

About the Cover

"Central Point Forward-Vision 2020 was the theme for the recent community-wide strategic planning process that resulted in new strategies and goals for moving Central Point towards its long term vision."



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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2008

Prepared by:

Bev Adams, Interim Finance Director



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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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City of Central Point,
Oregon
140 S Third Street, Central Point, OR
97502

Finance Department
Bev Adams, Interim Finance Director

December 4, 2008

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

Oregon statutes require that all general purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby submit the comprehensive annual financial report of the City of Central Point, Oregon for the fiscal year ended June 30, 2008.

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

The enclosed financial statements have been audited by Purkeypile & Johannsen, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Central Point for the fiscal year ending June 30, 2008, are free from material misstatement. The audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditor concluded based on the audit performed, that there was a reasonable basis for rendering an unqualified opinion that the City of Central Point's financial statements are fairly presented in conformance with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

significant activity of the City. The City interacts and contracts with various other governmental entities but is not financially accountable for those entities.

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

The City

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

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

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

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

Accounting System and Budgetary Control

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

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

The annual budget serves as the foundation for the city of Central Point's financial planning and control. All departments of the city submit a budget to the administrator who then oversees the preparation of a proposed budget. The budget is presented to a budget committee for review and approval and then submitted to city council for adoption prior to July 1 of each year. The city finance director maintains budgetary control through constant review. Detailed monthly budget reports are prepared for each department.

Oregon budget law allows for amendments to the budget for reasons unforeseen at the time the budget is adopted. Changes to the original adopted budget of less than 10 percent require only a council resolution. Changes in excess of 10 percent require a supplemental budget process prior to the adoption that includes 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

The regional economic base is tied to agriculture, tourism, higher education, health care, transportation and manufacturing. There is an increasing population of retirees moving into the area, a factor that requires new and expanded health care resources, and additional requirements for retirement, assisted living and nursing home facilities.

Long-term financial planning

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

Cash Management

During 2007-08, the City invested its cash temporarily in the State of Oregon Local Government Investment Pool and in certificates of deposit. The average yield on these investments was approximately 4.65%. The interest income for the 2008 fiscal year was approximately \$466,465.

Pension benefits

The City of Central Point employees are participants in the State of Oregon Public Employees Retirement System, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for government units in the State of Oregon. The City does not provide post retirement benefits. Future rates for this pension costs are expected to decline because of favorable returns and legislative reforms.

Acknowledgments

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

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

Respectively submitted,



Phil Messina
City Administrator



Bev Adams
Interim Finance Director

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

ELECTED OFFICIALS

June 30, 2008

<u>NAME</u>	<u>TERM EXPIRES</u>
Hank Williams, Mayor	December 31, 2008
Bruce Dingle, Ward I	December 31, 2010
Mike Quilty, Ward II	December 31, 2010
Mathew Stephenson, Ward III	December 31, 2010
Richard Halley, Jr., Ward IV	December 31, 2008
Kay Harrison, At Large	December 31, 2008
Walter Moczygemba, At Large	December 31, 2008

All council members receive mail at the address listed below.

CITY ADMINISTRATOR

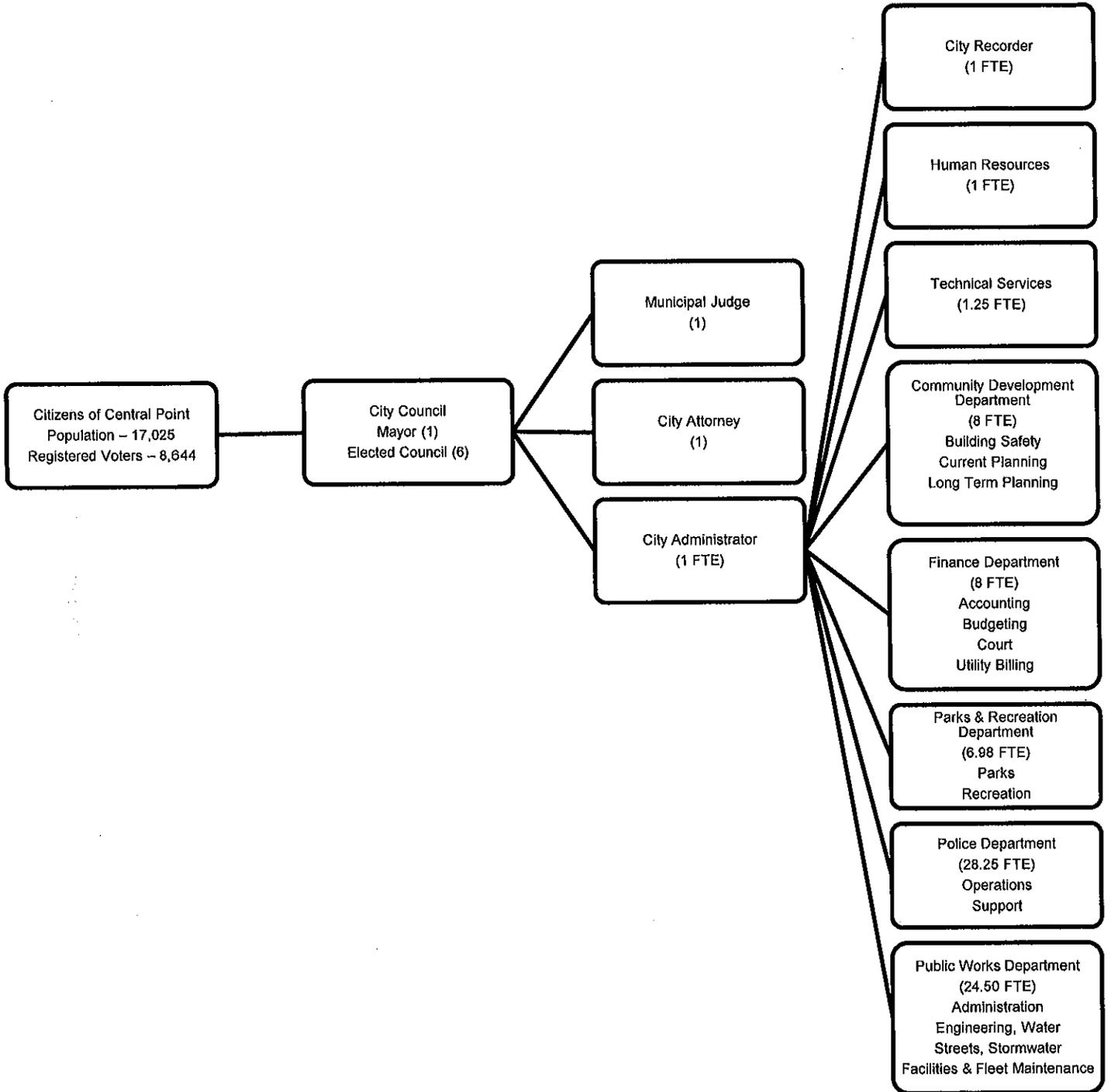
Phil Messina

FINANCE DIRECTOR

Jill Turner, CPA

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

**City of Central Point
79.98 FTE
For The Fiscal Year Ended June 30, 2008**



**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, 2008. Please read it in conjunction with the City's transmittal letter in the introductory section, and the City's financial statements following the MD&A.

Financial highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$81,275,909 (net assets). Of this amount, \$4,977,944 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2008, the unreserved fund balance for the General Fund was \$2,613,319, an increase of \$164,548 from the previous year. This fund balance represents approximately 40% of the 2007-08 total general fund expenditures including transfers out.
- The City of Central Point's total debt increased by \$638,889 (11%) during the year. The primary reasons were the issuance of the \$500,000 limited tax improvement bonds (LID) for a water improvement project, and the recording of additional obligations due to developers for growth related projects in the amount of \$138,889.

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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Government-wide financial statements

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

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

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

Fund financial statements

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

The City has the following kinds of funds:

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

additional information on the subsequent page, that explain the relationship (or differences) between them.

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

Government-wide financial analysis

Over time, net assets may serve as a useful indicator of a government's financial position. By far the largest portion of the City's assets (88.6%) are invested in capital assets (land, buildings, equipment and infrastructure improvements) These assets are used to deliver services to citizens and are not available for future spending.

The second largest portion (6.1%) of net assets is unrestricted net assets. This represents resources that may be used to meet the ongoing obligations to citizens and creditors. The final portion (5.3%) titled restricted net assets, are subject to external restrictions on how they can be used.

The unrestricted net assets decreased by \$1,297,515; largely due to depreciation expense in both governmental and business type activities.

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

	Governmental		Business Type		Total	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
ASSETS						
Current and Other Assets	\$ 8,335	\$ 8,164	\$ 4,475	\$ 4,240	\$ 12,810	\$ 12,404
Capital Assets	54,162	54,003	23,415	23,641	77,577	77,644
Total Assets	<u>62,497</u>	<u>62,167</u>	<u>27,890</u>	<u>27,881</u>	<u>90,387</u>	<u>90,048</u>
LIABILITIES						
Current and Other Liabilities	2,424	1,509	424	504	2,848	2,013
Long-Term Liabilities	4,569	6,369	397	390	4,966	6,759
Total Liabilities	<u>6,993</u>	<u>7,878</u>	<u>821</u>	<u>894</u>	<u>7,814</u>	<u>8,772</u>
NET ASSETS						
Capital Assets Net of Related Debt	49,658	48,839	23,017	23,251	72,675	72,090
Restricted Assets	1,615	1,851	2,645	2,357	4,260	4,208
Unrestricted Assets	4,231	3,599	1,407	1,379	5,638	4,978
Total Net Assets	<u>\$ 55,504</u>	<u>\$ 54,289</u>	<u>\$ 27,069</u>	<u>\$ 26,987</u>	<u>\$ 82,573</u>	<u>\$ 81,276</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

	Governmental		Business Type		Total	
	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
REVENUES						
Program Revenues:						
Charges For Services	\$ 5,917	\$ 5,574	\$ 3,493	\$ 3,303	\$ 9,410	\$ 8,877
Grants and Contributions	960	58	-	-	960	58
General Revenues:						
Property Taxes	3,759	4,069	-	-	3,759	4,069
Franchise Taxes	779	856	-	-	779	856
Hotel/Motel Taxes	293	343	-	-	293	343
Interest	288	287	215	182	503	469
Miscellaneous	67	61	51	19	118	80
Total Revenues	12,063	11,248	3,759	3,504	15,822	14,752
EXPENSES						
Functions:						
General Government	3,952	3,939	-	-	3,952	3,939
Public Safety	3,636	3,407	-	-	3,636	3,407
Highways and Streets	4,832	3,897	-	-	4,832	3,897
Parks and Recreation	1,192	1,051	-	-	1,192	1,051
Interest	108	170	-	-	108	170
Water Services	-	-	2,057	2,290	2,057	2,290
Stormwater Services	-	-	541	791	541	791
Building Services	-	-	789	504	789	504
Total Expenses	13,720	12,464	3,387	3,585	17,107	16,049
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	(1,657)	(1,216)	372	(81)	(1,285)	(1,297)
Transfers	(235)	-	235	-	-	-
INCREASE (DECREASE) IN NET ASSETS	(1,892)	(1,216)	607	(81)	(1,285)	(1,297)
BEGINNING NET ASSETS	57,396	55,504	26,462	27,069	83,858	82,573
ENDING NET ASSETS	\$ 55,504	\$ 54,288	\$ 27,069	\$ 26,988	\$ 82,573	\$ 81,276

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial analysis of the city as a whole

General Fund budgetary highlights

The General Fund is the chief operating fund of the City of Central Point. At the end of the current fiscal year, the fund balance was \$2,613,391; an increase of \$164,548 from the prior fiscal year. The increase is attributed to management's efforts to reduce expenditures in response to declining revenues. Expenditures and revenues within the General Fund are well matched and there were not significant variances from budget.

