

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019

Prepared by:

Steven Weber, Finance Director

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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December 20, 2019

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 under the direction of a licensed municipal auditor. 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, 2019.

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, but not 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 Isler CPA, LLC; a firm of licensed certified public accountants. The engagement partner is Gatlin Hawkins, CPA and Licensed Municipal Auditor. The goal of the independent audit is to determine that the financial statements of the City of Central Point for the fiscal year ending June 30, 2019, 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 unmodified 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 to or 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 past did the building boom of southern Oregon significantly alter the landscape of this small community with housing and commercial projects spurring population growth and impacting the need for services that accompany growth. Typically, 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. The impact of the recent nationwide economic recession resulted in no significant growth in either population or residential or commercial projects; however, in recent months the City has had an encouraging increase in both interest in large commercial projects and actual commercial and residential building permit activity.

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, library, 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. While the mayor serves as the ceremonial head of the city and as presiding officer of the meetings, he is also a voting part of the Council and has no veto authority. The mayor has the authority to preserve order, enforce the rules and determine the order of business at the council meetings. With consent of council, the mayor appoints members of commissions and committees established by ordinance or resolution. 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 position of mayor and council members are elected for four year terms on alternating years in a 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 biennial budget serves as the foundation for the City of Central Point's financial planning and control. All departments of the City submit a two-year budget to the city manager who then oversees the preparation of a proposed biennial budget. The biennial budget is presented to a budget committee for review and approval and then submitted to city council for adoption prior to July 1 of the budget period.

Budgetary control is maintained through constant review by the City's finance director. Detailed monthly budget reports are prepared for the city manager 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 demands for retirement, assisted living and nursing home facilities. During the past recession, the City of Central Point and all cities within the Rogue Valley have experienced an increased number of lost jobs and one of the higher unemployment rates in the nation. During the same period of time, housing prices plummeted along with construction in the area, all of which had a negative effect on the City's building permit revenues and planning actions. However, during the past three years there are indications that the local economy is continuing to show improvement with the lowering of the unemployment rate and an increasing number of home sales at increasingly higher prices. Property tax assessments and collections continue to show improvement as well with a 4.50% increase in assessed value for property within the City limits and collection rate at 97%. This has resulted in General Fund revenues stabilizing.

Financial Policies

It has been a policy of the City's governing body and management to budget, plan and spend conservatively, and to make adjustments as early as possible when the need for change is identified. This unwritten policy of conservatism was beneficial and helped to stabilize and conserve the City and its services 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 actions taken to re-adjust staffing and prioritize projects to respond to the decline and the slowing of revenues. As a result, the City is currently maintaining financial and operating stability. The notion of sustainability has become an important consideration as we manage through adversity.

Additionally, the Mayor and Council adopted a formal "Financial Policy" that documents the procedures and standards that will guide the City as it continues to monitor and preserve its assets.

Long-term Financial Planning

Although not all future financial uncertainty can be eliminated, the City's adherence to the tools and techniques common to short-term reduced revenue situations as we recovered from the recent recession did offer certain advantages that have not been historically accessible. First, having nearly completed our first biennial budget, the City's management team is now comfortable with developing, implementing and managing a two-year budget. Second, we continue to update our long-term financial plan forecast, which allows for both short and long-term course correction. The most current rendition of the City's long-range financial plan offers important feedback on recently invoked austerity measures, the introduction of new utility fee-based revenue streams (public safety, parks maintenance and new franchise fees), and policies of restrained spending/conservative budgeting practices—all of which have resulted in ending fund balances, revenues and expenditures trending towards desirable outcomes. Perhaps even more encouraging, the broader United States domestic economy continues to recover with the majority of national economic indicators predicting moderate, steady overall growth during the upcoming biennium. It is our expectation that the next biennium will yield average gross domestic product (GDP) growth of 1.8-2.3 percent; which is down from the 3.0 percent achieved during 2018.

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, 2018. 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 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,



Chris Clayton
City Manager



Steve Weber
Finance Director

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

ELECTED OFFICIALS

June 30, 2019

<u>CITY COUNCIL</u>	<u>TERM EXPIRES</u>
Hank Williams, Mayor	December 31, 2020
Niel Olsen, Ward I	December 31, 2022
Kelley Johnson, Ward II	December 31, 2022
Ward III - Vacant	December 31, 2022
Tanee Brownning, Ward IV	December 31, 2020
Michael Parsons, At Large	December 31, 2022
Rob Hernandez, At Large	December 31, 2020

All council members receive mail at the address listed below.

CITY MANAGER

Chris Clayton

FINANCE DIRECTOR

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



Government Finance Officers Association

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

Presented to

**City of Central Point
Oregon**

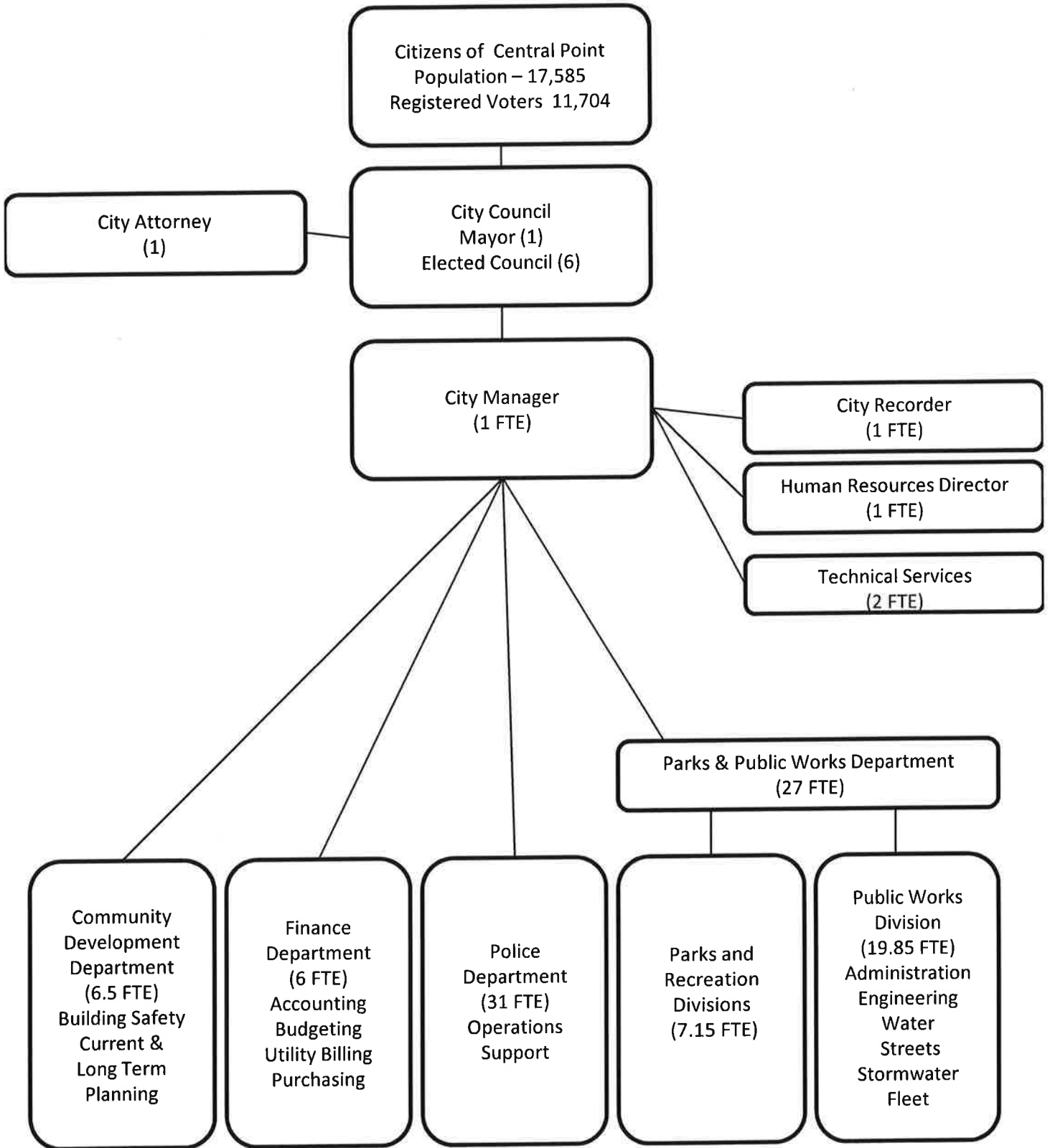
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

City of Central Point
75.5 FTE
For The Biennial Budget 2017/2019





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Eugene, OR 97403
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Central Point, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Central Point, Oregon ("City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019 and the respective changes in net position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; the required supplementary schedules of the City's Proportionate Share of Net Pension Liability and the City's Pension Contributions; and the general fund, street fund and Economic Development Commission budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis as listed in the table of contents in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The required supplementary schedules of the City's Proportionate Share of Net Pension Liability and the City's Pension Contributions and the budgetary comparison information for the General Fund, Street Fund, and Economic Development Commission have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

The combining and individual nonmajor fund financial statements and budgetary comparisons are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 20, 2019, on our consideration of the City's compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA

A handwritten signature in cursive script that reads "Gatlin Hawkins".

By: Gatlin Hawkins, CPA, a member of the firm

Eugene, Oregon
December 20, 2019

**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, 2019. 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 (In Thousands of Dollars)

These highlights have been identified from the financial results of the 2018-19 fiscal year as reported on the government-wide statements - the Statement of Net Position and the Statement of Activities:

- Total assets and deferred outflows of resources of the City, including both governmental and business-type activities exceeded its total liabilities and deferred inflows of resources at June 30, 2019, the close of the most recent fiscal year, by approximately \$62,751 (net position). Of this amount, \$331 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total current and other assets, including both governmental and business-type activities, decreased \$1,619 to \$13,684 while total current and other liabilities due with one year, including both governmental and business-type activities, decreased \$1,352 to \$1,834. These changes were expected due to work on several large capital projects.
- Total capital assets decreased \$641 due to capital asset purchases and disposals as well as depreciation expense in the current year. This decrease consisted of a \$1,155 decrease in governmental activities capital assets and a \$514 increase in business-type capital assets. Capital asset additions during the current year consisted of \$1,188 in government activities, including internal services, and \$1,287 in business-type activities. Depreciation expense consisted of \$2,991 in governmental activities, including internal services, and \$774 in business-type activities.
- The City's total current portion of noncurrent liabilities decreased \$131 to \$934. This decrease consists of an \$81 decrease in the current portion of compensated absences and a \$50 decrease in current maturities of long-term debt.
- The City's noncurrent portion of long-term liabilities increased \$478 to \$18,259. This increase is due primarily to a \$967 increase to the net pension liability and a \$575 reduction in existing long-term debt. The final component of the change is an increase of \$85 to the long-term portion of compensated absences.
- The City's total deferred outflows, including both governmental and business-type activities, increased \$511 to \$3,268 while total deferred inflows, including both governmental and business-type activities, increased \$179 to \$853.
- A significant impact in the City's change in net position from year to year is the continued impact of GASB Statement No. 68 relating to pension reporting. The effects of the Moro decision as ruled by the Oregon Supreme Court on April 30, 2015 as well as the OPERS investment performance as measured on December 31, 2017 and rolled forward has led to large swings in net pension liability from year to year. For June 30, 2019 the City's net pension liability increased from \$7,467 to \$8,171.
- Overall net position for governmental activities decreased \$1,428 to \$36,248. The decrease consisted of a \$1,240 increase from operations, a \$2,991 decrease due to depreciation expense and a decrease of \$372 due to the GASB Statement No. 68 pension reporting. Expenses of governmental activities increased \$498 to \$14,966. Revenue increased \$1,467 to \$13,726. There was a significant increase in charges for services of \$1,180 due to a large commercial multi-unit apartment complex. There was a decrease in tax

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

collections of \$341 which was offset by an increase of \$597 in miscellaneous revenue as a result of developer's contribution of \$500 to a major streets project.

- Overall, the net position for business-type activities increased \$269 to \$26,503. Expenses of the business type activities decreased \$43 to \$4,431. Overall revenues of the business-type activities decreased \$165 to \$4,699. Overall program revenues decreased \$170 to \$4,620.
- Except as noted on the statement of net position, there are no restrictions, commitments, or other limitations on net position, fund equities or fund balances at June 30, 2019 that significantly affect the availability of fund resources for future use.
- The City Council, through the adoption of the biennial budget, has established a conservative financial policy as the economy continues to recover from the financial effects of the most recent recession, and a stated policy of not wanting to reduce the level of City services provided to the community. In response to these policies, the City staff continues to reevaluate and reassign staff in an effort to maintain the current level of City services, even though staff vacancies due to attrition and retirement have occurred. In 2007 the number of City FTE employees peaked at 85.5; since then the City has reduced staffing by 9.0 positions ending with 76.5 employees at June 30, 2019. This current year end employee count compares to 75.0 at June 30, 2016; 72.75 at June 30, 2012, up to 85.5 at 2007.

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.
- 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 position includes all of the government's assets deferred outflows, liabilities and deferred inflows. 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 position and how it has changed since the previous year end. Net position - the difference between the City's assets, deferred outflows, deferred inflows and liabilities - are one way to measure the City's financial health or position.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Over time, increases or decreases in the City's net position is 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 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 explains 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 functions of the building department and the water and storm water utilities. 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 (In Thousands of Dollars)

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

By far the largest portion of the City's net position (88%) is the net investment in capital assets (land, buildings, equipment and infrastructure improvements). These capital assets are used to deliver governmental and business-type services to citizens and are not available for future spending. Net investment in capital assets decreased \$16 during the year.

The next portion (12%) of net position is noted as restricted. This net position is subject to external restrictions on how the related assets can be used. Restricted net position decreased \$1,343 during the year due to scheduled debt payments and the completion of a major streets project.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The final portion (less than 1%) of net position is noted as unrestricted. This represents resources that may be used to meet the ongoing obligations to citizens and creditors. The unrestricted net position increased by \$199.

Overall, the City's financial condition deteriorated during the 2018-19 fiscal year as evidenced by the decline in total net position of \$1,160. However, the majority of the governmental activities net position decrease of \$1,428 consisted of \$2,896 depreciation expense, \$1,451 in operations, and a \$584 in net pension expenses. The business-type net position increase of \$268 includes a combination of \$169 decrease in program revenues and a decrease of \$83 in operation expenses. Changes in net position from operations in both governmental activities and business-type activities are as expected and planned for in the budget. The City has the capacity and resources to continue to weather the residual effects of the economic recession, particularly as signs of stability and improvement in the community begin to be seen. However, the impact of GASB Statement No. 68 going forward appears to be largely outside the control of City management.

