,073</b>	<b>49,439</b>	<b>47,280</b>	<b>50,347</b>	<b>71,632</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of assets	161	720	1,171	7	1,231
Proceeds from leases	-	-	-	-	-
Insurance proceeds	-	-	-	-	-
Issuance of long-term debt	493	15,509	10,500	-	-
Premium on issuance of long-term debt	-	-	-	-	-
Discount on issuance of long-term debt	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	-
Interfund loan repayments	-	-	-	-	-
Transfers in	800	2,082	213	795	12,040
Transfers out	(800)	(4,390)	(361)	(840)	(10,973)
<b>Total Other Financing Sources (Uses)</b>	<b>654</b>	<b>13,921</b>	<b>11,523</b>	<b>(38)</b>	<b>2,298</b>
<b>Net Change in Fund Balances (Deficits)</b>	<b>\$ (4,761)</b>	<b>\$ 7,203</b>	<b>\$ 10,522</b>	<b>\$ 954</b>	<b>\$ (5,990)</b>

Debt service as a percentage of noncapital expenditures	6.5%	7.2%	14.9%	10.0%	12.4%
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City of Bend, Oregon

**Changes in Fund Balances (Deficits), Governmental Funds (Continued)**

Last ten fiscal years

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Revenues</b>					
Taxes	\$ 23,856	\$ 25,619	\$ 26,500	\$ 28,340	\$ 29,446
Franchise fees	5,645	6,157	6,386	7,447	7,211
Intergovernmental	11,645	9,746	10,171	11,347	14,439
Assessments	332	263	204	201	154
Licenses and permits	4,105	4,589	2,397	2,181	2,850
Charges for services	8,408	7,420	6,259	5,772	6,159
System development charges	5,616	8,126	2,726	2,262	3,341
Contributions	451	-	325	92	55
Fines and forfeitures	1,119	1,235	1,041	1,059	1,231
Loan repayments	23	72	180	1,039	476
Permanent maintenance fees	-	-	-	-	11
Investment income	1,723	1,547	730	313	341
Issuance of short-term debt	-	-	-	-	-
Miscellaneous	167	323	146	99	126
<b>Total Revenues</b>	<b>63,090</b>	<b>65,097</b>	<b>57,065</b>	<b>60,152</b>	<b>65,839</b>
<b>Expenditures</b>					
General government	481	661	651	988	1,993
Public safety	26,430	29,160	28,790	29,375	29,925
Public ways and facilities	5,390	6,436	6,214	6,462	6,458
Community and economic development	11,210	11,639	9,044	7,063	8,948
Urban renewal	511	886	1,590	581	405
Transit	2,700	2,600	2,483	2,442	1,744
Debt service:					
Principal	2,852	2,984	2,693	10,068	5,993
Interest	2,310	2,320	2,429	2,167	1,981
Capital outlay	12,228	17,869	7,094	4,589	4,231
<b>Total Expenditures</b>	<b>64,112</b>	<b>74,555</b>	<b>60,989</b>	<b>63,735</b>	<b>61,678</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of assets	1,029	4,145	20	2,293	15
Proceeds from leases	-	-	1,550	-	-
Insurance proceeds	-	-	-	55	40
Issuance of long-term debt	1,775	6,425	2,700	10,602	-
Premium on issuance of long-term debt	36	15	-	244	-
Discount on issuance of long-term debt	-	-	-	(1)	-
Payment to bond escrow agent	-	-	-	(4,215)	-
Interfund loan repayments	-	-	-	-	1
Transfers in	13,827	29,951	19,558	23,754	15,527
Transfers out	(14,864)	(33,814)	(19,923)	(25,520)	(18,783)
<b>Total Other Financing Sources (Uses)</b>	<b>1,803</b>	<b>6,722</b>	<b>3,905</b>	<b>7,211</b>	<b>(3,201)</b>
<b>Net Change in Fund Balances (Deficits)</b>	<b>\$ 781</b>	<b>\$ (2,736)</b>	<b>\$ (18)</b>	<b>\$ 3,628</b>	<b>\$ 960</b>

Debt service as a percentage of noncapital expenditures	9.9%	9.4%	9.5%	20.7%	14%
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Note - In 2010, the City refunded \$10.9 million in outstanding debt

City of Bend, Oregon

**Assessed and Estimated Actual Value of Taxable Property**

Last ten fiscal years

(amounts expressed in thousands)

Fiscal Year	Real Property		Personal Property		Public Utilities		Total		Total Direct Tax Rate	Percent of TAV to RMV
	RMV	IAV	RMV	IAV	RMV	IAV	RMV	IAV		
2002	\$ 4,931,847	\$ 3,796,869	\$ 163,145	\$ 162,721	\$ 80,169	\$ 79,471	\$ 5,175,161	\$ 4,039,061	\$ 2.97	78.0%
2003	5,742,199	4,184,189	173,871	173,705	93,422	93,288	6,009,492	4,451,182	3.00	74.1%
2004	6,572,581	4,602,246	177,321	177,310	95,810	95,722	6,845,712	4,875,278	3.16	71.2%
2005	7,426,197	5,103,393	185,854	185,850	104,835	104,619	7,716,886	5,393,862	3.17	69.9%
2006	8,946,076	5,712,230	213,276	210,382	92,809	92,621	9,252,161	6,015,233	3.15	65.0%
2007	12,525,855	6,369,945	244,131	237,308	97,149	95,837	12,867,135	6,703,090	3.15	52.1%
2008	16,406,331	6,919,574	262,202	261,192	116,469	113,748	16,785,002	7,294,514	3.18	43.5%
2009	16,681,314	7,363,016	278,212	277,511	124,738	123,844	17,084,264	7,764,371	3.19	45.4%
2010	14,609,907	7,713,718	264,817	264,789	130,071	129,652	15,004,795	8,108,159	3.21	54.0%
2011	10,394,261	7,821,267	251,702	251,697	146,568	145,422	10,792,531	8,218,386	3.24	76.1%

