

City of Central Point Jackson County, Oregon



Comprehensive Annual Financial Report For the Year Ended June 30, 2009

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2009

Prepared by:

Bev Adams, Finance Director



**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

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November 10, 2009

Honorable Mayor,
Members of the City Council,
And Citizens of the City of Central Point

Oregon statutes require that all general purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby submit the comprehensive annual financial report of the City of Central Point, Oregon for the fiscal year ended June 30, 2009.

This report consists of management's representations concerning the finances of the City of Central Point. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented here. To provide a reasonable basis for making these representations, management of the City of Central Point has established and maintains an internal control framework that is designed to protect the government's assets from loss, theft, or misuse; and to compile sufficient reliable information for the preparation of financial statements. Because the cost of internal controls should not outweigh their benefits, the City of Central Point's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The enclosed financial statements have been audited by Purkeypile & Johannsen, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Central Point for the fiscal year ending June 30, 2009, are free from material misstatement. The audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditor concluded based on the audit performed, that

there was a reasonable basis for rendering an unqualified opinion that the City of Central Point's financial statements are fairly presented in conformance with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

For financial reporting purposes, the City of Central Point is a primary government. The City is governed by a City Council that is elected by the voters at each general election. The financial statement includes all organizations and activities for which the elected officials exercise financial control, except for the Parks and Recreation Foundation. This component unit has not been included in the CAFR because it is not material to the overall financial statements of the City, nor is it a significant activity of the City. The City interacts and contracts with various other governmental entities but is not financially accountable for those entities.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Management Discussion and Analysis can be found immediately following the report of the independent auditors.

The City

The City of Central Point was incorporated in 1889. It currently encompasses an area of 3.52 square miles and has a population of over 17,000. The city is located in the northwestern part of Jackson County; bisected by Interstate 5. Approximately one-third of the city lies to the east of Interstate 5. Central Point borders Medford, the largest incorporated city in the county on the eastern and southern boundaries.

In terms of its physical development, the City of Central Point has been a relatively slow developing community, for many years retaining a rural community atmosphere. Only in recent years has the building boom of southern Oregon significantly altered the landscape of this small community with housing and commercial projects springing up, increasing population and the need for services that accompany growth. Typically, however, the city's infrastructure serves a stable and slightly increasing population and requires expenditures primarily for maintenance and modernization of facilities rather than rapid growth.

City government provides a range of services, including police protection, construction and maintenance of streets, storm drains, water, building inspection, planning, economic development, parks and recreation. Fire protection, sanitary sewer services, public transportation, and public education services are provided by separate districts and are not a part of this financial report.

The city operates under a "manager" form of government. The council consists of a mayor and six councilors. Two council members are elected from the city at large, while the other four are elected from wards that divide the city into four sections. The mayor is the ceremonial head of the city and serves as presiding officer, voting only on issues that result in a tie vote. The mayor has the authority to preserve order, enforce the rules and determine the order of business at the council meetings. The mayor recommends the appointments to various commissions and committees. The city council is the legislative branch of Central Point's municipal government and the people's elected representatives. Council meetings are open public meetings where the council makes local laws, policies and basic decisions for the municipality. The positions of mayor and three council members are elected every other year with the general election of the State of Oregon

Accounting System and Budgetary Control

Accounting records for General, Special Revenue, Debt Service and Capital Project Funds are maintained on a modified accrual basis. Revenues are recognized when they become measurable and available, while expenditures are recorded at the time the liabilities are incurred. The accounting records for Internal Service and the Enterprise Funds are maintained on a full accrual basis.

In developing, maintaining and upgrading the city's accounting system, ongoing consideration is given to the adequacy of internal accounting control. We believe the city's internal accounting controls adequately safeguard assets.

The annual budget serves as the foundation for the City of Central Point's financial planning and control. All departments of the city submit a budget to the administrator who then oversees the preparation of a proposed budget. The budget is presented to a budget committee for review and approval and then submitted to city council for adoption prior to July 1 of each year. Budgetary control is maintained through constant review by the city's finance director. Detailed monthly budget reports are prepared for the city administrator and each department, with quarterly statements and presentation given to the Mayor and Council.

Oregon budget law allows for amendments to the budget for reasons unforeseen at the time the budget is adopted. Certain changes less than 10 percent require a council resolution. Changes in excess of 10 percent require a supplemental budget similar to the adoption requiring a public hearing. Budget-to-actual comparisons are provided in this report for each expenditure category in which an appropriated annual budget was adopted, thus illustrating budget compliance.

Factors Affecting Financial Condition – Local Economy

The regional economic base is tied to agriculture, tourism, higher education, health care, transportation and manufacturing. There is an increasing population of retirees moving into the area, a factor that requires new and expanded health care resources, and additional requirements for retirement, assisted living and nursing home facilities. In the past year, the City of Central Point and all cities within the Rogue Valley have experienced an ever increasing number of lost jobs and one of the higher unemployment rates in the nation. Housing prices have plummeted along with construction in the area, all of which have had a negative effect on the City's building permit revenues and planning actions. It is interesting to note, however, that the plummeting market values have not yet affected taxable values. Although it is too early to know the full extent that tax collections have been affected by the local economy, we anticipate reduced collections as a result of the substantial amount of foreclosures in the area.

Financial Policies

It is the policy of the City's governing body and management to budget, plan and spend conservatively. In recent days this policy of conservatism has served the City well during the downward spiral of the local and national economy. No one could foresee just how dramatic the changes to the economy would affect local construction, businesses and families. However, the City has been fortunate that with the slowing of construction, timely decisions were made and action taken to re-adjust staffing and prioritize projects to match the slowing of revenues.

Long-term financial planning

The City continues to prepare long-term financial plans on a fund basis. In recent years the city secured long-term funding sources through System Development Charges (SDC's) and street & storm water fees to support infrastructure and capital improvements. The city updates the capital improvement plan and related system development plans annually. Included in these plans are water, transportation, storm water, parks and recreation projects.

Cash Management

During 2008-09, the City invested its cash temporarily in the State of Oregon Local Government Investment Pool. The average yield on these investments was 2.05%, with interest income for the 2009 fiscal year approximately \$204,000.

Pension benefits

The City of Central Point employees are participants in the State of Oregon Public Employees Retirement System, an agent multiple-employer public

employee retirement system that acts as a common investment and administrative agent for government units in the State of Oregon. The City does not provide post retirement benefits. Because of the collapse in the investment and capital markets, the 2008 Actuarial Valuation Report indicates that the employer contribution rates are scheduled to increase by 100% - from 6% of covered payroll to about 12% of covered payroll on July 1, 2011.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for excellence in financial reporting to the City of Central Point for its comprehensive annual financial report for the fiscal year ended June 30, 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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.

Acknowledgments

The timely preparation of this report would not have been possible without the efficient and dedicated service of the finance staff. We would like to express our appreciation to all members of the department for their contributions to its preparation.

We would especially like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the city in a responsible and progressive manner.

Respectively submitted,



Phil Messina
City Administrator



Bev Adams
Finance Director



CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

ELECTED OFFICIALS

June 30, 2009

<u>NAME</u>	<u>TERM EXPIRES</u>
Hank Williams, Mayor	December 31, 2010
Bruce Dingler, Ward I	December 31, 2010
Mike Quilty, Ward II	December 31, 2010
Mathew Stephenson, Ward III	December 31, 2010
Richard Halley, Jr., Ward IV	December 31, 2012
Carol Fischer, At Large	December 31, 2012

All council members receive mail at the address listed below.

CITY ADMINISTRATOR

Phil Messina

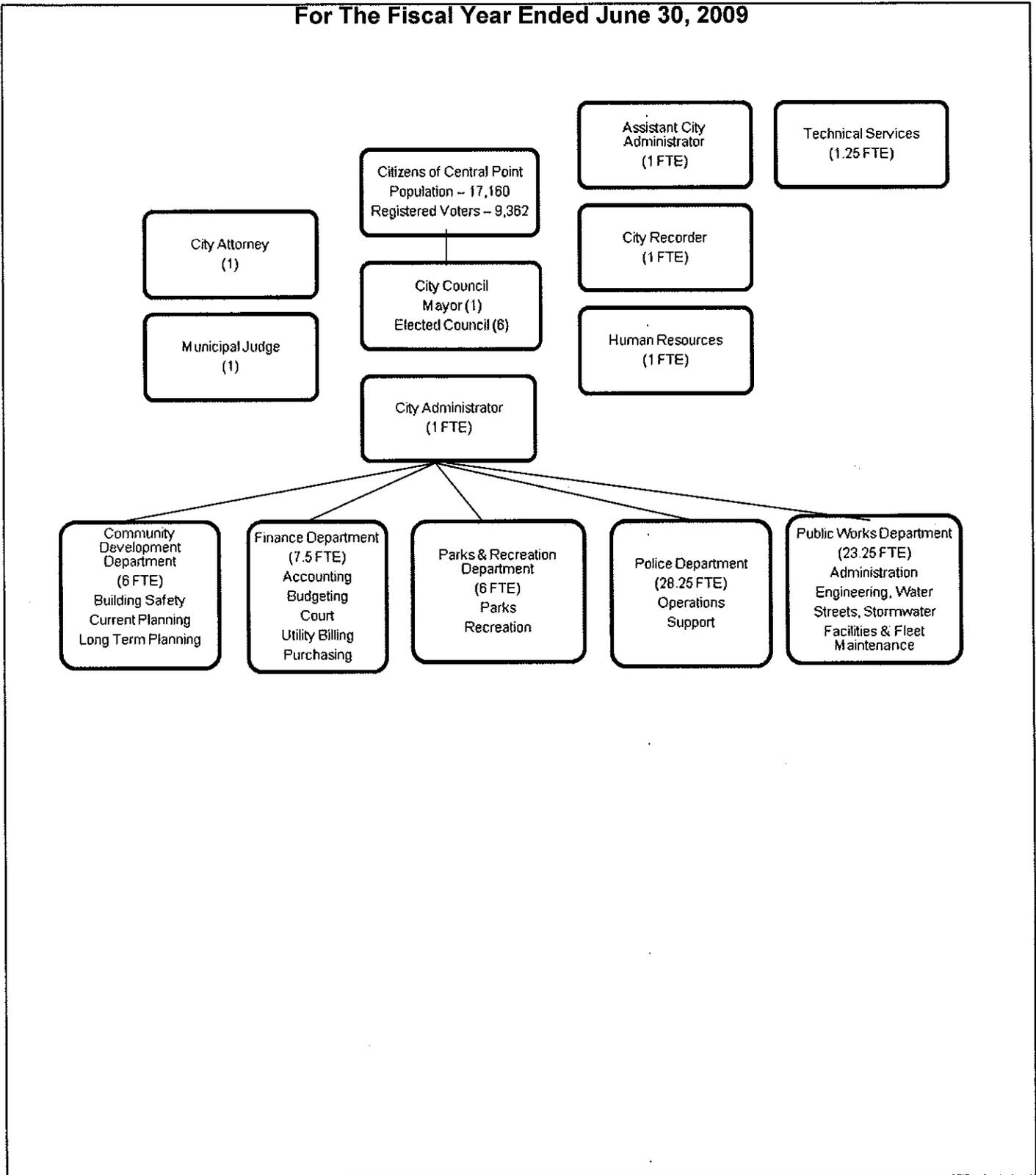
FINANCE DIRECTOR

Bev Adams

City of Central Point
140 South Third Street
Central Point, OR 97502

**City of Central Point
76.25 FTE**

For The Fiscal Year Ended June 30, 2009



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Central Point
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



President

Executive Director



PURKEYPILE & JOHANNSEN
CERTIFIED PUBLIC ACCOUNTANTS LLP

ROBERT W. PURKEYPILE, CPA
FREDERIC C. JOHANNSEN, CPA
CHRISTOPHER V. DYE, CPA

TRUDY J. BROWN

INDEPENDENT AUDITOR'S REPORT



To the Honorable Mayor and
Members of the City Council
City of Central Point, 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 Central Point, Oregon, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Central Point'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. 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 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 of Central Point, Oregon, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the 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 of Central Point's basic financial statements. The introductory section, supplementary information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Purkeypile and Johannsen CPAs LLP

By Christopher V. Dye, CPA
Partner

Medford, Oregon
November 10, 2009

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Central Point, we offer readers of the City of Central Point's financial statements this narrative overview and analysis of the activities of the City of Central Point for the fiscal year ended June 30, 2009. Please read it in conjunction with the City's transmittal letter in the introductory section, and the City's financial statements following the MD&A.

Financial highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$82,607,160 (net assets). Of this amount, \$3,464,546 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- There are no restrictions, commitments, or other limitations on net assets, fund equities or fund balances at June 30, 2009 that significantly affect the availability of fund resources for future use.
- The City's total debt increased by \$1,409,496 (22%) during the fiscal year. The reason for the debt increase was the issuance of a \$1,200,000 tax exempt financing note for the building of Don Jones Memorial Park, and the recording of additional obligations due to developers for growth related projects in the amount of \$209,496.
- One of the most significant additions to the City during the fiscal year was the development of Don Jones Memorial Park. The City obtained a tax exempt financing note for \$1,200,000, and added another \$698,104 for a total of \$1,898,104 total park development cost, excluding land purchase.
- In efforts to conserve and strengthen the organization, staff has been reevaluated and reassigned where most effective. As the construction activity declined, some positions within the building department were either eliminated or reassigned to other areas of the city. There has also been reduction in staff due to attrition and retirements, for which there currently are no plans for replacement.

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the financial section of the City of Central Point's comprehensive annual financial report (CAFR). The financial section consists of three parts: 1) management's discussion and analysis (this section), 2) basic financial statements, and 3) supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

- The governmental funds statements show how general government services were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplementary information, some required by GASB and some thought to be meaningful to readers by further explaining the information presented in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and content of each of the statements.

Government-wide financial statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the city's net assets and how they have changed. Net assets - the difference between the City's assets and liabilities - are one way to measure the City's financial health or position.

- Over time, increases or decreases in the city's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the city, one needs to consider additional non-financial factors such as changes in the city's tax base.

The government-wide financial statements include both governmental and business-type activities. The City's governmental activities include general government, public safety, highways and streets, parks and recreation, and interest on long-term debt. General government activities include legislative, administration, finance, planning and economic development. Property taxes, franchise taxes, permits and fees, and intergovernmental revenues finance most of these activities. The City's business-type activities include water and storm water utilities and building services. These services are primarily financed by charges for services.

Fund financial statements

The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

The City has the following kinds of funds:

- Governmental funds - Governmental funds focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page, that explain the relationship (or differences) between them.

- **Proprietary funds:** The City maintains two different types of proprietary funds. The *enterprise fund* is used to report the same functions presented as *business-type activities* in the government wide financial statements. The City uses enterprise funds to account for building department, water and storm water functions. The *internal service fund* is an accounting device used to allocate costs internally among the City's various functions. The City of Central Point uses an internal service fund to report activities that provide services for other programs such as facility maintenance, fleet maintenance and public works administration and engineering.

