

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2013

Prepared by:

Bev Adams, Finance Director

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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November 1, 2013

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

Oregon statutes require that all general purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants under the direction of a licensed municipal auditor. Pursuant to that requirement, we hereby submit the comprehensive annual financial report of the City of Central Point, Oregon for the fiscal year ended June 30, 2013.

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

The enclosed financial statements have been audited by Johannsen, Dye & Purkeypile, a firm of licensed certified public accountants. The engagement partner is Christopher Dye, CPA and Licensed Municipal Auditor. The goal of the independent audit is to determine that the financial statements of the City of Central Point for the fiscal year ending June 30, 2013, 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 and the Urban Renewal Agency. These component units have not been included in the CAFR because they are not material to the overall financial statements of the City, nor are they significant activities of the City. The City interacts and contracts with various other governmental entities but is not financially accountable to or for those entities.

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

The City

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

In terms of its physical development, the City of Central Point has been a relatively slow developing community, for many years retaining a rural community atmosphere. Only in recent past did the building boom of southern Oregon significantly alter the landscape of this small community with housing and commercial projects spurring population growth and impacting the need for services that accompany growth. Typically, the City's infrastructure serves a stable and slightly increasing population and requires expenditures primarily for maintenance and modernization of facilities rather than rapid growth. However, the impact of the nationwide economic recession has resulted in no significant growth in either population or residential or commercial projects.

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. While the mayor serves as the ceremonial head of the city and as presiding officer of the meetings, he is also a voting part of the Council and has no veto authority. The mayor has the authority to preserve order, enforce the rules and determine the order of business at the council meetings. With consent of council, the mayor appoints members of commissions and

committees established by ordinance or resolution. The City council is the legislative branch of Central Point's municipal government and the people's elected representatives. Council meetings are open public meetings where the council makes local laws, policies and basic decisions for the municipality. The position of mayor and council members are elected for four year terms on alternating years in a general election of the State of Oregon.

Accounting System and Budgetary Control

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

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

The 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 city manager who then oversees the preparation of a proposed budget. The budget is presented to a budget committee for review and approval and then submitted to city council for adoption prior to July 1 of each year. Budgetary control is maintained through constant review by the city's finance director. Detailed monthly budget reports are prepared for the city manager and each department, with quarterly statements and presentation given to the Mayor and Council.

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

Factors Affecting Financial Condition – Local Economy

The regional economic base is tied to agriculture, tourism, higher education, health care, transportation and manufacturing. There is an increasing population of retirees moving into the area, a factor that requires new and expanded health care resources, and additional demands for retirement, assisted living and nursing home facilities. During the past years, the City of Central Point and all cities within the Rogue Valley have experienced an ever increasing number of lost jobs and one of the higher unemployment rates in the nation. During the same period of time, housing prices plummeted along with construction in the area, all of which had a negative effect on the City's building permit revenues and planning actions. However, during the past year

there are indications that the local economy is stabilizing with the lowering of the unemployment rate and an increasing number of home sales at increasingly higher prices. It remains too early to know the extent to which the prolonged recession will have on property tax assessments and collections. Although we anticipated reduced property tax collections as a result of the recession and substantial number of foreclosures in the area, our actual experience has been that property tax collections increased as the foreclosing banks paid delinquent property taxes upon foreclosure.

Financial Policies

It has been a policy of the City's governing body and management to budget, plan and spend conservatively, and to make adjustments as early as possible when the need for change is identified. This unwritten policy of conservatism was beneficial and helped to stabilize and conserve the City and its services during the downward spiral of the local and national economy. No one could foresee just how dramatic the changes to the economy would affect local construction, businesses and families. However, the City has been fortunate that with the slowing of construction, timely decisions were made and actions taken to re-adjust staffing and prioritize projects to respond to the decline and the slowing of revenues. As a result, the City is currently maintaining financial and operating stability. The notion of sustainability has become an important consideration as we manage through adversity.