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						
	City of Bend	Bend Urban Renewal District	Total Direct	Bend Metro Parks and Recreation District	Deschutes County	Education Service District	Central Oregon Community College	Bend La-Pine Administrative School District #1	Total	
2002	\$ 2.80	\$ 0.17	\$ 2.97	\$ 1.46	\$ 3.34	\$ 0.10	\$ 0.74	\$ 6.05	\$ 14.67	
2003	2.77	0.23	3.00	1.46	3.29	0.10	0.74	6.58	15.17	
2004	2.77	0.39	3.16	1.45	3.31	0.09	0.73	6.43	15.16	
2005	2.77	0.40	3.17	1.45	3.31	0.09	0.72	6.38	15.10	
2006	2.78	0.37	3.15	1.45	3.31	0.09	0.72	6.34	15.05	
2007	2.77	0.38	3.15	1.46	3.26	0.09	0.71	6.31	14.98	
2008	2.78	0.40	3.18	1.45	3.28	0.09	0.71	6.26	14.97	
2009	2.78	0.41	3.19	1.45	3.52	0.09	0.70	6.30	15.25	
2010	2.77	0.44	3.21	1.45	3.52	0.09	0.61	6.44	15.32	
2011	2.76	0.48	3.24	1.45	3.48	0.09	0.72	6.49	15.48	

Source:

Deschutes County Assessor's Office

Notes:

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

City of Bend, Oregon  
**Principal Taxpayers**

For the fiscal years ended June 30, 2011 and June 30, 2002  
(amounts expressed in thousands)

		2011			2002		
		Rank	Net Assessed Valuation	Percentage of Total Net Assessed Valuation (1)	Rank	Net Assessed Valuation	Percentage of Total Net Assessed Valuation (1)
CVSC LLC	Shopping center	1	\$ 36,382	0.7%	-	\$ -	-
Pacificorp ( PP& L )	Electric utility	2	35,751	0.7%	4	18,456	0.5%
Touchmark at Mount Bachelor Village LLC	Retirement community	3	35,099	0.7%	-	-	-
Deschutes Brewery Inc	Microbrew manufacturer	4	29,555	0.6%	-	-	-
Qwest Corporation	Telephone utility	5	26,846	0.5%	1	36,438	0.9%
Rivers Edge Investments, LLC	Real estate developer	6	24,764	0.5%	9	14,744	0.4%
Bend Cable Communications LLC	Cable utility	7	23,361	0.4%	-	-	-
Cascade Natural Gas Corporation	Gas utility	8	23,319	0.4%	-	-	-
Forum Holdings LLC	Shopping center	9	23,240	0.4%	8	14,906	0.4%
Bend Millwork Systems, Inc.	Construction products	10	19,549	0.4%	10	14,197	0.4%
Sima Mountain View LLC	Shopping center	-	-	-	2	20,352	0.5%
Bonnett Properties Limited Partnership	Real estate developer	-	-	-	3	19,550	0.5%
Willamette Industries	Construction products	-	-	-	5	16,506	0.4%
River Bend Limited Partnership	Real estate developer	-	-	-	6	15,870	0.4%
Bend River Mall, LLC	Shopping center	-	-	-	7	15,467	0.4%
<b>Total</b>			<b>\$ 277,866</b>	<b>3.4%</b>		<b>\$ 186,486</b>	<b>4.7%</b>

Source:

Deschutes County Assessor's Office

Notes:

(1) Percent of total net assessed valuation represents percent of taxpayer's net assessed value to City's total net assessed value of \$8,218,386 for 2011 and \$3,977,014 for 2002.

City of Bend, Oregon  
**Property Tax Levies and Collections**

Last ten fiscal years  
 (amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>			<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
	<u>Total Tax Levy</u>	<u>Amount</u>	<u>Percent of Levy Collected</u>		<u>Amount</u>	<u>Percent of Levy Collected</u>
2002	\$ 12,781	\$ 11,999	93.9%	\$ 543	\$ 12,542	98.1%
2003	14,093	13,177	93.5%	485	13,662	96.9%
2004	15,411	14,610	94.8%	546	15,156	98.3%
2005	17,154	16,164	94.2%	516	16,680	97.2%
2006	18,939	17,941	94.7%	526	18,467	97.5%
2007	21,198	19,973	94.2%	796	20,769	98.0%
2008	23,200	21,443	92.4%	1,141	22,584	97.3%
2009	24,715	22,491	91.0%	1,404	23,895	96.7%
2010	26,040	23,896	91.8%	916	24,812	95.3%
2011	26,642	24,690	92.7%	-	24,690	92.7%

Source:

Deschutes County Assessor's Office

City of Bend, Oregon  
**Ratios of Outstanding Debt by Type**

Last ten fiscal years  
 (amounts expressed in thousands)