Government-wide financial analysis

Over time, net assets may serve as a useful indicator of a government's financial position.

By far the largest portion of the City's assets (87.4%) are invested in capital assets (land, buildings, equipment and infrastructure improvements) These assets are used to deliver services to citizens and are not available for future spending.

The second largest portion (8.5%) of net assets is titled restricted net assets. These net assets are subject to external restrictions on how they can be used.

The final portion (4.1%) is unrestricted net assets. This represents resources that may be used to meet the ongoing obligations to citizens and creditors. The unrestricted net assets decreased by \$1,513,397; largely due to depreciation expense in both governmental and business type activities.

**City of Central Point
Net Assets (In Thousands of Dollars)**

	Governmental		Business Type		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
ASSETS						
Current and Other Assets	\$ 8,282	\$ 8,164	\$ 3,490	\$ 4,240	\$ 11,772	\$ 12,404
Capital Assets	54,510	54,003	23,972	23,641	78,482	77,644
Total Assets	62,792	62,167	27,462	27,881	90,254	90,048
LIABILITIES						
Current and Other Liabilities	1,531	1,503	179	527	1,710	2,030
Long-Term Liabilities	5,584	4,872	353	367	5,937	5,039
Total Liabilities	7,115	6,175	532	894	7,647	7,069
NET ASSETS						
Capital Assets Net of Related Debt	48,417	48,839	23,619	23,251	72,036	72,090
Restricted Assets	4,752	3,554	2,354	2,357	7,106	5,911
Unrestricted Assets	2,508	3,599	957	1,379	3,465	4,978
Total Net Assets	\$ 55,677	\$ 55,992	\$ 26,930	\$ 26,987	\$ 82,607	\$ 82,979

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**City of Central Point
Net Assets (In Thousands of Dollars)**

	Governmental		Business Type		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
REVENUES						
Program Revenues:						
Charges For Services	\$ 4,904	\$ 6,603	\$ 3,072	\$ 3,303	\$ 7,976	\$ 9,906
Grants and Contributions	272	58	-	-	272	58
General Revenues:						
Property Taxes	4,360	4,069	-	-	4,360	4,069
Franchise Taxes	911	856	-	-	911	856
Hotel/Motel Taxes	299	343	-	-	299	343
Interest	122	287	82	182	204	469
Miscellaneous	156	61	7	19	163	80
Total Revenues	<u>11,024</u>	<u>12,277</u>	<u>3,161</u>	<u>3,504</u>	<u>14,185</u>	<u>15,781</u>
EXPENSES						
Functions:						
General Government	3,868	3,939			3,868	3,939
Public Safety	3,432	3,407			3,432	3,407
Highways and Streets	2,759	3,897			2,759	3,897
Parks and Recreation	1,105	1,051			1,105	1,051
Interest	175	170			175	170
Water Services			2,395	2,290	2,395	2,290
Stormwater Services			614	791	614	791
Building Services			210	504	210	504
Total Expenses	<u>11,339</u>	<u>12,464</u>	<u>3,219</u>	<u>3,585</u>	<u>14,558</u>	<u>16,049</u>
INCREASE (DECREASE) IN NET ASSETS	(315)	(187)	(58)	(81)	(373)	(268)
BEGINNING NET ASSETS	<u>55,992</u>	<u>56,179</u>	<u>26,988</u>	<u>27,069</u>	<u>82,980</u>	<u>83,248</u>
ENDING NET ASSETS	<u>\$ 55,677</u>	<u>\$ 55,992</u>	<u>\$ 26,930</u>	<u>\$ 26,988</u>	<u>\$ 82,607</u>	<u>\$ 82,980</u>

Financial analysis of the city

The following discussion recaps each of the City's major funds, significant changes within the fund, and the underlying reason for the change. This narrative is based on the fund statement basis for all the funds regardless of fund type since this is the form for which the public, Council and staff are given financial information throughout the year and will best relate to it here.

- General Fund:** At June 30, 2009, the unreserved fund balance (budget basis) for the General Fund was \$2,916,709, an increase of \$303,315 from the previous year. This fund balance represents approximately 44% of the 2008-09 total general fund expenditures including transfers out. The increase in General Fund carryover is primarily due to the concerted efforts of management to reduce expenditures. Early in the fiscal year as compelling evidence of

**CITY OF CENTRAL POINT
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MANAGEMENT'S DISCUSSION AND ANALYSIS

local and regional economic challenges became more and more evident, the City Administrator requested a "call to action" for every department to conserve. The result of this proactive planning and conservation is an overall savings to the General Fund of approximately 4.5%.

- **Street Fund:** At June 30, 2009, the unreserved fund balance (budget basis) for the Street Fund was \$1,816,740, an increase of \$186,672 from the previous year. Although at first glance it appears that the Street Fund revenues increased within this fiscal year, without the addition of a developer paid improvement in the amount of \$209,496, the Street Fund balance would have shown a deficit from the previous year. Revenue changes include State gas tax revenues of \$658,467 which are down by over \$70,000 from the previous year; and a newly implemented street franchise fee paid by the Water Fund brought in an additional \$28,000 to the fund. Other than ongoing street maintenance, there were no major capital projects during the fiscal year.
- **Capital Improvement Fund:** At June 30, 2009, the unreserved fund balance (budget basis) for the Capital Improvement Fund was \$161,166, a decrease of \$405,327 from the 2007-08 fiscal year. This fund is used to budget and record activity dealing with capital projects; therefore large fluctuations naturally occur depending on capital projects in process. This fiscal year the City financed \$1,200,000 to develop a large park project; for which all tax exempt financing note proceeds were used in addition to drawing down most of the fund reserves to complete the project.
- **Water Fund:** At June 30, 2009, the unreserved fund balance (budget basis) for the Water Fund was \$2,726,537, a decrease of \$473,402 from the 2007-08 fiscal year. Charges for service and interest earnings account for \$103,145 of the fund decrease, while capital projects contribute additional expenditures of \$564,000 for the year. City Council and staff are aware that the Water Fund balance is deteriorating each year, and in the 2008-09 fiscal year have budgeted for a water rate study to be completed with the intention of adjusting water rates to meet the revenue requirements of maintaining the City's water distribution system. The last rate adjustment was in 2005.
- **Stormwater Fund:** At June 30, 2009, the unreserved fund balance (budget basis) for the Stormwater Fund was \$252,094, an increase of \$67,578 from the 2007-08 fiscal year. The increase in the fund balance is due in part to better assessment of billable properties within the City and therefore an increase in charges for services revenue, plus a reduction in capital projects this fiscal year.
- **Building Fund:** At June 30, 2009, the unreserved fund balance (budget basis) for the Building Fund was \$332,154, a decrease of \$19,355 from the 2007-08 fiscal year. In an attempt by management to protect and prevent further deterioration of the Building Fund balance due to the downturn in the economy, there were reductions in staff, building and equipment rental fees were "forgiven" and picked up by other departments, and other expenses eliminated when practical.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

- **Public Works Services Fund:** At June 30, 2009, the unreserved fund balance (budget basis) for the Public Works Services Fund was \$531,827, an increase of \$101,907 from the 2007-08 fiscal year. As this is an internal service fund, basic operating expenses are fairly consistent from year to year with fluctuations resulting mainly from either fleet purchases or facilities remodeling projects. In this fiscal year there were no equipment purchases, a reduction of \$102,857 from the previous fiscal year, and facilities improvement projects an additional \$45,724 up from the previous year. Note: This fund also receives equipment rental fee revenues from other funds for maintenance and replacement of the city fleet, with the exception of the police department vehicles. The majority of the fund balance currently held in this fund is equipment reserve for future replacement. Staff is planning to set up an Equipment Reserve Fund in the near future and transfer the majority of the fund balance into a reserve to better protect and account for the City's equipment replacement funds.

General Fund budgetary highlights

The expenditures and revenues within the General Fund are well matched and there are no significant variances from the budget. The City is required by Oregon law to budget all funds and did so. No significant variances from budget occurred in any fund.

Capital assets

The City of Central Point's investment in capital assets for its governmental and business type activities as of June 30, 2009, amounts to \$72,036,834 (net of accumulated depreciation). This investment covers a broad range of capital assets, including land, buildings, storm water system improvements, vehicles, equipment, and water utility system. More detailed information about the city's capital assets is presented in Note 5 to the financial statements.

The one major capital asset addition during the current fiscal year was the completion of Don Jones Park for a total cost of about \$1.8 million. Financing was mostly provided by grants and the issuance of new long term debt.

Long term debt

At June 30, 2009, the City had \$6,444,867 of long-term debt, the majority being bonds and notes payable. The City entered into one additional financing agreement in the amount of \$1,200,000 to provide funding for the Don Jones Park and one systems development obligation in the amount \$209,496 representing developer improvements in excess of city code requirements during the fiscal year. More detailed information about the City's long-term debt is presented in the Note 6 to the financial statements.

Economic factors and the new year budget

The City of Central Point had experienced large increases in housing starts over the last few years. By mid 2008, construction of homes dramatically declined and at present is almost to a standstill. This continued economic decline has sent a ripple effect throughout the City, decreasing revenues and significantly limiting projects citywide. This economic situation was carefully considered in

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

preparing the 2008-09 operating and long-term budget. As a result of the economic decline all operating expenses of the City were closely examined and the final 2008-09 budget reflects a reduction of \$2.2 million (9.2%) less spending authority when compared to the 2007-08 operating budget. This is the second consecutive year with an overall budget decrease.

At June 30, 2009, the City's financial health has weakened causing the City's financial condition to deteriorate. Four years ago 251 building permits were issued providing \$267,852 in building related fees. For 2008-09, the number of permits fell to 57 and related fees declined to \$86,764. The City's low income utility discount program which grants a 50% assistance to economically challenged citizens increased from \$4,582 last fiscal year to over \$15,000 this year. These are but a few of the statistics that indicate that the City's financial condition is deteriorating.

In the budget process and throughout the year, City staff carefully considered many options and made appropriate cuts in personnel, operations, and capital projects in an effort to retain sufficient carryover to continue current service levels as long as possible. City council and staff are in the process of exploring new revenue streams as a way to improve and stabilize the city's economic health and provide for needed maintenance and capital project funding.

Contacting the City's financial management

Our financial report is designed to provide our taxpayers, ratepayers, investors and creditors with an overview of the City's finances. If you have any questions about this report or need any clarification of information please contact the Finance department at the City of Central Point, or visit our website at www.centralpointoregon.gov. Our address is: 140 South Third St, Central Point, Oregon 97502.



CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

**STATEMENT OF NET ASSETS
June 30, 2009**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Assets:			
Cash and Cash Equivalents	\$ 5,867,433	\$ 2,991,136	\$ 8,858,569
Current Receivables, net allowances for uncollectibles	792,751	399,159	1,191,910
Prepaid Expenses	481	272	753
Supply Inventory	-	99,325	99,325
Noncurrent Receivables:			
Due Within One Year	154,580	-	154,580
Due In More Than One Year	1,398,549	-	1,398,549
Bond Issue Costs	67,829	-	67,829
Capital Assets, net of allowances for depreciation			
Governmental	53,990,936	-	53,990,936
Business-Type	-	23,972,134	23,972,134
Internal Service	519,316	-	519,316
Total Assets	62,791,875	27,462,026	90,253,901
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts Payable	311,152	140,885	452,037
Accrued Payroll	365,596	-	365,596
Unearned Revenue			
Due Within One Year	12,664	-	12,664
Deposits	-	7,545	7,545
Compensated Absences	332,670	30,677	363,347
Noncurrent Liabilities			
Due Within One Year	508,664	35,496	544,160
Due in More than One Year	5,584,334	317,058	5,901,392
Total Liabilities	7,115,080	531,661	7,646,741
Net Assets:			
Invested in Capital Assets, net of related debt	48,417,254	23,619,580	72,036,834
Restricted for:			
Debt Service	3,045,721	-	3,045,721
Housing	126,582	-	126,582
Utility Systems Enhancements (SDCs)	1,579,300	2,354,177	3,933,477
Unrestricted	2,507,938	956,608	3,464,546
Total Net Assets	\$ 55,676,795	\$ 26,930,365	\$ 82,607,160

See accompanying notes to basic financial statements

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expenses) and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 3,867,997	\$ 2,649,709	\$ -	\$ -	\$ (1,218,288)	\$ -	\$ (1,218,288)
Public safety	3,432,492	156,336	14,141	-	(3,262,015)	-	(3,262,015)
Highways and streets	2,759,920	1,442,138	-	-	(1,317,782)	-	(1,317,782)
Parks and recreation	1,104,629	329,248	-	257,900	(517,481)	-	(517,481)
Interest on long-term debt	174,600	326,743	-	-	152,143	-	152,143
Total Governmental Activities	11,339,638	4,904,174	14,141	257,900	(6,163,423)	-	(6,163,423)
Business-Type Activities							
Water services	2,395,403	2,303,604	-	-	-	(91,799)	(91,799)
Stormwater services	613,368	588,752	-	-	-	(24,616)	(24,616)
Building services	209,814	180,107	-	-	-	(29,707)	(29,707)
Total Business-Type Activities	3,218,585	3,072,463	-	-	-	(146,122)	(146,122)
Total Primary Government	\$ 14,558,223	\$ 7,976,637	\$ 14,141	\$ 257,900	(6,163,423)	(146,122)	(6,309,545)
General Revenues							
Property taxes					4,359,832	-	4,359,832
Franchise taxes					911,080	-	911,080
Hotel/Motel taxes					299,009	-	299,009
Interest					122,221	82,411	204,632
Miscellaneous					156,261	6,702	162,963
Total General Revenues					5,848,403	89,113	5,937,516
Change in Net Assets					(315,020)	(57,009)	(372,029)
Beginning Net Assets, as restated					55,991,815	26,987,374	82,979,189
Ending Net Assets					\$ 55,676,795	\$ 26,930,365	\$ 82,607,160

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009**

	GENERAL	STREET FUND	HOUSING FUND	CAPITAL IMPROVEMENT FUND	DEBT SERVICE FUND	TOTAL
ASSETS:						
Assets:						
Cash and Investments	\$ 3,344,629	\$ 1,728,725	\$ 54,594	\$ 77,129	\$ 53,679	\$ 5,258,756
Receivables:						
Taxes	336,459	-	-	-	-	336,459
Accounts, net of allowances	192,389	113,247	-	150,656	-	456,292
State of Oregon	-	-	-	-	1,079,261	1,079,261
Special Assessments	-	-	71,988	-	401,880	473,868
Prepaid Items	(2,740)	-	-	-	2,900	160
Total Assets	\$ 3,870,737	\$ 1,841,972	\$ 126,582	\$ 227,785	\$ 1,537,720	\$ 7,604,796
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	188,011	23,022	-	66,619	2,900	280,552
Payroll Taxes and Salaries	365,596	-	-	-	-	365,596
Developer & Customer Deposits	-	-	-	-	-	-
Comp Absences Payable	88,342	2,210	-	-	-	90,552
Deferred Revenue	12,664	-	71,988	-	1,436,013	1,520,665
Deferred Property Taxes	299,415	-	-	-	-	299,415
Total Liabilities	954,028	25,232	71,988	66,619	1,438,913	2,556,780
Fund Balances:						
Reserved for Debt Service	-	-	-	-	98,807	98,807
Unreserved Reported in:						
General Fund	2,916,709	-	-	-	-	2,916,709
Special Revenue Funds	-	1,816,740	54,594	-	-	1,871,334
Capital Projects Fund	-	-	-	161,166	-	161,166
Total Fund Balances	2,916,709	1,816,740	54,594	161,166	98,807	5,048,016
Total Liabilities and Fund Balances	\$ 3,870,737	\$ 1,841,972	\$ 126,582	\$ 227,785	\$ 1,537,720	\$ 7,604,796

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET ASSETS
June 30, 2009**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

Total Fund Balances - Governmental Funds \$ 5,048,016

The cost of governmental capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net assets includes those capital assets among the assets of the City as a whole.