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

Long-term Financial Planning

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 and storm water fees to support infrastructure and capital improvements. The City updates the capital improvement plan and related system development plans annually. Included in these plans are water, transportation, storm water, parks and recreation projects.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for excellence in financial reporting to the City of Central Point for its comprehensive annual financial report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish a comprehensive annual financial report in accordance with

GFOA standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

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

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

Respectively submitted,



Chris Clayton
City Manager



Bev Adams
Finance Director



CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

ELECTED OFFICIALS

June 30, 2013

<u>CITY COUNCIL</u>	<u>TERM EXPIRES</u>
Hank Williams, Mayor	December 31, 2016
Bruce Dingler, Ward I	December 31, 2014
Kelly Geiger, Ward II	December 31, 2014
Ellie George, Ward III	December 31, 2014
Allen Broderick, Ward IV	December 31, 2016
David Douglas, At Large	December 31, 2016
Rick Samuelson, Jr., At Large	December 31, 2016

All council members receive mail at the address listed below.

CITY MANAGER

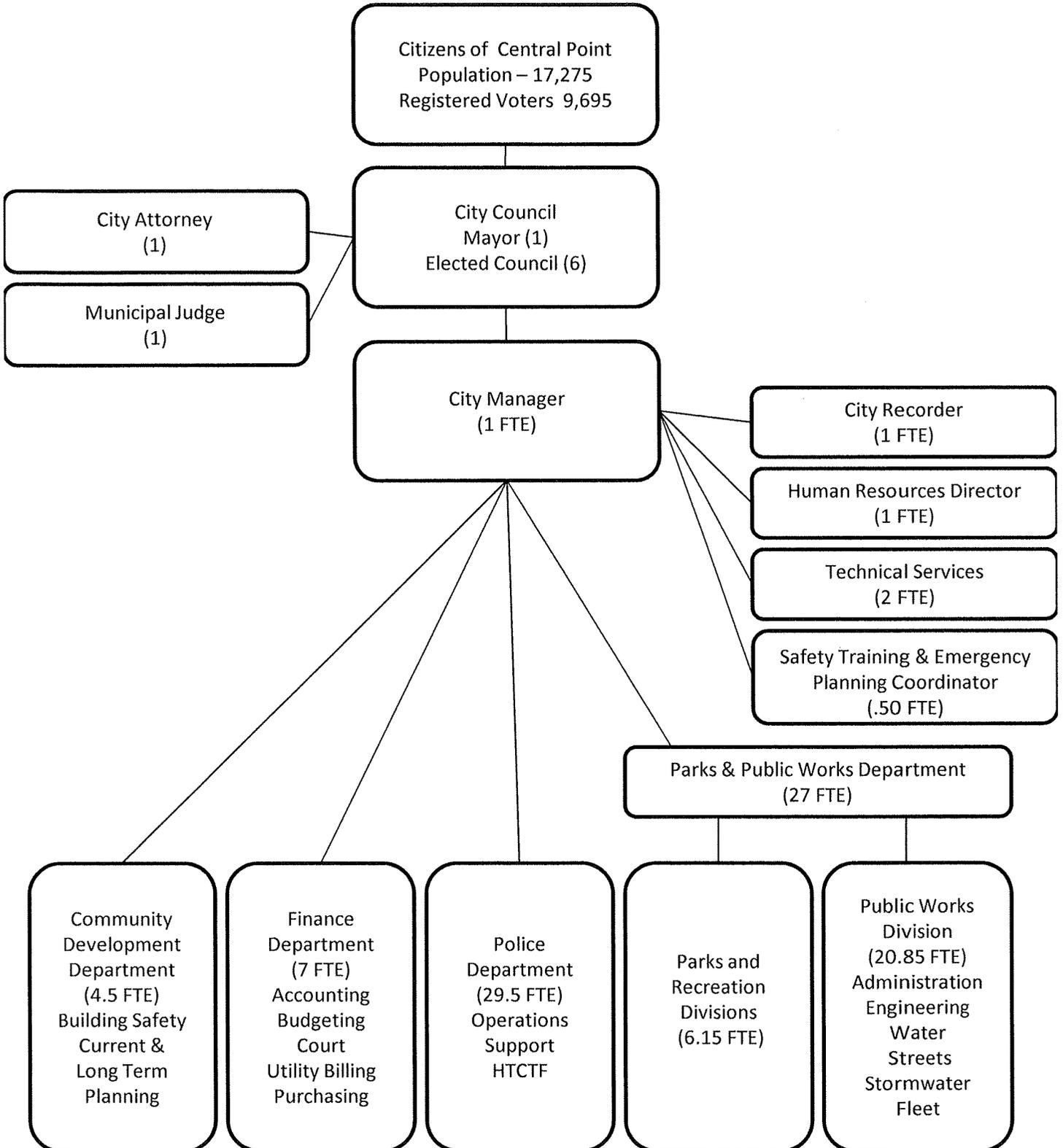
Chris Clayton

FINANCE DIRECTOR

Bev Adams

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

City of Central Point
73.50 FTE
For The Fiscal Year Ended June 30, 2013





Government Finance Officers Association

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

Presented to

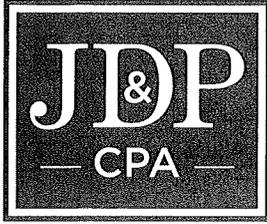
**City of Central Point
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO





**JOHANNSEN,
DYE &
PURKEYPILE**
Certified Public Accountants, LLP

Frederic C. Johannsen, CPA
Christopher V. Dye, CPA

Tina M. Lenker, CPA
Robert W. Purkeypille, CPA
Trudy J. Brown

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Central Point, Oregon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Central Point, Oregon, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by

the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Central Point, Oregon's basic financial statements as a whole. The introductory section, supplementary information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2013, on our consideration of the City of Central Point, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Central Point, Oregon's internal control over financial reporting and compliance.

Johannsen, Dye & Purkeypile CPAs, LLP



By Christopher V. Dye, CPA
Partner

Medford, Oregon
November 14, 2013

**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, 2013. Please read it in conjunction with the City's transmittal letter in the introductory section, and the City's financial statements following the MD&A.

Financial highlights (*In Thousands of Dollars*)