Capital assets

The City of Central Point's investment in capital assets for its governmental and business type activities as of June 30, 2008, amounts to \$77,664,273 (net of accumulated depreciation). This investment covers a broad range of capital assets, including land, buildings, storm water system improvements, vehicles, equipment, and water utility system. More detailed information about the city's capital assets is presented in the notes to the financial statements.

Major capital asset additions during the current fiscal year include the following:

- Street realignment construction on Scenic, 10th and Upton amount to \$2.1 million in additional improvements.
- Purchase of land on West Vilas Road for \$107,452.
- Police and public works vehicle additions of \$235,362.
- Construction of street, storm water and water improvements on Ninth & Laurel project in the amount of \$1.2 million.

Long term debt

At June 30, 2008, the City had \$5,204,482 of long-term debt, the majority being bonds and notes payable. The City entered into one additional bond financing and several systems development obligations during the fiscal year. More detailed information about the City's long-term debt is presented in the notes to the financial statements.

Economic factors and the new year budget

The City of Central Point had experienced large increases in housing starts over the last few years. Mid 2006, construction of homes dramatically declined and at present is almost to a standstill. This continued economic decline has sent a ripple effect throughout the City, decreasing revenues and significantly limiting projects citywide. This economic situation was carefully considered in preparing the 2008-09 operating and long-term budget. As a result of the economic decline all operating expenses of the City were closely examined and the final 2008-09 budget reflects a reduction of \$2.0 million (7.7%) less spending authority when compared to the 2007-08 operating budget. This is the second consecutive year with an overall budget decrease.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's financial health was not as strong at June 30, 2008 as in previous years of growth. However, City staff carefully considered many options and made appropriate cuts in personnel, operations, and capital projects in an effort to retain sufficient carryover to continue current service levels as long as possible. City council and staff are in the process of exploring new revenue streams as a way to improve and stabilize the city's economic health and provide for needed maintenance and capital project funding.

Contacting the City's financial management

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

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF NET ASSETS
JUNE 30, 2008**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Assets:			
Cash and Cash Equivalents	\$ 5,702,207	\$ 3,725,654	\$ 9,427,861
Current Receivables, net of allowances for uncollectibles	641,838	395,854	1,037,692
Prepaid Expenses	7,933	16	7,949
Supply Inventory	-	118,367	118,367
Noncurrent Receivables:			
Due Within One Year	159,363	-	159,363
Due In More Than One Year	1,590,361	-	1,590,361
Bond Issue Costs	61,454	-	61,454
Capital Assets, net of allowances for depreciation			
Governmental	53,422,198	-	53,422,198
Business-Type	-	23,641,080	23,641,080
Internal Service	580,997	-	580,997
Total Assets	62,166,351	27,880,971	90,047,322
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts Payable	286,352	410,450	696,802
Accrued Payroll	340,935	-	340,935
Unearned Revenue			
Due Within One Year	201,103	-	201,103
Due in More than One Year	1,553,533	-	1,553,533
Deposits	20,000	64,398	84,398
Compensated Absences	311,081	29,080	340,161
Noncurrent Liabilities			
Due Within One Year	492,633	23,115	515,748
Due in More than One Year	4,672,180	366,554	5,038,734
Total Liabilities	7,877,817	893,597	8,771,414
Net Assets:			
Invested in Capital Assets, net of related debt	48,838,382	23,251,411	72,089,793
Restricted for:			
Debt Service	101,076	-	101,076
Housing	58,070	-	58,070
Utility Systems Enhancements (SDCs)	1,691,942	2,357,084	4,049,026
Unrestricted	3,599,064	1,378,879	4,977,943
Total Net Assets	\$ 54,288,534	\$ 26,987,374	\$ 81,275,908

See accompanying notes to basic financial statements

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

**STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2008**

Functions/Programs	Expenses	Program Revenue		Net Revenue (Expenses) and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Primary Government						
Governmental Activities						
General government	\$ 3,938,907	\$ 2,990,799	\$ -	\$ (948,108)	\$ -	\$ (948,108)
Public safety	3,406,746	169,673	12,659	(3,224,414)	-	(3,224,414)
Highways and streets	3,897,122	1,506,708	-	(2,390,414)	-	(2,390,414)
Parks and recreation	1,051,386	376,309	45,800	(629,277)	-	(629,277)
Interest on long-term debt	169,560	530,515	-	360,955	-	360,955
Total Governmental Activities	12,463,721	5,574,004	58,459	(6,831,258)	-	(6,831,258)
Business-Type Activities						
Water services	2,290,365	2,313,551	-	-	23,186	23,186
Stormwater services	790,686	577,362	-	-	(213,324)	(213,324)
Building services	504,341	412,585	-	-	(91,756)	(91,756)
Total Business-Type Activities	3,585,392	3,303,498	-	-	(281,894)	(281,894)
Total Primary Government	\$ 16,049,113	\$ 8,877,502	\$ 58,459	(6,831,258)	(281,894)	(7,113,152)
General Revenues						
Property taxes				4,068,601	-	4,068,601
Franchise taxes				855,575	-	855,575
Hotel/Motel taxes				343,237	-	343,237
Interest				287,039	181,545	468,584
Miscellaneous				61,084	18,556	79,640
Total General Revenues				5,615,536	200,101	5,815,637
Change in Net Assets				(1,215,722)	(81,793)	(1,297,515)
Beginning Net Assets				55,504,256	27,069,167	82,573,423
Ending Net Assets				\$ 54,288,534	\$ 26,987,374	\$ 81,275,908

See accompanying notes to basic financial statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	GENERAL	STREET FUND	CAPITAL IMPROVEMENT FUND	HOUSING FUND	DEBT SERVICE FUND	TOTAL
ASSETS:						
Assets:						
Cash and Investments	\$ 3,024,331	\$ 1,555,168	\$ 574,534	\$ 58,069	\$ (5,665)	\$ 5,206,437
Receivables:						
Taxes	271,213	-	-	-	-	271,213
Accounts, net of allowances	252,613	118,586	-	-	-	371,199
State of Oregon	-	-	-	-	1,198,480	1,198,480
Special Assessments	1,159	-	-	84,488	465,597	551,244
Prepaid Items	4,808	225	-	-	2,900	7,933
Total Assets	\$ 3,554,124	\$ 1,673,979	\$ 574,534	\$ 142,557	\$ 1,661,312	\$ 7,606,506
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	211,884	41,974	8,037	-	2,900	264,795
Payroll Taxes and Salaries	340,935	-	-	-	-	340,935
Developer & Customer Deposits	20,000	-	-	-	-	20,000
Comp Absences Payable	82,618	1,937	-	-	-	84,555
Deferred Revenue	51,355	-	-	84,488	1,618,793	1,754,636
Deferred Property Taxes	233,941	-	-	-	-	233,941
Total Liabilities	940,733	43,911	8,037	84,488	1,621,693	2,698,862
Fund Balances:						
Reserved for Debt Service	-	-	-	-	39,619	39,619
Unreserved Reported In:						
General Fund	2,613,391	-	-	-	-	2,613,391
Special Revenue Funds	-	1,630,068	-	58,069	-	1,688,137
Capital Projects Fund	-	-	566,497	-	-	566,497
Total Fund Balances	2,613,391	1,630,068	566,497	58,069	39,619	4,907,644
Total Liabilities and Fund Balances	\$ 3,554,124	\$ 1,673,979	\$ 574,534	\$ 142,557	\$ 1,661,312	\$ 7,606,506

See accompanying notes to basic financial statements

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

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET ASSETS
JUNE 30, 2008**

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

Fund Balances		\$ 4,907,644
<p>The cost of governmental capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net assets includes those capital assets among the assets of the City as a whole.</p>		
Capital assets		53,422,198
<p>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.</p>		
Long-term debt	\$ (5,164,813)	
Bond discount	<u>61,454</u>	(5,103,359)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>		
Accrued Vacation and Sick Leave	(311,081)	
Accrued in governmental funds	84,555	
Accrued in Internal Service Fund	<u>43,719</u>	(182,807)
<p>Unearned revenues are not earned in the current period and therefore are not reported as revenues in the funds</p>		
Unearned Revenue		
Property taxes levied but not collected	<u>233,941</u>	<u>233,941</u>
Governmental Funds Net Assets		53,277,617
<p>An internal service fund is used by the City and its assets and liabilities are included with the City's governmental activities in the Statement of Net Assets.</p>		
Internal Service Fund Net Assets		<u>1,010,917</u>
Total Net Assets		<u>\$ 54,288,534</u>

**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, 2008**

	GENERAL	STREET FUND	CAPITAL IMPROVEMENT FUND	HOUSING FUND	DEBT SERVICE FUND	TOTAL
REVENUES:						
Taxes	\$ 5,033,472	\$ -	\$ -	\$ -	\$ -	\$ 5,033,472
Licenses and permits	57,915	-	-	-	-	57,915
Intergovernmental	446,817	862,028	45,000	-	162,864	1,516,709
Charges for services	1,243,236	644,680	154,366	-	278,204	2,320,486
Assessments	-	-	95,784	-	89,447	185,231
Fines and forfeitures	169,673	-	-	-	-	169,673
Investment earnings	138,719	100,747	18,963	2,939	3,476	264,844
Miscellaneous	30,423	13,174	-	16,970	-	60,567
Total Revenues	7,120,255	1,620,629	314,113	19,909	533,991	9,608,897
EXPENDITURES:						
Current:						
General government	2,398,851	-	83,064	4,596	-	2,486,511
Public safety	3,370,361	-	-	-	-	3,370,361
Highways and streets	-	3,067,269	-	-	-	3,067,269
Parks and recreation	1,206,495	-	391,356	-	-	1,597,851
Debt service:						
Principal	-	-	41,000	-	427,792	468,792
Interest	-	-	-	-	154,171	154,171
Total Expenditures	6,975,707	3,067,269	515,420	4,596	581,963	11,144,955
Excess of Revenues Over (Under) Expenditures	144,548	(1,446,640)	(201,307)	15,313	(47,972)	(1,536,058)
Other Financing Sources, (Uses)						
Transfers In	25,000	5,000	-	-	-	30,000
Transfer Out	(5,000)	-	-	(25,000)	-	(30,000)
Total Transfers	20,000	5,000	-	(25,000)	-	-
Financing Proceeds	-	-	638,889	-	-	638,889
Total Other Financing Sources, (Uses)	20,000	5,000	638,889	(25,000)	-	638,889
Net Change in Fund Balance	164,548	(1,441,640)	437,582	(9,687)	(47,972)	(897,169)
Beginning Fund Balance	2,448,843	3,071,708	128,915	67,756	87,591	5,804,813
Ending Fund Balance	\$ 2,613,391	\$ 1,630,068	\$ 566,497	\$ 58,069	\$ 39,619	\$ 4,907,644

