



# Schedule of Expenditures of Federal Awards

For Fiscal Year Ending June 30, 2025



CITY OF BEND

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\* *incorporated by reference only*

## **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 12, 2025.

### **Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Baker Tilly US, LLP*

Medford, Oregon  
December 12, 2025

# **Report of Independent Auditors on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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

## **Report on Compliance for the Major Federal Program**

### ***Opinion on the Major Federal Program***

We have audited the City of Bend's (the City's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 its major federal program for the year ended June 30, 2025.

### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Bend, Oregon as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City of Bend, Oregon's basic financial statements. We issued our report thereon dated December 12, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Baker Tilly US, LLP*

Medford, Oregon  
February 13, 2026

City of Bend, Oregon  
**Schedule of Expenditures of Federal Awards**  
For the fiscal year ended June 30, 2025

Federal Grantor/ Pass-through Agency/ Program or Cluster Title	Assistance Listing Number	Federal Grant / State Pass-Through Number	Direct Expenditures	Pass-Through Expenditures to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>					
Direct Programs:					
Community Development Block Grant- PRO Housing Competition	14.023	B-23-PH-41-002	\$ 34,606	\$ -	\$ 34,606
Total PRO Housing Competition			34,606	-	34,606
CDBG - Entitlement Grants Cluster					
Direct Programs:					
COVID-19 Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-41-0010	15,120		15,120
Community Development Block Grants/Entitlement Grants	14.218	B-23-MC-41-0010	-	7,967	7,967
Community Development Block Grants/Entitlement Grants	14.218	B-24-MC-41-0010	93,135	102,117	195,253
Total CDBG - Entitlement Grants Cluster			108,255	110,084	218,340
<b>Total U.S. Department of Housing and Urban Development</b>			<b>142,861</b>	<b>110,084</b>	<b>252,946</b>
<b>National Park Service</b>					
Passed through:					
State Parks and Recreation, Oregon					
Historic Preservation Fund Grants-in-Aid	15.904	OR-25-02	1,347	-	1,347
<b>Total National Park Service</b>			<b>1,347</b>	<b>-</b>	<b>1,347</b>
<b>U.S. Department of Justice</b>					
Direct Programs:					
Bureau of Justice Assistance					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-23-GG-03705-JAGX	30,596	-	30,596
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-24-GG-04572-JAGX	16,818	-	16,818
<b>Total U.S. Department of Justice</b>			<b>47,414</b>	<b>-</b>	<b>47,414</b>
<b>U.S. Department of Transportation</b>					
Direct Programs:					
Federal Aviation Administration					
Airport Improvement Program	20.106	3-41-0007-034-2023	74,185	-	74,185
Airport Improvement Program	20.106	3-41-0007-035-2024	776,518	-	776,518
Airport Improvement Program	20.106	3-41-0007-036-2024	170,668	-	170,668
Airport Improvement Program	20.106	3-41-0007-037-2024	253,400	-	253,400
Airport Improvement Program	20.106	3-41-0007-038-2024	3,612,322	-	3,612,322
Airport Improvement Program	20.106	3-41-0007-039-2024	1,300,257	-	1,300,257
Airport Improvement Program	20.106	3-41-0007-040-2024	107,655	-	107,655
Total Airport Improvement Program			6,295,005	-	6,295,005
Federal Railroad Administration					
Railroad Crossing Elimination	20.327	69A36524420120RCEOR	515,178	-	515,178
Total Railroad Crossing Elimination			515,178	-	515,178
Highway Safety Cluster					
Passed through:					
National Highway Traffic Safety Administration					
Oregon Impact					
National Priority Safety Programs	20.616	69A3752240000405EORC	2,845	-	2,845
National Priority Safety Programs	20.616	69A3752530000405EORC	10,092	-	10,092
National Priority Safety Programs	20.616	69A3752240000405DORM	2,045	-	2,045
National Priority Safety Programs	20.616	69A3752530000405DORM	3,922	-	3,922
			18,904	-	18,904
National Highway Traffic Safety Administration					
Oregon Impact					
State and Community Highway Safety	20.600	69A375224000040200RO	11,704	-	11,704
State and Community Highway Safety	20.600	69A375224000040200RO	1,548	-	1,548
State and Community Highway Safety	20.600	69A375253000040200RO	3,314	-	3,314
			16,566	-	16,566
Total Highway Safety Cluster			35,471	-	35,471
<b>Total U.S. Department of Transportation</b>			<b>6,845,654</b>	<b>-</b>	<b>6,845,654</b>