Summary of the *Statement of Net Position*:

City of Central Point Net Position (In Thousands of Dollars)						
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2018-19</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2017-18</u>
ASSETS						
Current and Other Assets	\$ 9,942	\$ 10,815	\$ 3,742	\$ 4,488	\$ 13,684	\$ 15,303
Capital Assets, Net	37,937	39,092	28,809	28,295	66,746	67,387
Total Assets	<u>47,879</u>	<u>49,907</u>	<u>32,551</u>	<u>32,783</u>	<u>80,430</u>	<u>82,690</u>
DEFERRED OUTFLOWS OF RESOURCES						
Related to Pensions	<u>2,904</u>	<u>2,439</u>	<u>364</u>	<u>318</u>	<u>3,268</u>	<u>2,757</u>
LIABILITIES						
Current and Due Within One Year	1,272	1,970	562	1,216	1,834	3,186
Long-Term Liabilities	5,245	5,731	4,843	5,144	10,088	10,875
Net pension Liability	7,260	6,373	911	1,094	8,171	7,467
Total Liabilities	<u>13,777</u>	<u>14,074</u>	<u>6,316</u>	<u>7,454</u>	<u>20,093</u>	<u>21,528</u>
DEFERRED INFLOWS OF RESOURCES						
Related to Pensions	<u>758</u>	<u>596</u>	<u>95</u>	<u>78</u>	<u>853</u>	<u>674</u>
NET POSITION						
Net investment in						
Capital Assets	32,576	33,038	23,656	23,210	56,232	56,248
Restricted Assets	6,189	6,998	-	534	6,189	7,532
Unrestricted Assets	(2,517)	(2,360)	2,847	2,491	330	131
Total Net Position	<u>\$ 36,248</u>	<u>\$ 37,676</u>	<u>\$ 26,503</u>	<u>\$ 26,235</u>	<u>\$ 62,751</u>	<u>\$ 63,911</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Summary of the *Statement of Activities*:

**City of Central Point
Change in Net Position
(In Thousands of Dollars)**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2018-19</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2017-18</u>
REVENUES						
Program Revenues						
Charges for Services	\$ 2,996	\$ 1,815	\$ 4,454	\$ 4,662	\$ 7,450	\$ 6,477
Grants and Contributions						
Operating	1,960	1,864	-	-	1,960	1,864
Capital	-	50	166	128	166	178
General Revenues						
Property Taxes	6,013	6,357	-	-	6,013	6,357
Franchise Taxes	1,275	1,269	-	-	1,275	1,269
Hotel/Motel Taxes	492	495	-	-	492	495
Interest	253	288	74	68	327	356
Gain on Sale of Capital Assets	18	-	-	-	18	-
Miscellaneous	719	121	5	6	724	127
Total Revenues	<u>13,726</u>	<u>12,259</u>	<u>4,699</u>	<u>4,864</u>	<u>18,425</u>	<u>17,123</u>
EXPENSES						
Functions						
General Government	4,351	4,390	-	-	4,351	4,390
Public Safety	6,123	5,878	-	-	6,123	5,878
Highways and Streets	2,605	2,292	-	-	2,605	2,292
Parks and Recreation	1,679	1,571	-	-	1,679	1,571
Community Development	21	86	-	-	21	86
Interest	187	251	-	-	187	251
Water Services	-	-	3,315	3,427	3,315	3,427
Stormwater Services	-	-	893	851	893	851
Building Services	-	-	223	196	223	196
Total Expenses	<u>14,966</u>	<u>14,468</u>	<u>4,431</u>	<u>4,474</u>	<u>19,397</u>	<u>18,942</u>
Excess (Deficiency) before transfers	(1,240)	(2,209)	268	390	(972)	(1,819)
Transfers	-	-	-	-	-	-
CHANGE IN NET POSITION	<u>(1,240)</u>	<u>(2,209)</u>	<u>268</u>	<u>390</u>	<u>(972)</u>	<u>(1,819)</u>
BEGINNING NET POSITION	37,676	39,885	26,235	25,845	63,911	65,730
Restatement	(188)	-	-	-	(188)	-
As Restated	<u>37,488</u>	<u>39,885</u>	<u>26,235</u>	<u>25,845</u>	<u>63,723</u>	<u>65,730</u>
ENDING NET POSITION	<u>\$ 36,248</u>	<u>\$ 37,676</u>	<u>\$ 26,503</u>	<u>\$ 26,235</u>	<u>\$ 62,751</u>	<u>\$ 63,911</u>

Financial analysis of the City (In Thousands of Dollars)

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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

- **General Fund:** At June 30, 2019, the fund balance for the General Fund was \$4,004, an increase of \$21 from the previous year. Fund balance components include \$13 non-spendable relating to prepaid items and \$3,991 that is unassigned. In total, fund balance represents approximately 42% of the 2018-19 total general fund expenditures. While revenues increased \$397 - about 4.3%, expenditures increased \$609 - about 6.9%. Interfund transfers out were decreased to \$50 from \$196. Current year results provided an anticipated increase in General Fund carryover of \$21. Also, since the 2008-09 fiscal year, as compelling evidence of local and regional economic challenges became more evident, the management of every department has been focused on conserving resources in whatever manner possible while still preserving services. This trend of conservation is still ongoing and is reflected in the 2019-21 biennial budget.
- **Street Fund:** At June 30, 2019, the fund balance of the Street Fund consisted of a restricted amount of \$2,724 from state shared gas taxes and system development charges. Compared to last year, revenues increased \$686 due to state gas tax revenues increasing (\$166) and a local developer's contribution to a major street project (\$500). Expenditures increased by \$498 primarily due to a large infrastructure project. These changes caused fund balance to decrease by \$691 to \$2,724. The fund balance is attributed to unspent state shared gas tax and system development charges (restricted) and is available and budgeted for ongoing street maintenance.
- **Economic Development Fund:** At June 30, 2019, the fund balance of the Economic Development Fund primarily consisted of an unrestricted deficit amount of \$2,928. Compared to last year, revenues increased \$83. Expenditures decreased by \$3,522 due to the East Pine Streetscaping project, which was financed through an advance from the City, being completed in the prior year.
- **Debt Service Fund:** The Debt Service Fund accounts all debt relating to and paid by governmental activities. Annual debt service is funded by a recurring state payment relating to a prior joint city/state construction project, a share of the City's monthly utility fees, assessments received from special assessment payments of property owners benefited by past water construction projects and transfers from the General, Street and Capital Improvement funds. These activities resulted in a decrease to ending fund balance of \$119 to \$3,465. The ending fund balance is restricted to future debt service payments.
- **Water Fund:** At June 30, 2019, the net position of the Water Fund reports an increase of \$180 from operations and a decrease of \$112 in other areas, resulting in an ending net position of \$17,194. Operating revenue increased \$25 to \$3,364. Operating expenses of \$3,184 reflected a decrease of \$111 over the prior year. Operating income was \$180 compared to \$44 for the prior year. Non-operating activity for the year consisted of investment earnings of \$18 and interest expense of \$131. Last year's non-operating activity included investment earnings of \$38 and interest expense of \$132. SDCs were \$128 in the current year compared to \$84 in the previous year - an increase of \$44. These changes resulted in a \$196 increase in net position at year end.
- **Stormwater Fund:** At June 30, 2019, the net position of the Stormwater Fund reports an increase of \$4 from operations and an increase of \$61 from other areas, resulting in an ending net position of \$8,815. Stormwater utility operations were as planned and budgeted. Operating revenue decreased \$85 to \$884. Operating expenses increased \$29 to \$880. Operating income of \$4 was realized compared to operating income of \$118 in the previous year. Non-operating income from investment earnings increased \$17 to \$37 and system development charges decreased \$6 to \$38. These changes resulted in a \$65 increase in net position at year end.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

- **Internal Services Fund:** At June 30, 2019, the net position of the Internal Services Fund was \$193, as restated, having declined \$86 from the 2017-18 fiscal year. This decline was caused by a new fleet lease and facility improvements, while operations provided an increase of \$335. Interfund revenues increased \$52 to \$1,368 and operating expenses increased \$50 to \$1,450. Operating loss was \$82 and non-operating income was \$21. Transfers out were \$25. Combined this resulted in an \$86 decrease in net position. The Internal Service Fund revenues consist primarily of rental and overhead fees charged to City departments. Fluctuations in revenues and expenses over the years in this fund are generally caused by either fleet or facility projects requiring capital asset purchases.

General Fund budgetary highlights

The expenditures and revenues of the General Fund are well matched and there were only two significant variances from the original budget. The City approved a supplemental budget via resolution in May 2019 primarily for the purpose of correcting the originally adopted budget due to formula errors. More information about the City's budget process, legal requirements, and results for the year is presented in Note 1 to the financial statements.

Capital assets

The City of Central Point's investment in capital assets for its governmental and business type activities as of June 30, 2019, amounts to \$66,746 (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. During 2018-19, approximately \$2,237 of capital asset additions relating to the City's buildings, equipment, computers and software, and streets and utility infrastructure were added, \$42 were deleted, and depreciation expense totaled \$3,765. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

Long term debt

At June 30, 2019, the City had \$11,023 of long-term debt compared to \$11,643 the previous year end. This amount includes \$10,514 of bonds and notes payable and \$509 of compensated absences payable. Principal debt repayment of the City's bonds and notes payable during the year totaled \$1,243, including scheduled maturities of \$296 and \$6 of SDC obligations were paid as expected or expired. The City's compensated absences increased \$257 by employee service and declined \$253 as employees took time off for a net increase of \$66. More detailed information about the City's long-term debt is presented in the Notes 5 and 6 to the financial statements.

Economic factors and the new year budget

The governmental funds' largest revenue sources are property taxes, franchise fees, fees for charges and services, and state shared revenues. The State does not have a sales tax, resulting in local government's heavy reliance on property taxes and other self-generated revenues including franchise fees, business licenses, permits, etc. The State of Oregon moved from a tax base system to a tax rate system in the 1990's. In 2019, the City's assessed value increased by 3.33%, which shows a stabilizing housing market within the City compared to much higher increases in assessed values in recent years.

The City, along with other local governments across the State, continues to pay a larger portion of employee retirement costs of the State-run pension fund. The Oregon Public Employees Retirement System (PERS) sets the contribution rates biannually. Fiscal year 2018-19 was the last year of the new biennium rates. In September 2018, the PERS Board released fiscal year 2019-20 and 2020-21 rates. The rates for the current biennium and following biennium are as follows, respectively: Tier I/II employee at 20.60% (increasing to 24.86% on July 1, 2019), Oregon Public Service Retirement Plan (OPSRP) general employees at 13.01% (increasing to 17.54% on July 1, 2019) and OPSRP Police/Fire employees at 17.78% (increasing to 22.17% on July 1, 2019). Lastly, just last month the PERS Board released potential new rates for the 2021-23 biennium which shows Tier I/II employee increasing to 27.20%, OPSRP general employee increasing to 21.79% and OPSRP Police/Fire employees to 26.16%. Final contribution rates for the 2021-23 biennium will not be voted on by the PERS Board until November

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

2020 but the City will continue to monitor any interim information released by the PERS Board to determine the exact impact on the City's budget moving forward.

Business-type activities are funded through water, Stormwater rates and system development charges. The City has the ability to increase rates to keep pace with growing costs as well as increasing demands on the City's systems. The City generally increases water and Stormwater rates annually in the spring.

In the budget process and throughout the year, City staff carefully considered many options and made appropriate financial and operating decisions in an effort to retain sufficient carryover to continue current service levels as long as possible. City Council and staff are always evaluating 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 POSITION
June 30, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 8,879,487	\$ 3,142,939	\$ 12,022,426
Receivables			
Taxes	362,919	-	362,919
Accounts	686,621	571,836	1,258,457
Prepaid expenses	13,030	-	13,030
Supply inventory	-	26,661	26,661
Capital assets			
Capital assets not being depreciated	8,086,881	2,735,743	10,822,624
Capital assets, net of accumulated depreciation	<u>29,850,405</u>	<u>26,073,029</u>	<u>55,923,434</u>
Total Assets	<u>47,879,343</u>	<u>32,550,208</u>	<u>80,429,551</u>
Deferred outflows of resources:			
Deferred outflow of resources related to pensions	<u>2,904,074</u>	<u>364,214</u>	<u>3,268,288</u>
Liabilities:			
Accounts payable	390,551	51,445	441,996
Accrued payroll	296,871	-	296,871
Accrued interest	14,091	24,642	38,733
Deposits	-	122,431	122,431
Noncurrent liabilities			
Compensated absences			
Due within one year	144,287	27,303	171,590
Due in more than one year	310,223	27,302	337,525
Long-term debt			
Due within one year	425,947	336,819	762,766
Due in more than one year	4,935,402	4,815,857	9,751,259
Net pension liability	<u>7,259,998</u>	<u>910,510</u>	<u>8,170,508</u>
Total liabilities	<u>13,777,370</u>	<u>6,316,309</u>	<u>20,093,679</u>
Deferred inflows of resources:			
Deferred inflow of resources related to pensions	<u>757,577</u>	<u>95,010</u>	<u>852,587</u>
Net position:			
Net investment in capital assets	32,575,937	23,656,096	56,232,033
Restricted for:			
Debt service	3,464,615	-	3,464,615
Utility systems enhancements (Gas tax and SDCs)	2,724,387	-	2,724,387
Unrestricted	<u>(2,516,469)</u>	<u>2,847,007</u>	<u>330,538</u>
Total net position	<u>\$ 36,248,470</u>	<u>\$ 26,503,103</u>	<u>\$ 62,751,573</u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 4,350,451	\$ 2,119,339	\$ 588,136	\$ -	\$ (1,642,976)	\$ -	\$ (1,642,976)
Public safety	6,122,649	-	-	-	(6,122,649)	-	(6,122,649)
Highways and streets	2,605,056	876,984	1,371,419	-	(356,653)	-	(356,653)
Parks and recreation	1,679,351	-	-	-	(1,679,351)	-	(1,679,351)
Community development	20,955	-	-	-	(20,955)	-	(20,955)
Interest on long-term debt	187,329	-	-	-	(187,329)	-	(187,329)
Total governmental activities	<u>14,965,791</u>	<u>2,996,323</u>	<u>1,959,555</u>	<u>-</u>	<u>(10,009,913)</u>	<u>-</u>	<u>(10,009,913)</u>
Business-type activities							
Water services	3,314,865	3,358,876	-	128,342	-	172,353	172,353
Stormwater services	893,686	883,500	-	37,928	-	27,742	27,742
Building services	222,732	211,861	-	-	-	(10,871)	(10,871)
Total business-type activities	<u>4,431,283</u>	<u>4,454,237</u>	<u>-</u>	<u>166,270</u>	<u>-</u>	<u>189,224</u>	<u>189,224</u>
Total primary government	<u>\$ 19,397,074</u>	<u>\$ 7,450,560</u>	<u>\$ 1,959,555</u>	<u>\$ 166,270</u>	<u>(10,009,913)</u>	<u>189,224</u>	<u>(9,820,689)</u>
General revenues							
Property taxes					6,012,942	-	6,012,942
Franchise taxes					1,275,213	-	1,275,213
Hotel/Motel taxes					492,359	-	492,359
Interest					252,663	73,608	326,271
Gain on capital asset disposal					18,136	-	18,136
Miscellaneous					718,700	5,582	724,282
Total general revenues					8,770,013	79,190	8,849,203
Change in net position					(1,239,900)	268,414	(971,486)
Beginning net position					37,676,343	26,234,689	63,911,032
Prior period restatement (see Note 12)					(187,973)	-	(187,973)
Beginning net position, as restated					<u>37,488,370</u>	<u>26,234,689</u>	<u>63,723,059</u>
Ending net position					<u>\$ 36,248,470</u>	<u>\$ 26,503,103</u>	<u>\$ 62,751,573</u>

See accompanying notes to the basic financial statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019**

	GENERAL FUND	STREET FUND	ECONOMIC DEVELOPMENT COMMISSION	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS						
Cash and investments	\$ 3,919,995	\$ 2,609,828	\$ 484,791	\$ 47,615	\$ 1,458,936	\$ 8,521,165
Receivables:						
Taxes	345,799	-	17,120	-	-	362,919
Accounts receivable	390,377	296,244	-	-	-	686,621
Interest Receivable	-	-	-	-	-	-
Prepaid items	13,030	-	-	-	-	13,030
Advance to other funds	-	-	-	3,417,000	-	3,417,000
Total assets	\$ 4,669,201	\$ 2,906,072	\$ 501,911	\$ 3,464,615	\$ 1,458,936	\$ 13,000,735
LIABILITIES						
Accounts payable	67,766	181,685	-	-	16,362	265,813
Payroll taxes and salaries	296,871	-	-	-	-	296,871
Advance from other funds	-	-	3,417,000	-	-	3,417,000
Total liabilities	364,637	181,685	3,417,000	-	16,362	3,979,684
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	285,193	-	13,139	-	-	298,332
Unavailable notes and accounts receivable	15,703	-	-	-	-	15,703
Total deferred inflows of resources	300,896	-	13,139	-	-	314,035
FUND BALANCE						
Nonspendable	13,030	-	-	-	-	13,030
Restricted	-	2,724,387	-	3,464,615	-	6,189,002
Committed	-	-	-	-	1,442,574	1,442,574
Unassigned	3,990,638	-	(2,928,228)	-	-	1,062,410
Total fund balances	4,003,668	2,724,387	(2,928,228)	3,464,615	1,442,574	8,707,016
Total liabilities, deferred inflows of resources and fund balances	\$ 4,669,201	\$ 2,906,072	\$ 501,911	\$ 3,464,615	\$ 1,458,936	\$ 13,000,735

See accompanying notes to the basic financial statements

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

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
June 30, 2019**

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

Total fund balances - governmental funds	\$	8,707,016
The cost of governmental capital assets (land, buildings, improvements, machinery and equipment, infrastructure, intangibles, 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.		37,407,666
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.		
Accrued interest	\$ (12,785)	
Long-term debt	<u>(5,266,829)</u>	(5,279,614)
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(414,843)
Assets, liabilities, deferred inflows and outflows related to the City's portion of the State-wide pension plan are not current resources or requirements and therefore are not reported in the funds;.		
Net pension liability	(6,643,483)	
Deferred outflow of resources related to pensions	2,657,462	
Deferred inflow of resources related to pensions	<u>(693,244)</u>	(4,679,265)
Unavailable revenues are not earned in the current period and therefore are not reported as revenues in the funds		
Unavailable revenue		
Property taxes levied but not collected	298,332	
Long term notes and accounts receivable	<u>15,703</u>	314,035
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 Position.		<u>193,475</u>
Total net position - governmental activities	\$	<u>36,248,470</u>

See accompanying notes to the basic financial statements

**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, 2019**

	GENERAL FUND	STREET FUND	ECONOMIC DEVELOPMENT COMMISSION	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES						
Taxes	\$ 7,212,081	\$ 177,000	\$ 434,398	\$ -	\$ -	\$ 7,823,479
Licenses and permits	159,841	-	-	-	-	159,841
Intergovernmental	588,136	1,371,419	-	-	-	1,959,555
Charges for services	1,150,216	876,984	-	238,621	256,256	2,522,077
Fines and forfeitures	68,481	-	-	-	-	68,481
Investment earnings	120,687	80,376	10,249	969	32,733	245,014
Miscellaneous	163,450	500,657	-	-	-	664,107
Total revenues	<u>9,462,892</u>	<u>3,006,436</u>	<u>444,647</u>	<u>239,590</u>	<u>288,989</u>	<u>13,442,554</u>
EXPENDITURES						
Current:						
General government	3,128,730	-	-	-	-	3,128,730
Public safety	4,688,711	-	-	-	-	4,688,711
Highways and streets	-	3,621,343	-	-	-	3,621,343
Parks and recreation	1,574,833	-	-	-	35,084	1,609,917
Community Development	-	-	39,644	-	-	39,644
Debt service:						
Principal	-	-	-	459,946	-	459,946
Interest	-	-	91,981	96,961	-	188,942
Total expenditures	<u>9,392,274</u>	<u>3,621,343</u>	<u>131,625</u>	<u>556,907</u>	<u>35,084</u>	<u>13,737,233</u>
Excess of revenues over (under) expenditures	<u>70,618</u>	<u>(614,907)</u>	<u>313,022</u>	<u>(317,317)</u>	<u>253,905</u>	<u>(294,679)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	197,835	25,000	222,835
Transfers out	(49,935)	(76,000)	-	-	(71,900)	(197,835)
Total	<u>(49,935)</u>	<u>(76,000)</u>	<u>-</u>	<u>197,835</u>	<u>(46,900)</u>	<u>25,000</u>
Net change in fund balance	20,683	(690,907)	313,022	(119,482)	207,005	(269,679)
Beginning fund balance	<u>3,982,985</u>	<u>3,415,294</u>	<u>(3,241,250)</u>	<u>3,584,097</u>	<u>1,235,569</u>	<u>8,976,695</u>
Ending fund balance	<u>\$ 4,003,668</u>	<u>\$ 2,724,387</u>	<u>\$ (2,928,228)</u>	<u>\$ 3,464,615</u>	<u>\$ 1,442,574</u>	<u>\$ 8,707,016</u>

See accompanying notes to the 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**

For the Fiscal Year Ended June 30, 2019

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

Total net change in fund balances - governmental funds \$ (269,679)

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	\$ 1,752,689	
Depreciation expense	<u>(2,895,911)</u>	
Net adjustment		(1,143,222)

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.