Capital assets 53,990,936

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets.

Long-term debt	\$ (6,092,998)	
Bond discount	<u>67,829</u>	(6,025,169)

Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.

Accrued Vacation and Sick Leave	(332,670)	
Accrued in governmental funds	90,552	
Accrued in Internal Service Fund	<u>46,571</u>	(195,547)

Unearned revenues are not earned in the current period and therefore are not reported as revenues in the funds

Unearned Revenue		
Special assessments made but not collected	1,508,001	
Property taxes levied but not collected	<u>299,415</u>	<u>1,807,416</u>

Governmental Funds Net Assets 54,625,652

An internal service fund is used by the City and its assets and liabilities are included with the City's governmental activities in the Statement of Net Assets.

Internal Service Fund Net Assets 1,051,143

Total Net Assets - Governmental Activities \$ 55,676,795

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2009**

	GENERAL	STREET FUND	HOUSING FUND	CAPITAL IMPROVEMENT FUND	DEBT SERVICE FUND	TOTAL
REVENUES:						
Taxes	\$ 5,270,507	\$ -	\$ -	\$ -	\$ -	\$ 5,270,507
Licenses and permits	58,990	-	-	-	-	58,990
Intergovernmental	415,228	687,013	-	257,900	162,864	1,523,005
Charges for services	1,025,673	767,624	-	137,302	263,785	2,194,384
Assessments	-	-	-	-	82,874	82,874
Fines and forfeitures	156,336	-	-	-	-	156,336
Investment earnings	40,009	36,520	1,517	29,861	2,042	109,949
Miscellaneous	35,686	47,285	12,500	11,378	-	106,849
Total Revenues	7,002,429	1,538,442	14,017	436,441	511,565	9,502,894
EXPENDITURES:						
Current:						
General government	2,343,023	-	4,993	-	-	2,348,016
Public safety	3,281,894	-	-	-	-	3,281,894
Highways and streets	-	1,449,439	-	-	-	1,449,439
Parks and recreation	1,036,697	-	-	1,975,867	-	3,012,564
Debt service:						
Principal	-	85,827	-	42,301	371,214	499,342
Interest	-	26,000	-	23,600	131,164	180,764
Total Expenditures	6,661,614	1,561,266	4,993	2,041,768	502,378	10,772,019
Excess of Revenues Over (Under) Expenditures	340,815	(22,824)	9,024	(1,605,327)	9,187	(1,269,125)
Other Financing Sources, (Uses)						
Transfers In	12,500	-	-	-	50,000	62,500
Transfers Out	(50,000)	-	(12,500)	-	-	(62,500)
Total Transfers	(37,500)	-	(12,500)	-	50,000	-
Financing	-	209,496	-	1,200,000	-	1,409,496
Total Other Financing Sources, (Uses)	(37,500)	209,496	(12,500)	1,200,000	50,000	1,409,496
Net Change in Fund Balance	303,315	186,672	(3,476)	(405,327)	59,187	140,371
Beginning Fund Balance	2,613,394	1,630,068	58,070	566,493	39,620	4,907,645
Ending Fund Balance	\$ 2,916,709	\$ 1,816,740	\$ 54,594	\$ 161,166	\$ 98,807	\$ 5,048,016

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO
STATEMENT OF ACTIVITIES
June 30, 2009**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Net Change in Fund Balances - Governmental Funds \$ 140,371

Governmental funds report capital outlays 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 capital outlays exceeded depreciation in the current period.

Capitalized expenditures	\$	2,303,916	
Deletions to fixed assets		(7,260)	
Depreciation expense		(1,727,919)	
Net adjustment		568,737	568,737

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes in liability balances.

Compensated absences (195,547)

Funds received from sale of bonds is reported as debt proceeds in governmental funds. The Statement of Activities reports these funds as local revenue. Bond issuance costs are recorded as expenditures in the fund financial statements, but accrued and amortized over the life of the loan in the government-wide statements.

Amortization of Bond Discount		(4,725)	
Bond Issuance Costs		11,100	
Issuance of Debt		(1,409,496)	
Gain on early lease payoff		2,493	
Bonds and Notes Payable Principal		427,686	(972,942)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Special Assessments		(195,280)	
Property taxes		299,415	104,135

Governmental Funds Change in Net Assets (355,246)

Internal service funds are used by the City to account for the fleet operations, public works administration and engineering services that are provided to the other departments on a cost reimbursement basis. The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities.

Internal Service Fund Change in Net Assets 40,226

Change in Net Assets - Governmental Activities \$ (315,020)

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
BALANCE SHEET
PROPRIETARY FUNDS
June 30, 2009**

	WATER FUND	STORM WATER FUND	BUILDING FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
ASSETS:					
Current assets					
Cash and investments	\$ 2,408,612	\$ 223,092	\$ 359,432	\$ 2,991,136	\$ 608,677
Prepaid expenses	272	-	-	272	321
Supply inventory	99,325	-	-	99,325	-
Accounts receivable, net	361,710	37,449	-	399,159	-
Total current assets	2,869,919	260,541	359,432	3,489,892	608,998
Noncurrent assets					
Capital assets not being depreciated	1,402,710	343,433	-	1,746,143	-
Capital assets being depreciated, net	14,070,983	8,150,004	5,004	22,225,991	519,316
Total noncurrent assets	15,473,693	8,493,437	5,004	23,972,134	519,316
Total assets	\$ 18,343,612	\$ 8,753,978	\$ 364,436	\$ 27,462,026	\$ 1,128,314
LIABILITIES					
Current liabilities					
Accounts payable	\$ 128,163	\$ 2,515	\$ 10,207	\$ 140,885	\$ 30,600
Comp absences payable	15,219	5,932	9,526	30,677	46,571
Developer & customer deposits	-	-	7,545	7,545	-
Total current liabilities	143,382	8,447	27,278	179,107	77,171
Long-term liabilities					
SDC obligations	5,564	15,073	-	20,637	-
Financing agreement	49,371	142,340	-	191,711	-
Notes payable	140,206	-	-	140,206	-
Total long-term liabilities	195,141	157,413	-	352,554	-
Total liabilities	338,523	165,860	27,278	531,661	77,171
NET ASSETS					
Invested in capital assets, net of related debt	15,278,552	8,336,024	5,004	23,619,580	519,316
Restricted for:					
Utility Systems Enhancements (SDCs)	2,238,352	115,825	-	2,354,177	-
Unrestricted	488,185	136,269	332,154	956,608	531,827
Total net assets	18,005,089	8,588,118	337,158	26,930,365	1,051,143
Total liabilities and net assets	\$ 18,343,612	\$ 8,753,978	\$ 364,436	\$ 27,462,026	\$ 1,128,314

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2009**

	WATER FUND	STORM WATER FUND	BUILDING FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
OPERATING REVENUES					
Licenses and fees	\$ -	\$ -	\$ 181,425	\$ 181,425	\$ -
Charges for services	2,303,604	588,752	-	2,892,356	1,381,959
Miscellaneous	4,803	579	-	5,382	20,868
Total Operating Revenue	2,308,407	589,331	181,425	3,079,163	1,402,827
OPERATING EXPENSES					
Public works equipment rental operations	-	-	-	-	1,347,223
Utility operations	2,269,524	500,334	-	2,769,858	-
Building inspection services	-	-	209,814	209,814	-
Depreciation	125,879	113,054	-	238,933	27,650
Total Operating Expenses	2,395,403	613,388	209,814	3,218,605	1,374,873
Total Operating Income (Loss)	(86,996)	(24,057)	(28,389)	(139,442)	27,954
NONOPERATING INCOME (LOSS)					
Investment earnings	69,184	4,193	9,034	82,411	12,272
CHANGE IN NET ASSETS	(17,812)	(19,864)	(19,355)	(57,031)	40,226
Beginning Net Assets	18,022,901	8,607,982	356,513	26,987,396	1,010,917
Ending Net Assets	\$ 18,005,089	\$ 8,588,118	\$ 337,158	\$ 26,930,365	\$ 1,051,143

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2009**

	WATER FUND	STORMWATER FUND	BUILDING FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
Cash Flows From Operating Activities:					
Received from Customers	\$ 2,267,166	\$ 592,725	\$ 159,114	\$ 3,019,005	\$ 1,402,253
Paid to Suppliers	(2,006,046)	(320,109)	(39,372)	(2,365,527)	(488,515)
Paid to Employees	(499,113)	(177,578)	(186,639)	(863,330)	(847,134)
Net cash provided (used)	<u>(237,993)</u>	<u>95,038</u>	<u>(66,897)</u>	<u>(209,852)</u>	<u>66,604</u>
Cash Flows From Noncapital Financing Activities					
	-	-	-	-	-
Cash Flows From Capital and Related Financing Activities					
Purchase of Equipment	(563,779)	(6,184)	-	(569,963)	(5,035)
Loss on Disposal of Equipment					39,066
Long-term Debt Payments	(17,688)	(19,427)	-	(37,115)	-
Net cash provided (used)	<u>(581,467)</u>	<u>(25,611)</u>	<u>-</u>	<u>(607,078)</u>	<u>34,031</u>
Cash flows from investing activities					
Interest on Investments	69,184	4,193	9,034	82,411	12,272
Net increase (decrease) in cash and investments	(750,276)	73,620	(57,863)	(734,519)	112,907
Cash and investments:					
Beginning of year	3,158,888	149,472	417,295	3,725,655	495,770
End of year	<u>\$ 2,408,612</u>	<u>\$ 223,092</u>	<u>\$ 359,432</u>	<u>\$ 2,991,136</u>	<u>\$ 608,677</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	\$ (86,996)	\$ (24,057)	\$ (28,389)	\$ (139,442)	\$ 27,954
Depreciation and Amortization	125,877	113,053	-	238,930	27,650
(Increase) Decrease in Prepaid Exp.	(256)	-	-	(256)	-
(Increase) Decrease in Cust. Deposits	(34,542)	-	(22,311)	(56,853)	(321)
(Increase) Decrease in Inventory	19,042	-	-	19,042	-
(Increase) Decrease in Receivables	(6,699)	3,394	-	(3,305)	(574)
Increase (Decrease) in Accrued Vacation	4,908	1,726	(5,037)	1,597	2,852
Increase (Decrease) in Payables	(259,327)	922	(11,160)	(269,565)	9,043
Net Cash Provided by Operating Activities	<u>\$ (237,993)</u>	<u>\$ 95,038</u>	<u>\$ (66,897)</u>	<u>\$ (209,852)</u>	<u>\$ 66,604</u>

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Central Point, Oregon, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

THE FINANCIAL REPORTING ENTITY

The City of Central Point is a municipal corporation governed by an elected mayor and six-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable, as defined under GASB Statement 39. The City has no component units with significant financial impact in the current year.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the primary government and its component units. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due, except in the water fund, building fund and internal service fund where expenses are accrued as they are incurred.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be measurable to accrue as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - This fund accounts for all financial resources and expenditures of the City, except those required to be accounted for in another fund. The principal revenue source is property taxes.

Street Fund – This fund accounts for the City's share of State of Oregon gasoline taxes. The state gasoline taxes are restricted for expenditures under Article XI, Section 3 of the Oregon Constitution for construction, maintenance and repair of streets, roads and bike and foot paths.

Capital Improvement Fund – This fund accounts for major capital purchases for the City.

Housing Fund – This fund accounts for the repayment of loans made to City residents under a wood stove removal and weatherization program. Program income may be recycled into another eligible housing program.

Debt Service Fund – This fund accounts for all debt service of the City, with the exception of water line and SDC obligation debt.

The government reports the following major proprietary and internal service funds:

Water Fund – This fund accounts for the activities of the City's water utility operation.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stormwater Fund – This fund accounts for the activities of the City's stormwater utility operation.

Building Fund – This fund administers the State of Oregon Building and Safety Codes.

Public Works Service Fund – This internal service fund accounts for the fleet operations, facilities maintenance and public works administration services that are provided to the other departments on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following private-sector guidance issued subsequent to December 1, 1989 for their business-type activities and enterprise funds, subject to the same limitations relating to conflicts and contradictions. The City has elected not to follow any private-sector guidance issued subsequent to December 1, 1989.

Interfund services provided and used are not eliminated in the process of consolidation of the government-wide financial statements.

Amounts reported as program revenues include – if received during the year: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants. Internally dedicated resources and all taxes are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's internal service fund is charges to other departments for sales and services. Operating expenses for the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

BUDGETS

The City budgets all funds as required by Oregon State Budget Law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Expenditure budgets for the Housing Fund, Debt Service Fund and Building Fund are appropriated at object levels of personal services, materials and services, capital outlay, interfund transactions and contingency. All other funds, including the General, Street, Capital Improvement, Water, Stormwater and Public Works Service funds are appropriated by total budget at the division level.

Unexpected additional resources or appropriations may be added to the budget through the use of a

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

supplemental budget. Original and 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 passing a Council resolution authorizing the transfer. All budget amendments are subject to the limitations put forth in the Oregon Revised Statutes, Chapters 294.305 through 294.565 (Oregon Budget Law). Transfers of appropriations, permitted by Oregon Budget Law, were authorized by the City Council during the fiscal year.

Budget amounts presented herein are as originally adopted and amended by the City Council. There was one amendment resolution and one supplemental budget to transfer appropriations. Budget appropriations lapse at year end.

The City budgets all funds on the modified accrual basis of accounting – which is consistent with generally accepted accounting principles.

Expenditures in all funds were within authorized appropriations for the year ended June 30, 2009.

ESTIMATES

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "cash and investments" on the fund financial statements and as "cash and cash equivalents" on the government wide financial statements.