See accompanying notes to basic financial statements

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

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO
STATEMENT OF ACTIVITIES
JUNE 30, 2008**

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

Excess of Revenues over Expenditures \$ (897,169)

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	\$	3,926,889	
Deletions to fixed assets		(793,693)	
Depreciation expense		<u>(3,267,046)</u>	
Net adjustment			(133,850)

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

Compensated absences (182,807)

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

Amortization of Bond Discount		(3,615)	
Note Payable Proceeds		(638,889)	
Bonds and Notes Payable Principal		<u>457,018</u>	
			(185,486)

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

Property taxes 233,941

Governmental Funds Change in Net Assets (1,165,371)

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

Internal Service Fund Change in Net Assets (50,351)

Change in Net Assets \$ (1,215,722)

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
BALANCE SHEET
PROPRIETARY FUNDS
JUNE 30, 2008**

	<u>WATER FUND</u>	<u>STORM WATER FUND</u>	<u>BUILDING FUND</u>	<u>TOTAL</u>	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND</u>
ASSETS:					
Current assets					
Cash and investments	\$ 3,158,888	\$ 149,472	\$ 417,295	\$ 3,725,655	\$ 495,770
Prepaid expenses	16	-	-	16	-
Supply inventory	118,367	-	-	118,367	-
Accounts receivable, net	<u>355,011</u>	<u>40,843</u>	<u>-</u>	<u>395,854</u>	<u>(574)</u>
Total current assets	<u>3,632,282</u>	<u>190,315</u>	<u>417,295</u>	<u>4,239,892</u>	<u>495,196</u>
Noncurrent assets					
Capital assets not being depreciated	1,925,247	337,228	5,004	2,267,479	-
Capital assets being depreciated, net	<u>13,110,545</u>	<u>8,263,056</u>	<u>-</u>	<u>21,373,601</u>	<u>580,997</u>
Total noncurrent assets	<u>15,035,792</u>	<u>8,600,284</u>	<u>5,004</u>	<u>23,641,080</u>	<u>580,997</u>
Total assets	<u>\$ 18,668,074</u>	<u>\$ 8,790,599</u>	<u>\$ 422,299</u>	<u>\$ 27,880,972</u>	<u>\$ 1,076,193</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 387,490	\$ 1,593	\$ 21,367	\$ 410,450	\$ 21,557
Developer and customer deposits	34,542	-	29,856	64,398	-
Comp absences payable	10,311	4,206	14,563	29,080	43,719
Total current liabilities	<u>432,343</u>	<u>5,799</u>	<u>65,786</u>	<u>503,928</u>	<u>65,276</u>
Long-term liabilities					
SDC obligations	5,935	19,772	-	25,707	-
Financing agreement	54,479	157,068	-	211,547	-
Notes payable	152,415	-	-	152,415	-
Total long-term liabilities	<u>212,829</u>	<u>176,840</u>	<u>-</u>	<u>389,669</u>	<u>-</u>
Total liabilities	<u>645,172</u>	<u>182,639</u>	<u>65,786</u>	<u>893,597</u>	<u>65,276</u>
NET ASSETS					
Invested in capital assets, net of related debt	14,822,963	8,423,444	5,004	23,251,411	580,997
Restricted for utility systems enhancements	2,300,756	56,328	-	2,357,084	-
Unrestricted	<u>899,183</u>	<u>128,188</u>	<u>351,509</u>	<u>1,378,880</u>	<u>429,920</u>
Total net assets	<u>18,022,902</u>	<u>8,607,960</u>	<u>356,513</u>	<u>26,987,375</u>	<u>1,010,917</u>
Total liabilities and net assets	<u>\$ 18,668,074</u>	<u>\$ 8,790,599</u>	<u>\$ 422,299</u>	<u>\$ 27,880,972</u>	<u>\$ 1,076,193</u>

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008**

	WATER FUND	STORM WATER FUND	BUILDING FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
OPERATING REVENUES					
Licenses and fees	\$ -	\$ -	\$ 412,585	\$ 412,585	\$ -
Charges for services	2,313,551	577,362	-	2,890,913	1,382,449
Miscellaneous	17,982	574	-	18,556	517
Total Operating Revenue	2,331,533	577,936	412,585	3,322,054	1,382,966
OPERATING EXPENSES					
Public works equipment rental operations	-	-	-	-	1,343,019
Utility operations	1,933,686	564,241	-	2,497,927	-
Building Inspection services	-	-	503,229	503,229	-
Depreciation	356,679	226,445	1,112	584,236	112,493
Total Operating Expenses	2,290,365	790,686	504,341	3,585,392	1,455,512
Total Operating Income (Loss)	41,168	(212,750)	(91,756)	(263,338)	(72,546)
NONOPERATING INCOME (LOSS)					
Investment earnings	149,203	10,241	22,101	181,545	22,195
INCOME (LOSS) BEFORE TRANSFERS	190,371	(202,509)	(69,655)	(81,793)	(50,351)
Change in Net Assets	190,371	(202,509)	(69,655)	(81,793)	(50,351)
Beginning Net Assets	17,832,530	8,810,469	426,168	27,069,167	1,061,268
Ending Net Assets	\$ 18,022,901	\$ 8,607,960	\$ 356,513	\$ 26,987,374	\$ 1,010,917

See accompanying notes to basic financial statements

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008

	WATER FUND	STORMWATER FUND	BUILDING FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
Cash Flows From Operating Activities:					
Received from Customers	\$ 2,372,567	\$ 566,776	\$ 286,852	\$ 3,226,195	\$ -
Received for Interfund Services	-	-	-	-	1,382,988
Paid for Interfund Services	(795,984)	(295,260)	(147,940)	(1,239,184)	(174,492)
Paid to Suppliers	(456,401)	(114,901)	(26,443)	(597,745)	(350,124)
Paid to Employees	(426,914)	(167,584)	(323,204)	(917,702)	(816,050)
Net cash provided (used)	<u>693,268</u>	<u>(10,969)</u>	<u>(210,735)</u>	<u>471,564</u>	<u>42,322</u>
Cash Flows From Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities					
Purchase of Equipment	(709,863)	(100,858)	-	(810,721)	(87,002)
Long-term Debt Borrowings	-	(19,738)	-	(19,738)	-
Long-term Debt Payments	(11,172)	-	-	(11,172)	-
Net cash provided (used)	<u>(721,035)</u>	<u>(120,596)</u>	<u>-</u>	<u>(841,631)</u>	<u>(87,002)</u>
Cash flows from investing activities					
Interest on Investments	149,203	10,241	22,101	181,545	22,195
Net increase (decrease) in cash and investments	121,436	(121,324)	(188,634)	(188,522)	(22,485)
Cash and investments:					
Beginning of year	3,037,452	270,796	605,929	3,914,177	518,255
End of year	<u>\$ 3,158,888</u>	<u>\$ 149,472</u>	<u>\$ 417,295</u>	<u>\$ 3,725,655</u>	<u>\$ 495,770</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	\$ 41,168	\$ (212,750)	\$ (91,756)	\$ (263,338)	\$ (72,546)
Depreciation and Amortization	356,679	226,445	1,112	584,236	112,493
(Increase) Decrease in Cust. Deposits	(47,520)	-	-	(47,520)	-
(Increase) Decrease in Prepays	(15)	-	50	35	-
(Increase) Decrease in Inventory	(30,586)	-	-	(30,586)	-
(Increase) Decrease in Receivables	88,554	(11,160)	23	77,417	22
Increase (Decrease) in Accrued Vacation	2,874	1,428	-	4,302	(696)
Increase (Decrease) in Payables	282,114	(14,932)	5,569	272,751	3,049
Increase (Decrease) in Deferred Revenue	-	-	(125,733)	(125,733)	-
Net Cash Provided by Operating Activities	<u>\$ 693,268</u>	<u>\$ (10,969)</u>	<u>\$ (210,735)</u>	<u>\$ 471,564</u>	<u>\$ 42,322</u>

See accompanying notes to basic financial statements

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

THE FINANCIAL REPORTING ENTITY

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has not been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The government reports the following major governmental funds:

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

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

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

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

As a general rule, the effect of interfund activity has not been eliminated from the government-wide financial statements.

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

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

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

BUDGETS

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

Unexpected additional resources or appropriations may be added to the budget through the use of a supplemental budget. Original and supplemental budgets require hearings before the public,

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by passing a Council resolution authorizing the transfer. All budget amendments are subject to the limitations put forth in the Oregon Revised Statutes, Chapters 294.305 through 294.565 (Oregon Budget Law). Transfers of appropriations, permitted by Oregon Budget Law, were authorized by the City Council during the fiscal year.

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

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

Expenditures in all funds were within authorized appropriations for the year ended June 30, 2008, except in the Stormwater Fund where the appropriation for SDC construction was exceeded by \$8,769.

ESTIMATES

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

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

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

Receivables and Payables

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

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

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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Interfund Activities

Interfund activities include charges for services and operating transfers.

Restricted Assets

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

Capital assets

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

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

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

Capitalized Interest

Interest is capitalized on capital assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For the year ended June 30, 2008, and for prior years as well, no interest was capitalized on capital assets.

Grants

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences

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

Deferred/unearned revenue

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

Long-term obligations

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

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

Fund equity/Net assets

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

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

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

Restricted net assets – net assets with external constraints placed on their use by creditors, grantors,

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund equity/Net assets (Continued)

contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – all other net assets.

Reservations of Retained Earnings and Fund Balances

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

Statement of Cash Flows

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

Supply Inventory

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

2. CASH AND INVESTMENTS

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (Continued)

Cash and Investments, all unrestricted, at June 30, 2008 consisted of:

Deposits with Financial Institutions:

	<u>Total</u>
Petty Cash	\$ 1,450
Demand Deposits	(3,679)
Investments	<u>9,430,090</u>
Total at fair value	<u>\$ 9,427,861</u>

State statutes require that the City obtain from its depositories a certificate of participation for the full amount of the City's deposits that exceed FDIC coverage. The depositories are required to pledge, with an independent collateral pool manager, as agent for the City, securities in the City's name at least equal to twenty-five percent of the face value of the certificate of participation issued to the City. The City's deposits at year-end were covered, as required by law, by federal depository insurance or by certifications of participation backed by securities held by financial institutions acting as agents for the City in the City's name.