Accrued interest	1,613	
Compensated absences	<u>5,149</u>	6,762

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This is the amount by which bond proceeds exceeded principal retirement in the current period.

Expiration of SDC Credits	245,924	
Bond and notes payable principal payments	<u>588,813</u>	834,737

Expenses related to pension obligations not using current resources (539,841)

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

Property taxes		(42,965)
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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 position		<u>(85,692)</u>
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Change in net position - governmental activities \$ (1,239,900)

See accompanying notes to the basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICES FUND
ASSETS					
Current assets					
Cash and investments	\$ 692,677	\$ 1,684,076	\$ 766,186	\$ 3,142,939	\$ 358,322
Accounts receivable	491,985	79,851	-	571,836	-
Supply inventory	26,661	-	-	26,661	-
Total current assets	<u>1,211,323</u>	<u>1,763,927</u>	<u>766,186</u>	<u>3,741,436</u>	<u>358,322</u>
Noncurrent assets					
Capital assets not being depreciated	2,243,623	492,120	-	2,735,743	6,430
Capital assets being depreciated, net	19,055,794	7,017,235	-	26,073,029	523,190
Total noncurrent assets	<u>21,299,417</u>	<u>7,509,355</u>	<u>-</u>	<u>28,808,772</u>	<u>529,620</u>
Total assets	<u>22,510,740</u>	<u>9,273,282</u>	<u>766,186</u>	<u>32,550,208</u>	<u>887,942</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pensions	249,263	47,440	67,511	364,214	246,612
LIABILITIES					
Current liabilities					
Accounts payable	16,558	15,362	19,525	51,445	124,738
Developer and customer deposits	-	-	122,431	122,431	-
Accrued interest	10,593	14,049	-	24,642	1,306
Current portion of long-term debt					
Financing agreements	-	79,225	-	79,225	46,679
Notes payable	257,594	-	-	257,594	-
Compensated absences	17,982	3,818	5,503	27,303	19,834
Total current portion of long-term debt	<u>275,576</u>	<u>83,043</u>	<u>5,503</u>	<u>364,122</u>	<u>66,513</u>
Total current liabilities	<u>302,727</u>	<u>112,454</u>	<u>147,459</u>	<u>562,640</u>	<u>192,557</u>
Noncurrent liabilities					
Notes payable	4,557,406	-	-	4,557,406	-
Financing agreements	-	258,451	-	258,451	47,841
Compensated absences	17,981	3,818	5,503	27,302	19,833
Net pension liability	623,141	118,596	168,773	910,510	616,515
Total long-term liabilities	<u>5,198,528</u>	<u>380,865</u>	<u>174,276</u>	<u>5,753,669</u>	<u>684,189</u>
Total liabilities	<u>5,501,255</u>	<u>493,319</u>	<u>321,735</u>	<u>6,316,309</u>	<u>876,746</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pensions	65,024	12,375	17,611	95,010	64,333
NET POSITION					
Net investment in capital assets	16,484,417	7,171,679	-	23,656,096	435,100
Unrestricted	709,307	1,643,349	494,351	2,847,007	(241,625)
Total net position	<u>\$ 17,193,724</u>	<u>\$ 8,815,028</u>	<u>\$ 494,351</u>	<u>\$ 26,503,103</u>	<u>\$ 193,475</u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICES FUND
OPERATING REVENUES					
Charges for services	\$ 3,358,876	\$ 883,500	\$ 211,861	\$ 4,454,237	\$ 1,313,581
Miscellaneous	5,582	-	-	5,582	54,593
Total operating revenues	<u>3,364,458</u>	<u>883,500</u>	<u>211,861</u>	<u>4,459,819</u>	<u>1,368,174</u>
OPERATING EXPENSES					
Public works equipment rental operations	-	-	-	-	1,323,023
Utility operations	2,661,948	628,346	-	3,290,294	-
Building inspection services	-	-	222,732	222,732	-
Depreciation	522,257	251,291	-	773,548	126,835
Total operating expenses	<u>3,184,205</u>	<u>879,637</u>	<u>222,732</u>	<u>4,286,574</u>	<u>1,449,858</u>
Operating income (loss)	<u>180,253</u>	<u>3,863</u>	<u>(10,871)</u>	<u>173,245</u>	<u>(81,684)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest expense	(130,660)	(14,049)	-	(144,709)	(4,793)
Investment earnings	18,277	37,467	17,864	73,608	7,649
Gain/loss on assets	-	-	-	-	18,136
Total nonoperating revenues (expenses)	<u>(112,383)</u>	<u>23,418</u>	<u>17,864</u>	<u>(71,101)</u>	<u>20,992</u>
Income (loss) before contributions and transfers	67,870	27,281	6,993	102,144	(60,692)
System development charges capital contributions	128,342	37,928	-	166,270	-
Transfers out	-	-	-	-	(25,000)
Total contributions and transfers	<u>128,342</u>	<u>37,928</u>	<u>-</u>	<u>166,270</u>	<u>(25,000)</u>
Change in net position	196,212	65,209	6,993	268,414	(85,692)
Beginning net position	16,997,512	8,749,819	487,358	26,234,689	419,232
Prior period restatement - see Note 12	-	-	-	-	(140,065)
Beginning net position, as restated	<u>16,997,512</u>	<u>8,749,819</u>	<u>487,358</u>	<u>26,234,689</u>	<u>279,167</u>
Ending net position	<u>\$ 17,193,724</u>	<u>\$ 8,815,028</u>	<u>\$ 494,351</u>	<u>\$ 26,503,103</u>	<u>\$ 193,475</u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 3,347,955	\$ 873,953	\$ 279,298	\$ 4,501,206	\$ 76,974
Received from interfund services provided	-	-	-	-	1,291,200
Paid for interfund services provided	(757,500)	(307,000)	(37,500)	(1,102,000)	-
Paid to suppliers	(1,742,059)	(177,796)	(35,106)	(1,954,961)	(698,295)
Paid to employees	(751,434)	(142,719)	(140,842)	(1,034,995)	(492,170)
Net cash provided by operating activities	<u>96,962</u>	<u>246,438</u>	<u>65,850</u>	<u>409,250</u>	<u>177,709</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Transfers to other funds	-	-	-	-	(25,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
SDC fees received	128,342	37,928	-	166,270	-
Purchase of capital assets	(840,558)	(446,798)	-	(1,287,356)	(115,728)
Proceeds of sale of capital assets	-	-	-	-	18,136
Proceeds from issuance of long-term debt	-	431,249	-	431,249	-
Interest paid on capital debt	(131,234)	-	-	(131,234)	(3,487)
Long-term debt principal payments	(263,779)	(99,433)	-	(363,212)	(45,545)
Net cash provided (used) by capital and related financing activities	<u>(1,107,229)</u>	<u>(77,054)</u>	<u>-</u>	<u>(1,184,283)</u>	<u>(146,624)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	18,277	37,467	17,864	73,608	7,649
Net increase in cash and investments	(991,990)	206,851	83,714	(701,425)	13,734
Cash and investments					
Beginning of year	<u>1,684,667</u>	<u>1,477,225</u>	<u>682,472</u>	<u>3,844,364</u>	<u>344,588</u>
End of Year	<u>\$ 692,677</u>	<u>\$ 1,684,076</u>	<u>\$ 766,186</u>	<u>\$ 3,142,939</u>	<u>\$ 358,322</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 180,253	\$ 3,863	\$ (10,871)	\$ 173,245	\$ (81,684)
Depreciation and amortization	522,257	251,291	-	773,548	126,835
Net change in expense under GASB 68	43,467	(2,201)	9,590	50,856	44,086
(Increase) decrease in prepaid expenses	178	71	-	249	1,238
(Increase) decrease in customer deposits	-	-	67,437	67,437	-
(Increase) decrease in inventory	71,182	-	-	71,182	-
(Increase) decrease in receivables	(16,503)	(9,547)	-	(26,050)	-
Increase (decrease) in payables	(707,209)	4,151	(4,650)	(707,708)	84,551
Increase (decrease) in compensated absences	3,337	(1,190)	4,344	6,491	2,683
Net Cash Provided by Operating Activities	<u>\$ 96,962</u>	<u>\$ 246,438</u>	<u>\$ 65,850</u>	<u>\$ 409,250</u>	<u>\$ 177,709</u>

See accompanying notes to the 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.

Central Point Economic Development Commission (the Commission) was organized in 2011 under the provisions of ORS Chapter 457 as the urban renewal agency in the City of Central Point, Oregon ("City"), and is responsible for implementing various public improvement programs as identified in the Downtown and East Pine Street Corridor Revitalization Plan. Upon completion, all projects constructed become assets of the City of Central Point. The Commission's Board of Directors consists of the City of Central Point City Council. The Commission is considered to be a component unit of the City of Central Point, Oregon, and is reported as a blended component unit.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government and its component units. For the most part, interfund services provided and used are 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. *Indirect expenses* are those costs, usually administrative in nature, that support all City functions and programs and enable direct services to be provided. Program revenues include 1) charges for services that include charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges, fines and forfeitures assessed as penalties for code violations, and state shared revenues received for support of various programs - all of which are related to 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. Basis of accounting refers to when revenues, expenditures, expenses, transfers, assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recognized in the accounts and reported in the financial statements.

Exchange transactions are recognized when the exchange takes place. Nonexchange transactions are recognized in accordance with the nature of the nonexchange transaction. 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, and susceptible to accrual, 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 special revenue 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. Street utility fees set by Council resolution also fund street repairs and maintenance.

Economic Development Commission - This fund is responsible for implementing various public improvement programs as identified in the Downtown and East Pine Street Corridor Revitalization Plan.

Debt Service Fund - This fund accounts for the City's governmental activities debt service. The City's business-type activities debt service is accounted for in the proprietary funds.

The government reports the following nonmajor governmental funds:

High Tech Crime Unit Fund - This special revenue fund accounted for federal grant and local source revenue that funded a region-wide law enforcement effort to detect, investigate, and prosecute crimes involving the use of high tech equipment and the Internet. The High Tech Crime Unit Fund was closed during 2017-18.

Reserve Fund - This capital projects fund was established by resolution in accordance with Oregon Local Budget Law to provide long-term funding of future purchases of equipment and vehicles, and improvements to city hall.

Capital Improvement Fund - This capital projects fund accounts for the receipt and expenditure of Parks systems development charges for major parks and recreation facilities and related debt service.

The government reports the following major proprietary funds:

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

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

The government also reports the following proprietary funds:

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

Internal 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.

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

Amounts reported as *program revenues* on the statement of activities include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources and all taxes are reported as *general revenues* rather than as program revenues. likewise general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from non-operating 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. All systems development charges (SDC's) are considered to be capital contributions and reported as nonoperating revenue.

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 Reserve Fund, Debt Service Fund, Building Fund, and Economic Development Commission are appropriated at object levels of personal services, materials and services, capital outlay, debt service, interfund transactions and contingency. All other funds, including the General, Street, High Tech Crime Unit Fund, Capital Improvement, Water, Stormwater and Internal 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 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.

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.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Cash and Investments

The City maintains a demand deposit cash and investment pool as well as a certificate of deposit cash pool. While both demand cash and investment pools are available to both governmental funds and proprietary funds and activities, the certificate of deposit cash pool is only available to the governmental funds and activities. Each fund's portion of the pools 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 1. The tax levy is due November 15, with an optional payment method of 1/3 due November, 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 collectability and allowances for doubtful collection are recorded as necessary. 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

Supplies Inventories

Supply inventory in the proprietary fund types are stated at cost on a first-in/first-out basis and is charged to expense as used.

Prepaid Expenses

These balances arise from paying invoices in the current fiscal year that are included in the budget of the next fiscal year at which time the expenditure/expense will be recognized as consumed.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets (e.g., software, land use rights, patents), 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 the cost of the developer donating the asset. 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
Software:	5 years

**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 on the balance sheet and statement of net position.

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 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 Outflow / Inflow of Resources

The statements of net position and balance sheets report separate sections for deferred outflows and deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period or periods. Deferred outflows of resources represent a use of net position that applies to a future period or periods. In that future period a deferred inflow will be recognized as revenue and a deferred outflow will be recognized as an expense.

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 position.

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.

Net Position

Net position is defined as the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the City's financial statements.

Government-wide and proprietary fund net position comprises the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net investment in capital assets - 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 position - 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 position - all other net position.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances

In the fund financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance - inherently nonspendable resources that, because of their form, cannot be spent, or must remain intact. Nonspendable items are not expected to be converted to cash and include prepaid amounts.

Restricted fund balance - externally enforceable limitations on resource use have been imposed by creditors, grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.

Committed fund balance - self-imposed limitations on spending set by the City Council prior to the end of the fiscal year by formal action through the adoption of a resolution. Only a similar formal action of adopting a resolution can remove or modify such self-imposed spending limitations. Resolutions are the highest form of Council policy expression with respect to the City's budget and financial policies.

Assigned fund balance - self-imposed limitation resulting from intended use established by the City Council such as through the adoption of the City budget. No other body or official can assign fund balance.

Unassigned fund balance - residual net resources, the expenditure of which has not been limited in any way. Only the General Fund may report a positive unassigned fund balance amount. Other governmental funds may report a negative unassigned fund balance amount if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned for that purpose.

When both restricted and unrestricted resources and fund balances are available for use in proprietary funds, it is the City's policy to use restricted resources and fund balances first, then unrestricted resources and fund balances as they are needed. In the governmental funds, when committed, assigned and unassigned resources and fund balances are available for use, it is the City's policy to use committed resources and fund balances first, assigned resources and fund balances second and then unassigned resources and fund balances as they are needed.

Statement of Cash Flows

For purposes of the statement of cash flows, the proprietary funds deposit monies into the common demand cash and investment pool of the City. The proprietary 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 proprietary funds unrestricted cash and cash equivalents and restricted cash and cash equivalents are grouped together for purposes of the statement of cash flows.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

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.

Cash and cash equivalents, unrestricted and restricted, at June 30 consisted of:

	2019
Petty cash	\$ 1,150
Demand deposits	1,220,141
Deposits - FSA	5,000
LGIP	10,796,135
Total	\$ 12,022,426

All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for custodial officer), ORS 294.805 to 294.895 (Local Government Investment Pool). Any revisions or extensions of these sections of the ORS shall be assumed to be part of this investment policy immediately upon being enacted.

The Oregon Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any public funds. The Office of the State Treasurer (OST) manages the LGIP. The LGIP is commingled with other State funds in the Oregon Short-Term Fund (OSTF). The OSTF is not managed as a stable net asset value fund; therefore, the preservation of principal is not assured. The LGIP is not rated by a national rating service. Additional information about the OSTF can be obtained at www.ost.state.or.us and www.oregon.gov/treasury. The weighted-average maturity of LGIP is less than one year. The investment in LGIP is stated at the value of the City's share in the pool, which approximates fair value.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage are held with institutions participating in the Oregon Public Funds Collateralization Program. In the event of bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposit of public funds of government entities. As of June 30, 2019, none of the City's bank balances were exposed to credit risk.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized and may be subject to credit risk.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

3. RECEIVABLES

The City uses the direct write-off method for bad debt. Receivables are written off when reasonable attempts to secure payment have failed, and the account is sent to collections. Accordingly, no allowance for doubtful accounts is reflected in the financial statements.

4. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2019 are as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Governmental Activities:				
Not being depreciated				
Land	\$ 5,678,271	\$ -	\$ -	\$ 5,678,271
Work in process	5,681,631	648,167	(3,970,433)	2,359,365
Land use rights	42,815	-	-	42,815
Total	<u>11,402,717</u>	<u>648,167</u>	<u>(3,970,433)</u>	<u>8,080,451</u>
Being depreciated				
Buildings	5,136,526	-	-	5,136,526
Computers	533,255	27,774	-	561,029
Equipment	516,913	5,350	-	522,263
Infrastructure	86,442,816	5,010,038	-	91,452,854
Total	<u>92,629,510</u>	<u>5,043,162</u>	<u>-</u>	<u>97,672,672</u>
Accumulated depreciation				
Buildings	(2,131,594)	(120,084)	-	(2,251,678)
Computers	(410,283)	(49,609)	-	(459,892)
Equipment	(405,239)	(18,174)	-	(423,413)
Infrastructure	(62,534,223)	(2,676,251)	-	(65,210,474)
Total	<u>(65,481,339)</u>	<u>(2,864,118)</u>	<u>-</u>	<u>(68,345,457)</u>
Governmental capital assets, net	<u>\$ 38,550,888</u>	<u>\$ 2,827,211</u>	<u>\$ (3,970,433)</u>	<u>\$ 37,407,666</u>
	<u>Balance</u>			<u>Balance End</u>
	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>of Year</u>
Internal Service Fund:				
Not being depreciated				
Work in process	\$ 6,430	\$ -	\$ -	\$ 6,430
Being depreciated				
Buildings	267,912	-	-	267,912
Computers	7,033	-	-	7,033
Equipment and vehicles	1,381,279	115,728	(42,624)	1,454,383
Infrastructure	18,000	-	-	18,000
Total	<u>1,674,224</u>	<u>115,728</u>	<u>(42,624)</u>	<u>1,747,328</u>
Accumulated depreciation				
Buildings	(136,779)	(9,110)	-	(145,889)
Computers	(7,033)	-	-	(7,033)
Equipment and vehicles	(991,255)	(117,365)	42,624	(1,065,996)
Infrastructure	(4,860)	(360)	-	(5,220)
Total	<u>(1,139,927)</u>	<u>(126,835)</u>	<u>42,624</u>	<u>(1,224,138)</u>
Internal service fund capital assets, net	<u>\$ 540,727</u>	<u>\$ (11,107)</u>	<u>\$ -</u>	<u>\$ 529,620</u>

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

4. CAPITAL ASSETS, continued

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Business-type Activities:				
Not being depreciated				
Land	\$ 1,943,024	\$ -	\$ -	\$ 1,943,024
Work in process	2,464,032	239,188	(2,211,168)	492,052
Land use rights	300,666	-	-	300,666
Total	<u>4,707,722</u>	<u>239,188</u>	<u>(2,211,168)</u>	<u>2,735,742</u>
Being depreciated				
Equipment and vehicles	132,738	484,140	-	616,878
Infrastructure	<u>36,707,666</u>	<u>2,775,196</u>	-	<u>39,482,862</u>
Total	<u>36,840,404</u>	<u>3,259,336</u>	-	<u>40,099,740</u>
Accumulated depreciation				
Equipment and vehicles	(63,406)	(37,497)	-	(100,903)
Infrastructure	<u>(13,189,756)</u>	<u>(736,051)</u>	-	<u>(13,925,807)</u>
Total	<u>(13,253,162)</u>	<u>(773,548)</u>	-	<u>(14,026,710)</u>
Business-type capital assets, net	<u>\$ 28,294,964</u>	<u>\$ 2,724,976</u>	<u>\$ (2,211,168)</u>	<u>\$ 28,808,772</u>

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

Function/Activities	Governmental Activities	Business-type Activities
General Government	\$ 955,433	\$ -
Public Safety	1,186,684	-
Highways and Streets	373,821	-
Parks and Recreation	348,180	-
Internal Service Fund - charged to various functions based on usage	126,835	-
Water	-	522,257
Stormwater	-	251,291
Total	<u>\$ 2,990,953</u>	<u>\$ 773,548</u>

5. LONG-TERM DEBT

At June 30, 2019, the City's long-term financed debt consists of the following:

Series 2014: During 2014-15 the City refinanced the 2004, 2007, and 2008 issued debt with the proceeds of a Series 2014 issue in October 2014. This bond is classified as a direct borrowing. This bond is secured by the full faith and credit of the City and is payable from all legally available sources. The total amount of the new debt of the 2014 issue is \$2,629,766 and bears interest at 2.49%. The June 30, 2014 balances of debt refinanced and their related interest rates were - \$1,725,000 at 3.5% to 4.3% (2004), \$692,00 at 4.62% (2007), and \$655,000 at 4.05% (2008). The City advance refunded the aforementioned bonds to reduce its total debt service payments over the next 13 years by \$135,051 and to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$118,375. In the event of a payment default of more than 90 days, the interest rate shall be increased by 4% on all outstanding balances until the payment default is cured.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

5. LONG-TERM DEBT, continued

Water Reservoir: During 2010-11, the City entered into an agreement with the state of Oregon Safe Drinking Water Revolving Loan Fund to provide financing of up to \$5,600,000 to engineer and construct a new City reservoir. This loan is classified as a direct borrowing. The total borrowing that financed the costs of engineering and construction was \$5,507,924. During 2013-14 an interest only payment of \$292,510 was made. Beginning in 2014-15, the City was to make annual payments of \$384,045, including interest at 3.4%, for approximately 20 years. Repayment was guaranteed by the United States government. The final payment was made in December 2017. In the event that the City fails to meet the requirements of the loan agreement and is in default, the City may be required to immediately repay any outstanding balance or repay the loan on an accelerated schedule.

System Development Credits: The City entered into agreements with various developers to provide water line, stormwater line, parks, streets and sidewalk infrastructure relating to developers providing enhanced improvements at the time of site development and construction. These credits are classified as direct borrowings. These improvements are in addition to the requirements placed on them by the planning and approval process. A few agreements required that the City reimburse the developer's costs (without interest); with most agreements providing a credit issued towards the various permit fees and systems development charges ("SDCs") to be used within ten (10) years. No specific provisions exist

Full Faith and Credit Financing Agreement 2017: During the 2016-017 fiscal year, the City entered into a Full Faith and Credit Financing Agreement (Agreement) in the amount of \$9,766,000. This agreement is classified as a direct borrowing. The Agreement was entered into to fund refinancing of the 2010 State of Oregon Revolving loan, waterline improvements, and a streetscape project. The tax exempt financing note was secured by the full faith and credit of the City and was payable from all legally available funds of the City. Interest at 2.64% was paid semi-annually, and principal was paid annually. Final payment was scheduled for 2030. The City advance refunded the aforementioned loan to reduce its total debt service payments over the next 13 years by \$800,768 and to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$750,303. As part of this loan an Intergovernmental Agreement (Agreement) was made between the City and the Economic Development Commission (Commission) in which the City advanced a portion of the loan to the Commission, see note 7. The Agreement calls for the tax increment revenue of the Commission be pledged as security for the loan. In the event that the City is determined to be in default, the Lender may elect to increase the interest rate by 3%

Financing Agreements: The City has entered into several financing agreements, all classified as direct borrowings, to purchase police and street maintenance vehicles. In the 2015-2016 fiscal year, the City entered into a 4 year financing agreement in the amount of \$52,770 to purchase 2 police vehicles. This financing agreement has an interest rate of 11.09% and payments of principal and interest are made annually. In the 2016-2017 fiscal year, the City entered into a 5 year financing agreement in the amount of \$233,535 to purchase a street sweeper. This financing agreement has an interest rate of 4.98% and payments of principal and interest are made annually. In the 2017-2018 fiscal year, the City entered into a 3 year financing agreement in the amount of \$53,100 to purchase a police vehicle. This financing agreement has an interest rate of 6.36% and payments of principal and interest are made annually. In the 2018-2019 fiscal year, the City entered into a 5 year financing agreement in the amount of \$431,249 to purchase a vacuum truck used for storm drain maintenance. This financing agreement has an interest rate of 8.49% and payments of principal and interest are made annually. In the event of default the lender has the option to declare all amounts outstanding as immediately due and payable, and may also repossess the financed equipment, using any proceeds from sale to satisfy all or a portion of the the liability. The City would continue to be liable for any remaining balance owed.

All outstanding long-term debt at June 30, 2019 is related to capital assets.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

5. LONG-TERM DEBT, continued

Changes in the City's long-term debt during the fiscal year ending June 30, 2019:

	<u>Balance 7/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2019</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
Governmental Activities						
Financing agreements	\$ 187,973	\$ -	\$ (75,777)	\$ 112,196	\$ 64,356	\$ 47,840
Series 2014	1,305,182	-	(289,946)	1,015,236	157,399	857,837
Series 2017	4,420,221	-	(218,221)	4,202,000	201,000	4,001,000
SDC obligations	328,255	-	(296,338)	31,917	3,192	28,725
Total	<u>\$ 6,241,631</u>	<u>\$ -</u>	<u>\$ (880,282)</u>	<u>\$ 5,361,349</u>	<u>\$ 425,947</u>	<u>\$ 4,935,402</u>
Business-type Activities						
Financing agreements	\$ -	\$ 431,249	\$ (93,573)	\$ 337,676	\$ 79,225	\$ 258,451
Series 2017	5,078,779	-	(263,779)	4,815,000	257,594	4,557,406
SDC obligations	5,860	-	(5,860)	-	-	-
Total	<u>\$ 5,084,639</u>	<u>\$ 431,249</u>	<u>\$ (363,212)</u>	<u>\$ 5,152,676</u>	<u>\$ 336,819</u>	<u>\$ 4,815,857</u>

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

Years Ending June 30,	Series 2014 Bonds		Series 2017 Agreement		SDC Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 157,399	\$ 23,319	\$ 201,000	\$ 108,279	\$ 3,192	\$ -
2021	160,354	19,363	237,000	102,498	3,192	-
2022	167,668	15,280	269,000	95,819	3,192	-
2023	170,025	11,075	300,000	88,308	3,192	-
2024	176,704	6,759	336,000	79,913	3,192	-
2025 to 2029	183,075	2,280	1,989,000	248,279	15,957	-
2030 to 2034	-	-	870,000	24,024	-	-
Total	<u>\$ 1,015,225</u>	<u>\$ 78,076</u>	<u>\$ 4,202,000</u>	<u>\$ 747,120</u>	<u>\$ 31,917</u>	<u>\$ -</u>
Years Ending June 30,	Financing Agreements		Total Governmental Activities			
	Principal	Interest	Principal	Interest		
2020	\$ 64,355	\$ 3,502	\$ 425,946	\$ 135,100		
2021	47,841	1,191	448,387	123,052		
2022	-	-	439,860	111,099		
2023	-	-	473,217	99,383		
2024	-	-	515,896	86,672		
2025 to 2029	-	-	2,188,032	250,559		
2030 to 2034	-	-	870,000	870,000		
Total	<u>\$ 112,196</u>	<u>\$ 4,693</u>	<u>\$ 5,361,338</u>	<u>\$ 1,675,865</u>		

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

5. LONG-TERM DEBT, continued

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

Years Ending June 30,	Financing Agreement		Series 2017 Agreement		Total Business-type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 79,225	\$ 14,348	\$ 257,594	\$ 130,620	\$ 336,819	\$ 144,968
2021	82,591	10,982	278,437	123,544	361,028	134,526
2022	86,101	7,472	301,951	115,883	388,052	123,355
2023	89,759	3,814	323,863	107,623	413,622	111,437
2024	-	-	345,240	98,790	345,240	98,790
2025 to 2029	-	-	2,021,204	341,534	2,021,204	341,534
2030 to 2034	-	-	1,550,490	73,444	1,550,490	73,444
Total	\$ 337,676	\$ 36,616	\$ 5,078,779	\$ 991,438	\$ 5,416,455	\$ 1,028,054

6. COMPENSATED ABSENCES

During the year ended June 30, 2019 the changes in the City's vested compensated absences obligation to employees were as follows:

	Balance 7/1/18	Additions	Deletions	Balance 7/1/19	Due Within One Year	Long-Term Portion
Governmental Activities						
Governmental Funds	\$ 419,992	\$ 204,847	\$ (209,996)	\$ 414,843	\$ 124,453	\$ 290,390
Internal Service Fund	36,984	21,175	(18,492)	39,667	19,834	19,833
Total	\$ 456,976	\$ 226,022	\$ (228,488)	\$ 454,510	\$ 144,287	\$ 310,223
Business-Type Activities						
Proprietary Funds	\$ 48,114	\$ 30,547	\$ (24,057)	\$ 54,604	\$ 27,302	\$ 27,302

City personnel policies limit the vested amount of compensated-absence hours an employee may accrue as unpaid in a year, and also limit the total amount of accrued vested unpaid compensated absence hours to no more than two years of accrual. Any additional compensated absence-hours earned will be paid for when earned. Each fund has been used to liquidate the liability for compensated absences attributed to that fund.

7. INTERFUND ACTIVITY

Interfund activity includes services, equipment rental, and interest, including activities accounted for in the Internal Service Fund. Interfund activity also includes transfers, unrelated to interfund services, as follows:

Transfer Out	Transfer In		Total
	Debt Service Fund	Nonmajor Governmental Funds Reserve Fund	
General Fund	\$ 49,935	\$ -	\$ 49,935
Street Fund	76,000	-	76,000
Nonmajor governmental funds	71,900	-	71,900
Internal Service Fund	-	25,000	25,000
Total	\$ 197,835	\$ 25,000	\$ 222,835

The transfers from the General Fund, Street Fund and Capital Improvements Funds were made to facilitate the payment of principal and interest on long-term debt.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

The transfer from the Internal Service Fund to the Reserve Fund was to provide resources for future capital expenditure.

As part Full Faith and Credit Financing Agreement of 2017 the Debt Service fund advanced \$3,634,000 to the Economic Development Commission.

Interfund advance activity and balances for the year ended June 30, 2018 follows:

	Beginning Balance	Additions	Payments	Ending Balance
Advance to Economic Development Commission from Debt Service Fund	\$ 3,532,000	\$ -	\$ (115,000)	\$ 3,417,000

8. GOVERNMENTAL FUND BALANCES

Governmental fund balance components at June 30, 2019 are:

<u>Fund Balance Components</u>	<u>General Fund</u>	<u>Street Fund</u>	<u>Economic Development Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable						
Prepaid items	\$ 13,030	\$ -	\$ -	\$ -	\$ -	\$ 13,030
Restricted:						
Community Development	-	-	-	3,464,615	-	3,464,615
State Law - Gas Tax and SDCs	-	2,724,387	-	-	-	2,724,387
Total	-	2,724,387	-	3,464,615	-	6,189,002
Committed:						
Council resolution/ordinances:						
Future capital assets	-	-	-	-	1,442,574	1,442,574
Assigned:						
Unassigned	3,990,638	-	(2,928,228)	-	-	1,062,410
Total fund balance	<u>\$ 4,003,668</u>	<u>\$ 2,724,387</u>	<u>\$ (2,928,228)</u>	<u>\$ 3,464,615</u>	<u>\$ 1,442,574</u>	<u>\$ 8,707,016</u>

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.

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM

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

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Benefits Provided

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

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

Pension Benefits

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

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

Death Benefits

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

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

Disability Benefits

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

Benefit Changes After Retirement

Retired members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits.

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

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

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

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

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015. The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2019 were \$1,189,584 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2019 were 20.60 percent for Tier One/Tier Two Members, 13.01 percent for OPSRP Pension Program General Service Members, 17.78 percent for OPSRP Pension Program Police and Fire Members, and 6 percent for OPSRP Individual Account Program.

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

At June 30, 2019, the City's proportionate share of the net pension liability is \$8,170,508. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the City's proportion was 0.053935 percent, which changed from its proportion of 0.053437 measured as of June 30, 2017.