Receivables and Payables

Property taxes are levied as of July 1 on property assessed as of January 1st. The tax levy is due November 15, with an optional payment method of 1/3 due November 15, 1/3 due February 15, and 1/3 due May 15. Taxes paid in full November 15 are provided a 3% discount. The billings are considered delinquent after the appropriate due date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Receivables are assessed for collectibility and allowances for uncollectibility are recorded as necessary.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Payables (continued)

Receivables for federal and state grants, and state, county and local shared revenue are recorded as revenue in all funds as earned. The receivables for state, county and local shared revenue are recorded in accounts receivable.

Investment earnings (e.g., accrued interest receivable) are recorded as revenue in all fund types as earned on investments.

Interfund Activities

Interfund activities include charges for services and operating transfers.

Restricted Assets

Certain assets in various governmental funds are classified as restricted assets because their use is completely restricted for the repayment of outstanding bonds, system expansion, construction projects or other legal requirements.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized when projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Depreciable capital assets are depreciated using the straight-line method over the asset's estimated useful life as follows:

Buildings:	20-50 years
Supply and distribution systems, including utility plant:	20-50 years
Equipment:	5-20 years

Capitalized Interest

Interest is capitalized on capital assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For the year ended June 30, 2009, and for prior years as well, no interest was capitalized on capital assets.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet and statement of net assets.

Compensated absences

It is the City's policy to permit employees to accumulate up to one year's earned but unused vacation benefits. The City pays all vacation but no sick leave when an employee terminates. A portion of vacation earned is accrued when incurred within 60 days of year-end in the governmental funds and the remainder of the maximum allowed is accrued in the government-wide financial statement. In the proprietary financial statements the maximum allowed is accrued. No sick leave is accrued. A liability for a portion of these amounts is reported in the governmental funds, and the remainder in the government-wide statements in accordance with GASB No. 16 Accounting for Compensated Absences.

Deferred/unearned revenue

Deferred revenues are resource inflows that do not yet meet the criteria for revenue recognition. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period. Unearned revenue is a specific type of deferred revenue that does not involve the application of the availability criterion, and, therefore is reported as deferred revenue in both accrual and modified accrual financial statements.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Principal and interest payments on long-term debt are reported as debt service expenditures.

Fund equity/Net assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund equity/Net assets (continued)

Net assets comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net assets are classified in the following three categories.

Invested in capital assets, net of related debt – all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets – net assets with external constraints placed on their use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – all other net assets.

Reservations of Retained Earnings and Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Statement of Cash Flows

For purposes of the statement of cash flows, the internal service fund deposits monies into a common cash and investment pool of the City. The funds use this pool as a demand deposit account and, accordingly, all amounts in the pool are considered cash and cash equivalents. Cash and cash equivalents include investments with an original maturity date of three months or less at date of purchase. In addition, all unrestricted cash and cash equivalents and restricted cash and cash equivalents are grouped together for purposes of the statement of cash flows.

Supply Inventory

Inventories are stated at the lower of cost or market, using the first-in, first-out method and are recognized as expenses in Proprietary Fund types as consumed.

2. CASH AND INVESTMENTS

The City is restricted by Oregon Revised Statutes as to the types of investments in which it may invest its cash balances. Statutes authorize the City to invest in obligations of the U.S. Treasury and other U.S. Government agencies, certain commercial paper, bankers' acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool. Cash and investments reported on the fund financial statements are considered to be cash and cash equivalents, except for restricted cash and investments.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (Continued)

Cash and Investments, unrestricted and restricted, at June 30, 2009 consisted of:

Deposits with Financial Institutions:

	<u>Total</u>
Petty Cash	\$ 1,450
Demand Deposits	416,720
Investments	<u>8,440,399</u>
Total at fair value	<u>\$ 8,858,569</u>

The City has selected banks that are approved depositories identified in Oregon statutes. In accordance with Oregon law, deposits of municipal funds can only be deposited in approved financial institutions identified by the state of Oregon Treasurer. In addition, Oregon law requires that all deposits be covered by federal depository insurance and account balances in excess of the federal depository insurance be secured with acceptable collateral. All approved depositories participate in the collateral pool managed by the Treasurer of the state of Oregon and is the responsible official concerning all matters relating to collateral coverage.

Deposits consist of bank demand deposits. The carrying amount of deposits is \$416,720. The total bank balance at June 30, 2009, per the bank statement, is \$442,394, of which \$250,000 is covered by federal depository insurance, and \$192,394 was insured by the Public Funds Collateralization Program, a multiple financial institution collateral pool administered by the Oregon State Treasurer's Office.

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Fitch Ratings and Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record (A-2/P-2 if Oregon commercial paper) and the state treasurer's investment pool. The City's investments at June 30, 2009, as listed above were invested in the state treasurer's investment pool. The City's investments during the year were comprised of the state treasurer's investment pool.

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2009.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (Continued)

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized and may be subject to credit risk. There is no material difference between the fair value of the City's position in the State Treasurer's Local Government Investment Pool and the value of the pool shares at June 30, 2009. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB.

Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2009, the City had 100% of total investments in the State Treasurer's Investment Pool. State. Statutes do not limit the percentage of investments in this instrument.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-18</u>	<u>18-59</u>
State Treasurer's Investment Pool	\$ 8,440,399	\$ 8,440,399	\$ -	\$ -

3. RECEIVABLES

Receivables, including applicable allowances for uncollectible accounts, as of the year ended June 30, 2009, for all the City's funds are as follows:

The special assessments are due from property owners benefited by various infrastructure improvements. The cost of those improvements, plus interest ranging from 4.0% to 6.5%, is being recovered from the benefited property owners. The special assessments recorded in the Debt Service Fund are pledged for the payment of a bond purchase agreement further described in Note 4. Should these special assessment payments prove insufficient to cover the scheduled debt repayment, the City's full faith and credit and taxing power has been committed to do so.

The receivable from the state of Oregon relates to a street construction project undertaken by the state and the City where the state was the lead agency. As a condition of the project, the City assigned a federal grant to the state and also obtained long term financing under a \$2,000,000 financing agreement further described in Note 4. The state of Oregon agreed to contribute \$1,628,636 to the City to assist with repayment of the maturing long term financing in equal payments spread over ten years. Since the the agreement provides for no interest, it was discounted when recorded by the City \$267,292 to reflect a 4.3% annual interest rate.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

3. RECEIVABLES (Continued)

These receivables are presented in the Statement of Net Assets as follows:

	<u>Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<u>Governmental Activities</u>					
Current:					
Accounts, net	\$ 456,292	\$ -	\$ 456,292	\$ 456,292	\$ -
Property taxes	336,459	-	336,459	336,459	-
Total	<u>792,751</u>	<u>-</u>	<u>792,751</u>	<u>792,751</u>	<u>-</u>
Long-term					
Special assessments	473,868	-	473,868	39,050	434,818
State of Oregon	1,079,261	-	1,079,261	115,530	963,731
Total	<u>1,553,129</u>	<u>-</u>	<u>1,553,129</u>	<u>154,580</u>	<u>1,398,549</u>
Total	<u>\$ 2,345,880</u>	<u>\$ -</u>	<u>\$ 2,345,880</u>	<u>\$ 947,331</u>	<u>\$ 1,398,549</u>

<u>Proprietary 154580</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
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Business-type Activities

Current:

Accounts, net	\$ 399,159	\$ 399,159	\$ -
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4. UNEARNED REVENUE

Unearned revenue of governmental activities is as follows at June 30, 2009.

<u>Governmental Activities</u>	<u>Governmental Funds</u>	<u>Earned Within One Year</u>	<u>Earned After One Year</u>
Current:			
Court Bail	\$ 242	\$ 242	\$ -
Services	<u>12,422</u>	<u>12,422</u>	<u>-</u>
	<u>\$ 12,664</u>	<u>\$ 12,664</u>	<u>\$ -</u>

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2009 are as follows:

	Balance Beginning Of Year	Additions	Deletions	Balance End Of Year
Governmental Activities:				
Not being depreciated				
Land	\$ 5,145,122	\$ -	\$ -	\$ 5,145,122
Work in Process	4,240,130	1,982,762	3,457,304	2,765,588
Total	<u>9,385,252</u>	<u>1,982,762</u>	<u>3,457,304</u>	<u>7,910,710</u>
Being depreciated				
Buildings	4,775,257	-	-	4,775,257
Computers	174,673	-	6,377	168,296
Equipment and Vehicles	547,495	6,144	20,000	533,639
Infrastructure	77,215,553	3,772,316	-	80,987,869
Total	<u>82,712,978</u>	<u>3,778,460</u>	<u>26,377</u>	<u>86,465,061</u>
Accumulated Depreciation				
Buildings	994,698	81,806	-	1,076,504
Computers	78,148	9,865	1,366	86,647
Equipment and Vehicles	230,385	40,249	17,750	252,884
Infrastructure	37,372,801	1,595,999	-	38,968,800
Total	<u>38,676,032</u>	<u>1,727,919</u>	<u>19,116</u>	<u>40,384,835</u>
Governmental Capital Assets, Net	<u>\$ 53,422,198</u>			<u>\$ 53,990,936</u>
Internal Service Fund:				
Being depreciated				
Buildings	\$ 175,000	\$ -	\$ -	\$ 175,000
Equipment and Vehicles	1,053,246	5,035	165,677	892,604
Infrastructure	18,000	-	-	18,000
Total	<u>1,246,246</u>	<u>5,035</u>	<u>165,677</u>	<u>1,085,604</u>
Accumulated Depreciation				
Buildings	64,650	1,760	-	66,410
Equipment and Vehicles	599,340	25,711	126,613	498,438
Infrastructure	1,260	180	-	1,440
Total	<u>665,250</u>	<u>27,651</u>	<u>126,613</u>	<u>566,288</u>
Internal Service Fund Capital Assets, Net	<u>\$ 580,996</u>			<u>\$ 519,316</u>

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS (Continued)

	<u>Balance Beginning Of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End Of Year</u>
Business-Type Activities:				
Not being depreciated				
Land	\$ 1,509,591	\$ -	\$ -	\$ 1,509,591
Work in Process	752,883	101,187	617,517	236,553
Total	<u>2,262,474</u>	<u>101,187</u>	<u>617,517</u>	<u>1,746,144</u>
Being depreciated				
Computers	72,300	-	-	72,300
Equipment and Vehicles	23,734	-	-	23,734
Infrastructure	28,281,470	1,086,316	-	29,367,786
Total	<u>28,377,504</u>	<u>1,086,316</u>	<u>-</u>	<u>29,463,820</u>
Accumulated Depreciation				
Computers	72,300	-	-	72,300
Equipment and Vehicles	3,919	1,146	-	5,065
Infrastructure	6,922,679	237,786	-	7,160,465
Total	<u>6,998,898</u>	<u>238,932</u>	<u>-</u>	<u>7,237,830</u>
Business-type Capital Assets, Net	<u><u>\$ 23,641,080</u></u>			<u><u>\$ 23,972,134</u></u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	<u>Governmental Funds</u>
General Government	\$ 100,777
Public Safety	33,201
Highways and Streets	1,539,648
Parks and Recreation	54,293
Total	<u><u>\$ 1,727,919</u></u>

The City had committed to purchase a parcel of real property as of June 30, 2009. The City had made a nonrefundable earnest money deposit of \$20,000 as of June 30, 2009 and subsequently completed the purchase of the property on July 15, 2009.

6. LONG TERM DEBT

At June 30, 2009, the City's long-term financed debt consists of the following:

During 2007-08 the City entered into a bond purchase agreement to obtain funding in the amount of \$500,000 for water line improvement projects on behalf of certain City residents. The bond purchase agreement is secured by the assessment payments of the benefited property owners. In addition, should these payments be insufficient, the City's full faith and credit and taxing power has been

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG TERM DEBT (Continued)

committed. Interest at 4.62% and principal is paid semiannually. The final payment is scheduled for 2017.

During 2006-07 the City entered into a financing note agreement to obtain funding in the amount of \$2,000,000 to undertake various transportation and other projects. The financing note is secured by the full faith and credit of the City and is payable from all legally available funds of the City. Interest at 4.3% is paid semi-annually and principal is paid annually. The final payment is scheduled for 2017.

In November 2005, the City entered into a Note Payable for \$127,000 for the purpose of constructing a parking lot. Monthly principal and interest payments began in February 2006, and are required until January 2010, with an interest rate of 4.25%.

On September 29, 2004, the City entered into an agreement to obtain funding in the amount of \$2,700,000 to construct, furnish, and equip new City Council Chambers, new City Hall Offices, and pay bond issuance costs. These certificates of participation are payable from all legally available funds of the City. Interest at 3.5% to 4.3% is paid semi-annually, and principal is paid annually, with the final payment in December 2025. Bond issuance costs of \$72,299 are amortized over the 20 year life of the bonds at \$3,615 per year, and, at June 30, 2008 and 2009, the unamortized balance is \$61,454 and \$57,839 respectively.

During 1997-98 the City received a \$152,415 special public works fund loan from the State of Oregon Economic Development Department. The loan was used to extend a water line to an industrial user outside the City limits. Annual payments of interest only at 4.86% are required on December 1 of each year through 2007, from the Water Fund. Beginning on December 1, 2008, annual principal and interest payments are required until December 1, 2018.

During 2004-05 the City entered into a capital lease to purchase a street sweeper for \$123,177, with annual payments, and an interest rate of 3.5%. During 2005-06 the City entered two capital leases to purchase a backhoe for \$60,959, with annual payments and an interest rate of 6.5%, and to purchase a police car for \$42,149, with annual payments and an interest rate of 9.0%.

The City has entered into agreements with various developers to provide water line, stormwater line, parks, streets and sidewalk infrastructure relating to the developers construction projects. These improvements are in addition to the requirements placed on them by the planning and approval process. The agreements require that the City reimburse the developer's costs, without interest, for the enhanced improvements at the time the developer undertakes the site development and pays the various permit fees and systems development charges ("SDCs"). The source of payment to the developers is the SDCs actually paid.