Fiscal Year	Governmental Activities					Business-Type Activities					Total Debt Percentage of Personal Income (1)	Total Debt Per Capita (1)
	Full Faith & Credit Obligation	Certificates of Participation	Limited Tax Increment	Urban Renewal Tax	Urban Renewal Line of Credit	Full Faith & Credit Obligation	Certificates of Participation	Revenue Bonds Payable	Notes Payable	Government		
2002	\$ 17,020	\$ 1,845	\$ 320	\$ 6,440	\$ 461	\$ 1,445	\$ 305	\$ 15,665	\$ 1,469	\$ 44,970	2.83%	\$ 816
2003	29,776	1,535	2,605	6,150	-	1,679	285	20,580	905	63,515	3.75%	1,100
2004	42,358	1,210	1,836	16,350	-	1,612	-	19,765	875	84,006	4.39%	1,336
2005	41,110	925	1,413	15,690	-	1,540	-	17,655	845	79,178	3.82%	1,214
2006	44,609	625	904	14,865	-	1,461	-	17,475	809	80,748	3.46%	1,148
2007	48,242	325	552	13,800	-	1,383	-	16,580	1,641	82,523	3.07%	1,096
2008	51,317	-	261	12,595	2,500	1,573	-	15,650	1,587	85,483	2.98%	1,099
2009	49,781	-	164	11,240	5,200	1,434	-	24,690	1,515	94,024	3.12%	1,161
2010	50,255	-	-	5,960	5,209	1,260	-	23,355	4,324	90,363	3.03%	1,098
2011	48,097	-	-	1,710	5,209	16,303	-	19,490	6,778	97,587	3.47%	1,273

Notes:

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

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

City of Bend, Oregon

**Ratios of General Bonded Debt Outstanding**

Last ten fiscal years

(amounts expressed in thousands, except per capita amounts)

<u>General Bonded Debt Outstanding</u>								
Fiscal Year	Full Faith & Credit Obligation Bonds			Amounts Restricted for Debt Service		Net General Bonded Debt Outstanding	Ratio of Bonded Debt to Assessed Value (1)	General Bonded Debt Per Capita (2)
		Limited Tax Improvement Bonds	Total					
2002	\$ 18,465	\$ 320	\$ 18,785	\$ 90	\$ 18,695	0.47%	\$ 341	
2003	31,455	2,605	34,060	947	33,113	0.77%	590	
2004	43,970	1,836	45,806	824	44,982	0.94%	728	
2005	42,650	1,413	44,063	1,031	43,032	0.82%	676	
2006	46,070	904	46,974	1,656	45,318	0.78%	668	
2007	49,625	552	50,177	1,846	48,331	0.75%	666	
2008	52,890	261	53,151	1,878	51,273	0.73%	683	
2009	51,215	164	51,379	1,878	49,501	0.66%	634	
2010	51,515	-	51,515	1,918	49,597	0.64%	626	
2011	64,400	-	64,400	1,911	62,489	0.78%	840	

Notes:

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

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

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



City of Bend, Oregon  
**Computation of Direct and Overlapping Debt**

For the fiscal year ended June 30, 2011

<b>Jurisdiction</b>	<b>Net Property- Tax Backed Debt Outstanding (1)</b>	<b>Percent Applicable to City of Bend (2)</b>	<b>Amount Applicable to City of Bend</b>
Direct Debt			
City of Bend	\$ 25,407,250	100.0%	\$ 25,407,250
Overlapping Debt			
Deschutes County	31,805,000	45.6%	14,493,030
Bend Library District	2,415,000	82.8%	1,999,226
Bend-LaPine Administrative School District No. 1	225,071,137	65.0%	146,206,436
Central Oregon Community College	<u>41,055,000</u>	<u>37.5%</u>	<u>15,392,915</u>
Total Overlapping Debt	<u>300,346,137</u>	<u>59.3%</u>	<u>178,091,607</u>
Total Direct and Overlapping Debt	<u>\$ 325,753,387</u>	<u>62.5%</u>	<u>\$ 203,498,857</u>

**Source:**

State of Oregon, Treasury Department

**Notes:**

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

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

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

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

**June 30, 2011**

Real market value	\$ 10,792,531,429
	x <u>3%</u>
General obligation debt limit at 3% of real market value	323,775,943
General obligation debt subject to limit per ORS 287.001(1)	64,400,000
Less: Funds applicable to the payment of principal thereof per ORS 287.004(2)	
General obligation debt service fund	<u>(1,911,222)</u>
Net debt subject to 3% limitation	<u>62,488,778</u>
Legal debt margin	<u>\$ 261,287,165</u>
Debt capacity percent	81%

<b>Fiscal Year</b>	<b>3% Debt</b>	<b>Net Debt</b>	<b>Legal Debt</b>	<b>Debt Capacity</b>
	<b>Limit (1)</b>	<b>Subject to 3% Limit (1)</b>	<b>Margin (1)</b>	<b>Percent</b>
2002	\$ 155,255	\$ 18,695	\$ 136,560	88%
2003	180,285	33,113	147,172	82%
2004	205,371	44,982	160,389	78%
2005	231,506	43,957	187,549	81%
2006	277,565	45,943	231,622	83%
2007	386,014	48,656	337,358	87%
2008	503,550	51,273	452,277	90%
2009	512,528	49,501	463,027	90%
2010	450,144	49,597	400,547	89%
2011	323,776	62,489	261,287	81%

Source:

Real Market Value obtained from Deschutes County Assessor's Office

Notes:

(1) Amounts expressed in thousands.