- Total assets of the City, including both governmental and business-type activities, exceeded its total liabilities at June 30, 2013, the close of the most recent fiscal year, by approximately \$74,017 (net position). Of this amount, \$5,518 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total current assets decreased \$517 to \$9,784 and reflect the overall decline in the City's net position of \$2,285 for the year ended June 30, 2013. Most of the decline is attributed to depreciation expense that totals \$3,637 for both governmental and business type activities.
- Overall net position for governmental activities decreased \$2,492 to \$48,019. This overall decrease is attributed depreciation expense on capital assets used in governmental activities which totaled \$2,969.
- Overall net position for business-type activities decreased \$208 to \$25,998. This overall decrease is attributed to depreciation expense that totaled \$668. Net revenue from operations of the business type activities increased \$421 due to significant increases in utility rates for water and stormwater services. Overall operating revenues of the business-type activities increased \$491 compared to last year. Operating expenses increased \$70 over the previous year for a net increase in operating income of \$421. However, 47 homes remain vacant - either abandoned or in foreclosure - that do not purchase utility services over the course of the year – a lingering effect of the Great Recession.
- Except as noted on the statement of net position, there are no restrictions, commitments, or other limitations on net position, fund equities or fund balances at June 30, 2013 that significantly affect the availability of fund resources for future use.
- The City's total accounts payable have increased \$482 primarily due to construction payables relating to street improvements and a new parking lot. Accrued payroll increased \$150 from last year end due to early retirement incentives offered to long time employees. Other current liabilities remain consistent with the prior years. Management continues its efforts at cost control and reduction. Actions taken to incentivize early retirements will reduce current expenses, and pension contributions going forward.
- The City's total long-term debt increased a net of \$1,289 to \$10,328. The reason for the increase is due to \$1,805 in construction loans relating to the newly completed water reservoir, reduced by \$497 in scheduled payments on existing long term debt, and a net decrease of \$19 in the City's long-term portion of compensated absences earned by employees.
- The City Council, through the adoption of the annual budget, has established a conservative financial policy for dealing with the unfavorable economic and financial affects of the current recession, and a stated policy of not wanting to reduce the level of City services provided to the community. In response to these policies, the City staff continues to reevaluate and reassign staff in an effort to maintain the current level of City services, even though staff vacancies due to attrition and retirement have occurred. Since 2007, the City has eliminated 13 positions overall with 73.5 employees at June 30, 2013. This year end employee count compares to 75.75 at June 30, 2011, 76.25 at June 2010, 80 at 2009, 82.5 at 2008, and 85.5 at 2007.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the financial section of the City of Central Point's comprehensive annual financial report (CAFR). The financial section consists of three parts:

1) management's discussion and analysis (this section), 2) basic financial statements, and 3) supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements show how general government services were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses.

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

Government-wide financial statements

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

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

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

Fund financial statements

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

The City has the following types of funds:

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Governmental funds - Governmental funds focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.
- Proprietary funds: The City maintains two different types of proprietary funds. The *enterprise fund* is used to report the same functions presented as *business-type activities* in the government wide financial statements. The City uses enterprise funds to account for functions of the building department and the water and storm water utilities. The *internal service fund* is an accounting device used to allocate costs internally among the City's various functions. The City of Central Point uses an internal service fund to report activities that provide services for other programs such as facility maintenance, fleet maintenance and public works administration and engineering.

Government-wide financial analysis (In Thousands of Dollars)

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

By far the largest portion of the City's net position (87%) 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. Capital assets decreased \$2,590 (thousands) due to \$3,637 (thousands) of depreciation expense offset by \$8,107 (thousands) of new capital asset costs that included \$6,833 relating to the completion of the new water reservoir.

The smallest portion (5%) of net position is noted as restricted. This net position is subject to external restrictions on how the related assets can be used. Restricted net position declined \$100 (thousands) during the year as accumulated systems development charges were spent on the water reservoir construction project and other qualifying expenses.

The final portion (8%) of net position is noted as unrestricted. This represents resources that may be used to meet the ongoing obligations to citizens and creditors. The unrestricted net position increased by \$205 (thousands); largely due to the new utility service rates and effective expenditure management in the business type activities.

Overall, the City's financial condition deteriorated during the 2012-13 fiscal year as evidenced by the decline in total net position of \$2,285. The governmental activities net position decreased by \$2,492 while the business-type net position increased by \$208. This amount of net position change is significant when compared to the previous year. The rate of decrease is about 5% for the governmental activities and rate of increase is about 1% for the business-type activities. The rate of decrease in the governmental activities is considered reasonable given the prolonged recession of the past four years, and - to some extent - is considered to be the "new" stability. The rate of increase in the business type activities was by design and reflects increases in the utility services rates. The City has the capacity and resources to continue to weather the ongoing economic recession, particularly as signs of stability and improvement in the community begin to be seen.