During 2008-09 the City entered into a purchase agreement to obtain funding in the amount of \$1,200,000 for the construction of Don Jones Memorial Park. The tax exempt financing note is secured by the full faith and credit of the City. Bond issuance costs of \$11,100 are amortized over the 10 year life of the bonds at \$1,110 per year, and, at June 30, 2009, the unamortized balance is \$9,990.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG TERM DEBT (Continued)

Changes in the City's long-term debt during the fiscal year ending June 30, 2009:

	<u>Balance 7/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2009</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
Governmental Activities						
Limited Tax Bond	\$ 457,214	\$ -	\$ 55,723	\$ 401,491	\$ 56,880	\$ 344,611
Financing Agreement	1,624,453	-	150,479	1,473,974	157,352	1,316,622
Notes Payable	93,306	-	74,219	19,087	19,087	-
Certificates of Participation	2,400,000	-	105,000	2,295,000	105,000	2,190,000
Capital Leases	38,762	-	38,762	-	-	-
SDC Obligations	551,078	209,496	57,128	703,446	70,345	633,101
Tax Exempt Financing Note	-	1,200,000	-	1,200,000	100,000	1,100,000
Total	<u>\$ 5,164,813</u>	<u>\$ 1,409,496</u>	<u>\$ 481,311</u>	<u>\$ 6,092,998</u>	<u>\$ 508,664</u>	<u>\$ 5,584,334</u>
Business-Type Activities						
Financing Agreement	\$ 211,547	\$ -	\$ 19,836	\$ 191,711	\$ 20,648	\$ 171,063
Notes Payable	152,415	-	12,209	140,206	12,310	127,896
SDC Obligations	25,707	-	5,070	20,637	2,538	18,099
Total	<u>\$ 389,669</u>	<u>\$ -</u>	<u>\$ 37,115</u>	<u>\$ 352,554</u>	<u>\$ 35,496</u>	<u>\$ 317,058</u>



**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG TERM DEBT (Continued)

Future debt service payments to be made in governmental activities by the Capital Improvement and Debt Service funds are as follows:

	<u>Limited Tax Bond</u>		<u>Financing Agreement</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008-09	\$ 56,880	\$ 17,235	\$ 157,352	\$ 59,907	\$ 19,087	\$ 261
2009-10	56,880	14,607	164,424	52,990	-	-
2010-11	56,880	11,979	171,496	45,766	-	-
2011-12	56,880	9,351	179,452	38,222	-	-
2012-13	56,880	6,724	187,677	30,377	-	-
2013 to 2018	117,091	11,136	613,573	40,275	-	-
2018 to 2023	-	-	-	-	-	-
2023 to 2026	-	-	-	-	-	-
Total	\$ 401,491	\$ 71,032	\$ 1,473,974	\$ 267,537	\$ 19,087	\$ 261

	<u>Certificates of Participation</u>		<u>Tax Exempt Financing Note</u>		<u>SDC Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008-09	\$ 105,000	\$ 83,863	\$ 100,000	\$ 46,000	\$ 70,345	\$ -
2009-10	110,000	80,638	105,000	41,900	70,345	-
2010-11	115,000	77,263	110,000	37,600	70,345	-
2011-12	120,000	73,618	115,000	33,100	70,345	-
2012-13	120,000	69,718	115,000	28,500	70,345	-
2013 to 2018	685,000	280,592	655,000	67,900	351,721	-
2018 to 2023	845,000	133,072	-	-	-	-
2023 to 2026	195,000	4,193	-	-	-	-
Total	\$ 2,295,000	\$ 802,957	\$ 1,200,000	\$ 255,000	\$ 703,446	\$ -

	<u>Total Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2008-09	\$ 508,664	\$ 207,266
2009-10	506,649	190,135
2010-11	523,721	172,608
2011-12	541,677	154,291
2012-13	549,902	135,319
2013 to 2018	2,422,385	399,903
2018 to 2023	845,000	133,072
2018 to 2026	195,000	4,193
Total	\$ 6,092,998	\$ 1,396,787

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG TERM DEBT (Continued)

Future debt service payments to be made in business-type activities by the Water and Stormwater funds are as follows:

	<u>Financing Agreement</u>		<u>Note Payable</u>		<u>SDC Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008-09	\$ 20,648	\$ 7,861	\$ 12,310	\$ 6,824	\$ 2,538	\$ -
2009-10	21,576	6,953	12,415	6,263	2,538	-
2010-11	22,504	6,006	12,527	5,686	2,538	-
2011-12	23,548	5,015	12,647	5,091	2,538	-
2012-13	24,323	3,937	17,775	4,478	2,538	-
2013 to 2018	79,112	5,220	72,532	9,083	7,947	-
2018 to 2023	-	-	-	-	-	-
Total	\$ 191,711	\$ 34,992	\$ 140,206	\$ 37,425	\$ 20,637	\$ -

	<u>Total Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2008-09	\$ 35,496	\$ 14,685
2009-10	36,529	13,216
2010-11	37,569	11,692
2011-12	38,733	10,106
2012-13	44,636	8,415
2013 to 2018	159,591	14,303
2018 to 2023	-	-
Total	\$ 352,554	\$ 72,417

7. COMPENSATED ABSENCES

During the year ended June 30, 2009, the changes in the City's vested compensated absences obligation to employees were as follows:

	<u>Governmental Activities</u>			<u>Business type</u>	<u>Combined Total</u>
	<u>Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>	<u>Activities Proprietary Funds</u>	
Beginning Balance	\$ 267,362	\$ 43,719	\$ 311,081	\$ 29,080	\$ 340,161
Increases	455,067	43,861	498,928	47,772	546,700
Decreases	436,330	41,009	477,339	46,175	523,514
Ending Balance	<u>\$ 286,099</u>	<u>\$ 46,571</u>	<u>\$ 332,670</u>	<u>\$ 30,677</u>	<u>\$ 363,347</u>

The entire compensated absences balance is expected to be paid in the next fiscal year, so there is no provision for a long-term portion.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. INTERFUND ACTIVITY

Interfund activity includes services, equipment rental and interest and approximates \$2,300,000, including activities accounting for in the Public Works Service Fund. Interfund activity also includes operating transfers, unrelated to interfund services, as follows:

	Transfer In		
Transfer Out	General Fund	Debt Service Fund	Total
General Fund	\$ -	\$ 50,000	\$ 50,000
Housing Fund	12,500	-	12,500
Total	\$ 12,500	\$ 50,000	\$ 62,500

The transfer from the General Fund to the Debt Service Fund was made to facilitate the payment of principal and interest on long-term debt. The transfer from the Housing Fund to the General Fund was made to offset the low income utility discounts with the CDBG grant received in the Housing Fund.

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for general, auto and property liability. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The City has not elected to self-insure for any of these risks, except for unemployment claims, vehicle collision and the deductible portions of the commercial insurance policies. There are no unpaid claims outstanding at June 30, 2009 nor were there any unpaid claims outstanding at June 30, 2008.

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM

Plan Description – The City is a participating employer in the State of Oregon Public Employees Retirement System (OPERS), which provides statewide defined benefit and defined contribution retirement plans for units of state government, political subdivisions, community colleges and school districts. OPERS is administered under the Oregon Revised Statutes (ORS) Chapter 238, and the Internal Revenue Code Section 401(a) by the Oregon Public Employees Retirement Board (OPERB).

Cities, counties and special districts that participate in OPERS may choose to join the State and Local Government Rate Pool (SLGRP). State agencies, community colleges and public institutions of higher education are required by law to be part of the pool. All Oregon school districts are required by law to be part of a separate school district pool. Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contributions rates. Pool participants share pension assets and future pension liabilities and surpluses. Employers in the pool jointly fund the future pension costs of all the pooled participants. The City has elected to join the SLGRP, a cost-sharing multiple-employer defined benefit pension plan.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM (Continued)

City employees participate in one or more OPERS retirement plans that provide pension, death, disability, and post-employment healthcare benefits to members and their beneficiaries. Benefits generally vest after five years of continuous service. Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits.

Compulsory retirement age is 70. Retirement benefits are payable in lump sum or monthly amounts using several payment options.

OPERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. The stand-alone report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

PERS is a defined benefit pension plan provided to members or their beneficiaries who were hired prior to August 29, 2003. In 1995, the Legislature enacted a second level or "tier" of PERS benefits for persons who established PERS membership on or after January 1, 1996. These Tier Two members do not have the Tier One assumed earnings rate guarantee, and have a higher normal retirement age of 60, compared to 58 for Tier One. OPSRP, is a hybrid retirement plan with two components: a defined benefit pension plan and a defined contribution pension plan. OPSRP is provided to members or their beneficiaries who were hired on or after August 29, 2003. Employer contributions to PERS and OPSRP are required by state statute and are made at actuarially determined rates as adopted by the OPERB.

Funding Policy – Plan members are required to contribute 6% of their annual covered salary but the City has elected to pay this contribution on their behalf. The City is required by ORS 238.225 to contribute at an actuarially determined rate; the current rate (as of July 1, 2007) is 7.89% for Tier I and Tier II employees, 7.39% for OPSRP general services, and 10.66% for OPSRP police. The contribution requirement of plan members and their employers are established under ORS Chapter 238, and may be amended by an act of the Oregon legislature. The December 31, 2007 Actuarial Valuation Report indicates that the contribution rates effective July 1, 2009 will be 7.69% for Tier I and Tier II employees, 4.11% for OPSRP general services and 6.82% for OPSRP police.

The December 31, 2008 actuarial valuation was released by PERS on October 22, 2009. It was a complete valuation designed to provide certain information that may be of interest. Several changes were made in actuarial methods and allocation procedures as well as to assumptions relating to mortality, salary increases, disability, retirement and termination events, and healthcare costs. GASB 27 disclosures were included in the actuarial valuation of December 31, 2008. The December 31, 2008 Actuarial Valuation Report set contribution rates effective for the period July 1, 2011 to June 30, 2013 at 10.11% for Tier I and Tier II employees, 13.69% for OPSRP general service employees, and 12.82% for OPSRP police and fire employees.

Annual Pension Cost – For the fiscal years ending June 30, 2009, 2008, and 2007 the City's annual pension costs of \$598,527 \$582,114, and \$905,596 were equal to the City's required and actual contributions. The required contributions and liabilities were determined as part of the December 31,

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM (Continued)

2007 actuarial valuation using the entry age actuarial cost method. Because all OPERS employers are required by law to submit the contributions adopted by the Retirement Board, and the employer contributions are calculated in conformance with the standards of Statement No. 27, there is no net pension obligation. The contributions actually made are equivalent to 100% of the required annual pension contribution.

11. PROPERTY TAX LIMITATIONS

The State of Oregon has a constitutional limit on property taxes for schools and nonschool government operations. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

An additional limit reduces the amount of operating property tax revenues available to the City. This reduction was accomplished by rolling property values for 1997-98 back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most property taxes and new bond issues.

12. SUBSEQUENT EVENT

On July 15, 2009 the City exercised its option and made a cash payment of \$413,000 to finalize the purchase of real property for use in a water project for a purchase price of \$433,000. At June 30, 2009, the City had made a nonrefundable earnest money deposit of \$20,000 on the property.

13. PRIOR PERIOD ADJUSTMENT

During the year, the City discovered that special assessments receivables and revenues had been reported on the modified accrual basis of accounting in the Statement of Net Assets and the Statement of Activities, respectively. As a result of the correction, beginning unearned revenues on the Statement of Net Assets decreased by \$1,703,281 and beginning temporarily restricted net assets increased by \$1,703,281 on both the Statement of Net Assets and the Statement of Activities.





**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Information (GAAP Basis)
General and Major Special Revenue Funds

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 For the Fiscal Year Ended June 30, 2009

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Taxes	\$ 5,319,000	\$ 5,319,000	\$ 5,270,507	\$ (48,493)
Licenses and fees	68,000	68,000	58,990	(9,010)
Intergovernmental	445,000	445,000	415,228	(29,772)
Charges for services	1,133,000	1,133,000	1,025,673	(107,327)
Fines and forfeitures	153,000	153,000	156,336	3,336
Investment earnings	50,000	50,000	40,009	(9,991)
Miscellaneous	24,000	24,000	35,686	11,686
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 7,192,000	\$ 7,192,000	\$ 7,002,429	\$ (189,571)

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2009**

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES:				
Mayor and Council	\$ 108,000	\$ 108,000	\$ 53,099	\$ 54,901
Administration	557,000	557,000	523,510	33,490
Technical services	395,000	395,000	370,078	24,922
City enhancement	123,000	123,000	122,615	385
Finance	890,000	890,000	769,789	120,211
Interdepartmental	135,000	135,000	72,978	62,022
Parks and recreation - parks	639,000	639,000	578,447	60,553
Parks and recreation - recreation	518,000	518,000	458,250	59,750
Planning	589,000	589,000	430,953	158,047
Police	3,468,000	3,468,000	3,281,895	186,105
Total Expenditures	<u>7,422,000</u>	<u>7,422,000</u>	<u>6,661,614</u>	<u>760,386</u>
Excess of Revenues Over (Under) Expenditures	<u>(230,000)</u>	<u>(230,000)</u>	<u>340,815</u>	<u>570,815</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000	25,000	12,500	(12,500)
Transfers out	(55,000)	(55,000)	(50,000)	5,000
Net Transfers	<u>(30,000)</u>	<u>(30,000)</u>	<u>(37,500)</u>	<u>(7,500)</u>
Contingency	(358,000)	(358,000)	-	358,000
Net Change in Fund Balance	<u>(618,000)</u>	<u>(618,000)</u>	<u>303,315</u>	<u>921,315</u>
Beginning Fund Balance	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,613,394</u>	<u>113,394</u>
Ending Fund Balance	<u>\$ 1,882,000</u>	<u>\$ 1,882,000</u>	<u>\$ 2,916,709</u>	<u>\$ 1,034,709</u>
Current:				
General government			\$ 2,343,022	
Public safety			3,281,895	
Parks and recreation			1,036,697	
Total			<u>\$ 6,661,614</u>	

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2009**

STREET FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Intergovernmental	\$ 801,000	\$ 801,000	\$ 687,013	\$ (113,987)
Charges for services	740,000	740,000	767,624	27,624
Investment earnings	50,000	50,000	36,520	(13,480)
Miscellaneous	55,000	55,000	47,285	(7,715)
Total Revenues	<u>1,646,000</u>	<u>1,646,000</u>	<u>1,538,442</u>	<u>(107,558)</u>
EXPENDITURES:				
Street operations	1,239,000	1,209,000	1,198,866	10,134
SDC streets	416,000	390,000	362,400	27,600
Total Expenditures	<u>1,655,000</u>	<u>1,599,000</u>	<u>1,561,266</u>	<u>37,734</u>
Excess of Revenues Over (Under) Expenditures	<u>(9,000)</u>	<u>47,000</u>	<u>(22,824)</u>	<u>(69,824)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	-	(5,000)
Financing	300,000	300,000	209,496	(90,504)
Contingency	(280,000)	(280,000)	-	280,000
Net Change in Fund Balance	16,000	72,000	186,672	114,672
Beginning Fund Balance	<u>1,790,000</u>	<u>1,790,000</u>	<u>1,630,068</u>	<u>(159,932)</u>
Ending Fund Balance	<u>\$ 1,806,000</u>	<u>\$ 1,862,000</u>	<u>\$ 1,816,740</u>	<u>\$ (45,260)</u>
Current:				
Highways and streets			\$ 1,449,439	
Debt service:				
Principal			85,827	
Interest			26,000	
			<u>\$ 1,561,266</u>	

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

SUPPLEMENTARY INFORMATION

Budgetary Comparison Information (GAAP Basis)
Capital Improvement, Debt Service, Enterprise and Internal Service Funds
and
Other Financial Schedules

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 For the Fiscal Year Ended June 30, 2009