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 277,936	\$ -
Change in assumptions	1,899,627	-
Net difference between projected and actual earnings on pension plan investments	-	362,817
Changes in proportionate share	75,277	453,509
Differences between City contributions and proportionate share of contributions	158,164	36,262
Subtotal before post-measurement date contributions	2,411,004	852,588
City contributions subsequent to the measurement date	857,284	-
Total	\$ 3,268,288	\$ 852,588

Deferred outflows of resources related to pensions of \$857,284 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2020. Net deferred outflows (inflows) of resources of \$1,558,416 will be recognized in pension expense as follows:

Year Ended June 30,		
2020	\$	924,459
2021		619,446
2022		(144,952)
2023		105,950
2024		53,513
Total	\$	1,558,416

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:

Actuarial Cost Method	Entry Age normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization based over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.5 percent
Investment Rate of return	7.2 percent (changed from 7.5%)
Projected Salary Increases	3.5%
Mortality	<p>Healthy retirees and beneficiaries: RP-2014 sex-distinct, generational with unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: RP-2014 sex-distinct, generational with unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 sex-distinct, generational with unisex, Social Security Data Scale.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>

Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease <u>(6.2%)</u>	Discount Rate <u>(7.2%)</u>	1% Increase <u>(8.2%)</u>
Proportionate share of net pension liability (asset)	\$ 3,643,952	\$ 8,170,507	\$ 13,654,461

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS**

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

Changes in Assumptions and Other Inputs

Changes in actuarial methods and assumptions since the December 31, 2016 valuation are described in the 2016 Experience Study at <https://www.oregon.gov/pers/Documents/2016ExpStudy.pdf>

Changes in assumptions from that Study are reported in the table of actuarial methods and assumptions, modifications to the allocation of actuarial accrued liabilities, administrative expense assumptions, healthcare cost inflation, and mortality tables can be found at:
<http://www.oregon.gov/PERS/Pages/Financials/ActuarialPresentationsandReports.aspx>.

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. RESTATEMENT OF NET POSITION

In prior years the City has not reported financing agreements for capital purchases as liabilities in the audited financial statements. The effect of recording these liabilities in the beginning net position of Internal Service Funds and Governmental Activities is as follows:

	Internal Services Fund	Total Governmental Activities
	<u> </u>	<u> </u>
Ending net position, July 1, 2018:		
As previously reported	\$ 419,232	\$ 37,676,343
Financing agreements not previously reported as debt	<u>(140,065)</u>	<u>(187,973)</u>
Ending net position, July 1, 2018 as restated	<u>\$ 279,167</u>	<u>\$ 37,488,370</u>

This restatement does not affect the net position of business-type activities, enterprise funds, or the fund balance of governmental funds.

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

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Proportionate Share of the Net Pension Liability
Schedule of Pension Contributions
Budgetary Comparison Information (GAAP Basis)
General Fund and Major Special Revenue Funds

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

**REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2019**

Schedule of the Proportionate Share of the Net Pension Liability

Oregon Public Employees Retirement System ^{(1) (2)}

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.053935 %	0.053437 %	0.059213 %	0.064537 %	0.058290 %
Proportionate share of the net pension liability (asset)	\$ 8,170,507	\$ 7,203,390	\$ 8,889,239	\$ 3,705,167	\$ (1,321,278)
Covered payroll	\$ 4,771,542	\$ 4,719,630	\$ 3,926,697	\$ 3,889,464	\$ 3,883,345
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	171.23 %	152.63 %	226.38 %	95.26 %	(33.65)%
Plan net position as a percentage of the total pension liability	82.07 %	83.10 %	80.50 %	91.88 %	103.59 %

Schedule of Pension Contributions

Oregon Public Employees Retirement System ⁽¹⁾

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,189,584	\$ 1,122,600	\$ 952,125	\$ 930,357	\$ 851,622
Contributions in relation to the contractually required contribution	<u>1,189,584</u>	<u>1,122,600</u>	<u>952,125</u>	<u>930,357</u>	<u>851,622</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,178,366	\$ 4,771,542	\$ 4,719,630	\$ 3,926,697	\$ 3,889,464
Contributions as a percentage of covered payroll	22.97 %	23.53 %	20.17 %	23.69 %	21.90 %

Notes to Required Supplementary Information

(1) 10-year trend information required by GASB Statement 68 will be presented prospectively

(2) Amounts presented are for the measurement period reported during the fiscal year, which for FY 2019 is July 1, 2017- June 30, 2018.

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

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2019**

	<u>BIENNIUM BUDGET</u>		FIRST YEAR ACTUAL	SECOND YEAR ACTUAL	TOTAL ACTUAL FOR BUDGET PERIOD	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>				
Revenues:						
Taxes	\$ 13,993,000	\$ 13,993,000	\$ 6,884,528	\$ 7,212,081	\$ 14,096,609	\$ 103,609
Licenses and permits	293,000	293,000	155,315	159,841	315,156	22,156
Intergovernmental	1,177,340	1,229,660	658,730	588,136	1,246,866	17,206
Charges for services	2,232,000	2,232,000	1,090,733	1,150,216	2,240,949	8,949
Fines and forfeitures	167,000	167,000	76,226	68,481	144,707	(22,293)
Investment earnings	73,000	73,000	92,441	120,687	213,128	140,128
Miscellaneous	250,000	335,000	108,372	163,450	271,822	(63,178)
Total revenues	18,185,340	18,322,660	9,066,345	9,462,892	18,529,237	206,577
Expenditures:						
Mayor & Council	130,000	130,000	61,564	64,776	126,340	3,660
Administration	1,564,835	1,577,835	707,897	787,142	1,495,039	82,796
Technical services	1,224,130	1,224,130	592,429	590,078	1,182,507	41,623
City enhancement	373,000	417,600	184,093	210,421	394,514	23,086
Finance	1,620,539	1,620,539	777,730	784,478	1,562,208	58,331
Interdepartmental	2,821,102	3,073,102	207,557	137,527	345,084	2,728,018
Parks and recreation - parks	2,159,402	2,159,402	850,741	1,076,748	1,927,489	231,913
Parks and recreation - recreation	1,004,180	1,004,180	363,041	498,084	861,125	143,055
Planning	1,250,530	1,250,530	568,277	554,309	1,122,586	127,944
Police	9,482,190	9,580,335	4,469,313	4,688,711	9,158,024	422,311
Contingency	180,000	180,000	-	-	-	180,000
Total expenditures	21,809,908	22,217,653	8,782,642	9,392,274	18,174,916	4,042,737
Excess of revenues over (under) expenditures	(3,624,568)	(3,894,993)	283,703	70,618	354,321	4,249,314
Other financing sources (uses):						
Transfers out	(246,100)	(246,100)	(196,165)	(49,935)	(246,100)	-
Net change in fund balance	(3,870,668)	(4,141,093)	87,538	20,683	108,221	4,249,314
Beginning fund balance	3,870,668	3,961,093	3,895,447	3,982,985	3,895,447	(65,646)
Ending fund balance	\$ -	\$ (180,000)	\$ 3,982,985	\$ 4,003,668	\$ 4,003,668	\$ 4,183,668

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

**STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2019**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>SECOND YEAR ACTUAL</u>	<u>TOTAL ACTUAL FOR BUDGET PERIOD</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
Revenues:						
Taxes	\$ 354,000	\$ 354,000	\$ 177,000	\$ 177,000	\$ 354,000	\$ -
Intergovernmental	2,270,960	2,490,960	1,204,893	1,371,419	2,576,312	85,352
Charges for services	2,741,660	2,741,660	861,746	876,984	1,738,730	(1,002,930)
Investment earnings	28,620	28,620	62,945	80,376	143,321	114,701
Miscellaneous	<u>536,000</u>	<u>536,000</u>	<u>12,938</u>	<u>500,657</u>	<u>513,595</u>	<u>(22,405)</u>
Total revenues	<u>5,931,240</u>	<u>6,151,240</u>	<u>2,319,522</u>	<u>3,006,436</u>	<u>5,325,958</u>	<u>(825,282)</u>
Expenditures:						
Street operations	4,105,309	6,004,856	1,997,590	3,344,820	5,342,410	662,446
SDC streets	915,000	2,085,500	1,125,723	276,523	1,402,246	683,254
Interdepartmental	975,098	1,132,098	-	-	-	1,132,098
Contingency	<u>157,000</u>	<u>157,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,000</u>
Total expenditures	<u>6,152,407</u>	<u>9,379,454</u>	<u>3,123,313</u>	<u>3,621,343</u>	<u>6,744,656</u>	<u>2,634,798</u>
Excess of revenues over (under) expenditures	<u>(221,167)</u>	<u>(3,228,214)</u>	<u>(803,791)</u>	<u>(614,907)</u>	<u>(1,418,698)</u>	<u>1,809,516</u>
Other financing sources (uses):						
Transfers in	150,000	150,000	150,000	-	150,000	-
Transfers out	<u>(152,000)</u>	<u>(152,000)</u>	<u>(76,000)</u>	<u>(76,000)</u>	<u>(152,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,000)</u>	<u>(2,000)</u>	<u>74,000</u>	<u>(76,000)</u>	<u>(2,000)</u>	<u>-</u>
Net change in fund balance	<u>(223,167)</u>	<u>(3,230,214)</u>	<u>(729,791)</u>	<u>(690,907)</u>	<u>(1,420,698)</u>	<u>1,809,516</u>
Beginning fund balance	<u>1,605,860</u>	<u>3,073,214</u>	<u>4,145,085</u>	<u>3,415,294</u>	<u>4,145,085</u>	<u>1,071,871</u>
Ending fund balance	<u>\$ 1,382,693</u>	<u>\$ (157,000)</u>	<u>\$ 3,415,294</u>	<u>\$ 2,724,387</u>	<u>\$ 2,724,387</u>	<u>\$ 2,881,387</u>

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

**ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2019**

	ORIGINAL Budget	FINAL Budget	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Taxes	\$ 400,000	\$ 400,000	\$ 434,398	\$ 34,398
Investment earnings	12,000	12,000	10,249	(1,751)
Total revenues	412,000	412,000	444,647	(32,647)
Expenditures:				
Capital outlay	235,000	235,000	31,751	203,249
Materials and services	57,500	57,500	7,893	49,607
Debt service	248,000	248,000	206,981	41,019
Contingency	45,500	45,500	-	45,500
Total expenditures	586,000	586,000	246,625	339,375
Net change in fund balance	(174,000)	(174,000)	198,022	372,022
Beginning fund balance	174,000	174,000	290,750	116,750
Ending fund balance	\$ -	\$ -	488,772	\$ 488,772
Reconciliation to fund balance:				
Advance from City			(3,417,000)	
Total			\$ (2,928,228)	

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

SUPPLEMENTARY INFORMATION

Budgetary Comparison Information
Debt Service, Nonmajor Special Revenue and Capital Projects Funds (GAAP Basis)
Enterprise and Internal Service Funds (Non-GAAP Basis)
and
Other Financial Schedules

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

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2019**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>SECOND YEAR ACTUAL</u>	<u>TOTAL ACTUAL FOR BUDGET PERIOD</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
Revenues:						
Charges for services	\$ 794,670	\$ 794,670	\$ 388,591	\$ 353,621	\$ 742,212	\$ (52,458)
Assessments	44,000	44,000	-	-	-	(44,000)
Investment earnings	<u>2,000</u>	<u>2,000</u>	<u>3,598</u>	<u>969</u>	<u>4,567</u>	<u>2,567</u>
Total revenues	<u>840,670</u>	<u>840,670</u>	<u>392,189</u>	<u>354,590</u>	<u>746,779</u>	<u>(93,891)</u>
Expenditures:						
Debt service						
Principal	936,870	936,870	441,079	459,946	901,025	35,845
Interest	<u>305,123</u>	<u>305,123</u>	<u>153,543</u>	<u>96,961</u>	<u>250,504</u>	<u>54,619</u>
Total expenditures	<u>1,241,993</u>	<u>1,241,993</u>	<u>594,622</u>	<u>556,907</u>	<u>1,151,529</u>	<u>90,464</u>
Excess of revenues over (under) expenditures	(401,323)	(401,323)	(202,433)	(202,317)	(404,750)	(3,427)
Other financing sources (uses):						
Transfers in	<u>391,900</u>	<u>391,900</u>	<u>194,065</u>	<u>197,835</u>	<u>391,900</u>	<u>-</u>
Net change in fund balance	(9,423)	(9,423)	(8,368)	(4,482)	(12,850)	(3,427)
Beginning fund balance	<u>101,336</u>	<u>101,336</u>	<u>60,465</u>	<u>52,097</u>	<u>60,465</u>	<u>(40,871)</u>
Ending fund balance	<u>\$ 91,913</u>	<u>\$ 91,913</u>	<u>\$ 52,097</u>	47,615	<u>\$ 47,615</u>	<u>\$ (44,298)</u>
GAAP Basis Presentation						
Advance to Economic Development Commission				<u>3,417,000</u>		
Ending fund balance GAAP basis				<u>\$ 3,464,615</u>		

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

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2019**

	High Tech Crime Unit Fund	Reserve Fund	Capital Improvement Fund	Total
Assets:				
Cash and investments	\$ <u> -</u>	\$ <u> 849,308</u>	\$ <u> 609,628</u>	\$ <u> 1,458,936</u>
 Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 16,362	\$ 16,362
Fund balances:				
Committed	<u> -</u>	<u> 849,308</u>	<u> 593,266</u>	<u> 1,442,574</u>
Total liabilities and fund balances	<u>\$ <u> -</u></u>	<u>\$ <u> 849,308</u></u>	<u>\$ <u> 609,628</u></u>	<u>\$ <u> 1,458,936</u></u>

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

**NONMAJOR GOVERNMENTAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019**

	High Tech Crime Unit Fund	Reserve Fund	Capital Improvement Fund	Total
REVENUES:				
Charges for services	-	-	256,256	256,256
Investment earnings	-	20,104	12,629	32,733
Miscellaneous	-	-	-	-
Total revenues:	-	20,104	268,885	288,989
EXPENDITURES:				
Current:				
Parks and recreation	-	-	35,084	35,084
Excess of revenues over (under) expenditures	-	20,104	233,801	253,905
Other Financing Sources (Uses)				
Transfers in	-	25,000	-	25,000
Transfers out	-	-	(71,900)	(71,900)
Total	-	25,000	(71,900)	(46,900)
Net change in fund balance	-	45,104	161,901	207,005
Beginning fund balance	-	804,204	431,365	1,235,569
Ending fund balance	\$ -	\$ 849,308	\$ 593,266	\$ 1,442,574

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

**HIGH TECH CRIME UNIT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2019**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>SECOND YEAR ACTUAL</u>	<u>TOTAL ACTUAL FOR BUDGET PERIOD</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
Revenues:						
Expenditures:						
Other Financing Sources (Uses):						
Transfers out	\$ (78,842)	\$ (78,842)	\$ (78,842)	\$ -	\$ (78,842)	\$ 78,842
Beginning fund balance	<u>78,842</u>	<u>78,842</u>	<u>78,842</u>	<u>-</u>	<u>78,842</u>	<u>-</u>
Ending fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 78,842</u></u>

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

**RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2019**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>SECOND YEAR ACTUAL</u>	<u>TOTAL ACTUAL FOR BUDGET PERIOD</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
Revenues:						
Investment earnings	\$ 6,000	\$ 6,000	\$ 10,744	\$ 20,104	\$ 30,848	\$ 24,848
Expenditures:						
Interdepartmental	766,046	766,046	-	-	-	766,046
Other financing sources (uses):						
Transfers in	<u>128,842</u>	<u>128,842</u>	<u>103,842</u>	<u>25,000</u>	<u>128,842</u>	<u>-</u>
Net change in fund balance	(631,204)	(631,204)	114,586	45,104	159,690	790,894
Beginning fund balance	<u>631,204</u>	<u>631,204</u>	<u>689,618</u>	<u>804,204</u>	<u>689,618</u>	<u>58,414</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 804,204</u>	<u>\$ 849,308</u>	<u>\$ 849,308</u>	<u>\$ 849,308</u>

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

**CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2019**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>SECOND YEAR ACTUAL</u>	<u>TOTAL ACTUAL FOR BUDGET PERIOD</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
Revenues:						
Intergovernmental	\$ 150,000	\$ 150,000	\$ 49,972	\$ -	\$ 49,972	\$ (100,028)
Charges for services	705,000	705,000	155,916	256,256	412,172	(292,828)
Investment earnings	<u>4,000</u>	<u>4,000</u>	<u>6,647</u>	<u>12,628</u>	<u>19,275</u>	<u>15,275</u>
Total revenues	859,000	859,000	212,535	268,884	481,419	(377,581)
Expenditures:						
Capital projects	-	-	-	668	668	(668)
SDC capital projects	<u>664,000</u>	<u>714,000</u>	<u>48,720</u>	<u>34,415</u>	<u>83,135</u>	<u>630,865</u>
Excess of revenues over (under) expenditures	195,000	145,000	163,815	233,801	397,616	252,616
Other financing sources (uses):						
Transfers out	<u>(143,800)</u>	<u>(143,800)</u>	<u>(71,900)</u>	<u>(71,900)</u>	<u>(143,800)</u>	<u>-</u>
Net Change in fund balance	51,200	1,200	91,915	161,901	253,816	252,616
Beginning fund balance	<u>360,462</u>	<u>360,462</u>	<u>339,450</u>	<u>431,365</u>	<u>339,450</u>	<u>(21,012)</u>
Ending fund balance	<u>\$ 411,662</u>	<u>\$ 361,662</u>	<u>\$ 431,365</u>	<u>\$ 593,266</u>	<u>\$ 593,266</u>	<u>\$ 231,604</u>