Deposits consist of bank demand deposits. The carrying amount of deposits is an overdraft of \$3,679. The total bank balance at June 30, 2008, per the bank statement, is \$80,127, which is fully covered by federal depository insurance. At various times during the year the deposit balance will exceed the FDIC coverage, so the City has obtained a certificate of participation in the amount \$3.5 million collateralized by securities held by its depository, acting as agent for the City, in the City's name – thereby limiting the custodial credit risk inherent in these bank deposits.

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Fitch Ratings and Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record (A-2/P-2 if Oregon commercial paper) and the state treasurer's investment pool. The City's investments at June 30, 2008, as listed above were invested in the state treasurer's investment pool. The City's investments during the year included the state treasurer's investment pool and one certificate of deposit with the City's bank.

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2008.

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

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (Continued)

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized and may be subject to custodial credit risk. There is no material difference between the fair value of the City's position in the State Treasurer's Local Government Investment Pool and the value of the pool shares at June 30, 2008. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Interest Rate Risk

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

Custodial Credit Risk

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

Concentration of Credit Risk

At June 30, 2008, the City had 100% of total investments in the State Treasurer's Investment Pool. State Statutes do not limit the percentage of investments in this instrument.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-18</u>	<u>18-59</u>
State Treasurer's Investment Pool	\$ 9,430,090	\$ 9,430,090	\$ -	\$ -

3. RECEIVABLES

Receivables, including applicable allowances for uncollectible accounts, as of the year ended June 30, 2008, for all the City's funds are as follows:

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

3. RECEIVABLES (Continued)

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

	<u>Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<u>Governmental Activities</u>					
Current:					
Accounts, net	\$ 371,199	\$ (574)	\$ 370,625	\$ 370,625	\$ -
Property taxes	271,213	-	271,213	271,213	-
Total	<u>642,412</u>	<u>(574)</u>	<u>641,838</u>	<u>641,838</u>	<u>-</u>
Long-term					
Special assessments:	551,244	-	551,244	40,144	511,100
State of Oregon	1,198,480	-	1,198,480	119,219	1,079,261
Total	<u>1,749,724</u>	<u>-</u>	<u>1,749,724</u>	<u>159,363</u>	<u>1,590,361</u>
Total	<u>\$ 2,392,136</u>	<u>\$ (574)</u>	<u>\$ 2,391,562</u>	<u>\$ 801,201</u>	<u>\$ 1,590,361</u>

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

Current:

Accounts, net	\$ 395,854	\$ 395,854	\$ -
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4. UNEARNED REVENUE

Unearned revenue of governmental activities is as follows at June 30, 2008.

<u>Governmental Activities</u>	<u>Governmental Funds</u>	<u>Earned Within One Year</u>	<u>Earned After One Year</u>
Current:			
Licenses	\$ 37,790	\$ 37,790	\$ -
Services	12,531	12,531	-
Long-term			
Special assessments	505,835	31,563	474,272
State of Oregon	1,198,480	119,219	1,079,261
Total	<u>\$ 1,754,636</u>	<u>\$ 201,103</u>	<u>\$ 1,553,533</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2008 are as follows:

	Balance Beginning Of Year	Additions	Deletions	Balance End Of Year
Governmental Activities:				
Not being depreciated				
Land	\$ 5,037,668	\$ 107,454	\$ -	\$ 5,145,122
Work in Process	2,251,835	2,781,988	793,693	4,240,130
Total	<u>7,289,503</u>	<u>2,889,442</u>	<u>793,693</u>	<u>9,385,252</u>
Being depreciated				
Buildings	4,692,193	83,064	-	4,775,257
Computers	118,357	56,316	-	174,673
Equipment and Vehicles	369,833	177,662	-	547,495
Infrastructure	76,495,146	720,407	-	77,215,553
Total	<u>81,675,529</u>	<u>1,037,449</u>	<u>-</u>	<u>82,712,978</u>
Accumulated Depreciation				
Buildings	892,078	102,620	-	994,698
Computers	61,472	16,676	-	78,148
Equipment and Vehicles	166,639	63,746	-	230,385
Infrastructure	34,288,797	3,084,004	-	37,372,801
Total	<u>35,408,986</u>	<u>3,267,046</u>	<u>-</u>	<u>38,676,032</u>
Governmental Capital Assets, Net	<u>\$ 53,556,046</u>			<u>\$ 53,422,198</u>
Internal Service Fund:				
Being depreciated				
Buildings	\$ 175,000	\$ -	\$ -	\$ 175,000
Equipment and Vehicles	966,244	87,002	-	1,053,246
Infrastructure	18,000	-	-	18,000
Total	<u>1,159,244</u>	<u>87,002</u>	<u>-</u>	<u>1,246,246</u>
Accumulated Depreciation				
Buildings	61,150	3,500	-	64,650
Equipment and Vehicles	490,707	108,633	-	599,340
Infrastructure	900	360	-	1,260
Total	<u>552,757</u>	<u>112,493</u>	<u>-</u>	<u>665,250</u>
Internal Service Fund Capital Assets, Net	<u>\$ 606,487</u>			<u>\$ 580,996</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS (Continued)

	<u>Balance Beginning Of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End Of Year</u>
Business-Type Activities:				
Not being depreciated				
Land	\$ 1,509,591	\$ -	\$ -	\$ 1,509,591
Work in Process	587,435	794,770	629,322	752,883
Total	<u>2,097,026</u>	<u>794,770</u>	<u>629,322</u>	<u>2,262,474</u>
Being depreciated				
Computers	72,300	-	-	72,300
Equipment and Vehicles	7,784	15,950	-	23,734
Infrastructure	27,652,148	629,322	-	28,281,470
Total	<u>27,732,232</u>	<u>645,272</u>	<u>-</u>	<u>28,377,504</u>
Accumulated Depreciation				
Computers	72,300	-	-	72,300
Equipment and Vehicles	1,668	2,251	-	3,919
Infrastructure	6,340,694	581,985	-	6,922,679
Total	<u>6,414,662</u>	<u>584,236</u>	<u>-</u>	<u>6,998,898</u>
Business-type Capital Assets, Net	<u><u>\$ 23,414,596</u></u>			<u><u>\$ 23,641,080</u></u>

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

	Governmental Funds
General Government	\$ 103,063
Public Safety	53,487
Highways and Streets	3,021,236
Parks and Recreation	89,260
Total	<u><u>\$ 3,267,046</u></u>

The City has one active construction project as of June 30, 2008. The project is a new waterline being placed along a street that services a number of new neighborhoods. At year end the City's commitments with contractors on this project are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Contract</u>
Penninger Waterline	<u><u>\$ 528,816</u></u>	<u><u>\$ 251,953</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG TERM DEBT

At June 30, 2008, the City's long-term financed debt consists of the following:

During 2007-08 the City entered into a bond purchase agreement to obtain funding in the amount of \$500,000 for water line improvement projects on behalf of certain City residents. The bond purchase agreement is secured by the assessment payments of the benefited property owners. In addition, should these payments be insufficient, the City's full faith and credit and taxing power has been committed. Interest at 4.62% and principal is paid semiannually. The final payment is scheduled for 2017.

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

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

On September 29, 2004, the City entered into an agreement to obtain funding in the amount of \$2,700,000 to construct, furnish, and equip new City Council Chambers, new City Hall Offices, and pay bond issuance costs. These certificates of participation are payable from all legally available funds of the City. Interest at 3.5% to 4.3% is paid semi-annually, and principal is paid annually, with the final payment in December 2025. Bond issuance costs of \$72,299 are amortized over the 20 year life of the bonds at \$3,615 per year, and, at June 30, 2006 and 2007, the unamortized balance is \$68,684 and \$65,069 respectively.

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG TERM DEBT (Continued)

Changes in the City's long-term debt during the fiscal year ending June 30, 2008:

	<u>Balance 7/1/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2008</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
Governmental Activities						
Limited Tax Bond	\$ -	\$ 500,000	\$ 42,786	\$ 457,214	\$ 56,880	\$ 400,334
Financing Agreement	1,769,557	-	145,104	1,624,453	150,480	1,473,973
Notes Payable	166,145	-	72,839	93,306	86,428	6,878
Certificates of Participation	2,500,000	-	100,000	2,400,000	105,000	2,295,000
Capital Leases	88,185	-	49,423	38,762	38,762	-
SDC Obligations	470,829	138,889	58,640	551,078	55,083	495,995
Total	<u>\$ 4,994,716</u>	<u>\$ 638,889</u>	<u>\$ 468,792</u>	<u>\$ 5,164,813</u>	<u>\$ 492,633</u>	<u>\$ 4,672,180</u>
Business-Type Activities						
Financing Agreement	\$ 230,443	\$ -	\$ 18,896	\$ 211,547	\$ 20,520	\$ 191,027
Notes Payable	152,415	-	-	152,415	-	152,415
SDC Obligations	37,349	-	11,642	25,707	2,595	23,112
Total	<u>\$ 420,207</u>	<u>\$ -</u>	<u>\$ 30,538</u>	<u>\$ 389,669</u>	<u>\$ 23,115</u>	<u>\$ 366,554</u>



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

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG TERM DEBT (Continued)

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

	<u>Limited Tax Bond</u>		<u>Financing Agreement</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008-09	\$ 56,880	\$ 21,123	\$ 151,164	\$ 66,540	\$ 74,219	\$ 1,581
2009-10	56,880	18,495	157,352	59,907	19,087	261
2010-11	56,880	15,868	164,424	52,990	-	-
2011-12	56,880	13,240	171,496	45,766	-	-
2012-13	56,880	10,612	179,452	38,222	-	-
2013 to 2018	172,814	16,169	800,565	70,551	-	-
2018 to 2023	-	-	-	-	-	-
2023 to 2026	-	-	-	-	-	-
Total	\$ 457,214	\$ 95,507	\$ 1,624,453	\$ 333,976	\$ 93,306	\$ 1,842

	<u>Certificates of Participation</u>		<u>Capital Leases</u>		<u>SDC Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008-09	\$ 105,000	\$ 86,750	\$ 38,762	\$ 1,466	\$ 55,083	\$ -
2009-10	105,000	83,863	-	-	55,083	-
2010-11	110,000	80,638	-	-	55,083	-
2011-12	115,000	77,263	-	-	55,083	-
2012-13	120,000	73,618	-	-	55,083	-
2013 to 2018	655,000	304,447	-	-	275,663	-
2018 to 2023	810,000	166,620	-	-	-	-
2023 to 2026	380,000	16,508	-	-	-	-
Total	\$ 2,400,000	\$ 889,707	\$ 38,762	\$ 1,466	\$ 551,078	\$ -