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

City of Bend, Oregon  
**Rate Covenant - Water Revenue Bonds**

Last ten fiscal years  
 (amounts expressed in thousands)

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Annual Debt Service (3)			Coverage Ratio	Monthly Metered Rate (4)	Monthly Flat Rate (5)
				Principal	Interest	Total			
2002	\$ 6,086	\$ 4,550	\$ 1,536	\$ 165	\$ 245	\$ 410	3.7	\$ 11.06	\$ 11.98
2003	7,058	6,002	1,056	170	237	407	2.6	11.92	12.91
2004	8,162	7,346	816	180	228	408	2.0	12.84	13.91
2005	8,953	6,499	2,454	820	189	1,009	2.4	13.84	14.98
2006	10,865	7,029	3,836	145	172	317	12.1	14.48	15.67
2007	11,578	7,483	4,095	155	167	322	12.7	15.20	16.45
2008	11,776	7,790	3,986	160	158	318	12.5	16.04	17.35
2009	11,958	8,246	3,712	170	150	320	11.6	15.87	18.78
2010	12,819	9,670	3,149	175	142	317	9.9	17.18	20.33
2011	14,189	10,373	3,816	185	124	309	12.4	18.40	21.77

**Notes:**

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

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

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

(4) The metered charge represents the minimum water charge for a 3/4" meter for the first 400 cubic feet of consumption within the City. Other charges apply according to meter size and usage over 400 cubic feet.

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

City of Bend, Oregon  
**Rate Covenant - Sewer Revenue Bonds**

Last ten fiscal years  
 (amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Annual Debt Service (3)</u>			<u>Coverage Ratio</u>	<u>Monthly Sewer Rate (4)</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>		
2002	\$ 6,726	\$ 4,462	\$ 2,264	\$ 400	\$ 564	\$ 964	2.3	\$ 18.76
2003	7,466	4,489	2,977	415	650	1,065	2.8	19.38
2004	8,252	4,737	3,515	635	749	1,384	2.5	20.54
2005	9,788	4,763	5,025	1,290	699	1,989	2.5	21.77
2006	11,146	5,675	5,471	630	443	1,073	5.1	22.41
2007	11,389	5,759	5,630	740	534	1,274	4.4	23.75
2008	11,933	6,984	4,949	782	506	1,288	3.8	25.18
2009	12,396	7,043	5,353	802	834	1,636	3.3	28.83
2010	13,213	7,634	5,579	1,172	843	2,015	2.8	33.01
2011	14,071	8,130	5,941	1,405	1,089	2,494	2.4	35.90

Notes:

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

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

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

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

City of Bend, Oregon  
**Demographic and Economic Statistics**

Last ten fiscal years

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Area (Square Miles)</b>	<b>Average Density (person / square miles)</b>	<b>Personal Income (2) (expressed in thousands)</b>	<b>Per Capita Income (2)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (3)</b>
2002	55,080	32.5	1,695	\$ 1,587,185	\$ 28,816	13,473	7.1%
2003	57,750	32.5	1,777	1,695,829	29,365	13,729	7.8%
2004	62,900	32.5	1,935	1,912,663	30,408	13,729	6.5%
2005	65,210	32.5	2,006	2,073,482	31,797	14,888	5.2%
2006	70,330	32.5	2,164	2,333,268	33,176	15,482	4.2%
2007	75,290	32.5	2,317	2,685,519	35,669	15,837	4.4%
2008	77,780	32.5	2,393	2,865,415	36,840	16,025	6.1%
2009	80,995	32.5	2,492	3,016,578	37,244	15,834	14.8%
2010	82,280	32.5	2,532	2,983,473	36,260	15,719	13.3%
2011	76,639	32.5	2,358	2,811,195	36,681	15,818	12.2%

Source:

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

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

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

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

City of Bend, Oregon  
**Principal Employers**

For the fiscal years ended June 30, 2011 and June 30, 2002

<b>Employer</b>	<b>Product or Service</b>	<b>2011</b>			<b>2002</b>		
		<b>Rank</b>	<b>Employees</b>	<b>Percent of Total City Employment (1)</b>	<b>Rank</b>	<b>Employees</b>	<b>Percent of Total City Employment (1)</b>
St. Charles Medical Center	Health care	1	2,978	4.2%	1	1,650	2.7%
Bend-LaPine School Dist. No. 1	Education	2	1,741	2.5%	2	1,502	2.4%
Les Schwab	Tire Manufacturer	3	870	1.2%	3	1,131	1.8%
Deschutes County	Government	4	895	1.3%	4	942	1.5%
Sunriver Resort	Resort	5	875	1.2%	5	807	1.3%
Mt. Bachelor Ski Resort	Recreation	6	760	1.1%	6	750	1.2%
T-Mobile	Call center	7	640	0.9%	-	-	-
Walmart	Retailer	8	591	0.8%	9	530	0.9%
Bend Memorial Clinic	Health care	9	558	0.8%	-	-	-
Safeway	Grocery Retailer	10	545	0.8%	-	-	-
iSky	Call center	-	-	-	7	700	1.1%
Eagle Crest Partners Ltd	Resort	-	-	-	8	650	1.1%
Fred Meyer	Retailer	-	-	-	10	525	0.9%
	<b>Total</b>		<b>10,453</b>	<b>14.8%</b>		<b>9,187</b>	<b>15.2%</b>

**Source:**

Economic Development for Central Oregon, Central Oregon Profile.