HOUSING FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Investment earnings	\$ 2,000	\$ 2,000	\$ 1,517	\$ (483)
Miscellaneous	25,000	25,000	12,500	(12,500)
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>14,017</u>	<u>(12,983)</u>
EXPENDITURES:				
Materials and services	<u>69,000</u>	<u>69,000</u>	<u>4,993</u>	<u>64,007</u>
Total expenditures	<u>69,000</u>	<u>69,000</u>	<u>4,993</u>	<u>64,007</u>
Excess of Revenues Over (Under) Expenditures	<u>(42,000)</u>	<u>(42,000)</u>	<u>9,024</u>	<u>51,024</u>
OTHER FINANCING SOURCES (USES)				
Transfer Out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(12,500)</u>	<u>12,500</u>
Net Change in Fund Balance	(67,000)	(67,000)	(3,476)	63,524
Beginning Fund Balance	<u>67,000</u>	<u>67,000</u>	<u>58,070</u>	<u>(8,930)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,594</u>	<u>\$ 54,594</u>
Current:				
General government			<u>\$ 4,993</u>	

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2009**

CAPITAL IMPROVEMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Intergovernmental	\$ 274,000	\$ 274,000	\$ 257,900	\$ (16,100)
Charges for services	258,000	258,000	137,302	(120,698)
Investment earnings	15,000	15,000	29,861	14,861
Miscellaneous	180,000	180,000	11,378	(168,622)
Total Revenues	<u>727,000</u>	<u>727,000</u>	<u>436,441</u>	<u>(290,559)</u>
EXPENDITURES:				
Capital outlay:				
Recreation center	836,000	1,636,000	1,635,966	34
SDC Parks	415,000	415,000	339,901	75,099
Debt service	96,000	96,000	65,901	30,099
Total Expenditures	<u>1,347,000</u>	<u>2,147,000</u>	<u>2,041,768</u>	<u>105,232</u>
Excess of Revenues Over (Under) Expenditures	<u>(620,000)</u>	<u>(1,420,000)</u>	<u>(1,605,327)</u>	<u>(185,327)</u>
OTHER FINANCING SOURCES (USES)				
Financing proceeds	400,000	1,200,000	1,200,000	-
Net Change in Fund Balance	<u>(220,000)</u>	<u>(220,000)</u>	<u>(405,327)</u>	<u>(185,327)</u>
Beginning Fund Balance	<u>594,000</u>	<u>594,000</u>	<u>566,493</u>	<u>(27,507)</u>
Ending Fund Balance	<u>\$ 374,000</u>	<u>\$ 374,000</u>	<u>\$ 161,166</u>	<u>\$ (212,834)</u>
Current:				
Parks and recreation			\$ 1,975,867	
Debt service:				
Principal			42,301	
Interest			23,600	
Total			<u>\$ 2,041,768</u>	

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 For the Fiscal Year Ended June 30, 2009

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ 163,000	\$ 163,000	\$ 162,864	\$ (136)
Charges for services	255,500	255,500	263,785	8,285
Assessments	100,000	100,000	82,874	(17,126)
Investment earnings	2,500	2,500	2,042	(458)
Total revenues	<u>521,000</u>	<u>521,000</u>	<u>511,565</u>	<u>(9,435)</u>
EXPENDITURES:				
Debt Service	<u>582,000</u>	<u>582,000</u>	<u>502,378</u>	<u>79,622</u>
Total expenditures	<u>582,000</u>	<u>582,000</u>	<u>502,378</u>	<u>79,622</u>
Excess of Revenues Over (Under) Expenditures	(61,000)	(61,000)	9,187	70,187
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net Change in Fund Balance	(11,000)	(11,000)	59,187	70,187
Beginning Fund Balance	<u>88,000</u>	<u>88,000</u>	<u>39,620</u>	<u>(48,380)</u>
Ending Fund Balance	<u>\$ 77,000</u>	<u>\$ 77,000</u>	<u>\$ 98,807</u>	<u>\$ 21,807</u>
Debt service:				
Principal			\$ 371,214	
Interest			<u>131,164</u>	
Total			<u>\$ 502,378</u>	

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2009**

WATER FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Charges for services	\$ 2,543,000	\$ 2,543,000	\$ 2,303,604	\$ (239,396)
Investment earnings	90,000	90,000	69,184	(20,816)
Miscellaneous	1,000	1,000	4,803	3,803
Total Revenues	<u>2,634,000</u>	<u>2,634,000</u>	<u>2,377,591</u>	<u>(256,409)</u>
EXPENDITURES:				
Operations	2,521,000	2,599,000	2,486,306	112,694
SDC water improvements	132,000	571,000	364,687	206,313
Total Expenditures	<u>2,653,000</u>	<u>3,170,000</u>	<u>2,850,993</u>	<u>319,007</u>
Excess of Revenue Over (Under) Expenditures	<u>(19,000)</u>	<u>(536,000)</u>	<u>(473,402)</u>	<u>62,598</u>
OTHER FINANCING SOURCES AND (USES)				
Contingency	<u>(250,000)</u>	<u>(250,000)</u>	-	<u>250,000</u>
Net Change in Fund Balance	(269,000)	(786,000)	(473,402)	312,598
Beginning Fund Balance	<u>3,154,000</u>	<u>3,154,000</u>	<u>3,199,939</u>	<u>45,939</u>
Ending Fund Balance	<u>\$ 2,885,000</u>	<u>\$ 2,368,000</u>	2,726,537	<u>\$ 358,537</u>

Reconciliation to Proprietary Net Assets:

Capital Assets, net	15,473,693
Long term debt	<u>(195,141)</u>
Total Net Assets	<u>\$ 18,005,089</u>

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2009**

<u>STORMWATER FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Intergovernmental	\$ 24,000	\$ 24,000	\$ -	\$ (24,000)
Charges for services	613,000	613,000	588,752	(24,248)
Investment earnings	3,000	3,000	4,193	1,193
Miscellaneous	-	-	579	579
Total Revenues	<u>640,000</u>	<u>640,000</u>	<u>593,524</u>	<u>(46,476)</u>
EXPENDITURES:				
Operations	665,800	665,800	506,997	158,803
SDC stormwater improvements	35,200	35,200	18,949	16,251
Total Expenditures	<u>701,000</u>	<u>701,000</u>	<u>525,946</u>	<u>175,054</u>
Excess of Revenues Over (Under) Expenditures	<u>(61,000)</u>	<u>(61,000)</u>	<u>67,578</u>	<u>128,578</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(50,000)	(50,000)	-	50,000
Net Change in Fund Balance	<u>(111,000)</u>	<u>(111,000)</u>	<u>67,578</u>	<u>178,578</u>
Beginning Fund Balance	<u>155,000</u>	<u>155,000</u>	<u>184,516</u>	<u>29,516</u>
Ending Fund Balance	<u>\$ 44,000</u>	<u>\$ 44,000</u>	<u>252,094</u>	<u>\$ 208,094</u>

Reconciliation to Proprietary Net Assets:

Capital Assets, net	8,493,437
Long term debt	<u>(157,413)</u>
Total Net Assets	<u>\$ 8,588,118</u>

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2009**

	<u>BUILDING FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Licences and fees	\$ 186,000	\$ 186,000	\$ 181,425	\$ (4,575)
Investment earnings	9,000	9,000	9,034	34
Total Revenues	<u>195,000</u>	<u>195,000</u>	<u>190,459</u>	<u>(4,541)</u>
EXPENDITURES:				
Personal services	231,000	231,000	181,602	49,398
Materials and services	47,000	47,000	28,212	18,788
Total Expenditures	<u>278,000</u>	<u>278,000</u>	<u>209,814</u>	<u>68,186</u>
Excess of Revenues Over (Under) Expenditures	<u>(83,000)</u>	<u>(83,000)</u>	<u>(19,355)</u>	<u>63,645</u>
OTHER FINANCING SOURCES (USES)				
Contingency	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balance	(133,000)	(133,000)	(19,355)	113,645
Beginning Fund Balance	<u>324,000</u>	<u>324,000</u>	<u>351,509</u>	<u>27,509</u>
Ending Fund Balance	<u>\$ 191,000</u>	<u>\$ 191,000</u>	<u>332,154</u>	<u>\$ 141,154</u>

Reconciliation to Proprietary Net Assets:

Capital Assets, net	<u>5,004</u>
Total Net Assets	<u>\$ 337,158</u>

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2009**

PUBLIC WORKS SERVICES FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 1,358,000	\$ 1,358,000	\$ 1,381,959	\$ 23,959
Investment earnings	13,000	13,000	12,272	(728)
Miscellaneous	-	-	20,868	20,868
Total revenues	<u>1,371,000</u>	<u>1,371,000</u>	<u>1,415,099</u>	<u>44,099</u>
EXPENDITURES:				
Public works administration	727,000	727,000	707,234	19,766
Facilities maintenance	294,000	294,000	282,179	11,821
Fleet maintenance	400,000	400,000	323,779	76,221
Total expenditures	<u>1,421,000</u>	<u>1,421,000</u>	<u>1,313,192</u>	<u>107,808</u>
Excess of Revenues Over (Under) Expenditures	<u>(50,000)</u>	<u>(50,000)</u>	<u>101,907</u>	<u>151,907</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(50,000)	(50,000)	-	50,000
Net Change in Fund Balance	(100,000)	(100,000)	101,907	201,907
Beginning Fund Balance	<u>442,000</u>	<u>442,000</u>	<u>429,920</u>	<u>(12,080)</u>
Ending Fund Balance	<u>\$ 342,000</u>	<u>\$ 342,000</u>	<u>531,827</u>	<u>\$ 189,827</u>

Reconciliation to Proprietary Net Assets:

Capital Assets, net	<u>519,316</u>
Total Net Assets	<u>\$ 1,051,143</u>

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Fiscal Year Ended June 30, 2009

GENERAL FUND					
TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/08	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/09
Current:					
2008-09	\$ 4,244,501	\$ 100,083	\$ 12,069	\$ 3,943,985	\$ 212,502
Prior Years:					
2007-08	178,571	-	5,067	109,569	74,069
2006-07	52,279	-	(560)	22,417	29,302
2005-06	22,928	-	(130)	12,030	10,768
2004-05	8,269	-	(128)	5,742	2,399
2003-04	2,664	-	(128)	451	2,085
2002-03	2,062	-	(81)	516	1,465
2001-02 & Prior	4,440	-	(222)	349	3,869
Total Prior	271,213	-	3,818	151,074	123,957
Total All Funds	\$ 4,515,714	\$ 100,083	\$ 15,887	\$ 4,095,059	\$ 336,459



**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

STATISTICAL SECTION

This part of the City of Central Point, Oregon's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Financial Trends

- These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.
- Schedules 1, 2, 3, 4, 5 and 6

Revenue Capacity

- These schedules contain information to help the reader assess the City's most significant local revenue source – the property tax.
- Schedules 7, 8, 9 and 10

Debt Capacity

- These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.
- Schedules 11, 12, 13, 14 and 15

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.
- Schedules 16 and 17

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.
- Schedules 18, 19 and 20

Sources of Information

- Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years. The City implemented GASB Statement 34 with the year ended June 30, 2004; schedules presenting government-wide information include information beginning with that year.

Schedule 1
City of Central Point, Oregon
Net Assets By Component
(accrual basis of accounting)
Last Six Fiscal Years

	2004	2005	2006	2007	2008	2009
Fiscal Year Ended June 30,						
Governmental activities						
Invested in capital assets, net of related debt	\$ 6,776,253	\$ 18,366,890	\$ 14,274,528	\$ 49,168,194	\$ 48,838,382	\$ 48,417,254
Restricted	4,151,878	2,708,036	78,455	2,290,163	3,554,369	4,751,603
Unrestricted	5,470,692	8,154,412	5,003,468	4,721,419	3,599,064	2,507,938
Total governmental activities net assets	\$ 16,398,823	\$ 29,229,338	\$ 19,356,451	\$ 56,179,776	\$ 55,991,815	\$ 55,676,795
Business-type activities						
Invested in capital assets, net of related debt	-	-	2,105,398	22,994,016	23,251,411	23,619,580
Restricted	-	-	-	2,645,236	2,357,084	2,686,926
Unrestricted	-	-	4,331,735	1,429,915	1,378,880	623,859
Total business-type activities net assets	-	-	\$ 6,437,133	\$ 27,069,167	\$ 26,987,375	\$ 26,930,365
Primary government						
Invested in capital assets, net of related debt	6,776,253	18,366,890	16,379,926	72,162,210	72,089,793	72,036,834
Restricted	4,151,878	2,708,036	78,455	4,935,399	5,911,453	7,438,529
Unrestricted	5,470,692	8,154,412	9,335,203	6,151,334	4,977,944	3,131,797
Total primary government	\$ 16,398,823	\$ 29,229,338	\$ 25,793,584	\$ 83,248,943	\$ 82,979,190	\$ 82,607,160

Note: The City implemented GASB Statement 34 with the year ended June 30, 2004. Data not available for years prior to 2003-04

Schedule 2
City of Central Point, Oregon
Changes In Net Assets
(accrual basis of accounting)
Last Six Fiscal Years