	<u>Total Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2008-09	481,108	177,460
2009-10	393,402	162,526
2010-11	386,387	149,496
2011-12	398,459	136,269
2012-13	411,415	122,452
2013 to 2018	1,904,042	391,167
2018 to 2023	810,000	166,620
2023 to 2026	380,000	16,508
Total	\$ 5,164,813	\$ 1,322,498

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG TERM DEBT (Continued)

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

	<u>Financing Agreement</u>		<u>Note Payable</u>		<u>SDC Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008-09	\$ 19,836	\$ 8,732	\$ -	\$ 7,374	\$ 2,538	\$ -
2009-10	20,648	7,861	12,209	7,374	2,538	-
2010-11	21,576	6,953	12,310	6,824	2,538	-
2011-12	22,504	6,006	12,415	6,263	2,538	-
2012-13	23,548	5,015	12,527	5,686	2,538	-
2013 to 2018	103,435	9,258	84,589	17,734	13,017	-
2018 to 2023			18,365	918		-
Total	\$ 211,547	\$ 43,825	\$ 152,415	\$ 52,173	\$ 25,707	\$ -

	<u>Total Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2008-09	\$ 22,374	\$ 16,106
2009-10	35,395	15,235
2010-11	36,424	13,777
2011-12	37,457	12,269
2012-13	38,613	10,701
2013 to 2018	201,041	26,992
2018 to 2023	18,365	918
Total	\$ 389,669	\$ 95,998

7. COMPENSATED ABSENCES

During the year ended June 30, 2008 the changes in the City's vested compensated absences obligation to employees were as follows:

	<u>Governmental Activities</u>			<u>Business type</u>	<u>Combined Total</u>
	<u>Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>	<u>Activities Proprietary Funds</u>	
Beginning Balance	\$ 235,198	\$ 44,415	\$ 279,613	24,755	\$ 304,368
Increase(Decrease)	32,164	(696)	31,468	4,325	35,793
Ending Balance	\$ 267,362	\$ 43,719	\$ 311,081	\$ 29,080	\$ 340,161

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

NOTES TO BASIC FINANCIAL STATEMENTS

8. INTERFUND ACTIVITY

Interfund activity includes services, equipment rental and interest and approximates \$2,500,000, including activities accounting for in the Public Works Service Fund. Interfund activity also includes operating transfers, unrelated to interfund services, as follows:

	Transfer In		
Transfer Out	General Fund	Street Fund	Total
General Fund		\$ 5,000	\$ 5,000
Housing Fund	25,000	-	25,000
Total	\$ 25,000	\$ 5,000	\$ 30,000

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for general, auto and property liability. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The City has not elected to self-insure for any of these risks, except for unemployment claims, vehicle collision and the deductible portions of the commercial insurance policies. There are no unpaid claims outstanding at June 30, 2008 nor were there any unpaid claims outstanding at June 30, 2007.

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM (Continued)

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

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

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

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

Valuation Report indicates that the contribution rates effective July 1, 2009 will be 7.69% for Tier I and Tier II employees, 4.11% for OPSRP general services and 6.82% for OPSRP police.

Annual Pension Cost – For the fiscal years ending June 30, 2008, 2007, and 2006 the City's annual pension costs of \$582,114, \$905,596, and \$857,665 were equal to the City's required and actual contributions. The required contributions and liabilities were determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. Because all OPERS employers are required by law to submit the contributions adopted by the Retirement Board, and the employer contributions are calculated in conformance with the standards of Statement No. 27, there is no net pension obligation. The contributions actually made are equivalent to the annual pension.

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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

11. PROPERTY TAX LIMITATIONS (Continued)

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

12. SUBSEQUENT EVENT

On September 4, 2008 the City issued a \$1.2 million tax-exempt financing agreement note to provide funding for the design and construction of Don Jones Park. This agreement bears interest at 4% and will be paid in semi-annual installments over the next beginning March 1, 2009 with payment due on March 1, 2019. The source of repayment of the agreement will be park SDCs and general City revenues.





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

REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2008

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Taxes	\$ 5,014,000	\$ 5,014,000	\$ 5,033,472	\$ 19,472
Licenses and fees	61,000	61,000	57,915	(3,085)
Intergovernmental	592,000	592,000	446,817	(145,183)
Charges for services	1,293,700	1,293,700	1,243,236	(50,464)
Fines and forfeitures	230,000	230,000	169,673	(60,327)
Investment earnings	90,000	90,000	138,719	48,719
Miscellaneous	47,000	47,000	30,423	(16,577)
	<u>\$ 7,327,700</u>	<u>\$ 7,327,700</u>	<u>\$ 7,120,255</u>	<u>\$ (207,445)</u>
Total Revenues				

CITY OF CENTRAL POINT
 JACKSON COUNTY, OREGON
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 For the Fiscal Year Ended June 30, 2008

<u>GENERAL FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
EXPENDITURES:				
Mayor and Council Administration	\$ 94,000	\$ 94,000	\$ 59,504	\$ 34,496
Technical services	552,000	552,000	484,352	67,648
City enhancement	383,000	383,000	345,318	37,682
Finance	115,000	115,000	109,609	5,391
Interdepartmental	782,000	782,000	735,920	46,080
Parks and recreation - parks	120,000	120,000	116,213	3,787
Parks and recreation - recreation	917,500	917,500	756,365	161,135
Planning	489,500	489,500	450,130	39,370
Police	605,000	605,000	547,935	57,065
	<u>3,417,000</u>	<u>3,417,000</u>	<u>3,370,361</u>	<u>46,639</u>
Total Expenditures	<u>7,475,000</u>	<u>7,475,000</u>	<u>6,975,707</u>	<u>499,293</u>
Excess of Revenues Over (Under) Expenditures	<u>(147,300)</u>	<u>(147,300)</u>	<u>144,548</u>	<u>291,848</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	25,000	25,000	25,000	-
Transfers Out	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net Transfers	20,000	20,000	20,000	-
Contingency	<u>(358,000)</u>	<u>(358,000)</u>	<u>-</u>	<u>358,000</u>
Net Change in Fund Balance	(485,300)	(485,300)	164,548	649,848
Beginning Fund Balance	<u>2,267,000</u>	<u>2,267,000</u>	<u>2,448,843</u>	<u>181,843</u>
Ending Fund Balance	<u>\$ 1,781,700</u>	<u>\$ 1,781,700</u>	<u>\$ 2,613,391</u>	<u>\$ 831,691</u>
Current:				
General government			\$ 2,398,851	
Public safety			3,370,361	
Parks and recreation			<u>1,206,495</u>	
Total			<u>\$ 6,975,707</u>	

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2008**

	<u>STREET FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Intergovernmental	\$ 1,054,000	\$ 1,054,000	\$ 862,028	\$ (191,972)
Charges for services	958,000	958,000	644,680	(313,320)
Investment earnings	69,000	69,000	100,747	31,747
Miscellaneous	329,000	329,000	13,174	(315,826)
Total Revenues	<u>2,410,000</u>	<u>2,410,000</u>	<u>1,620,629</u>	<u>(789,371)</u>
EXPENDITURES:				
Debt financed	1,803,000	1,803,000	1,578,377	224,623
Street operations	1,598,000	1,598,000	1,321,626	276,374
SDC streets	598,000	598,000	167,266	430,734
Total Expenditures	<u>3,999,000</u>	<u>3,999,000</u>	<u>3,067,269</u>	<u>931,731</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,589,000)</u>	<u>(1,589,000)</u>	<u>(1,446,640)</u>	<u>142,360</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
Transfers out	-	-	-	-
Net Transfers	5,000	5,000	5,000	-
Financing Proceeds	200,000	200,000	-	(200,000)
Contingency	(300,000)	(300,000)	-	(300,000)
Net Change in Fund Balance	<u>(1,684,000)</u>	<u>(1,684,000)</u>	<u>(1,441,640)</u>	<u>242,360</u>
Beginning Fund Balance	<u>3,084,000</u>	<u>3,084,000</u>	<u>3,071,708</u>	<u>(12,292)</u>
Ending Fund Balance	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>	<u>\$ 1,630,068</u>	<u>\$ 230,068</u>
 Current:				
Highways and streets			<u>\$ 3,067,269</u>	

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2008**

	<u>HOUSING FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Investment earnings	\$ 3,000	\$ 3,000	\$ 2,939	\$ (61)
Miscellaneous	25,000	25,000	16,970	(8,030)
Total revenues	<u>28,000</u>	<u>28,000</u>	<u>19,909</u>	<u>(8,091)</u>
EXPENDITURES:				
Materials and services	4,600	4,600	4,596	4
Capital outlay	66,400	66,400	-	66,400
Total expenditures	<u>71,000</u>	<u>71,000</u>	<u>4,596</u>	<u>66,404</u>
Excess of Revenues Over (Under) Expenditures	<u>(43,000)</u>	<u>(43,000)</u>	<u>15,313</u>	<u>58,313</u>
OTHER FINANCING SOURCES (USES)				
Transfer Out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net Change in Fund Balance	(68,000)	(68,000)	(9,687)	58,313
Beginning Fund Balance	<u>68,000</u>	<u>68,000</u>	<u>67,756</u>	<u>(244)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,069</u>	<u>\$ 58,069</u>
Current:				
General government			<u>\$ 4,596</u>	



CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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

CITY OF CENTRAL POINT
 JACKSON COUNTY, OREGON
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 For the Fiscal Year Ended June 30, 2008

CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 45,000	\$ 45,000
Charges for services	295,000	295,000	154,366	(140,634)
Assessments	51,000	51,000	95,784	44,784
Investment earnings	-	-	18,963	18,963
Total Revenues	<u>346,000</u>	<u>346,000</u>	<u>314,113</u>	<u>(31,887)</u>
EXPENDITURES:				
Capital outlay:				
Recreation center	114,000	114,000	45,000	69,000
SDC Parks	370,000	481,000	387,356	93,644
City Hall projects	88,000	88,000	83,064	4,936
Total Expenditures	<u>572,000</u>	<u>683,000</u>	<u>515,420</u>	<u>167,580</u>
Excess of Revenues Over (Under) Expenditures	<u>(226,000)</u>	<u>(337,000)</u>	<u>(201,307)</u>	<u>135,693</u>
OTHER FINANCING SOURCES (USES)				
Financing proceeds	530,000	530,000	638,889	108,889
Contingency	(236,000)	(125,000)	-	125,000
Net Change in Fund Balance	68,000	68,000	437,582	369,582
Beginning Fund Balance	<u>133,000</u>	<u>133,000</u>	<u>128,915</u>	<u>(4,085)</u>
Ending Fund Balance	<u>\$ 201,000</u>	<u>\$ 201,000</u>	<u>\$ 566,497</u>	<u>\$ 365,497</u>
Current:				
General government			\$ 83,064	
Parks and recreation			391,356	
Debt service			41,000	
Total			<u>\$ 515,420</u>	