**Note:**

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

(1) Percent of total city employment represents percent of employer's employees to total employment for the Bend Metropolitan Statistical Area of 70,532 for June 2011 and 60,625 for June 2002 (obtained from the US Department of Labor, Bureau of Labor Statistics).

City of Bend, Oregon  
**Construction Activity and Bank Deposits**

Last ten fiscal years  
(amounts expressed in thousands)

<b>Fiscal Year</b>	<b>Construction Activity</b>				<b>Bank Deposits (1)</b>
	<b>Commercial</b>		<b>Residential</b>		
	<b>Units</b>	<b>Value</b>	<b>Units</b>	<b>Value</b>	
2002	275	\$ 51,151	1,289	\$ 176,119	\$ 804,126
2003	239	48,519	1,682	221,370	1,023,168
2004	280	94,257	2,003	301,037	1,239,042
2005	160	95,727	2,465	480,649	1,469,066
2006	98	38,732	2,485	541,157	1,702,870
2007	337	140,259	1,364	241,724	1,657,194
2008	381	185,715	495	127,012	1,623,137
2009	277	107,294	594	116,999	2,716,450
2010	213	64,690	397	52,481	2,635,087
2011	213	64,203	445	65,961	2,354,513

**Source:**

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

**Notes:**

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

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

<b>Program</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>General Government</b>										
Administration, finance & legal	24.8	26.8	30.1	27.4	31.4	35.7	33.8	36.3	36.3	37.3
Information technology	6.0	6.5	7.0	8.0	8.5	11.0	11.0	12.5	12.5	13.0
Public works administration/laboratory	20.5	22.0	28.0	27.0	23.5	25.5	16.0	16.0	18.0	18.0
Facility management	-	-	-	-	3.0	4.0	5.0	5.0	5.0	5.0
Garage	7.0	7.0	7.0	7.0	7.0	7.0	9.0	8.0	8.0	8.0
Accessibility program	-	-	-	-	-	-	4.0	1.0	1.0	1.0
Economic development administration	-	-	-	2.0	3.0	3.5	3.5	2.5	2.0	1.8
<b>Public Safety</b>										
Police	92.0	94.0	96.0	95.0	105.5	111.5	110.0	110.0	110.0	110.0
Fire/EMS	67.0	72.0	76.0	74.0	79.0	84.0	87.8	85.8	85.8	89.8
Municipal court	3.0	3.0	3.0	3.0	3.0	4.0	5.0	5.0	4.0	4.0
<b>Public Ways and Facilities</b>										
Street operations	27.0	28.0	28.0	30.0	29.0	32.0	31.0	32.0	31.0	31.0
Engineering	23.0	22.0	25.0	25.0	33.0	36.0	36.0	15.0	8.0	8.0
<b>Community and Economic Development</b>										
Community development administration	5.0	4.5	5.0	4.0	5.0	8.0	6.0	4.0	1.0	1.0
Planning	15.0	16.5	19.0	20.0	23.0	28.0	33.0	16.0	13.0	13.0
Building	16.0	20.5	25.5	32.5	45.5	57.5	42.0	24.0	17.0	17.0
Private development engineering	-	-	-	-	-	-	-	-	2.0	2.0
Code enforcement	-	-	-	-	-	-	-	-	1.0	1.0
Community development block grant program	-	1.0	1.0	-	1.0	1.0	1.0	1.0	1.0	2.0
<b>Other</b>										
Urban renewal	2.0	2.0	2.0	1.0	1.0	1.0	2.0	1.0	-	-
Transit	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Airport	-	-	-	0.5	1.0	1.0	1.0	1.0	1.5	1.6
Water	20.0	22.0	21.0	21.0	24.0	26.0	30.0	31.0	26.5	26.5
Water reclamation	19.0	21.0	20.0	21.0	23.0	27.0	37.5	32.0	21.5	21.5
Stormwater	-	-	-	-	-	-	5.0	4.0	3.0	6.0
Utility support division	-	-	-	-	-	-	-	12.5	30.5	32.5
Other business-type	1.0	1.0	2.0	2.0	3.0	3.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>349.3</b>	<b>370.8</b>	<b>396.6</b>	<b>401.4</b>	<b>453.4</b>	<b>507.7</b>	<b>511.5</b>	<b>457.5</b>	<b>441.5</b>	<b>452.9</b>