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

**WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2019**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>SECOND YEAR ACTUAL</u>	<u>TOTAL ACTUAL FOR BUDGET PERIOD</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
Revenues:						
Charges for services	\$ 6,024,000	\$ 6,963,030	\$ 3,417,551	\$ 3,487,219	\$ 6,904,770	\$ (58,260)
Investment earnings	32,764	32,764	38,375	18,277	56,652	23,888
Miscellaneous	-	-	5,855	5,582	11,437	11,437
Total revenues	<u>6,056,764</u>	<u>6,995,794</u>	<u>3,461,781</u>	<u>3,511,078</u>	<u>6,972,859</u>	<u>(22,935)</u>
Expenditures:						
Operations	6,371,450	8,526,891	4,706,191	3,686,581	8,392,772	134,119
SDC water improvements	370,000	382,500	28,513	60,744	89,257	293,243
Contingency	151,100	151,100	-	-	-	151,100
Total expenditures	<u>6,892,550</u>	<u>9,060,491</u>	<u>4,734,704</u>	<u>3,747,325</u>	<u>8,482,029</u>	<u>578,462</u>
Net change in fund balance	(835,786)	(2,064,697)	(1,272,923)	(236,247)	(1,509,170)	555,527
Beginning fund balance	<u>1,660,995</u>	<u>3,664,753</u>	<u>2,807,325</u>	<u>1,534,402</u>	<u>2,807,325</u>	<u>(857,428)</u>
Ending fund balance	<u>\$ 825,209</u>	<u>\$ 1,600,056</u>	<u>\$ 1,534,402</u>	1,298,155	<u>\$ 1,298,155</u>	<u>\$ (301,901)</u>

Reconciliation to Proprietary Net Position:

Operating expense adjustment for items recorded as inventory on a budgetary basis	(103,390)
Capital assets, net of depreciation	21,299,417
Deferred outflow of resources	249,263
Accrued interest	(10,593)
Net pension liability	(623,141)
Compensated absences	
Current portion	(17,982)
Noncurrent portion	(17,981)
Long-term debt:	
Current portion	(257,594)
Noncurrent portion	(4,557,406)
Deferred inflow of resources	<u>(65,024)</u>
Total	<u>\$ 17,193,724</u>

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

**STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2019**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>SECOND YEAR ACTUAL</u>	<u>TOTAL ACTUAL FOR BUDGET PERIOD</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
Revenues:						
Charges for services	\$ 1,809,206	\$ 1,809,206	\$ 1,013,323	\$ 921,428	\$ 1,934,751	\$ 125,545
Investment earnings	<u>15,894</u>	<u>15,894</u>	<u>20,096</u>	<u>37,467</u>	<u>57,563</u>	<u>41,669</u>
Total revenues	<u>1,825,100</u>	<u>1,825,100</u>	<u>1,033,419</u>	<u>958,895</u>	<u>1,992,314</u>	<u>167,214</u>
Expenditures:						
Operations	1,402,961	1,402,961	648,453	683,535	1,331,988	70,973
Stormwater quality	191,000	191,000	67,072	57,324	124,396	66,604
SDC stormwater improvements	8,000	8,000	-	5,860	5,860	2,140
Contingency	<u>46,500</u>	<u>46,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,500</u>
Total expenditures	<u>1,648,461</u>	<u>1,648,461</u>	<u>715,525</u>	<u>746,719</u>	<u>1,462,244</u>	<u>186,217</u>
Net change in fund balance	176,639	176,639	317,894	212,176	530,070	353,431
Beginning fund balance	<u>1,099,275</u>	<u>1,099,275</u>	<u>1,218,495</u>	<u>1,536,389</u>	<u>1,218,495</u>	<u>119,220</u>
Ending fund balance	<u>\$ 1,275,914</u>	<u>\$ 1,275,914</u>	<u>\$ 1,536,389</u>	1,748,565	<u>\$ 1,748,565</u>	<u>\$ 472,651</u>
Reconciliation to Proprietary Net Position:						
Capital assets, net of depreciation				7,509,355		
Deferred outflow of resources				47,440		
Net pension liability				(118,596)		
Financing agreement				(79,225)		
Noncurrent portion				(258,451)		
Compensated absences				(3,818)		
Noncurrent portion				(3,818)		
Accrued interest				(14,049)		
Deferred inflow of resources				<u>(12,375)</u>		
Total				<u>\$ 8,815,028</u>		

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

**NONMAJOR BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2019**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>SECOND YEAR ACTUAL</u>	<u>TOTAL ACTUAL FOR BUDGET PERIOD</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
Revenues:						
Charges for services	\$ 551,000	\$ 551,000	\$ 358,907	\$ 211,861	\$ 570,768	\$ 19,768
Investment earnings	6,000	6,000	10,004	17,866	27,870	21,870
Miscellaneous	-	-	600	-	600	600
Total revenues	<u>557,000</u>	<u>557,000</u>	<u>369,511</u>	<u>229,727</u>	<u>599,238</u>	<u>42,238</u>
Expenditures:						
Personal services	438,275	438,275	146,605	148,337	294,942	143,333
Materials and services	104,900	104,900	52,411	60,462	112,873	(7,973)
Contingency	5,560	5,560	-	-	-	5,560
Total expenditures	<u>548,735</u>	<u>548,735</u>	<u>199,016</u>	<u>208,799</u>	<u>407,815</u>	<u>140,920</u>
Net change in fund balance	8,265	8,265	170,495	20,928	191,423	183,158
Beginning fund balance	<u>408,782</u>	<u>408,782</u>	<u>432,807</u>	<u>603,302</u>	<u>432,807</u>	<u>24,025</u>
Ending fund balance	<u>\$ 417,047</u>	<u>\$ 417,047</u>	<u>\$ 603,302</u>	624,230	<u>\$ 624,230</u>	<u>\$ 207,183</u>
Reconciliation to proprietary net position:						
Deferred outflow of resources				67,511		
Net pension liability				(168,773)		
Compensated absences				(11,006)		
Deferred inflow of resources				<u>(17,611)</u>		
Total				<u>\$ 494,351</u>		

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

**INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2019**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>SECOND YEAR ACTUAL</u>	<u>TOTAL ACTUAL FOR BUDGET PERIOD</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>				
Revenues:						
Charges for service	\$ 2,634,400	\$ 2,634,400	\$ 1,298,152	\$ 1,313,581	\$ 2,611,733	\$ (22,667)
Investment earnings	5,000	5,000	5,965	7,649	13,614	8,614
Miscellaneous	6,000	6,000	17,551	54,593	72,144	66,144
Gain/loss on assets	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>18,136</u>	<u>18,136</u>	<u>16,136</u>
Total revenues	<u>2,647,400</u>	<u>2,647,400</u>	<u>1,321,668</u>	<u>1,393,959</u>	<u>2,715,627</u>	<u>68,227</u>
Expenditures:						
Administration	1,322,619	1,322,619	647,102	661,028	1,308,130	14,489
Facilities maintenance	652,000	652,000	251,106	338,077	589,183	62,817
Fleet maintenance	<u>812,940</u>	<u>812,940</u>	<u>392,511</u>	<u>441,908</u>	<u>834,419</u>	<u>(21,479)</u>
Total expenditures	<u>2,787,559</u>	<u>2,787,559</u>	<u>1,290,719</u>	<u>1,441,013</u>	<u>2,731,732</u>	<u>55,827</u>
Excess of revenues over (under) expenditures	(140,159)	(140,159)	30,949	(47,054)	(16,105)	124,054
Other financing sources (uses):						
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	(190,159)	(190,159)	5,949	(72,054)	(66,105)	124,054
Beginning fund balance	<u>354,607</u>	<u>354,607</u>	<u>299,689</u>	<u>305,638</u>	<u>299,689</u>	<u>(54,918)</u>
Ending fund balance	<u>\$ 164,448</u>	<u>\$ 164,448</u>	<u>\$ 305,638</u>	233,584	<u>\$ 233,584</u>	<u>\$ 69,136</u>

Reconciliation to proprietary net position:

Capital assets, net of depreciation	529,620
Deferred outflow of resources	246,612
Net pension liability	(616,515)
Financing agreements	(94,520)
Accrued interest	(1,306)
Compensated absences	(39,667)
Deferred inflow of resources	<u>(64,333)</u>
Total	<u>\$ 193,475</u>

**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, and 5.

Revenue Capacity

- These schedules contain information to help the reader assess the City's most significant local revenue source - the property tax.
- Schedules 6, 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.

Financial Trends

- Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

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

Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Invested in capital assets, net of related debt	\$ 46,594,689	\$ 44,500,963	\$ 42,943,618	\$ 41,573,848	\$ 40,358,368	\$ 38,370,480	\$ 36,476,671	\$ 35,286,782	\$ 33,037,957	\$ 32,575,937
Restricted	4,302,082	1,197,631	2,653,745	2,650,004	2,405,786	2,350,270	2,541,218	4,337,046	3,465,898	6,189,002
Unrestricted	2,904,153	6,226,634	4,913,618	3,794,933	3,656,848	3,436,470	1,384,357	260,734	1,172,488	(2,516,469)
Total governmental activities net assets	53,800,924	51,925,228	50,510,981	48,018,785	46,421,002	44,157,220	40,402,246	39,884,562	37,676,343	36,248,470
Business-type activities										
Invested in capital assets, net of related debt	23,955,986	23,676,805	23,526,895	23,898,684	23,153,266	22,806,927	22,324,662	22,227,820	23,210,325	23,656,096
Restricted	1,816,743	1,816,743	201,433	305,848	554,492	550,129	533,792	533,792	533,792	-
Unrestricted	445,095	502,475	2,061,984	1,793,428	2,155,003	2,520,830	2,933,593	3,082,998	2,490,572	2,847,007
Total business-type activities net assets	26,217,824	25,996,023	25,790,312	25,997,960	25,862,761	25,877,886	25,792,047	25,844,610	26,234,689	26,503,103
Primary government										
Invested in capital assets, net of related debt	70,550,675	68,177,768	66,470,513	65,472,532	63,511,634	61,177,407	58,801,333	57,514,602	56,248,282	56,232,033
Restricted	6,118,825	3,014,374	2,855,178	2,955,852	2,960,278	2,900,399	3,075,010	4,870,838	3,999,690	6,189,002
Unrestricted	3,349,248	6,729,109	6,975,602	5,588,361	5,811,851	5,957,300	4,317,950	3,343,732	3,663,060	330,538
Total primary government	\$ 80,018,748	\$ 77,921,251	\$ 76,301,293	\$ 74,016,745	\$ 72,283,763	\$ 70,035,106	\$ 66,194,293	\$ 65,729,172	\$ 63,911,032	\$ 62,751,573

Schedule 2
City of Central Point, Oregon
Changes in Net Position
(accrual basis of accounting)
Last Ten Fiscal Years

s Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 3,818,268	\$ 6,408,877	\$ 3,741,404	\$ 4,099,776	\$ 2,753,719	\$ 2,956,023	\$ 4,447,293	\$ 4,087,852	\$ 4,390,089	\$ 4,350,451
Public safety	3,546,951	3,650,777	3,831,436	4,041,554	3,972,593	4,440,928	6,442,355	5,453,021	5,878,264	6,122,649
Highways and streets	3,559,735	1,223,667	3,644,229	3,975,841	3,726,934	1,709,768	2,128,458	1,678,878	2,292,286	2,605,056
Parks and recreation	1,204,106	1,071,328	1,368,369	1,455,619	1,470,929	1,453,826	1,732,755	1,992,173	1,570,767	1,679,351
Community development	-	-	-	-	-	-	-	410,464	85,703	20,955
Interest on long term debt	228,498	370,303	203,134	184,837	153,468	108,429	57,243	94,831	250,939	187,329
Total governmental activities expenses	12,357,558	12,724,952	12,788,572	13,757,627	12,077,643	10,668,974	14,808,104	13,717,219	14,468,048	14,965,791
Business-type activities										
Water services	2,638,608	2,438,327	2,638,689	2,625,032	3,132,382	2,954,133	3,408,999	3,489,614	3,427,413	3,314,865
Stormwater services	675,609	787,799	712,514	800,860	960,248	842,517	909,940	885,215	851,030	893,686
Building services	153,638	148,381	123,545	119,440	161,975	107,161	241,001	233,027	196,186	222,732
Total business-type activities expenses	3,467,855	3,374,507	3,474,748	3,545,332	4,254,605	3,903,811	4,559,940	4,607,856	4,474,629	4,431,283
Program revenues										
Governmental activities:										
Charges for services										
General Government	2,499,067	2,229,797	2,405,632	2,464,733	1,443,604	1,623,683	1,736,575	1,644,179	1,729,342	2,119,339
Public safety	204,673	202,034	263,232	185,271	144,779	-	-	38,202	-	-
Highways and streets	1,243,122	1,556,713	1,325,656	1,418,101	1,613,409	1,746,276	1,797,416	-	1,291,069	876,984
Parks and recreation	219,162	147,207	117,524	141,549	330,473	185,382	143,578	-	-	-
Community development	-	-	-	-	-	-	-	57,498	-	-
Interest on long term debt	260,654	370,303	252,253	237,827	-	-	-	-	-	-
Operating grants and contributions	5,691	5,578	707,451	260,616	126,418	659,623	647,786	3,669,070	658,730	1,959,555
Capital grants and contributions	170,000	-	-	265,880	849,326	182,648	221,659	116,349	49,972	-
Total governmental activities program revenues	4,602,369	4,511,632	5,071,748	4,973,977	4,508,009	4,397,612	4,547,014	5,525,298	3,729,113	4,955,878
Business-type activities:										
Charges for services										
Water services	2,149,693	2,353,000	2,434,016	2,729,293	2,887,364	2,953,854	3,179,099	3,262,536	3,333,368	3,358,876
Stormwater services	543,537	708,031	720,597	885,834	819,915	830,954	837,245	844,253	969,422	883,500
Building services	54,418	96,372	77,892	108,552	202,163	228,860	243,666	271,103	358,907	211,861
Capital grants and contributions	9,905	-	-	-	165,524	153,426	143,758	212,613	128,084	166,270
Total business-type activities program revenues	2,757,553	3,157,403	3,232,505	3,723,679	4,074,966	4,167,094	4,403,768	4,590,505	4,789,781	4,620,507
Net (expense)/revenue										
Governmental activities:	(7,755,189)	(8,213,320)	(7,716,824)	(8,783,650)	(7,569,634)	(6,271,362)	(10,261,090)	(8,191,921)	(10,738,935)	(10,009,913)
Business-type activities:	(710,302)	(217,104)	(242,243)	178,347	(179,639)	263,283	(156,172)	(17,351)	315,152	189,224
Total primary government net expense	\$ (8,465,491)	\$ (8,430,424)	\$ (7,959,067)	\$ (8,605,303)	\$ (7,749,273)	\$ (6,008,079)	\$ (10,417,262)	\$ (8,209,272)	\$ (10,423,783)	\$ (9,820,689)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property	\$ 4,274,310	\$ 4,450,453	\$ 4,510,443	\$ 4,386,671	\$ 4,241,913	\$ 4,737,843	\$ 4,713,874	\$ 5,163,837	\$ 6,357,400	\$ 6,012,942
Franchise	942,997	964,808	1,148,367	1,179,560	1,180,569	1,004,667	1,050,201	1,263,377	1,269,259	1,275,213
Hotel/Motel	297,808	304,366	362,446	451,542	373,342	391,491	481,514	440,783	495,046	492,359
Interest	42,876	25,126	46,674	56,075	45,028	34,819	54,637	45,776	287,702	252,663
Gain (loss) on capital asset disposal	-	-	-	-	29,887	(16,199)	9,097	-	-	18,136
Miscellaneous	279,427	397,464	234,647	217,606	148,931	-	-	488,352	121,309	718,700
Transfers	41,900	157,700	-	-	-	-	-	-	-	-
Total governmental activities	\$ 5,879,318	\$ 6,299,917	\$ 6,302,577	\$ 6,291,454	\$ 6,019,670	\$ 6,152,621	\$ 6,309,323	\$ 7,402,125	\$ 8,530,716	\$ 8,770,013
Business-type activities										
Interest	\$ 15,409	\$ 7,721	\$ 11,116	\$ 13,529	\$ 10,939	\$ 13,540	\$ 18,593	\$ 32,808	\$ 68,472	\$ 73,608
Miscellaneous	24,252	49,368	25,418	15,772	33,491	34,422	51,740	37,106	6,455	5,582
Transfers	(41,900)	(157,700)	-	-	-	-	-	-	-	-
Total Business-type activities	\$ (2,239)	\$ (100,611)	\$ 36,534	\$ 29,301	\$ 44,430	\$ 47,962	\$ 70,333	\$ 69,914	\$ 74,927	\$ 79,190
Change in Net Position										
Governmental activities	\$ (1,875,871)	\$ (1,913,403)	\$ (1,414,247)	\$ (2,492,196)	\$ (1,549,964)	\$ (118,741)	\$ (3,951,767)	\$ (789,796)	\$ (2,208,219)	\$ (1,239,900)
Business-type activities	(712,541)	(317,715)	(205,709)	207,648	(135,209)	311,245	(85,839)	52,563	390,079	268,414
Total primary government	\$ (2,588,412)	\$ (2,231,118)	\$ (1,619,956)	\$ (2,284,548)	\$ (1,685,173)	\$ 192,504	\$ (4,037,606)	\$ (737,233)	\$ (1,818,140)	\$ (971,486)

Schedule 3
City of Central Point, Oregon
Governmental Activities Tax Revenues By Source
(accrual basis of accounting)
Last Ten Fiscal Years

Fiscal Years Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Property taxes	\$ 4,274,310	\$ 4,450,453	\$ 4,510,443	\$ 4,386,671	\$ 4,241,913	\$ 4,737,843	\$ 4,713,874	\$ 5,163,837	\$ 6,357,400	\$ 6,012,942
Franchise taxes	942,997	964,808	1,148,367	1,179,560	1,180,569	1,004,667	1,050,201	1,171,101	1,269,259	1,275,213
Hotel/Motel taxes	297,808	304,366	362,446	451,542	373,342	391,491	481,514	440,783	495,046	492,359
Total	\$ 5,515,115	\$ 5,719,627	\$ 6,021,256	\$ 6,017,773	\$ 5,795,824	\$ 6,134,001	\$ 6,245,589	\$ 6,775,721	\$ 8,121,705	\$ 7,780,514

Schedule 4.1
City of Central Point, Oregon
Fund Balances, Governmental Funds
(modified accrual basis of accounting)
Last Ten Fiscal Years

<u>Fiscal Years Ended June 30,</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Unreserved	\$ 3,154,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All other governmental funds										
Reserved, reported in										
Debt service fund	\$ 117,329	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	1,757,167	-	-	-	-	-	-	-	-	-
Capital projects fund	73,379	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 1,947,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes: (1) The City implemented GASB Statement 54 with the year ended June 30, 2011 and previous years were not restated.