Fiscal Years Ended June 30,	2004	2005	2006	2007	2008	2009
Expenses						
Governmental activities:						
General government	\$ 3,089,851	\$ 4,576,469	\$ 5,050,809	\$ 3,951,952	\$ 3,938,907	\$ 3,867,997
Public safety	1,680,363	1,652,909	3,747,234	3,635,878	3,408,746	3,432,492
Highways and streets	1,889,179	2,459,870	2,397,249	4,831,908	3,697,122	2,759,920
Parks and recreation	517,400	912,296	1,266,213	1,192,428	1,051,386	1,104,629
Interest on long term debt	21,712	83,389	195,475	109,088	169,560	174,600
Total governmental activities not assets	\$ 7,208,505	\$ 9,664,843	\$ 12,658,980	\$ 13,720,232	\$ 12,463,721	\$ 11,339,638
Business-type activities						
Water services	\$ -	\$ -	\$ 2,731,567	\$ 2,057,023	\$ 2,290,365	\$ 2,395,403
Stormwater services	-	-	-	541,127	790,686	613,368
Building services	-	-	905,181	788,695	504,341	209,814
Total business-type activities not assets	\$ -	\$ -	\$ 3,636,748	\$ 3,386,845	\$ 3,585,392	\$ 3,218,585
Program revenues						
Governmental activities:						
Charges for services						
General Government	\$ 3,458,165	\$ 3,177,416	\$ 666,746	\$ 4,296,043	\$ 2,315,279	\$ 2,649,709
Public safety	-	183,356	203,062	175,303	169,873	156,336
Highways and streets	627,263	35,978	215,034	1,432,101	3,209,989	1,442,138
Parks and recreation	222,210	171,042	144,919	698,663	376,309	329,248
Interest on long term debt	-	-	-	-	630,615	326,743
Operating grants and contributions	-	2,576,483	859,084	24,084	58,459	14,141
Capital grants	-	-	-	935,561	-	257,800
Total governmental activities program revenues	\$ 4,307,638	\$ 6,124,275	\$ 2,088,845	\$ 7,551,755	\$ 6,680,224	\$ 5,176,215
Business-type activities:						
Water services	\$ -	\$ -	\$ 2,536,710	\$ 2,523,892	\$ 2,313,551	\$ 2,303,604
Stormwater services	-	-	658,051	589,383	577,362	588,762
Building services	-	-	-	399,758	412,585	180,107
Total business-type activities program revenues	\$ -	\$ -	\$ 3,194,761	\$ 3,493,013	\$ 3,303,498	\$ 3,072,463
Net (expense)/revenue						
Governmental activities:	\$ (2,900,867)	\$ (3,540,668)	\$ (10,568,135)	\$ (6,168,477)	\$ (5,803,497)	\$ (6,163,423)
Business-type activities:	-	-	(441,987)	108,169	(281,894)	(146,122)
Total primary government net expense	\$ (2,900,867)	\$ (3,540,668)	\$ (11,010,122)	\$ (6,062,309)	\$ (6,085,391)	\$ (6,309,545)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property	\$ 2,825,627	\$ 3,118,686	\$ 3,347,470	\$ 3,758,727	\$ 4,088,601	\$ 4,359,832
Other	664,601	1,460,452	1,887,786	778,941	855,575	911,080
Hotel/Motel	-	-	-	293,468	343,237	299,009
Intergovernmental	972,701	516,456	-	-	-	-
Interest	129,783	270,858	205,453	288,082	287,039	122,221
Miscellaneous	550,130	475,007	1,924,816	87,364	61,084	158,261
Transfers	-	-	(2,994,093)	(235,000)	-	-
Total governmental activities	\$ 5,342,822	\$ 6,841,439	\$ 4,381,432	\$ 4,951,582	\$ 5,616,536	\$ 6,848,403
Business-type activities						
Interest	\$ -	\$ -	\$ 178,540	\$ 215,268	\$ 181,545	\$ 82,411
Miscellaneous	-	-	20,303	50,866	18,566	8,702
Transfers	-	-	2,994,093	235,000	-	-
Total Business-type activities	\$ -	\$ -	\$ 3,192,936	\$ 501,124	\$ 200,101	\$ 89,113
Change in Net Assets						
Governmental activities	\$ 2,441,955	\$ 2,300,771	\$ (6,186,703)	\$ (1,216,895)	\$ (187,961)	\$ (315,020)
Business-type activities	-	-	2,750,949	607,282	(81,793)	(57,009)
Total primary government	\$ 2,441,955	\$ 2,300,771	\$ (3,435,754)	\$ (609,613)	\$ (269,764)	\$ (372,029)

Note: The City implemented GASB Statement 34 with the year ended June 30, 2004. Data not available for years prior to 2003-04

Schedule 3
City of Central Point, Oregon
Governmental Activities Tax Revenues By Source
Last Six Fiscal Years

Fiscal Years Ended June 30,	2004	2005	2006	2007	2008	2009
Property taxes	\$ 2,825,627	\$ 3,118,666	\$ 3,347,470	\$ 3,758,727	\$ 4,068,601	\$ 4,359,832
Franchise taxes	-	-	-	778,941	855,575	911,080
Hotel/Motel taxes	-	-	-	293,468	343,237	299,009
Other taxes	864,601	1,460,452	1,897,786	-	-	-
Total	\$ 3,690,228	\$ 4,579,118	\$ 5,245,256	\$ 4,831,136	\$ 5,267,413	\$ 5,569,921

Note: The City implemented GASB Statement 34 with the year ended June 30, 2004. Data not available for years prior to 2003-04

Schedule 4
City of Central Point, Oregon
Fund Balances, Governmental Funds
(modified accrual basis of accounting)
Last Six Fiscal Years

	Fiscal Years Ended June 30,					
	2004	2005	2006	2007	2008	2009
General Fund						
Reserved	-	-	-	-	-	-
Unreserved	2,489,537	2,620,358	2,209,720	2,448,843	2,613,391	2,916,709
Total general funds	\$ 2,489,537	\$ 2,620,358	\$ 2,209,720	\$ 2,448,843	\$ 2,613,391	\$ 2,916,709
All other governmental funds						
Reserved, reported in:						
Debt service fund	9,507	2,835	78,455	87,591	39,619	98,807
Special revenue fund	-	61,945	-	-	-	-
Unreserved, reported in:						
Special revenue fund	1,256,820	5,281,808	2,120,243	3,139,464	1,688,137	1,871,334
Capital projects fund	5,422,851	2,445,135	177,638	128,915	566,497	161,166
Total all other governmental funds	\$ 6,689,178	\$ 7,791,723	\$ 2,376,336	\$ 3,355,970	\$ 2,294,253	\$ 2,131,307

Note: The City implemented GASB Statement 34 with the year ended June 30, 2004. Data not available for years prior to 2003-04.

Schedule 5
City of Central Point, Oregon
Changes in Fund Balances, Governmental Funds
(modified accrual basis of accounting)
Last Six Fiscal Years

Fiscal Years Ended June 30,	2004	2005	2006	2007	2008	2009
REVENUES:						
Taxes	\$ 3,753,389	\$ 4,563,177	\$ 5,283,064	\$ 4,655,097	\$ 5,033,472	\$ 5,270,507
Licenses and permits	561,713	597,762	496,318	59,485	57,915	58,990
Intergovernmental	972,701	516,456	859,084	2,138,190	1,516,709	1,523,005
Charges for services	3,402,472	3,932,428	244,375	2,783,099	2,320,486	2,194,384
Assessments	-	-	-	239,995	185,231	82,874
Fines and forfeitures	320,037	163,356	203,062	175,303	169,674	156,336
Investment earnings	129,763	270,858	205,452	265,232	264,844	109,949
Miscellaneous	573,546	435,450	2,337,826	85,783	60,567	106,849
Total Revenues	9,713,621	10,479,487	9,629,181	10,402,184	9,608,898	9,502,894
EXPENDITURES:						
Current						
General government	-	-	-	2,154,782	2,486,511	2,348,016
Public Safety	-	-	-	3,326,099	3,370,361	3,281,894
Highways and streets	-	-	-	3,660,993	3,067,269	1,449,439
Parks and recreation	-	-	-	1,115,899	1,597,851	3,012,564
Personal services	4,385,505	4,714,032	4,538,070	961,428	-	-
Materials and services	2,918,101	3,244,676	2,996,267	-	-	-
Debt service	-	70,773	207,813	-	-	-
Principal	207,943	-	-	173,615	468,792	499,342
Interest	21,712	-	-	108,068	154,171	180,764
Capital outlay	2,074,928	5,406,222	2,954,046	-	-	-
Total Expenditures	9,608,189	13,435,703	10,696,196	11,500,884	11,144,955	10,772,019
Excess of revenues over (under) expenditures	105,432	(2,956,216)	(1,067,015)	(1,098,700)	(1,536,057)	(1,269,125)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,244,175	45,000	1,269,941	50,000	30,000	62,500
Transfers out	(1,244,175)	(45,000)	(4,264,034)	(285,000)	(30,000)	(62,500)
State capital grants	-	1,470,286	-	-	-	-
Long term debt proceeds	-	2,657,351	-	2,552,457	638,889	1,409,496
Total other financings sources (uses)	-	4,127,637	(2,994,093)	2,317,457	638,889	1,409,496
Net Change In Fund Balance	105,432	1,171,421	(4,061,108)	1,218,757	(897,168)	140,371
Beginning fund balance	9,073,283	9,178,715	8,647,167	4,586,056	5,804,813	4,907,645
Ending fund balance	\$ 9,178,715	\$ 10,350,136	\$ 4,586,059	\$ 5,804,813	\$ 4,907,645	\$ 5,048,016
Debt service as a percentage of non-capital expenditures	3.05%	0.00%	0.00%	2.45%	5.59%	6.31%

Note: The City implemented GASB Statement 34 with the year ended June 30, 2004. Data not available for years prior to 2003-04.

Schedule 6
City of Central Point, Oregon
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Years Ended June, 30	Property Taxes	Franchise Taxes	Hotel/Motel Taxes	Other Taxes	Total
2000	\$ 2,466,770	\$ -	-	\$ 416,826	\$ 2,883,596
2001	2,752,263	-	-	472,569	3,224,832
2002	2,403,915	-	-	574,499	2,978,414
2003	2,576,658	-	-	578,796	3,155,454
2004	2,888,788	-	-	864,601	3,753,389
2005	3,102,725	-	-	1,460,452	4,563,177
2006	3,385,278	-	-	1,897,786	5,283,064
2007	3,582,688	778,941	293,468	-	4,655,097
2008	3,834,660	855,575	343,237	-	5,033,472
2009	4,060,418	911,080	299,009	-	5,270,507

Schedule 7
 City of Central Point, Oregon
 Assessed and Estimated Real Market Value of Taxable Property
 Last Ten Fiscal Years
 (in thousands of dollars)

Fiscal Year Ended	Taxable Assessed Value						Total		Real Market Value
	Real Property	Mobile Homes	Personal Property	Utilities	Non-Profit Housing	Total	Direct Tax Rate		
2000	\$ 394,117	\$ 21,221	\$ 7,857	\$ 7,809	\$ -	\$ 431,004	5.83	\$ 544,458	
2001	445,197	24,121	8,845	7,236	-	485,399	5.83	620,811	
2002	497,859	25,159	11,970	9,050	-	544,038	4.00	709,399	
2003	548,866	26,813	12,177	7,916	-	595,772	4.47	756,827	
2004	605,693	28,372	12,426	7,096	-	653,587	4.47	855,645	
2005	684,225	9,596	13,028	8,322	-	715,171	4.47	1,012,062	
2006	740,622	10,456	12,683	7,344	-	771,105	4.47	1,341,053	
2007	804,660	11,407	15,157	7,957	-	839,181	4.47	1,589,797	
2008	863,167	10,879	15,637	7,759	2,036	899,478	4.47	1,714,248	
2009	914,230	10,091	14,757	8,049	2,097	949,224	4.47	1,621,274	

Source: Jackson County Assessment Records

Notes:

- (1) For 2000 and 2001 this tax rate is determined by the City Charter.
- (2) For years after 2001 this rate was set by a statewide voter initiative and is referred to as the "maximum tax rate".
- (3) Any property taxes levied in excess than that derived through maximum tax rate requires local voter approval.
- (4) The City of Central Point levies only the maximum tax rate per \$1,000 of Taxable Assessed Value.
- (5) "Real Market Value" is the descriptive term contained in Oregon law that means "Estimated Actual Value of Taxable Property".

Schedule 8
City of Central Point, Oregon
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended	Central Point	Jackson County	Transit District	Vector Control District	Rogue Comm. College	Educ. Service District	Fire District #3	School District #6	Total
2000	\$ 5.83	\$ 2.25	\$ 0.18	\$ 0.04	\$ 0.51	\$ 0.35	\$ -	4.42	\$ 13.58
2001	5.83	2.55	0.18	0.04	0.51	0.35	-	6.09	15.55
2002	4.47	2.66	0.18	0.04	0.51	0.35	2.69	6.13	17.03
2003	4.47	4.53	0.17	0.04	0.50	0.34	2.53	4.54	17.12
2004	4.47	4.08	0.17	0.04	0.50	0.34	2.68	5.20	17.48
2005	4.47	3.94	0.17	0.04	0.50	0.34	2.69	5.06	17.21
2006	4.47	3.94	0.17	0.04	0.50	0.34	2.71	5.02	17.19
2007	4.47	3.60	0.17	0.04	0.62	0.34	2.72	5.09	17.05
2008	4.47	3.80	0.17	0.04	0.62	0.34	2.67	4.99	17.10
2009	4.47	3.61	0.17	0.04	0.61	0.34	2.67	5.00	16.91

Source: Jackson County Tax Assessor for Tax Area 602.

Schedule 9
City of Central Point, Oregon
Principal Property Taxpayers
Fiscal Years Ending June 30

Taxpayers	Type of Business	2009		Percentage of		2000		Percentage of	
		Assessed Valuation	\$	Total Assessed Valuation		Assessed Valuation		Total Assessed Valuation	
Twin Creeks Develop CO LLC	Builder/Developer	9,747,390	\$	1.03%					
USF Reddaway	Distribution	6,614,550		0.70%					
Investors II LLC	Builder/Developer	5,495,490		0.58%					
New Albertson's Inc	Shopping Center	4,535,660		0.48%					
SJ 1 LLC Et Al	Shopping Center	4,535,320		0.48%					
Twin Creeks Retirement	Retirement Living Community	4,469,920		0.47%					
Galpin Holdings LLC	Builder/Developer	3,829,930		0.40%					
Travel Center Development	Truck Stop/Store	3,880,740		0.41%					
Avista Corp	Gas Utility	3,946,000		0.42%					
Beebe Wood LLC	Builder/Developer	3,508,000		0.37%					
KJARRY LLC	Builder/Developer					3,099,220		0.33%	
Malot Enterprises LLC	Builder/Developer					2,777,810		0.29%	
C&K Market	Shopping Center					2,504,030		0.26%	
Qwest Corporation	Telephone Utility					2,589,400		0.27%	
Mountain View Plaza	Shopping Center					2,946,380		0.31%	
Dutro Alderwood LLC	Elderly Care Facility					2,472,650		0.26%	
Good Fortune LLC	Hotel					2,386,570		0.55%	
Hotel Invest Prop Two LLC	Hotel					2,354,130		0.55%	
Wal-Mart Stores Inc	Shopping Center					2,177,230		0.51%	
Furniture Row USA LLC	Shopping Center					2,098,980		0.49%	
RVM Central Point Housing Corpor	Retirement Living Community					2,096,630		0.49%	
Total Value Principal Taxpayers		\$ 50,563,000		5.33%		\$ 27,503,030		6.38%	
Total Assessed Value all Taxable Property		\$ 949,224,566				\$ 431,004,000			

Source: Jackson County Assessor's Office.

Schedule 10
City of Central Point, Oregon
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Total Tax Levy	Current Tax Collections	% of Levy Collected	Delinq. Tax Collections	Total Tax Collections	Percent of Total Tax Collect. to Tax Levy	Out-standing Delinq. Taxes	Percent of Delinq. Tax to Tax Levy
2000	\$ 2,520,147	\$ 2,338,698	92.8%	\$ 128,072	\$ 2,466,770	97.9%	\$ 242,410	9.6%
2001	2,831,066	2,625,272	92.7%	126,991	2,752,263	97.2%	263,222	9.3%
2002	2,438,822	2,258,577	92.6%	145,338	2,403,915	98.6%	258,832	10.6%
2003	2,654,758	2,436,255	91.8%	140,403	2,576,658	97.1%	256,975	9.7%
2004	2,912,038	2,747,523	94.4%	142,466	2,889,989	99.2%	192,613	6.6%
2005	3,184,363	3,012,368	94.6%	117,628	3,129,996	98.3%	198,099	6.2%
2006	3,737,802	3,238,731	86.6%	147,842	3,386,573	90.6%	158,995	4.3%
2007	3,902,856	3,491,251	89.5%	90,465	3,581,716	91.8%	256,846	6.6%
2008	4,017,179	3,799,328	94.6%	79,166	3,878,494	96.5%	271,213	6.8%
2009	4,244,501	3,943,985	92.9%	151,074	4,095,059	96.5%	336,457	7.9%

Source: City of Central Point Financial Records and Jackson County Assessor's Office

Note: Collections reflect cash transactions as presented on the Schedule of Property Tax Transactions.