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2008**

DEBT SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Intergovernmental	\$ 163,000	\$ 163,000	\$ 162,864	\$ (136)
Charges for services	281,600	281,600	278,204	(3,396)
Assessments	130,000	130,000	89,447	(40,553)
Investment earnings	3,900	3,900	3,476	(424)
	<u>578,500</u>	<u>578,500</u>	<u>533,991</u>	<u>(44,509)</u>
EXPENDITURES:				
Debt Service	<u>720,500</u>	<u>720,500</u>	<u>581,963</u>	<u>138,537</u>
Total expenditures	<u>720,500</u>	<u>720,500</u>	<u>581,963</u>	<u>138,537</u>
Excess of Revenues Over (Under) Expenditures	(142,000)	(142,000)	(47,972)	94,028
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>143,500</u>	<u>143,500</u>	<u>-</u>	<u>(143,500)</u>
Net Change in Fund Balance	1,500	1,500	(47,972)	(49,472)
Beginning Fund Balance	<u>84,000</u>	<u>84,000</u>	<u>87,591</u>	<u>3,591</u>
Ending Fund Balance	<u>\$ 85,500</u>	<u>\$ 85,500</u>	<u>\$ 39,619</u>	<u>\$ (45,881)</u>
Debt service:				
Principal			\$ 427,792	
Interest			<u>154,171</u>	
Total			<u>\$ 581,963</u>	

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2008**

WATER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 2,519,000	\$ 2,519,000	\$ 2,313,551	\$ (205,449)
Investment earnings	159,000	159,000	149,203	(9,797)
Miscellaneous	1,000	1,000	17,982	16,982
Total Revenues	<u>2,679,000</u>	<u>2,679,000</u>	<u>2,480,736</u>	<u>(198,264)</u>
EXPENDITURES:				
Operations	2,558,000	2,558,000	2,202,176	355,824
Debt financed capital projects	663,000	663,000	9,971	653,029
SDC water improvements	624,000	624,000	442,573	181,427
Total Expenditures	<u>3,845,000</u>	<u>3,845,000</u>	<u>2,654,720</u>	<u>1,190,280</u>
Excess of Revenue Over (Under) Expenditures	<u>(1,166,000)</u>	<u>(1,166,000)</u>	<u>(173,984)</u>	<u>992,016</u>
OTHER FINANCING SOURCES AND (USES)				
Contingency	(250,000)	(250,000)	-	250,000
Net Change in Fund Balance	<u>(1,416,000)</u>	<u>(1,416,000)</u>	<u>(173,984)</u>	<u>1,242,016</u>
Beginning Fund Balance	<u>3,539,000</u>	<u>3,539,000</u>	<u>3,373,923</u>	<u>(165,077)</u>
Ending Fund Balance	<u>\$ 2,123,000</u>	<u>\$ 2,123,000</u>	<u>3,199,939</u>	<u>\$ 1,076,939</u>

Reconciliation to Proprietary Net Assets:

Capital Assets, net	15,035,792
Long term debt	<u>(212,829)</u>
Total Net Assets	<u>\$ 18,022,902</u>

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2008**

<u>STORMWATER FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Charges for services	\$ 618,000	\$ 618,000	\$ 577,362	\$ (40,638)
Investment earnings	6,000	6,000	10,241	4,241
Miscellaneous	-	-	574	574
Total Revenues	<u>624,000</u>	<u>624,000</u>	<u>588,177</u>	<u>(35,823)</u>
EXPENDITURES:				
Operations	660,900	660,900	622,568	38,332
SDC stormwater improvements	53,500	53,500	62,269	(8,769)
Total Expenditures	<u>714,400</u>	<u>714,400</u>	<u>684,837</u>	<u>29,563</u>
Excess of Revenues Over (Under) Expenditures	<u>(90,400)</u>	<u>(90,400)</u>	<u>(96,660)</u>	<u>(6,260)</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(50,000)	(50,000)	-	50,000
Net Change in Fund Balance	<u>(140,400)</u>	<u>(140,400)</u>	<u>(96,660)</u>	<u>43,740</u>
Beginning Fund Balance	<u>245,000</u>	<u>245,000</u>	<u>281,176</u>	<u>36,176</u>
Ending Fund Balance	<u>\$ 104,600</u>	<u>\$ 104,600</u>	<u>184,516</u>	<u>\$ 79,916</u>

Reconciliation to Proprietary Net Assets:

Capital Assets, net	8,600,284
Long term debt	(176,840)
Total Net Assets	<u>\$ 8,607,960</u>

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2008**

	<u>BUILDING FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Licences and fees	\$ 377,100	\$ 377,100	\$ 412,585	\$ 35,485
Investment earnings	22,000	22,000	22,101	101
Total Revenues	<u>399,100</u>	<u>399,100</u>	<u>434,686</u>	<u>35,586</u>
EXPENDITURES:				
Personal services	342,700	342,700	323,227	19,473
Materials and services	198,300	198,300	180,002	18,298
Total Expenditures	<u>541,000</u>	<u>541,000</u>	<u>503,229</u>	<u>37,771</u>
Excess of Revenues Over (Under) Expenditures	<u>(141,900)</u>	<u>(141,900)</u>	<u>(68,543)</u>	<u>73,357</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(50,000)	(50,000)	-	50,000
Net Change in Fund Balance	(191,900)	(191,900)	(68,543)	123,357
Beginning Fund Balance	483,000	483,000	420,052	(62,948)
Ending Fund Balance	<u>\$ 291,100</u>	<u>\$ 291,100</u>	351,509	<u>\$ 60,409</u>

Reconciliation to Proprietary Net Assets:

Capital Assets, net	<u>5,004</u>
Total Net Assets	<u>\$ 356,513</u>

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2008**

PUBLIC WORKS SERVICES FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 1,444,600	\$ 1,444,600	\$ 1,382,449	\$ (62,151)
Investment earnings	20,000	20,000	22,195	2,195
Miscellaneous	1,000	1,000	517	(483)
	<u>1,465,600</u>	<u>1,465,600</u>	<u>1,405,161</u>	<u>(60,439)</u>
EXPENDITURES:				
Public works administration	750,000	750,000	741,954	8,046
Facilities maintenance	232,000	232,000	229,383	2,617
Fleet maintenance	484,000	484,000	458,684	25,316
	<u>1,466,000</u>	<u>1,466,000</u>	<u>1,430,021</u>	<u>35,979</u>
Excess of Revenues Over (Under) Expenditures	<u>(400)</u>	<u>(400)</u>	<u>(24,860)</u>	<u>(24,460)</u>
OTHER FINANCING SOURCES (USES)				
Contingency	<u>(61,000)</u>	<u>(61,000)</u>	<u>-</u>	<u>(61,000)</u>
Net Change in Fund Balance	<u>(61,400)</u>	<u>(61,400)</u>	<u>(24,860)</u>	<u>36,540</u>
Beginning Fund Balance	<u>399,000</u>	<u>399,000</u>	<u>454,780</u>	<u>55,780</u>
Ending Fund Balance	<u>\$ 337,600</u>	<u>\$ 337,600</u>	<u>429,920</u>	<u>\$ 92,320</u>

Reconciliation to Proprietary Net Assets:

Capital Assets, net	580,997
Total Net Assets	<u>\$ 1,010,917</u>

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED

For the Fiscal Year Ended June 30, 2008

<u>GENERAL FUND</u>					
<u>TAX YEAR</u>	<u>IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/07</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/08</u>
Current:					
2007-08	\$ 4,017,179	\$ 35,056	\$ -	\$ 3,799,328	\$ 182,795
Prior Years:					
2006-07	187,622	-	86,616	49,036	51,970
2005-06	37,907	-	991	14,203	22,713
2004-05	15,643	-	(2,481)	12,180	5,944
2003-04	6,904	-	4,226	1,402	1,276
2002-03	2,757	-	492	767	1,498
2001-02	1,769	-	(23)	426	1,366
2000-01& Prior	4,244	-	(559)	1,152	3,651
Total Prior	256,846	-	89,262	79,166	88,418
Total All Funds	\$ 4,274,025	\$ 35,056	\$ 89,262	\$ 3,878,494	\$ 271,213

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

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources of Information

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

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

Fiscal Year Ended June 30,	2004	2005	2006	2007	2008
<u>Governmental activities</u>					
Invested in capital assets, net of related debt	\$ 6,776,253	\$ 18,366,890	\$ 14,274,528	49,168,194	48,838,382
Restricted	4,151,878	2,708,036	78,455	1,614,643	1,851,088
Unrestricted	5,470,692	8,154,412	5,003,468	4,721,419	3,599,064
Total governmental activities net assets	16,398,823	29,229,338	19,356,451	55,504,256	54,288,534
<u>Business-type activities</u>					
Invested in capital assets net of related debt	-	-	2,105,398	22,994,016	23,251,411
Restricted	-	-	-	2,645,236	2,357,084
Unrestricted	-	-	4,331,735	1,429,915	1,378,880
Total business-type activities net assets	-	-	6,437,133	27,069,167	26,987,375
<u>Primary government</u>					
Invested in capital assets net of related debt	6,776,253	18,366,890	16,379,926	72,162,210	72,089,793
Restricted	4,151,878	2,708,036	78,455	4,259,879	4,208,172
Unrestricted	5,470,692	8,154,412	9,335,203	6,151,334	4,977,944
Total primary government	\$ 16,398,823	\$ 29,229,338	\$ 25,793,584	\$ 82,573,423	\$ 81,275,909