Schedule 4.2
City of Central Point, Oregon
Fund Balances, Governmental Funds
(modified accrual basis of accounting)
Last Three Fiscal Years

Fiscal Years Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Using GASB Statement 54 Definitions</u>										
General Fund										
Nonspendable	\$ -	\$ -	\$ 25,249	\$ 19,879	\$ 6,506	\$ 6,896	\$ 10,171	\$ 12,835	\$ 18,073	\$ 13,030
Assigned	-	2,824,550	2,988,602	2,518,770	2,098,460	2,501,250	2,501,250	3,870,668	3,870,668	-
Unassigned	-	519,581	188,064	14,543	530,203	333,600	847,535	11,946	94,244	3,990,638
Total General Fund	-	3,344,131	3,201,915	2,553,192	2,635,169	2,841,746	3,358,956	3,895,449	3,982,985	4,003,668
All other governmental funds										
Nonspendable	-	-	672	3,841	483	19	40,647	3,634,353	3,533,493	-
Special revenue fund	-	-	672	3,841	483	19	40,647	3,634,353	3,533,493	-
Restricted	-	1,644,801	16	1,721,973	1,785,130	2,051,824	1,985,182	4,144,732	3,413,801	2,724,387
Special revenue funds	-	1,644,801	16	1,721,973	1,785,130	2,051,824	1,985,182	4,144,732	3,413,801	2,724,387
Economic development commission	-	-	-	-	-	-	-	51,027	(3,241,250)	-
Debt service fund	-	7,094	18,040	47,012	41,939	18,486	25,680	60,455	52,097	3,464,615
Capital projects fund	-	68,167	78,238	117,955	139,393	217,144	290,240	78,842	-	-
Total Restricted	-	1,720,062	96,294	1,886,940	1,966,462	2,287,454	2,301,102	4,335,056	224,648	6,189,002
Committed	-	363,817	739,573	301,661	133,515	24,684	-	-	-	-
Special revenue funds	-	363,817	739,573	301,661	133,515	24,684	-	-	-	-
Capital projects funds	-	300,613	483,463	487,096	569,969	572,816	601,278	1,029,068	1,235,569	1,442,574
Total Committed	-	664,430	1,223,036	788,757	703,484	597,500	601,278	1,029,068	1,235,569	1,442,574
Unassigned	-	-	-	-	-	-	-	-	-	(2,928,228)
Total all other governmental funds	-	2,384,492	1,320,002	2,679,538	2,670,429	2,884,973	2,943,027	8,998,477	4,993,710	4,703,348
Total Fund Balances, Governmental Funds	\$ -	\$ 5,728,623	\$ 4,521,917	\$ 5,232,730	\$ 5,305,598	\$ 5,726,719	\$ 6,301,983	\$ 12,893,926	\$ 8,976,695	\$ 8,707,016

Note: The City implemented GASB Statement 54 with the year ended June 30, 2011 and previous years were not restated.

Schedule 5.1
City of Central Point, Oregon
Changes In Fund Balances, Governmental Funds
(modified accrual basis of accounting)
Last Ten Fiscal Years

Fiscal Years Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES:										
Taxes	\$ 5,492,186	\$ 5,678,570	\$ 5,899,946	\$ 5,928,140	\$ 6,100,680	\$ 6,273,085	\$ 6,596,233	\$ 6,980,900	\$ 7,391,916	\$ 7,823,479
Licenses and permits	53,128	52,468	52,726	51,833	55,925	63,355	116,911	146,634	155,315	159,841
Intergovernmental	1,585,932	1,636,926	2,425,471	2,117,836	2,358,108	1,726,624	1,744,417	1,821,146	1,913,595	1,959,555
Charges for services	1,697,673	1,737,840	1,498,315	1,659,605	1,846,151	2,093,311	2,196,010	3,593,921	2,394,986	2,522,077
Assessments	83,145	31,709	59,855	59,364	51,567	34,541	5,180	62,892	-	-
Fines and forfeitures	204,673	202,034	180,330	181,121	140,096	99,302	84,679	72,908	76,226	68,481
Investment earnings	38,568	23,124	44,945	53,686	44,365	33,257	52,893	105,789	207,702	245,014
Miscellaneous	197,012	303,326	232,963	195,719	262,175	253,432	171,592	545,853	121,309	664,107
Total Revenues	9,352,317	9,665,997	10,394,551	10,247,304	10,859,067	10,576,907	10,967,915	13,330,043	12,261,049	13,442,554
EXPENDITURES:										
Current										
General government	1,426,625	2,433,392	2,794,613	3,097,111	2,641,291	2,628,067	2,834,006	2,833,867	3,099,548	3,128,730
Public Safety	3,485,011	3,635,189	3,979,123	4,020,160	3,947,264	3,932,240	4,011,459	4,149,175	4,469,313	4,688,711
Highways and streets	1,220,863	1,486,442	1,598,584	2,246,667	2,359,168	1,672,466	1,949,402	1,975,108	3,123,313	3,621,343
Parks and recreation	1,191,358	1,143,584	1,084,081	1,242,721	1,276,485	1,258,999	1,233,021	1,554,684	1,262,502	1,609,917
Community development	-	-	-	-	-	-	-	410,464	3,556,901	39,644
Debt service										
Principal	488,355	593,702	454,000	457,765	497,000	3,182,604	525,861	575,671	441,079	459,946
Interest	223,265	205,009	180,610	162,313	144,991	111,175	60,699	83,016	250,634	188,942
Capital outlay	1,332,325	-	-	-	-	-	-	-	-	-
Total Expenditures	9,367,802	9,497,318	10,091,011	11,226,737	10,866,199	12,785,551	10,614,448	11,581,985	16,203,290	13,737,233
Excess of revenues over (under) expenditures	(15,485)	168,679	303,540	(979,433)	(7,132)	(2,208,644)	353,467	1,748,058	(3,942,241)	(294,679)
OTHER FINANCING SOURCES (USES)										
Transfers in	274,639	671,746	703,100	497,750	298,800	199,000	278,200	259,050	447,907	222,835
Transfers out	(232,739)	(214,046)	(523,100)	(497,750)	(218,800)	(199,000)	(253,200)	(234,050)	(422,907)	(197,835)
Long term debt proceeds	27,815	-	-	-	-	2,629,766	-	4,546,782	-	-
Total other financings sources (uses)	69,715	457,700	180,000	-	80,000	2,629,766	25,000	4,571,782	25,000	25,000
Net Change in Fund Balance	54,230	626,379	483,540	(979,433)	72,868	421,122	378,467	6,319,840	(3,917,241)	(269,679)
Beginning fund balance	5,048,015	5,102,244	5,728,623	6,212,163	5,232,730	5,305,597	5,923,516	6,574,096	12,893,936	8,976,695
Ending fund balance	\$ 5,102,245	\$ 5,728,623	\$ 6,212,163	\$ 5,232,730	\$ 5,305,598	\$ 5,726,719	\$ 6,301,983	\$ 12,893,936	\$ 8,976,695	\$ 8,707,016

Schedule 5.2
City of Central Point, Oregon
Governmental Funds Debt Service as a Percentage of Total Expenditures
(modified accrual basis of accounting)
Last Ten Fiscal Years

Fiscal Years Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENDITURES:										
Current										
General government	\$ 1,426,625	\$ 2,433,392	\$ 2,794,613	\$ 3,097,111	\$ 2,641,291	\$ 2,628,067	\$ 2,834,006	\$ 2,833,867	\$ 3,099,548	\$ 3,128,730
Public Safety	3,485,011	3,635,189	3,979,123	4,020,160	3,947,264	3,932,240	4,011,459	4,149,175	4,469,313	4,688,711
Highways and streets	1,220,863	1,486,442	1,598,584	2,246,667	2,359,168	1,672,466	1,949,402	1,975,108	3,123,313	3,621,343
Parks and recreation	1,191,358	1,143,584	1,084,081	1,242,721	1,276,485	1,258,999	1,233,021	1,554,684	1,262,502	1,609,917
Community development	-	-	-	-	-	-	-	410,464	3,556,901	39,644
Personal services	-	-	-	-	-	-	-	-	-	-
Materials and services	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	488,355	593,702	454,000	457,765	497,000	3,182,604	525,861	575,671	441,079	459,946 (1)
Interest	223,265	205,009	180,610	162,313	144,991	111,175	60,699	83,016	250,634	188,942
Capital outlay	1,332,325	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 9,367,802	\$ 9,497,318	\$ 10,091,011	\$ 11,226,737	\$ 10,866,199	\$ 12,785,551	\$ 10,614,448	\$ 11,581,985	\$ 16,203,290	\$ 13,737,233
Debt service										
Principal	\$ 488,355	\$ 593,702	\$ 454,000	\$ 457,765	\$ 497,000	\$ 3,182,604	\$ 525,861	\$ 575,671	\$ 441,079	\$ 459,946 (2)
Interest	223,265	205,009	180,610	162,313	144,991	111,175	60,699	83,016	250,634	188,942
Total debt service	\$ 711,620	\$ 798,711	\$ 634,610	\$ 620,078	\$ 641,991	\$ 3,293,779	\$ 586,560	\$ 658,687	\$ 691,713	\$ 648,888
Debt service as a percentage of total expenditures	7.60%	8.41%	6.29%	5.52%	5.91%	25.76%	5.53%	5.69%	4.27%	4.72%

Note:

(1) Issued 2014 Series Refunding Bond.

(2) Includes refunding and early payoff of City Hall debt, Don Jones Memorial Park debt, and 10th, Scenic, Upton Road debt.

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	Total
2010	\$ 4,274,310	\$ 942,997	\$ 297,808	\$ 5,515,115
2011	4,450,453	964,808	304,366	5,719,627
2012	4,510,443	1,148,367	362,446	6,021,256
2013	4,386,671	1,179,560	451,542	6,017,773
2014	4,241,913	1,180,569	373,342	5,795,824
2015	4,737,843	1,004,667	391,491	6,134,001
2016	4,713,874	1,050,201	481,514	6,245,589
2017	5,163,837	1,050,201	440,783	6,654,821
2018	5,297,222	1,092,259	495,047	6,884,528
2019	5,621,509	1,098,213	492,359	7,212,081

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 Direct Tax Rate (1) (2) (3)	Real Market Value (4)
	Real Property	Mobile Homes	Personal Property	Utilities	Non-Profit Housing	Total		
2010	\$ 950,387	\$ 9,395	\$ 14,133	\$ 11,924	\$ 2,160	\$ 987,999	4.47	\$ 1,428,667
2011	979,262	8,071	16,915	14,639	2,224	1,021,111	4.47	1,259,362
2012	992,547	8,663	15,965	16,485	2,291	1,035,951	4.47	1,196,042
2013	960,102	8,901	16,277	16,364	2,359	1,004,003	4.47	1,124,216
2014	983,026	8,971	18,458	21,211	2,430	1,034,096	4.47	1,136,873
2015	1,050,103	9,188	17,958	19,704	2,504	1,099,457	4.47	1,286,534
2016	1,094,275	8,950	16,376	21,305	2,579	1,143,485	4.47	1,387,363
2017	1,146,662	9,621	16,300	20,808	2,655	1,196,046	4.47	1,476,000
2018	1,043,621	9,336	9,614	21,171	2,735	1,086,477	4.47	1,557,602
2019	1,262,816	9,534	23,190	28,343	2,817	1,326,700	4.73	1,792,788

Source: Jackson County Assessment Records

Notes:

- (1) This rate was set by voter initiative and is referred to as the "maximum tax rate".
- (2) Any property taxes levied in excess than that derived through maximum tax rate requires local voter approval.
- (3) The City of Central Point does not levy the maximum approved tax rate per \$1,000 of Taxable Assessed Value.
- (4) "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	Direct		Overlapping									Total	Combined
	City of Central Point	Jackson County	Transit District	Vector Control District	Rogue Comm. College	Educ. Service District	Fire District #3	School District #6/549C	Library District	Urban Renewal			
2010	\$ 4.47	2.37	\$ 0.17	\$ 0.04	\$ 0.63	\$ 0.35	\$ 3.12	5.57	\$ -	\$ -	\$ 12.25	\$ 16.72	
2011	4.47	2.33	0.18	0.04	0.63	0.35	3.12	5.60	-	-	12.25	16.72	
2012	4.47	2.03	0.18	0.04	0.62	0.35	3.12	5.67	-	-	12.01	16.48	
2013	4.47	2.26	0.18	0.04	0.62	0.35	3.12	5.65	-	-	12.22	16.69	
2014	4.47	2.25	0.18	0.04	0.63	0.35	3.12	5.59	-	-	12.16	16.63	
2015	4.47	2.24	0.02	0.04	0.62	0.35	3.12	5.55	-	-	11.94	16.41	
2016	4.47	2.22	0.18	0.04	0.62	0.35	3.12	5.55	0.52	-	12.60	17.07	
2017	4.47	2.23	0.31	0.04	0.67	0.35	3.12	5.56	0.52	-	12.79	17.26	
2018	4.47	2.17	0.30	0.04	0.66	0.35	3.07	5.46	0.51	0.28	12.56	17.03	
2019	4.38	2.14	0.30	0.04	0.64	0.35	3.06	5.42	0.51	0.35	12.46	17.19	

Source:

Jackson County Tax Assessor for Tax Area 0602.

Notes:

- (1) The direct property tax rate of the City of Central is for an operating levy.
- (2) The City has not levied for debt service during the past ten fiscal years.

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

Taxpayers	Type of Business	2019	Percentage of	2009	Percentage of
		Assessed Valuation	Total Assessed Valuation	Assessed Valuation	Total Assessed Valuation
Costco Wholesale Corporation	Retail	\$ 25,915,660	2.0%	\$ -	0.00%
Avista	Gas Utility	10,787,400	0.8%	3,946,000	0.42%
USF Reddaway Inc	Distribution	9,175,820	0.7%	6,614,550	0.70%
Tomchi Oregon LLC		8,377,450	0.6%	-	0.00%
Ronald Deluca Trustee, et al	Builder/Developer	8,296,270	0.6%	-	0.00%
Charter Communications	Utility	7,820,000	0.6%	-	0.00%
Travel Center Develop LLC	Truck Stop/Store	6,524,840	0.5%	3,880,740	0.41%
Twin Creeks Retirement LP	Senior Housing	6,007,140	0.5%	4,469,920	0.47%
STJ 1 LLC Et Al	Shopping Center	4,448,150	0.3%	4,535,320	0.48%
Twin Creeks Development LLC	Builder/Developer	3,880,670	0.3%	9,747,390	1.03%
Investors II LLC	Builder/Developer	-	0.0%	5,495,490	0.58%
Albertsons	Shopping Center	-	0.0%	4,535,660	0.48%
Galpin Holdings LLC	Builder/Developer	-	0.0%	3,829,930	0.40%
Beebe Wood LLC	Builder/Developer	-	0.0%	3,508,000	0.37%
Total Value Principal Taxpayers		\$ 65,317,740	4.92%	\$ 50,563,000	5.33%
Total Assessed Value all Taxable Property		\$ 1,326,675,295		\$ 949,224,566	

Total 2019 Assessed Value = \$1,326,675,295

Total 2009 Assessed Value+ \$949,224,566

Source: Jackson County Assessor's Office.