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

<b>Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Public Safety</b>									
Police:									
Physical arrest	3,778	3,778	4,009	unavailable	2,050	4,302	3,841	3,616	3,744
Traffic violations	12,406	15,339	16,000	unavailable	8,472	12,324	9,355	9,563	13,143
Calls for service	53,610	56,957	57,249	57,079	57,184	58,010	56,168	51,336	55,229
Fire/EMS:									
Fire responses	359	334	324	454	1,954	1,880	1,787	1,380	2,110
Ambulance responses	4,144	4,249	4,614	5,570	5,764	5,842	5,785	6,096	6,649
Inspections conducted	1,000	1,321	2,995	2,940	3,229	3,382	3,473	2,919	2,298
<b>Public Ways and Facilities</b>									
Streets resurfaced (lane miles)	6.50	7.60	10.70	13.56	20.07	15.05	11.87	12.90	13.60
Streets cleaned (lane miles)	34,689	35,369	33,688	32,467	34,573	34,628	36,058	35,850	31,165
Street signs repaired/replaced	2,620	2,290	2,297	2,479	2,502	2,531	2,426	1,850	559
<b>Community and Economic Development</b>									
Permits issued	11,726	13,388	16,985	17,897	12,174	8,968	5,651	4,443	4,901
Buildings inspections performed	35,172	55,051	72,891	79,567	59,407	41,137	22,869	16,262	17,552
<b>Transit (in thousands)</b>									
Total miles	306	307	304	353	413	365	318	414	416
Total service hours	32	32	unavailable	33	40	40	35	35	36
Total rides	92	97	unavailable	108	301	326	354	377	434
<b>Water</b>									
New connections	4672	2,647	1,295	565	998	515	122	111	421
Average daily consumption (million gallons):									
Winter	5.07	5.20	6.00	6.00	5.50	6.46	6.55	5.18	6.15
Summer	19.67	19.70	16.00	16.00	18.40	18.80	20.20	19.43	17.79
Peak consumption (million gallons)	25.73	26.00	27.00	26.00	27.00	29.25	29.43	39.20	39.20
<b>Water Reclamation</b>									
New connections	2,057	2,757	681	1,825	1,006	483	208	216	260
Daily average treatment (million gallons)	4.60	4.96	5.40	5.40	5.80	6.20	5.80	5.55	5.40
Sewerlines cleaned (miles)	54	63.60	57.00	34.30	70.00	75.00	108.50	122.00	105.40
<b>Downtown Parking</b>									
Tickets issued	9,312	11,390	11,790	10,658	7,243	13,611	13,713	14,506	14,813
Permits issued	4,857	4,982	5,219	4,689	4,808	5,142	4,823	4,596	5,669

City of Bend, Oregon  
**Capital Asset Statistics by Program**

Last nine fiscal years

<b>Program</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Public Safety</b>									
Police:									
Main station	1	1	1	1	1	1	1	1	1
Patrol units	18	20	21	29	29	29	31	32	37
Fire/EMS stations	5	5	5	5	5	5	5	5	5
<b>Public Ways and Facilities</b>									
Street (lane miles)	623	667	704	729	736	748	783	825	825
Streetlights	1,925	1,925	2,020	2,040	2,051	2,102	2,051	2,051	2,051
Traffic signals	n/a	44	48	57	57	59	60	65	65
<b>Transit</b>									
Buses	21	25	25	31	27	27	28	27	32
<b>Airport</b>									
Runway (feet)	5,005	5,005	5,005	5,005	5,005	5,200	5,200	5,200	5,200
Hangars	13	14	14	14	14	14	14	15	15
<b>Water</b>									
Water mains (miles)	310	330	400	450	410	445	475	475	455
Reservoirs	13	13	13	13	13	15	15	18	16
Wells	16	16	16	16	16	16	16	16	23
Fire hydrants	3,700	3,879	4,345	5,200	4,900	4,945	4,984	5,074	5,061
Maximum daily capacity of plant (million gallons)	29.50	33.35	34.00	34.00	34.00	34.00	34.00	31.00	31.00
Service connections	17,474	20,121	21,416	21,981	22,979	23,494	23,616	23,727	24,148
<b>Water Reclamation</b>									
Treatment plant	1	1	1	1	1	1	1	1	1
Sewerlines (miles)	280	400	450	450	450	450	432	424	430
Large pump stations	62	80	86	82	92	93	93	88	88
Small pump stations	271	271	271	271	271	271	271	324	325
Maximum daily capacity of plant (million gallons)	11.00	11.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Service connections	20,104	22,861	23,542	25,367	26,373	26,856	27,064	27,280	27,540
<b>Downtown Parking</b>									
Parking Garages	-	-	-	-	1	1	1	1	1

## COMPLIANCE SECTION



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

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



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December 16, 2011

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bend, Oregon (the City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Minimum Standards for Audits of Oregon Municipal Corporations*.

### **COMPLIANCE**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

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

Page 2

**COMPLIANCE (Continued)**

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

1. A deficit of \$138,579 was noted in the Administration & Financial Services Division, a division of the internal service fund, on the basis required by accounting principles generally accepted in the United States of America.
2. An over expenditure of \$214,841 was noted in the System Development Charges Fund.
3. An over expenditure of \$16,423 was noted in the Economic Improvement District Fund.

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

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

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

\* \* \* \* \*

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

Talbot, Korvela & Warwick, LLP

Certified Public Accountants

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# SINGLE AUDIT COMPLIANCE





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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

December 16, 2011

City Council  
City of Bend, Oregon  
Bend, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bend, Oregon (the City) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying *Schedule of Findings and Questioned Costs*, we identified a certain deficiency that we consider to be a material weakness in internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying *Schedule of Findings and Questioned Costs* as item 2011-01 to be a material weakness.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (Continued)**

Page 2

**COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

\* \* \* \* \*

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

Talbot, Kervola & Warwick, LLP

Certified Public Accountants



**Talbot, Korvola  
& Warwick, LLP**

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

December 16, 2011

City Council  
City of Bend, Oregon  
Bend, Oregon

**COMPLIANCE**

We have audited the compliance of the City of Bend, Oregon (the City) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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*. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, results of our auditing procedures disclosed an instance of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying *Schedule of Findings and Questioned Costs* as item 2011-02.