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

Fiscal Years Ended June 30,	2004	2005	2006	2007	2008
Expenses					
Governmental activities:					
General government	\$ 3,089,851	\$ 4,576,469	\$ 5,050,809	\$ 3,951,952	\$ 3,938,907
Public safety	1,680,363	1,652,909	3,747,234	3,635,878	3,406,746
Highways and streets	1,899,179	2,459,870	2,397,249	4,831,908	3,897,122
Parks and recreation	517,400	912,296	1,266,213	1,192,426	1,051,386
Interest on long term debt	21,712	63,399	195,475	108,068	169,560
Total governmental activities net assets	\$ 7,208,505	\$ 9,664,943	\$ 12,656,980	\$ 13,720,232	\$ 12,463,721
Business-type activities:					
Water services	-	-	2,731,567	2,057,023	2,290,365
Stormwater services	-	-	-	541,127	790,686
Building services	-	-	905,181	788,695	504,341
Total business-type activities net assets	\$ -	\$ -	\$ 3,636,748	\$ 3,386,845	\$ 3,585,392
Program revenues					
Governmental activities:					
Charges for services					
General government	\$ 3,458,165	\$ 3,177,416	\$ 666,746	\$ 3,620,523	\$ 2,990,799
Public safety	-	163,358	203,062	175,303	169,673
Highways and streets	627,263	35,978	215,034	1,432,101	1,506,708
Parks and recreation	222,210	171,042	144,919	688,663	376,309
Interest on long term debt	-	-	-	-	530,515
Operating grants and contributions	-	2,576,483	859,084	24,084	58,459
Capital grants	-	-	-	935,561	-
Total governmental activities program revenues	\$ 4,307,638	\$ 6,124,275	\$ 2,088,845	\$ 6,876,235	\$ 5,632,463
Business-type activities:					
Water services	-	-	2,536,710	2,523,892	2,313,551
Stormwater services	-	-	658,051	569,363	577,362
Building services	-	-	-	399,758	412,585
Total business-type activities program revenues	\$ -	\$ -	\$ 3,194,761	\$ 3,493,013	\$ 3,303,498
Net (expense)/revenue					
Governmental activities:	\$ (2,900,867)	\$ (3,540,668)	\$ (10,568,135)	\$ (6,843,997)	\$ (6,831,258)
Business-type activities:	-	-	(441,987)	106,168	(281,894)
Total primary government net expense	\$ (2,900,867)	\$ (3,540,668)	\$ (11,010,122)	\$ (6,737,829)	\$ (7,113,152)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property	\$ 2,825,627	\$ 3,118,666	\$ 3,347,470	\$ 3,758,727	\$ 4,068,601
Other	864,601	1,460,452	1,897,786	778,941	855,575
Hotel/Motel	-	-	-	293,468	343,237
Intergovernmental	972,701	516,456	-	-	-
Interest	129,783	270,858	205,453	288,082	287,039
Miscellaneous	550,130	475,007	1,924,816	67,364	61,084
Transfers	-	-	(2,994,093)	(235,000)	-
Total governmental activities	\$ 5,342,822	\$ 5,841,439	\$ 4,381,432	\$ 4,951,582	\$ 5,615,536
Business-type activities:					
Interest	-	-	178,540	215,268	181,545
Miscellaneous	-	-	20,303	50,856	18,556
Transfers	-	-	2,994,093	235,000	-
Total business-type activities	\$ -	\$ -	\$ 3,192,936	\$ 501,124	\$ 200,101
Change in Net Assets					
Governmental activities	\$ 2,441,955	\$ 2,300,771	\$ (6,186,703)	\$ (1,892,415)	\$ (1,215,722)
Business-type activities	-	-	2,750,949	607,292	(81,793)
Total primary government	\$ 2,441,955	\$ 2,300,771	\$ (3,435,754)	\$ (1,285,123)	\$ (1,297,515)

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

	2004	2005	2006	2007	2008
Property taxes	\$ 2,825,627	\$ 3,118,666	\$ 3,347,470	\$ 3,758,727	\$ 4,068,601
Franchise taxes	-	-	-	778,941	855,575
Hotel/Motel taxes	-	-	-	293,468	343,237
Other taxes	864,601	1,460,452	1,897,786	-	-
Total	\$ 3,690,228	\$ 4,579,118	\$ 5,245,256	\$ 4,831,136	\$ 5,267,413

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

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

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

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

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

Fiscal Years Ended June 30,	Property Taxes	Franchise Taxes	Hotel/Motel Taxes	Other Taxes	Total
1999	\$ 2,258,547	\$	\$	395,617	\$ 2,654,164
2000	2,466,770			416,826	2,883,596
2001	2,752,263			472,569	3,224,832
2002	2,403,915			574,499	2,978,414
2003	2,576,658			578,796	3,155,454
2004	2,888,788	-	-	864,601	3,753,389
2005	3,102,725	-	-	1,460,452	4,563,177
2006	3,385,278	-	-	1,897,786	5,283,064
2007	3,582,688	778,941	293,468	-	4,655,097
2008	3,834,660	855,575	343,237	-	5,033,472

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	Ratio of Assessed Value To True Cash Value	Real Property				Mobile Homes	Personal Property	Utilities	Non Profit Housing	Total Assessed Value	Real Market Value
		Cash Value	Real Property	Real Property	Real Property						
1999	82.5%	\$	356,095	\$	21,589	7,505	6,857	\$	\$	392,046	\$ 475,471
2000	79.2%		394,117		21,221	7,857	7,809			431,004	544,458
2001	78.2%		445,197		24,121	8,845	7,236			485,399	620,811
2002	76.7%		497,859		25,159	11,970	9,050			544,038	709,399
2003	78.7%		548,866		26,813	12,177	7,916			595,772	756,827
2004	76.4%		605,693		28,372	12,426	7,096			653,587	855,645
2005	70.7%		684,225		9,596	13,028	8,322			715,171	1,012,062
2006	57.5%		740,622		10,456	12,683	7,344			771,105	1,341,053
2007	52.8%		804,660		11,407	15,157	7,957			839,181	1,589,797
2008	52.5%		863,167		10,879	15,637	7,759	2,036		899,478	1,714,248

Source: Jackson County Assessment Records

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

Fiscal Year Ended	Central Point	Jackson County	Transit District	Vector Control District	Rogue Comm. College	Educ. Service District	Fire District #3	School District #6	Total
1999	\$ 5.83	\$ 2.25	\$ 0.18	\$ 0.04	\$ 0.51	\$ 0.35	-	\$ 4.42	13.58
2000	5.83	2.25	0.18	0.04	0.51	0.35	-	4.42	13.58
2001	5.83	2.55	0.18	0.04	0.51	0.35	-	6.09	15.55
2002	4.47	2.66	0.18	0.04	0.51	0.35	2.69	6.13	17.03
2003	4.47	4.53	0.17	0.04	0.50	0.34	2.53	4.54	17.12
2004	4.47	4.08	0.17	0.04	0.50	0.34	2.68	5.20	17.48
2005	4.47	3.94	0.17	0.04	0.50	0.34	2.69	5.06	17.21
2006	4.47	3.94	0.17	0.04	0.50	0.34	2.71	5.02	17.19
2007	4.47	3.60	0.17	0.04	0.62	0.34	2.72	5.09	17.05
2008	4.47	3.80	0.17	0.04	0.62	0.34	2.67	4.99	17.10

Source: Jackson County Tax Assessor for Tax Area 602.

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

Taxpayers	Type of Business	2008 Assessed Valuation	% of Total Assessed Valuation	1999 Assessed Valuation	% of Total Assessed Valuation
USF Reddaway	Distribution	\$ 7,389,740	0.82%	\$	
Albertson's Inc	Shopping Center	4,403,560	0.49%		
Galpin Ca ET AL	Builder/Developer	3,718,380	0.41%		
Travel Center Development	Truck Stop/Store	3,767,730	0.42%	2,964,980	0.69%
Mountain View Plaza	Shopping Center	3,700,010	0.41%		
Beebe Wood LLC	Builder/Developer	3,467,060	0.39%		
Avista Corp	Gas Utility	3,519,600	0.39%	2,213,770	0.51%
Twin Creeks Develop CO LLC	Builder/Developer	3,304,841	0.37%		
KJARRY LLC	Builder/Developer	3,000,220	0.33%		
Investors II LLC	Builder/Developer	2,946,380	0.33%		
Central Point Lumber	Woods Products			2,919,170	0.68%
Pacificorp (PP&L)	Electric Utility			2,697,700	0.63%
US West Communications	Telephone Utility			2,448,830	0.57%
Walnut Grove LLC	Builder/Developer			2,421,810	0.56%
Grange Coop	Supply Association			2,245,230	0.52%
C&K Market	Shopping Center			1,917,620	0.44%
Dutro-Nelson, Claudia	Elderly Care Facility			1,834,960	0.43%
Mouchawar Camille Trustee FBO	Mobile Home Park			1,730,460	0.40%
Total Value Principal Taxpayers		\$ 39,217,521	4.36%	\$ 23,394,530	5.43%
Total Assessed Value all Taxable Property		\$ 899,478,000		\$ 431,004,400	

Source: Jackson County Assessor's Office.

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

Fiscal Year Ended	Total Tax Levy	Current Tax Collections	% of Levy Collected	Delinq. Tax Collections	Total Tax Collections	Percent of Total Tax Collect. to Tax Levy	Out-standing Delinq. Taxes	Percent of Delinq. Tax to Tax Levy
1999	\$ 2,212,590	\$ 2,117,933	95.7%	\$ 140,614	\$ 2,258,547	102.1%	\$ 189,033	8.5%
2000	2,520,147	2,338,698	92.8%	128,072	2,466,770	97.9%	242,410	9.6%
2001	2,831,066	2,625,272	92.7%	126,991	2,752,263	97.2%	263,222	9.3%
2002	2,438,822	2,258,577	92.6%	145,338	2,403,915	98.6%	258,832	10.6%
2003	2,654,758	2,436,255	91.8%	140,403	2,576,658	97.1%	256,975	9.7%
2004	2,912,038	2,747,523	94.4%	142,466	2,889,989	99.2%	192,613	6.6%
2005	3,184,363	3,012,368	94.6%	117,628	3,129,996	98.3%	198,099	6.2%
2006	3,737,802	3,238,731	86.6%	147,842	3,386,573	90.6%	158,995	4.3%
2007	3,902,856	3,491,251	89.5%	90,465	3,581,716	91.8%	256,846	6.6%
2008	4,017,179	3,799,328	94.6%	79,166	3,878,494	96.5%	271,213	6.8%

Source: City of Central Point Financial Records.