Schedule 10
City of Central Point, Oregon
Property Tax Levies and Collections
Fiscal Years Ending June 30

Fiscal Year Ended	Net Tax Levy	Collected Within The Fiscal Year Of The Levy		Subsequent Years	Total Current & Delinquent Collections	Percent of Total Tax Collected To Net Tax Levy (5)	Out-standing Delinquent Taxes	Percent of Delinquent Tax to Net Tax Levy
		Current Tax Collections	Percentage of Net Tax Levy	Delinq. Tax Collections				
2009	\$ 4,244,501	\$ 3,943,985	92.9%	\$ 298,140	\$ 4,242,125	99.9%	\$ 2,376	0.1%
2010	4,425,222	4,082,008	92.2%	340,299	4,422,307	99.9%	2,915	0.1%
2011	4,566,195	4,338,021	95.0%	224,264	4,562,285	99.9%	3,910	0.1%
2012	4,630,906	4,420,826	95.5%	192,719	4,613,545	99.6%	17,361	0.4%
2013	4,500,231	4,304,723	95.7%	169,297	4,474,020	99.4%	26,211	0.6%
2014	4,610,815	4,434,322	96.2%	126,861	4,561,183	98.9%	49,632	1.1%
2015	4,820,942	4,546,455	94.3%	197,239	4,743,694	98.4%	77,248	1.6%
2016	5,015,104	4,747,053	94.7%	134,947	4,882,000	97.3%	133,104	2.7%
2017	5,214,023	4,912,032	94.2%	169,937	5,081,969	97.5%	132,054	2.5%
2018	5,457,980	5,120,817	93.8%	226,692	5,347,509	98.0%	110,471	2.0%
2019	5,798,417	5,434,403	93.7%	237,980	5,672,383	97.8%	126,034	2.2%
	(5)	(1) (2) (3) (4)						

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

- Notes: (1) Collections reflect cash transactions as reported by and received from Jackson County.
(2) Discounts and adjustments to the rolls may occur because of discounts on early payment or levy adjustments.
(3) Discounts approximate 2% of the tax levy. Other adjustments are rare, were not material in amount, and cannot be estimated.
(4) After the City informs Jackson County of the amount of the tax levy, the County is responsible for the imposition, adjustment, collection, and distribution of all property taxes to the various taxing districts - including the City.
(5) The net levy is the actual imposed tax after adjustments and constitutional property tax limitations.

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

Governmental Activities										
Fiscal Year Ended	SDC Obligations	Financing Agreement	Capital Leases	Notes Payable	Limited Tax Improvement Bonds	Tax Exempt Financing Note	Certificates of Participation	Series 2014	Series 2017	Total
2010	\$ 629,347	\$ 1,315,937	\$ -	\$ 27,815	\$ 352,491	\$ 1,100,000	\$ 2,190,000	\$ -	\$ -	\$ 5,615,590
2011	622,475	1,165,853	-	13,824	302,491	995,000	2,080,000	-	-	5,179,643
2012	622,475	994,378	-	-	267,491	885,000	1,965,000	-	-	4,734,344
2013	572,001	813,902	-	-	267,491	770,000	1,845,000	-	-	4,268,394
2014	533,159	607,668	-	-	217,491	655,000	1,725,000	-	-	3,738,318
2015	499,668	-	-	-	107,491	-	-	2,578,321	-	3,185,480
2016	444,585	-	-	-	71,660	-	-	2,088,291	-	2,604,536
2017	328,255	-	-	-	-	-	-	1,584,261	4,546,782	6,459,298
2018	328,255	187,973	-	-	-	-	-	1,305,182	4,420,221	6,241,631
2019	31,917	112,196	-	-	-	-	-	1,015,236	4,202,000	5,361,349

Business-type Activities										
	SDC Obligations	Financing Agreement	Notes Payable	Series 2014	Total	Total Primary Government	Personal Income	% Personal Income	Population	Debt Per Capita
2010	\$ 19,540	\$ 171,063	\$ 127,896	\$ -	\$ 318,499	\$ 5,934,089	\$ 596,365,470	1.00%	17,169	\$ 346
2011	17,315	135,147	601,015	-	753,477	5,933,120	596,365,470	0.99%	17,235	344
2012	16,202	112,622	3,702,678	-	3,831,502	8,565,846	620,460,000	1.38%	17,235	497
2013	7,551	90,098	5,507,924	-	5,605,573	9,873,967	637,119,275	1.55%	17,275	572
2014	4,848	84,332	5,507,924	-	5,597,104	9,335,422	422,105,070	2.21%	17,315	539
2015	26,443	-	5,311,148	61,940	5,399,531	8,585,011	426,249,330	2.01%	17,485	491
2016	21,098	-	5,107,682	30,970	5,159,750	7,764,286	432,678,925	1.79%	17,585	442
2017	34,373	-	5,439,888	-	5,474,261	11,933,559	396,137,295	3.01%	17,700	674
2018	5,860	-	5,078,779	-	5,084,639	11,326,270	432,057,000	2.62%	17,700	640
2019	-	337,676	4,815,000	-	5,152,676	10,514,025	454,464,216	2.31%	18,234	577

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

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

Fiscal Year Ended	Limited Tax Bonds	Estimated Real Market Value (RMV) Of Taxable Property	%of RMV	Population	Debt Per Capita
2010	\$ 352,491	\$ 1,428,666,739	0.02%	17,165	\$ 20.54
2011	302,491	1,259,361,862	0.02%	17,235	17.55
2012	267,491	1,196,041,552	0.02%	17,235	15.52
2013	267,491	1,124,215,919	0.02%	17,275	15.48
2014	217,491	1,136,873,000	0.02%	17,315	12.56
2015	107,491	1,286,533,591	0.01%	17,485	6.15
2016	71,660	1,387,362,586	0.01%	17,585	4.08
2017	-	1,475,999,730	0.00%	17,585	-
2018	-	1,226,268,279	0.00%	17,700	-
2019	-	1,792,788,294	0.00%	18,234	-

Source: City of Central Point Financial Records.

Notes:

- (1) *Limited tax bonds were issued to finance improvement projects that benefited specific property owners who repay the bonds by special assessments. Should the special assessments be insufficient to meet the debt service obligation the full faith, credit and taxing power of the City is committed to repay the debt.*
- (2) *There are no amounts available in the Debt Service Fund because all amounts are comingled and not separately identified to specific outstanding debt.*
- (3) *The City has no other long term debt outstanding that the City's full faith, credit and taxing power has been pledged for repayment.*

Schedule 13
City of Central Point, Oregon
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	<u>Direct Debt and Overlapping Debt Applicable within City of Central Point (2)</u>	<u>Amount Applicable Within City of Central Point</u>
<u>Total Direct Debt</u>			
City of Central Point	\$ 5,361,349	100.00%	\$ 5,361,349
<u>Overlapping Debt</u>			
Jackson County School District 6			
General Obligation Bonds	7,938,835	44.38%	3,523,255
Jackson County School District 549C			
General Obligation Bonds	160,035,000	1.11%	1,776,389
Total Overlapping Debt	167,973,835		5,299,643
Total Direct and Overlapping Debt	\$ 173,335,184		\$ 10,660,992

Notes:

(1) Source: Individual District's Financial Records
(Amount includes all long term debt disclosed in Note 5 of the Basic Financial Statements where future debt service payments will be made in government activities by the Capital Improvement Fund and the Debt Service Fund)

(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
City of Central Point, Oregon
Legal Debt Margin
Last Ten Fiscal Years

<u>Fiscal Years Ended June 30,</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 42,860,002	\$ 37,780,856	\$ 35,881,230	\$ 33,726,450	\$ 34,106,190
Total net debt applicable to debt limit	-	-	-	-	-
Available debt limit	<u>\$ 42,860,002</u>	<u>\$ 37,780,856</u>	<u>\$ 35,881,230</u>	<u>\$ 33,726,450</u>	<u>\$ 34,106,190</u>
Total net debt applicable to debt limit as a percentage of debt limit	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 38,596,008	\$ 41,620,878	\$ 44,279,992	\$ 48,267,685	\$ 53,783,640
Total net debt applicable to debt limit	-	-	-	-	-
Available debt limit	<u>\$ 38,596,008</u>	<u>\$ 41,620,878</u>	<u>\$ 44,279,992</u>	<u>\$ 48,267,685</u>	<u>\$ 53,783,640</u>
Total net debt applicable to debt limit as a percentage of debt limit	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Legal Debt Margin Calculation for Fiscal Year

	<u>2019</u>
True Cash Value (1)	\$ 1,792,788,000
Debt Limit at 3% of True Cash Value (2)	53,783,640
Amount of Debt Applicable to Debt Limit:	
Total bonded debt	
Tax Obligation Bonds	\$ -
Less: Deductions allowed by law (3)	-
Tax Obligation Bonds	<u>\$ -</u>
Legal Debt Margin	\$ <u>53,783,640</u>

Notes:

- (1) "True Cash Value" in Oregon law means "Real Market Value".
- (2) Oregon law provides that a City may not issue or have outstanding general obligation bonds in a principal amount that exceeds 3% of the real market value of the taxable property within its boundaries.
- (3) Oregon law exempts from limitation tax obligation bonds that finance the costs of local improvements assessed and paid for installments under statutory or charter authority.

Schedule 15
City of Central Point, Oregon
Pledged Revenue Coverage
Last Ten Fiscal Years
(GAAP Basis of Accounting)

Utility System Revenue Notes (1)

Fiscal	Operating	Plus:	Net Available	Debt Service	Coverage
		Interest	For Debt	Requirements	
2010	\$ 2,173,483	\$ 6,824	\$ 2,180,307	\$ - \$ 6,824	319
2011	2,353,000	6,824	\$ 2,359,824	127,896 6,824	345
2012	2,434,016	-	\$ 2,434,016	- -	-
2013	2,729,293	-	\$ 2,729,293	- -	-
2014	3,000,054	-	\$ 3,000,054	- -	-
2015	2,981,420	-	\$ 2,981,420	- -	-
2016	3,227,478	-	\$ 3,227,478	- -	-
2017	3,288,531	-	\$ 3,288,531	- -	-
2018	3,339,223	-	\$ 3,339,223	- -	-
2019	3,364,458	-	\$ 3,364,458	- -	-

Notes:

- (1) *Includes Erickson Waterline note payable only*
- (2) *To be paid from gross water operating revenue*
- (3) *Based on gross operating water revenue*
- (4) *Gross operating revenues and operating expenses are as reported on the government wide financial statements*
- (5) *Operating expenses include depreciation expense*

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)		
2010	17,160	\$ 34,168	\$ 586,322,880	34	89%	29%	4,567	12.0
2011	17,169	34,602	594,081,738	37	89%	29%	4,434	12.8
2012	17,235	36,000	620,460,000	38	89%	29%	4,468	10.7
2013	17,235	36,881	635,644,035	38	89%	29%	4,436	9.8
2014	17,275	24,378	421,129,950	41	90%	19%	4,336	8.6
2015	17,485	24,378	422,105,700	41	89%	25%	4,413	7.1
2016	17,585	24,605	426,249,330	38	89%	26%	4,471	6.2
2017	17,700	22,527	432,678,925	38	87%	19%	4,497	4.6
2018	17,700	24,410	432,057,000	43	89%	26%	4,690	4.4
2019	18,234	24,924	454,464,216	38	87%	19%	4,701	4.6

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.
- (4) U.S. Census of 2000 and 2010

Note:

- (1) *N/A Data not available at 10/30/2015

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

Employer	Fiscal Year 2017/18			Fiscal Year 2007/08		
	Employees	Percent of Total City Population	Rank	Employees	Percent of Total City Employment	Rank
School Dist 6	673	3.80%	1	518	3.52%	1
Costco	384	2.17%	2	-	-	-
Knife River Materials	142	0.80%	3	-	-	-
Pilot Travel Center	110	0.62%	4	66	-	-
USF Reddaway	110	0.62%	5	120	0.70%	2
So. Ore. Veterinary	110	0.62%	6	-	-	-
Albertsons	100	0.56%	7	77	0.47%	4
Knife River	81	0.46%	8	-	-	-
City of Central Point	75	0.42%	10	91	0.65%	3
McDonalds	48	0.27%	-	-	0.44%	5
Grange Co-op	-	-	-	60	0.41%	6
Rays Food Place	-	-	-	53	0.31%	7
Providence Medical Group	-	-	-	40	0.27%	8
Quality Fence	-	-	9	40	0.26%	9
Shari's	-	-	-	35	0.26%	10
Total	1,833	10.36%		1,100	7.29%	

Source: City of Central Point Finance Department

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government										
<i>Administration</i>	4.00	5.50	5.50	5.50	5.50	4.50	4.50	4.00	4.50	4.00
<i>Finance</i>	7.50	7.50	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00
<i>Human Resources</i>	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50
<i>Community Development</i>	4.50	4.50	3.00	3.50	3.00	3.00	4.50	4.50	4.50	5.00
 <i>Police</i>	28.50	28.50	28.50	28.50	29.50	30.00	31.00	31.00	31.00	31.00
Physical Environment										
<i>Building</i>	1.50	1.50	1.50	1.50	1.50	1.50	2.00	1.00	1.00	1.00
<i>Public Works</i>	17.25	12.75	12.00	14.50	14.85	14.85	14.85	14.00	14.00	11.85
Transportation										
<i>Streets & Fleet</i>	6.00	8.00	7.00	6.00	6.00	6.00	6.00	5.00	8.00	8.00
Culture/Recreation										
<i>Parks</i>	5.00	3.50	3.75	2.65	3.50	3.65	3.65	3.00	3.00	2.00
<i>Recreation</i>	2.00	2.50	2.75	3.65	2.50	2.50	2.50	2.00	2.00	5.15
Total	<u>77.25</u>	<u>75.25</u>	<u>72.00</u>	<u>73.80</u>	<u>74.35</u>	<u>73.00</u>	<u>76.00</u>	<u>71.50</u>	<u>75.00</u>	<u>75.50</u>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Building Inspections										
Building Permits Issued	28	30	45	70	84	120	61	52	31	40
Finance										
Accounts Payable Checks Processed	1,513	1,604	1,366	1,249	1,672	1,455	1,602	1311	1751	1146
Business Licenses	913	978	972	950	931	971	982	895	922	896
Average Number Utility Accounts	6,128	6,079	6,100	6,158	6,409	6,505	6,587	6637	6669	6697
Public Works - Street Division										
Streets Cleaned (Miles)	800	800	800	800	2,000	7,696	5,751	6289	5756	3067
Man Holes Inspected	198	198	198	198	350	175	175	5	7	2
Curb Inlets & Catch Basins Inspected	583	583	583	583	750	300	360	73	23	2
Water/Storm										
Fire Hydrants Flushed & Serviced	215	215	218	218	218	107	125	127	214	217
Water Valve Actuations	620	620	620	620	620	136	540	421	625	496
Water Meters Read	73,279	73,512	73,764	73,892	73,892	78,054	79,044	79,638	80,026	80,367
Blow-off Valves Flushed	18	18	18	18	18	162	18	92	113	222
Stormdrains Flushed & Cleaned (Miles)	16	16	16	16	16	16	-	-	3	658

Source: City of Central Point Records

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
<i>Police Stations</i>	1	1	1	1	1	1	1	1	1	1
<i>Police Sub Station</i>	2	2	2	2	1	1	1	1	1	1
Other Public Works										
<i>Miles of Streets</i>	71	71	71	71	71	71	71	71	72	72.8
Parks and Recreation										
<i>Park acreage</i>	187.93	189.73	192.73	192.73	192.73	192.73	192.73	192.73	192.73	192.73
<i>Number of community parks</i>	17	17	17	17	17	17	17	17	17	17
<i>Number of neighborhood parks</i>	5	6	6	6	6	6	6	6	6	6
Water										
<i>Water Mains (miles)</i>	89.7	89.7	90	91	91	91	91	91	93	93.8
<i>Maximum Plant Capacity (MPG)</i>				6700	6700	6700	6700	6700	6700	6700
<i>Fire Hydrants</i>	913	913	913	925	925	925	929	947	968	995

Source: City of Central Point Finance Department

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

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

INDEPENDENT AUDITOR'S COMPLIANCE REPORT



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS*

Honorable Mayor and Members of the City Council
City of Central Point, Oregon

We have audited the basic financial statements of the City of Central Point, Oregon ("City") as of and for the year ended June 30, 2019, and have issued our report thereon dated December 20, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

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

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

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

This report is intended solely for the information and use of management, the Honorable Mayor and Council, and the Secretary of State, Audits Division, of the State of Oregon. However, this report is a matter of public record and its distribution is not limited.

ISLER CPA



by: Gatlin Hawkins, CPA, a member of the firm

Eugene, Oregon
December 20, 2019