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

Page 2

**INTERNAL CONTROL OVER COMPLIANCE**

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* as item 2011-02 to be a significant deficiency.

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

\* \* \* \* \*

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

Talbot, Korvols & Warwick, LLP

Certified Public Accountants

City of Bend, Oregon  
**Schedule of Expenditures of Federal Awards**

For the fiscal year ended June 30, 2011

<u>Federal Grantor/ Pass-through Agency/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Number</u>	<u>Total Expenditures</u>
<u>Department of Transportation</u>			
Pass-through			
Transit Service Programs Cluster			
Oregon Department of Transportation			
Capital Assistance Program for Elderly Persons & Persons with Disabilities	20.513	IGA #26049/26579/26580	\$ 381,185
Job Access Reverse Commute	20.516	IGA #25884	100,000
Total Transit Service Programs Cluster			<u>481,185</u>
Pass-through			
Highway Safety Cluster			
Oregon Association of Chiefs of Police			
State and Community Highway Safety	20.600	SC-10-35-14/SC-11-35-14	3,905
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	K8-08-12-38/K8-11-12-38/OP-10-45-08	5,620
Total Highway Safety Cluster			<u>9,525</u>
Direct			
Federal Transit Cluster			
Federal Transit Administration			
ARRA - Federal Transit Formula Grants (Recovery Act Funded)	20.507	n/a	399,058
Federal Transit Formula Grants	20.507	n/a	704,091
Federal Transit Capital Investment Grants	20.500	n/a	236,777
Total Federal Transit Cluster			<u>1,339,926</u>
Direct			
Federal Aviation Administration			
Airport Improvement Program	20.106	n/a	1,756,322
<b>Total Department of Transportation</b>			<b>3,586,959</b>
<u>Department of Justice</u>			
Direct			
Bureau of Justice Assistance			
Bulletproof Vest Partnership Program	16.607	n/a	12,564
ARRA - Edward Byrne Memorial Justice Assistance Grant Program (Recovery Act Funded)	16.803	n/a	42,003
Edward Byrne Memorial Justice Assistance Grant Program	16.738	n/a	13,250
Pass-through			
Oregon Department of Justice/Deschutes County			
Office of National Drug Crime Prevention - High Intensity Drug Traffic Area Grant	16.XXX	LOA #2007-98	12,881
<b>Total Department of Justice</b>			<b>80,698</b>
<u>Department of Energy</u>			
Direct			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG) (Recovery Act Funded)			
	81.128	n/a	161,358
<b>Total Department of Energy</b>			<b>161,358</b>

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

For the fiscal year ended June 30, 2011

<u>Federal Grantor/ Pass-through Agency/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Number</u>	<u>Total Expenditures</u>
<u>Department of Homeland Security</u>			
Direct			
Assistance to Firefighters Grant	97.044	n/a	\$ 10,000
Direct			
USDA - Forest Service			
Fire Management Assistance Grant	97.046	n/a	35,384
Staffing for Adequate Fire and Emergency Response	97.083	n/a	43,705
<b>Total Department of Homeland Security</b>			<b>89,089</b>
<u>Environmental Protection Agency</u>			
Pass-through			
Oregon Business Development Department			
ARRA - Capitalization Grants for Drinking Water State Revolving Funds (Recovery Act Funded)	66.468	SZ9003	2,806,500 *
Capitalization Grants for Drinking Water State Revolving Funds	66.468	SZ9003	2,806,500 *
<b>Total Environmental Protection Agency</b>			<b>5,613,000</b>
<u>Department of Housing and Urban Development</u>			
Direct			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	n/a	353,528
ARRA - Community Development Block Grants ARRA Entitlement Grants (Recovery Act Funded)	14.253	n/a	47,429
Pass-through			
Oregon Housing and Community Services			
Community Development Block Grants/Entitlement Grants	14.218	#1096	40,930
Total CDBG - Entitlement Grants Cluster			<u>441,887</u>
Direct			
Oregon Housing and Community Services			
ARRA - Neighborhood Stabilization Program (Recovery Act Funded)	14.256	n/a	2,061,372
<b>Total Department of Housing and Urban Development</b>			<b>2,503,259</b>
<u>Department of the Interior National Park Service</u>			
Pass-through			
Oregon Parks & Recreation			
Historic Preservation Fund Grants	15.904	OR-09-09	11,500
<b>Total Department of Interior National park Service</b>			<b>11,500</b>
<b>Total Federal Expenditures</b>			<b>\$ 12,045,863</b>

**Notes:**

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

\* Amount shown reflects outstanding balance of loan.