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

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

Fiscal Year Ended	SDC Obligations	Financing Agreement	Capital Leases	Notes Payable	Limited Tax Improvement Bonds	Certificates of Participation	Total Primary Government	Personal Income (2)	% of Personal Income	Per Capita
1999	\$ -	\$ -	\$ -	152,415	\$ -	\$ -	152,415	\$ 280,846,800	0.05%	\$ 13
2000	-	-	-	152,415	-	-	152,415	311,090,395	0.05%	12
2001	-	-	-	152,415	-	-	152,415	343,297,300	0.04%	11
2002	-	-	-	152,415	-	-	152,415	373,855,240	0.04%	11
2003	-	-	-	152,415	-	-	152,415	392,600,750	0.04%	10
2004	-	-	180,812	152,415	-	-	333,227	426,538,450	0.08%	22
2005	-	-	182,734	152,415	-	2,700,000	3,035,149	471,280,120	0.64%	194
2006	-	-	134,897	267,077	-	2,600,000	3,001,974	526,041,750	0.57%	181
2007	703,912	2,000,000	88,184	318,560	500,000	2,500,000	6,110,656	*N/A	*N/A	354
2008	576,785	1,836,000	38,762	245,721	457,214	2,400,000	5,554,482	*N/A	*N/A	304

- Notes:
- (1) Details of the City's outstanding debt can be found in the notes to the financial statements.
 - (2) For fiscal years 1999 through 2005 was reported as Governmental Activities.
 - (3) For fiscal years 2005 and 2006 debt balances by Government Activities and Business-type Activities is unavailable.
 - (4) See notes to financial statements for 2008 balances by Government Activities and Business-type Activities.
 - (5) * Data not currently available

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

Fiscal Year Ended	Limited Tax General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total Obligation	Estimated Real Market Value (RMV) if Taxable Property	% of RMV	Population	Per Capita
1999	\$ -	\$ -	\$ -	475,471,000	0.00%	11,700	\$ -
2000	-	-	-	544,458,000	0.00%	12,665	-
2001	-	-	-	620,811,000	0.00%	13,460	-
2002	-	-	-	709,399,000	0.00%	14,120	-
2003	-	-	-	756,827,000	0.00%	14,750	-
2004	-	-	-	855,645,000	0.00%	14,950	-
2005	-	-	-	1,012,062,000	0.00%	15,640	-
2006	-	-	-	1,341,053,000	0.00%	16,550	-
2007	500,000	-	500,000	1,589,797,000	0.03%	17,250	28.99
2008	457,214	-	457,214	1,714,248,000	0.03%	17,025	26.86

Source: City of Central Point Financial Records.

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

Schedule 13
City of Central Point, Oregon
Direct and Overlapping Governmental Activities Debt
As of June 30, 2008

Jurisdiction		Net Debt Outstanding (1)	Overlapping Debt Applicable within City of Central Point (2)		Amount Applicable Within City of Central Point
City of Central Point	\$	5,174,482	100.00%	\$	5,174,482
Jackson County					
School District 6		25,200,000	41.53%		10,465,880
Jackson County					
School District 549C		204,470,000	0.98%		1,994,302
				\$	<u>17,634,663</u>

Notes: (1) Source: Individual District's Financial Records

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

Schedule 14
Legal Debt Margin Information
Last Ten Fiscal Years

<u>Fiscal Years Ended June 30,</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Debt limit :	\$ 11,761,380	\$ 12,930,132	\$ 14,561,976	\$ 17,873,161	\$ 19,607,517
Total net debt applicable to debt limit	-	-	-	-	-
Total net debt applicable to debt limit as a percentage of debt limit	<u>\$ 11,761,380</u>	<u>\$ 12,930,132</u>	<u>\$ 14,561,976</u>	<u>\$ 17,873,161</u>	<u>\$ 19,607,517</u>

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt limit	\$ 19,607,517	\$ 21,455,138	\$ 30,361,830	\$ 40,231,590	\$ 47,693,913
Total net debt applicable to debt limit	-	-	-	-	-
Total net debt applicable to debt limit as a percentage of debt limit	<u>\$ 19,607,517</u>	<u>\$ 21,455,138</u>	<u>\$ 30,361,830</u>	<u>\$ 40,231,590</u>	<u>\$ 47,693,913</u>

Legal Debt Margin Calculation for Fiscal Year	<u>2008</u>
True Cash Value * (in thousands)	\$ <u>1,714,247</u>
Debt Limit at 3% of True Cash Value	\$ 57,427,438
Amount of Debt Applicable to Debt Limit:	
Total bonded debt	
d Tax Obligation Bonds	\$ 457,214
Less: Deductions allowed by law	
d Tax Obligation Bonds	<u>457,214</u> -
Legal Debt Margin	<u>\$ 57,427,438</u>

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

Utility System Revenue Notes (1)										
Fiscal Year	Gross Revenues	Less: Operating Expenses	Plus: Interest Expense	Net Available For Debt Service	Debt Service Requirements		Coverage (3)			
					Principal	Interest				
1999	\$ 1,569,414	\$ 1,209,768	\$ 4,718	\$ 364,364	\$ -	\$ 4,718	333			
2000	1,461,926	1,621,033	7,374	(151,733)	-	7,374	198			
2001	1,574,205	1,194,853	7,374	386,726	-	7,374	213			
2002	1,680,834	1,855,566	7,374	(167,358)	-	7,374	228			
2003	1,712,617	1,820,927	7,374	(100,936)	-	7,374	232			
2004	2,068,715	1,854,352	7,374	221,737	-	7,374	281			
2005	2,020,840	1,702,884	7,374	325,330	-	7,374	274			
2006	2,698,419	2,947,621	7,374	(241,828)	-	7,374	366			
2007	2,694,693	2,796,492	7,374	(94,425)	-	7,374	365			
2008	2,480,736	2,654,720	7,374	(166,610)	-	7,374	336			

Notes: (1) Includes Erickson Waterline Note Payable only

(2) To paid from gross water revenue.

(3) Based on gross water revenue

Schedule 16
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 % (2)
					High School/College (4)	Formal Schooling		
1998	11,255	\$ 23,214	\$ 261,273,570	34	88%	12%	4,483	7.0
1999	11,700	24,004	280,846,800	34	86%	14%	4,514	6.7
2000	12,665	24,563	311,090,395	34	86%	14%	4,579	5.7
2001	13,460	25,505	343,297,300	34	86%	14%	4,584	6.1
2002	14,120	26,477	373,855,240	34	86%	14%	4,620	7.4
2003	14,750	26,617	392,600,750	34	86%	14%	4,651	6.9
2004	14,950	28,531	426,538,450	34	86%	14%	4,624	7.1
2005	15,640	30,133	471,280,120	34	86%	14%	4,545	6.7
2006	16,550	31,785	526,041,750	34	86%	14%	4,647	6.0
2007	17,250	*N/A	N/A	34	86%	14%	4,575	6.1
2008	17,025	*N/A	N/A	34	86%	14%	4,668	6.7

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 30 of each year for Jackson County, Oregon

* Data not currently available

(3) School District # 6; using May of each year.

(4) U.S. Census of 1990 and 2000

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

<u>Employer</u>	<u>Fiscal Year 2007/2008</u>			<u>Fiscal Year 1998/1999 (1)</u>		
	<u>Employees</u>	<u>% of Total City Population</u>	<u>Rank</u>	<u>Employees</u>	<u>% of Total City Employment</u>	<u>Rank</u>
School Dist 6	600	3.52%	1			
USF Reddaway	120	0.70%	2			
City of Central Point	110	0.65%	3			
Albertsons	80	0.47%	4			
Pilot Travel Center	75	0.44%	5			
Grange Co-op	70	0.41%	6			
Rays Food Place	53	0.31%	7			
Providence Medical Grou	46	0.27%	8			
Quality Fence	45	0.26%	9			
Sharis	44	0.26%	10			
Total	1,243	7.30%				

Source: City of Central Point Finance Department

1) Accurate data was not readily available for the lookback period of fiscal year 1999.

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	3.00
Finance	6.00	6.00	6.00	6.00	4.00	3.00	3.00	7.00	7.00	7.00
Personnel	-	-	-	-	-	-	-	1.00	1.00	1.00
Community Development	3.00	3.00	4.00	3.00	5.00	5.00	6.00	6.00	5.00	5.50
Public Safety										
Police	23.00	24.00	23.00	24.00	24.00	26.00	27.00	27.00	28.00	28.00
Physical Environment										
Building	4.00	4.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	4.00
Public Works	11.00	12.00	15.00	16.00	13.00	14.00	16.00	18.00	18.69	18.86
Transportation										
Streets & Fleet	6.00	6.00	6.00	7.00	6.00	6.00	6.00	8.00	7.31	6.64
Culture/Recreation										
Parks	-	-	-	-	3.00	3.00	4.00	4.00	4.00	3.00
Recreation	-	-	-	-	3.00	3.00	2.00	2.00	2.00	2.00
Total	56.00	58.00	62.00	64.00	67.00	69.00	73.00	83.00	83.00	79.00

Schedule 19
City of Central Point, Oregon
Operating Indicators By Function
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Building Inspections										
Building Permits Issued			319	351	306	311	326	251	179	97
Finance										
Accounts Payable Checks Processed		5,085	4,213	4,515	4,765	5,169	5,334	5,519	4,105	5,030
Business Licenses							999	1,056	1,000	1,003
Average Number Utility Accounts			4,178	4,391	4,640	4,978	5,145	5,209	5,907	6,030
Public Works - Street Division										
Streets Cleaned (Miles)										800
Man Holes Inspected										198
Curb Inlets & Catch Basins Inspected										583
Water/Storm										
Fire Hydrants Flushed & Serviced										215
Water Valve Actuations										620
Water Meters Read										67,968
Blow-off Valves Flushed										18
Stormdrains Flushed & Cleaned (Miles)										16

Source: City of Central Point Records

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

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub Station								1	1	1
Other Public Works										
Miles of Streets	45.74	45.74	48.95	68.33	70	71	71	71	71	71
Parks and Recreation										
Parks - Acreage	19.32	22.32	22.32	28.56	31.49	31.49	41.92	71.87	134.87	135.12
Neighborhood Parks	4	6	6	8	11	11	13	14	15	16
Community Parks	2	2	2	3	3	3	3	4	5	5
Water										
Water Mains (miles)	58.68	58.68	68.4	63	73	73	73	77	77	77
Maximum Plant Capacity (MPG)										
Fire Hydrants										

Source: City of Central Point Finance Department

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



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

2007 - 2008 AUDITORS' COMMENTS AND DISCLOSURES

INDEPENDENT AUDITOR'S COMMENTS AND DISCLOSURES

Audit Report Requirements

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

Accounting and Internal Control

We found the records of the City of Central Point to be adequate for audit.

Adequacy of Collateral Securing Depository Balances

ORS Chapter 295 requires that each depository throughout the period of its possession of public fund deposits shall maintain on deposit with its custodians, at its own expense, securities having a value not less than 25% of the certificates of participation issued by the pool manager for funds in excess of those insured by the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation. Based on our review of the City's records, we found the City had complied with the adequacy of collateral pledged by depositories to secure the deposit of public funds.

Indebtedness

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

Budget Compliance

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

Expenses of the various funds were within authorized appropriations for the year ended June 30, 2008, except as described on page 20 to the basic financial statements.

Insurance and Fidelity Bonds Coverage

We reviewed compliance with legal requirements relating to insurance and fidelity bond coverage. During our audit we found no instances of noncompliance with the legal requirements pertaining to insurance and fidelity bond coverage. We are not competent by training to comment on the adequacy of the insurance policies covering City owned property at June 30, 2008.

Investments

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

INDEPENDENT AUDITOR'S COMMENTS AND DISCLOSURES (Continued)

Programs Funded from Outside Sources

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

Based on our tests of the accounting records, we were generally satisfied as to the propriety of accounting for such expenditures and revenues for the fiscal year ended June 30, 2008, subject to any adjustment subsequently required as a result of audits performed by the grantor agencies.

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

Public Contracts and Purchasing

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

Highway Funds

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