**Schedule of Expenditures of Federal Awards**

For the fiscal year ended June 30, 2025

Federal Grantor/ Pass-through Agency/ Program or Cluster Title	Assistance Listing Number	Federal Grant / State Pass-Through Number	Direct Expenditures	Pass-Through Expenditures to Subrecipients	Total Federal Expenditures
<b><u>U.S. Department of The Treasury</u></b>					
Direct Programs:					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP171	1,262,852	366,490	1,629,343
Passed through:					
Deschutes County					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFRP1796	52,300	-	52,300
<b>Total U.S. Department of The Treasury</b>			<b>1,315,153</b>	<b>366,490</b>	<b>1,681,643</b>
<b><u>Environmental Protection Agency</u></b>					
Clean Water State Revolving Fund					
Passed through:					
State of Oregon Department of Environmental Quality					
Capitalization Grants for Clean Water State Revolving Funds	66.458	R14523	2,551,110	-	2,551,110
Capitalization Grants for Clean Water State Revolving Funds	66.458	R14526	3,750,349	-	3,750,349
Capitalization Grants for Clean Water State Revolving Funds	66.458	R14529	286,238	-	286,238
Capitalization Grants for Clean Water State Revolving Funds	66.458	R14536	2,326,334	-	2,326,334
Total Clean Water State Revolving Fund			<u>8,914,031</u>	<u>-</u>	<u>8,914,031</u>
<b>Total Environmental Protection Agency</b>			<b>8,914,031</b>	<b>-</b>	<b>8,914,031</b>
<b><u>U.S. Department of Energy</u></b>					
Direct Programs:					
Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-SE0000303	108,427	-	108,427
<b>Total U.S. Department of Energy</b>			<b>108,427</b>	<b>-</b>	<b>108,427</b>
<b><u>Executive Office of the President</u></b>					
Passed through:					
Oregon Department of Justice/Deschutes County					
High Intensity Drug Trafficking Areas Program	95.001	N/A	20,598	-	20,598
<b>Total Executive Office of the President</b>			<b>20,598</b>	<b>-</b>	<b>20,598</b>
<b><u>U.S. Department of Homeland Security</u></b>					
Passed through:					
Federal Emergency Management Agency					
Oregon Department of Emergency Management					
Emergency Management Performance Grants (EMPG)	97.042	25-549	77,171	-	77,171
Homeland Security Grant Program	97.067	EMW-2024-SS-05129	512	-	512
State and Local Cybersecurity Grant Program	97.137	EMW-2022-CY-00070-S01	37,925	-	37,925
<b>Total U.S. Department of Homeland Security</b>			<b>115,608</b>	<b>-</b>	<b>115,608</b>
<b>Total Federal Expenditures</b>			<b>\$ 17,511,092</b>	<b>\$ 476,575</b>	<b>\$ 17,987,667</b>

**City of Bend, Oregon**

**Notes to Schedule of Expenditures of Federal Awards**

For the fiscal year ended June 30, 2025

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the City of Bend under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3 - Program Income**

The City received Program Income from repayment of federally funded loans receivable and/or interest income on repaid funds which accounted for a portion of federal expenditures for the associated Federal Assistance Listing Number (ALN).

<u>Program Title</u>	<u>ALN</u>	<u>Amount</u>
Community Development Block Grants/Entitlement Grants	14.218	309,465
		<u>\$ 309,465</u>

In addition, in fiscal year 2025, the City received \$30,000 from loan repayment of federally funded Neighborhood Stabilization loans that have not yet been lent back out as of June 30, 2025.

**Note 4 - Basis of Accounting**

The SEFA is presented on the modified accrual basis of accounting, consistent with the basis of accounting used in the City's governmental fund financial statements. Expenditures are recognized when they become both measurable and available, except for expenditures funded through the Clean Water State Revolving Fund (ALN 66.458), as described below.

Clean Water State Revolving Fund – ALN 66.458 - During the year ended June 30, 2025, the City received loan disbursements under ALN 66.458 for project costs that were incurred in the prior fiscal year but were not eligible for reimbursement and approved by the pass-through entity until the current fiscal year. In accordance with Uniform Guidance reporting requirements for loan programs, the SEFA reflects federal expenditures at the time loan funds are disbursed. As a result, certain expenditures reported on the SEFA were incurred in a prior fiscal year and were not reported as federal expenditures in that prior year's SEFA.

**City of Bend, Oregon**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2025**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major federal programs and type of auditor's report issued on compliance for the major federal program:

<i>Federal Assistance Listing Number</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
66.458	Capitalization Grants for Clean Water State Revolving Funds	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No

**Section II - Financial Statement Findings**

None reported

**Section III - Federal Award Findings and Questioned Costs**

None reported