CITY OF BEND, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2011

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

**Financial Statements:**

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified not considered to be material weakness(es)?	No
Noncompliance material to financial statements noted?	No

**Federal Awards:**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of <i>Circular A-133</i> ?	Yes

Identification of major programs:

<u>CFDA NUMBER(S)</u>	<u>NAME OF PROGRAM OR CLUSTER</u>
14.218 & 14.253	Community Development Block Grants/Entitlement Grants Cluster – ARRA
14.256	Neighborhood Stabilization Program – ARRA
20.500 & 20.507	Federal Transit Cluster – ARRA
20.513 & 20.516	Transit Service Programs Cluster
66.468	Capitalization Grants for Drinking Water State Revolving Funds – ARRA
81.128	Energy Efficiency and Conservation Block Grant Program – ARRA

CITY OF BEND, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2011

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

Dollar threshold used to distinguish between type A and B programs:	\$361,000
Auditee qualified as low-risk auditee?	No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding 2011-01**

Criteria:	The City should have a system of internal controls over inventory such that misstatements of the accounting records would be prevented, or detected and corrected by management or employees in the normal course of their duties.
Condition:	The City prepared an inventory count of water meters and parts at year end and made a material adjustment to these inventory balances without sufficient supporting documentation.
Context:	Inventory should be recorded on the books after a physical count is made and proper documentation obtained.
Effect:	Inventory and expense balances as recorded by the City were materially misstated.
Cause:	The City lacks a system of controls over inventory which presents a significant risk of misstatement with respect to the inventory balances and accounts of the Water Fund.
Recommendation:	We recommend that the City develop appropriate internal controls including policies and procedures for recording transactions involving inventory.
Views of responsible official:	The City concurs with the finding and is working towards implementing a system of controls.

CITY OF BEND, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2011

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

**Finding 2011-02**

Federal Program: Neighborhood Stabilization Program - ARRA (CFDA 14.256)

Federal Agency: Department of Housing and Urban Development

Award Year: 2010-11

Criteria: In accordance with OMB Circular A-102, the City is required to ensure that subrecipients are not on the excluded parties list maintained by the General Services Administration. In accordance with Circular A-133, the City is required to maintain a structure of internal control to ensure compliance with the above requirement. The authoritative requirement for maintaining internal controls is in OMB Circular A-133 §\_\_\_\_.300(b)

Condition: The City did not sufficiently document that it performed procedures to ensure the subrecipient was not suspended or debarred before entering into a contract with a subrecipient.

Questioned Costs: None noted, as the subrecipient was not found to be suspended or debarred.

Context: The City made five subawards in FY11 and all were selected for testing with this compliance requirement. On one subaward the City did not perform procedures to ensure the subrecipient was not suspended or debarred.

Cause: The City used the State loan agreement template which did not include ensuring subrecipients were not on the excluded party list.

Effect: Failure to comply with this requirement could cause the City to enter into a contract with a debarred or suspended subrecipient.

Recommendation: We recommend the City ensure all contracts include the appropriate clause or design other procedures to ensure subrecipients are not suspended or debarred.

Views of responsible official: The City concurs with the finding and is working towards implementing a system of controls.

CITY OF BEND, OREGON

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2011

**Finding 2010-01**

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

Corrective Action Taken: Accounting staff has researched the accounting issues and fully understands the proper accounting for land held for resale and interfund loans. Account balances were restated in the prior year and have been and will continue to be maintained in accordance with generally accepted accounting principles going forward.

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

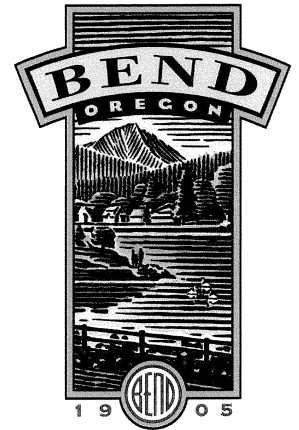
**Finding 2010-02**

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

Federal Agency: Department of Housing and Urban Development

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

Corrective Action Taken: The City has enhanced procedures to ensure that subrecipient single audit reports are obtained and reviewed on a timely basis. The City has obtained and reviewed the single audit reports for all subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year.



December 16, 2011

**Management's Views and Corrective Action Plan Regarding Audit Findings for the Year Ended June 30, 2011**

The following is provided in response to the Audit Findings for the Year Ended June 30, 2011

710 NW WALL STREET  
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BEND, OR 97701  
[541] 388-5505 TEL  
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WWW.CI.BEND.OR.US

**Financial Statement Findings**

**Finding 2011-01**

Auditor Recommendation:

The City should develop appropriate internal controls including policies and procedures for recording transactions involving inventory.

Corrective Action Plan:

The City concurs with the recommendation. Over the last few years, the City has been increasing its water meters and parts for City-wide replacement efforts. The City is in the process of implementing software that will be able to track the water meters and parts and accurately track the inventory. The City will work with staff to ensure appropriate controls are in place to properly record and track inventory.

KATHIE ECKMAN  
*Mayor*

MARK CAPELL  
*Mayor Pro Tem*

JIM CLINTON  
*City Councilor*

JODIE BARRAM  
*City Councilor*

JEFF EAGER  
*City Councilor*

TOM GREENE  
*City Councilor*

ORAN TEATER  
*City Councilor*

ERIC KING  
*City Manager*

SONIA ANDREWS  
*Finance Director*

**Federal Award Findings and Questioned Costs**

**Finding 2011-02**

Federal Program:

CFDA 14.256 – Neighborhood Stabilization Program – ARRA

Recommendation:

The City should ensure all contracts include the appropriate clause or design other procedures to ensure subrecipients are not suspended or debarred.

Corrective Action Plan:

The City concurs with the recommendation and will enhance procedures to ensure that subrecipients are not suspended or debarred before entering into a contract. Specifically, the City will include appropriate clauses in development applications, contract and loan documents, stating the subrecipient is not suspended or debarred from receiving subawards. The City will also document the review of the Excluded Parties Listing System before a formal award to a subrecipient.

City of Bend

Sonia Andrews  
Finance Director

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