Schedule 11
City of Central Point, Oregon
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year Ended	SDC Obligations	Financing Agreement	Capital Leases	Note Payable	Limited Tax Improvement Bonds
2000	\$ -	\$ -	\$ -	\$ 152,415	\$ -
2001	-	-	-	152,415	-
2002	-	-	-	152,415	-
2003	-	-	-	152,415	-
2004	-	-	180,812	152,415	-
2005	-	-	182,734	152,415	-
2006	-	-	134,897	267,077	-
2007	703,912	2,000,000	88,184	318,560	500,000
2008	576,786	1,836,000	38,762	245,720	457,214
2009	724,084	1,665,000	-	159,292	401,491

Notes

- (1) *Details of the City's outstanding debt can be found in the notes to the financial statements.*
- (2) *Fiscal years 2000 through 2005 were reported as Governmental Activities.*
- (3) *For fiscal years 2005 and 2006, debt balances by Governmental Activities and Business-type Activities are unavailable.*
- (4) *See notes to financial statements for 2008 and 2009 balances by Governmental Activities and Business-type Activities.*
- (5) ** Data not available as of 10/30/09*

Tax Exempt Financing Note	Certificates of Participation	Total Primary Government	Personal Income	% Personal Income	Debt Per Capita
\$ -	-	\$ 152,415	\$ 311,090,395	0.05%	\$ 12
-	-	152,415	343,297,300	0.04%	11
-	-	152,415	373,855,240	0.04%	11
-	-	152,415	392,600,750	0.04%	10
-	-	333,227	426,538,450	0.08%	22
-	2,700,000	3,035,149	471,280,120	0.64%	194
-	2,600,000	3,001,974	526,041,750	0.57%	181
-	2,500,000	6,110,656	578,151,000	1.06%	354
-	2,400,000	5,554,482	*N/A	*N/A	326
1,200,000	2,295,000	6,444,867	*N/A	*N/A	379

Schedule 12
City of Central Point, Oregon
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended	Limited Tax General Obligation Bonds	Less Amounts Available in Debt Service Fund	Total Obligation	Estimated Real Market Value (RMV) of Taxable Property	%of RMV	Population	Debt Per Capita
2000	\$ -	\$ -	\$ -	544,458,000	0.00%	12,665	-
2001	-	-	-	620,811,000	0.00%	13,460	-
2002	-	-	-	709,399,000	0.00%	14,120	-
2003	-	-	-	756,827,000	0.00%	14,750	-
2004	-	-	-	855,645,000	0.00%	14,950	-
2005	-	-	-	1,012,062,000	0.00%	15,640	-
2006	-	-	-	1,341,053,000	0.00%	16,550	-
2007	500,000	-	500,000	1,589,797,000	0.03%	17,250	28.99
2008	457,214	-	457,214	1,714,248,000	0.03%	17,025	26.86
2009	401,491	-	401,491	1,621,273,750	0.02%	17,160	23.40

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Source: City of Central Point Financial Records.

Notes: (1) Includes only limited tax improvements bonds relating to special assessments financed projects.
(2) Amounts available in Debt Service Fund are comingled and not separately identified to specific outstanding debt.

Schedule 13
City of Central Point, Oregon
Direct and Overlapping Governmental Activities Debt
As of June 30, 2009

Jurisdiction		Net Debt Outstanding (1)	Overlapping Debt Applicable within City of Central Point (2)		Amount Applicable Within City of Central Point
City of Central Point	\$	6,043,376	100.00%	\$	6,043,376
Jackson County					
School District 6		23,965,000	41.53%		9,952,968
Jackson County					
School District 549C		234,865,000	0.98%		2,290,760
				\$	<u>18,287,104</u>

Notes: (1) Source: Individual District's Financial Records
 (Amount does not include general obligation bonds for
 special assessment projects.)

(2) Source: Jackson County Tax Assessor.
 (The percentage is based on the ratio
 of Central Point Assessed Value within each School
 District to the total Assessed Value of each School District.)

**Schedule 14
Legal Debt Margin Information
Last Ten Fiscal Years**

<u>Fiscal Years Ended June 30,</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Debt limit	\$ 12,930,132	\$ 14,561,976	\$ 17,873,161	\$ 19,607,517	\$ 21,455,138
Total net debt applicable to debt limit	-	-	-	-	-
Total net debt applicable to debt limit as a percentage of debt limit	<u>\$ 12,930,132</u>	<u>\$ 14,561,976</u>	<u>\$ 17,873,161</u>	<u>\$ 19,607,517</u>	<u>\$ 21,455,138</u>

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 30,361,830	\$ 40,231,590	\$ 47,693,913	\$ 57,427,438
Total net debt applicable to debt limit	-	-	-	-
Total net debt applicable to debt limit as a percentage of debt limit	<u>\$ 30,361,830</u>	<u>\$ 40,231,590</u>	<u>\$ 47,693,913</u>	<u>\$ 57,427,438</u>

Legal Debt Margin Calculation for Fiscal Year

	<u>2009</u>
True Cash Value	\$ <u>1,621,273,750</u>
Debt Limit at 3% of True Cash Value	48,638,213
Amount of Debt Applicable to Debt Limit:	
Total bonded debt	
Tax Obligation Bonds	\$ <u>401,491</u>
Less: Deductions allowed by law	
Tax Obligation Bonds	<u>\$ 401,491</u> -
Legal Debt Margin	\$ <u>48,638,213</u>

Schedule 15
City of Central Point, Oregon
Pledged Revenue Coverage
Last Ten Fiscal Years

Utility System Revenue Notes (1)

Fiscal Year	Gross Revenues	Less: Operating Expenses	Plus: Interest Expenses	Net Available For Debt Service	Debt Service Requirements		Coverage (3)
					Principal	Interest	
2000	\$ 1,461,926	\$ 1,621,033	\$ 7,374	\$ (159,107)	\$ -	7,374	198
2001	1,574,205	1,194,853	7,374	379,352	-	7,374	213
2002	1,680,834	1,855,566	7,374	(174,732)	-	7,374	228
2003	1,712,617	1,820,927	7,374	(108,310)	-	7,374	232
2004	2,068,715	1,854,352	7,374	214,363	-	7,374	281
2005	2,020,840	1,702,884	7,374	317,956	-	7,374	274
2006	2,698,419	2,947,621	7,374	(249,202)	-	7,374	366
2007	2,694,693	2,796,492	7,374	(101,799)	-	7,374	365
2008	2,480,736	2,654,720	7,374	(173,984)	-	7,374	336
2009	2,377,591	2,850,993	7,374	(473,402)	-	7,374	322

Notes:

- (1) Includes Erickson Waterline note payable only
- (2) To be paid from gross water revenue
- (3) Based on gross water revenue

Schedule 16
City of Central Point, Oregon
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended	Population (1)	Per Capita Income (\$) (2)	Personal Income	Median Age (4)	Education Level In		School Enrollment Average Daily Members (3)	Unemployment Rate (%) (Jackson Co.) (2)
					Formal Schooling	High School/College (4)		
2000	12,665	24,563	311,090,395	34	86%	14%	4,579	5.7
2001	13,460	25,505	343,297,300	34	86%	14%	4,584	6.1
2002	14,120	26,477	373,855,240	34	86%	14%	4,620	7.4
2003	14,750	26,617	392,600,750	34	86%	14%	4,651	6.9
2004	14,950	28,531	426,538,450	34	86%	14%	4,624	7.1
2005	15,640	30,133	471,280,120	34	86%	14%	4,545	6.7
2006	16,550	31,785	526,041,750	34	86%	14%	4,647	6.0
2007	17,250	33,516	578,151,000	34	86%	14%	4,575	6.1
2008	17,025	*N/A	*N/A	34	86%	14%	4,668	6.7
2009	17,160	*N/A	*N/A	34	86%	14%	4,664	13.4

Source:

- (1) Certified by the Center for Population Research and Census, Portland State University
- (2) State of Oregon Employment Division; average for 12 months ended June 30th of each year.
- (3) School District # 6; using May of each year.

**Schedule 17
City of Central Point, Oregon
Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>Fiscal Year 2008/09</u>			<u>Fiscal Year 1999/00 (1)</u>		
	<u>Employees</u>	<u>Percent of Total City Population</u>	<u>Rank</u>	<u>Employees</u>	<u>Percent of Total City Employment</u>	<u>Rank</u>
School Dist 6	518	3.02%	1			
USF Reddaway	120	0.70%	2			
City of Central Point	91	0.53%	3			
Albertsons	77	0.45%	4			
Pilot Travel Center	66	0.38%	5			
Grange Co-op	60	0.35%	6			
Rays Food Place	53	0.31%	7			
Providence Medical Group	40	0.23%	8			
Quality Fence	40	0.23%	9			
Shari's	35	0.20%	10			
Total	1,100	6.41%				

Source: City of Central Point Finance Department

Note: (1) Accurate data was not readily available for the look back period of fiscal year 1999/2000.

Schedule 18
City of Central Point, Oregon
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
Administration	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	3.00	3.25
Finance	6.00	6.00	6.00	4.00	3.00	3.00	7.00	7.00	7.00	8.00
Personnel	-	-	-	-	-	-	1.00	1.00	1.00	1.00
Community Development	3.00	4.00	3.00	5.00	5.00	6.00	6.00	5.00	5.50	5.50
Public Safety										
Police	24.00	23.00	24.00	24.00	26.00	27.00	27.00	28.00	28.00	28.25
Physical Environment										
Building	4.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	4.00	2.50
Public Works	12.00	15.00	16.00	13.00	14.00	16.00	18.00	18.69	18.86	18.50
Transportation										
Streets & Fleet	6.00	6.00	7.00	6.00	6.00	6.00	8.00	7.31	6.64	6.00
Culture/Recreation										
Parks	-	-	-	-	-	-	-	-	3.00	5.00
Recreation	-	-	-	-	-	-	-	2.00	2.00	2.00
Total	58.00	62.00	64.00	61.00	63.00	67.00	77.00	79.00	79.00	80.00

Source: City of Central Point Finance Department payroll records

Schedule 19
 City of Central Point, Oregon
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Building Inspections										
Building Permits Issued		319	351	306	311	326	251	179	97	57
Finance										
Accounts Payable Checks Processed	5,085	4,213	4,515	4,765	5,169	5,334	5,519	4,105	5,030	3,548
Business Licenses						999	1,056	1,000	1,003	882
Average Number Utility Accounts		4,178	4,391	4,640	4,978	5,145	5,209	5,907	6,030	6,044
Public Works - Street Division										
Streets Cleaned (Miles)									800	800
Man Holes Inspected									198	198
Curb Inlets & Catch Basins Inspected									583	583
Water/Storm										
Fire Hydrants Flushed & Serviced									215	215
Water Valve Actuations									620	620
Water Meters Read									67,968	67,968
Blow-off Valves Flushed									18	18
Stormdrains Flushed & Cleaned (Miles)									16	16

Source: City of Central Point Records

Note: This is a new schedule; much of the information for prior years has not been kept and is therefore not available.

Schedule 20
 City of Central Point, Oregon
 Capital Asset Statistics By Function/Program
 Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub Station	0	0	0	0	0	0	1	1	1	1
Other Public Works										
Miles of Streets	45.74	48.95	68.33	70	71	71	71	71	71	71
Parks and Recreation										
Park acreage	22.32	22.32	28.56	31.49	31.49	41.92	71.87	134.87	135.12	186.48
Number of community parks	6	6	8	11	11	13	14	15	16	16
Number of neighborhood parks	2	2	3	3	3	3	4	5	5	5
Water										
Water Mains (miles)	58.68	68.4	63	73	73	73	77	77	77	86
Maximum Plant Capacity (MPG)										
Fire Hydrants										904

Source: City of Central Point Finance Department

Note: This is a new schedule; much of the information has not been kept and is therefore not available.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

2008 – 2009 AUDITORS' COMMENTS AND DISCLOSURES



INDEPENDENT AUDITOR'S COMMENTS AND DISCLOSURES

Audit Report Requirements

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

Accounting and Internal Control

In planning and performing our audit of the City of Central Point, we considered the condition of the City's accounting records and the adequacy of the City's internal control structure to be adequate for audit purposes.

Adequacy of Collateral Securing Depository Balances

Based on the results of our tests, balances on deposit with financial institutions were maintained throughout the year and at June 30, 2009 in accordance with the requirements of ORS 295.015.

Indebtedness

In our opinion, the City has not exceeded its legal debt limitation as provided by ORS 328.245. The City was in compliance with all debt covenants and all payments were made on a timely basis.

Budget Compliance

We reviewed the preparation, adoption, and execution of the budget for the current year and the adoption of the ensuing year's budget. In our opinion, the City has complied with statutory requirements for the current and ensuing year's budgets.

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2009.

Insurance and Fidelity Bonds Coverage

We reviewed compliance with legal requirements relating to insurance and fidelity bond coverage. During our audit we found no instances of noncompliance with the legal requirements pertaining to insurance and fidelity bond coverage. We are not competent by training to comment on the adequacy of the insurance policies covering City owned property at June 30, 2009.

Investments

In our opinion, the City is in compliance with the provisions of ORS 294 pertaining to the investment of public funds.

INDEPENDENT AUDITOR'S COMMENTS AND DISCLOSURES (Continued)

Programs Funded from Outside Sources

We selected and tested, to the extent deemed appropriate, transactions, records, and reports relative to programs funded wholly or partially by other governmental agencies. We did not consider the scope of our audit engagement as requiring us to make a complete audit examination of each project, and our audit opinion on the City's financial statements does not cover each individual grant or program. The grants are subject to audit by the grantor agency and any adjustment may become a liability of the appropriate fund.

Based on our tests of the accounting records, we were generally satisfied as to the propriety of accounting for such expenditures and revenues for the fiscal year ended June 30, 2009, subject to any adjustment subsequently required as a result of audits performed by the grantor agencies.

The City was not subject to the requirements of OMB Circular A-133.

Public Contracts and Purchasing

The City's procedures pertaining to the awarding of public contracts and the construction of public improvements were reviewed, and in our opinion, the City appears to be in compliance with ORS 279.

Highway Funds

In our opinion, the City is in compliance with legal requirements pertaining to the use of revenue from taxes on motor vehicles use fuel and road funds.