**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	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
ASSETS						
Current and Other Assets	\$ 8,189	\$ 8,695	\$ 2,383	\$ 2,580	\$ 10,572	\$ 11,275
Capital Assets	45,842	47,678	29,504	27,342	75,346	75,020
Total Assets	<u>54,031</u>	<u>56,373</u>	<u>31,887</u>	<u>29,922</u>	<u>85,918</u>	<u>86,295</u>
LIABILITIES						
Current and Other Liabilities	2,729	1,357	293	305	3,022	1,662
Long-Term Liabilities	<u>3,284</u>	<u>4,505</u>	<u>5,596</u>	<u>3,826</u>	<u>8,880</u>	<u>8,331</u>
Total Liabilities	<u>6,013</u>	<u>5,862</u>	<u>5,889</u>	<u>4,131</u>	<u>11,902</u>	<u>9,993</u>
NET ASSETS						
Capital Assets Net of Related Debt	41,574	42,944	23,899	25,127	65,473	68,071
Restricted Assets	2,650	2,654	306	201	2,956	2,855
Unrestricted Assets	<u>3,795</u>	<u>4,913</u>	<u>1,793</u>	<u>462</u>	<u>5,588</u>	<u>5,375</u>
Total Net Assets	<u>\$ 48,019</u>	<u>\$ 50,511</u>	<u>\$ 25,998</u>	<u>\$ 25,790</u>	<u>\$ 74,017</u>	<u>\$ 76,301</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	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
REVENUES						
Program Revenues:						
Charges For Services	\$ 4,447	\$ 4,364	\$ 3,724	\$ 3,233	\$ 8,171	\$ 7,597
Grants and Contributions					-	-
Operating	261	707	-	-	261	707
Capital	266	-	-	-	266	-
General Revenues:						
Property Taxes	4,387	4,510	-	-	4,387	4,510
Franchise Taxes	1,179	1,148	-	-	1,179	1,148
Hotel/Motel Taxes	451	362	-	-	451	362
Interest	56	47	13	11	69	58
Miscellaneous	218	235	16	25	234	260
Total Revenues	11,265	11,373	3,753	3,269	15,018	14,642
EXPENSES						
Functions:						
General Government	4,100	3,741	-	-	4,100	3,741
Public Safety	4,041	3,831	-	-	4,041	3,831
Highways and Streets	3,976	3,644	-	-	3,976	3,644
Parks and Recreation	1,455	1,368	-	-	1,455	1,368
Interest	185	203	-	-	185	203
Water Services	-	-	2,625	2,639	2,625	2,639
Stormwater Services	-	-	801	713	801	713
Building Services	-	-	119	123	119	123
Total Expenses	13,757	12,787	3,545	3,475	17,302	16,262
Excess (deficiency) before transfers	(2,492)	(1,414)	208	(206)	(2,284)	(1,620)
Transfers	-	-	-	-	-	-
INCREASE (DECREASE) IN NET ASSETS	(2,492)	(1,414)	208	(206)	(2,284)	(1,620)
BEGINNING NET ASSETS	50,511	51,925	25,790	25,996	76,301	77,921
ENDING NET ASSETS	\$ 48,019	\$ 50,511	\$ 25,998	\$ 25,790	\$ 74,017	\$ 76,301

Financial analysis of the City (In Thousands of Dollars)

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

- **General Fund:** At June 30, 2013, the fund balance for the General Fund was \$2,553, a decline of \$649 from the previous year. Fund balance components include \$20 nonspendable relating to prepaid items, \$2,519 assigned to the 2012-13 budget and \$15 that is unassigned. In total, fund balance represents approximately 31% of the 2012-13 total general fund expenditures including transfers out. While revenues increased \$51 - about 6% - primarily intergovernmental revenues. Expenditures increased \$ 558 - about 7% - with increases in all categories. Interfund transfers remained about \$417. Although this was expected, it resulted in a decrease in General Fund carryover of \$648. Also, since the 2008-09 fiscal year, as compelling evidence of local and regional economic challenges became more evident, the management of every department has been focused on conserving resources in whatever manner possible while still preserving services. This trend of conservation is still ongoing and was reflected in the 2012-13 budget and will continue throughout the 2013-14 budget year.
- **Street Fund:** At June 30, 2013, the fund balance of the Street Fund primarily consisted of a restricted amount of \$1,659 from state shared gas taxes and a committed amount of \$301 from the street franchise fees. There is also a nonspendable fund balance \$3,592 relating to prepaid items. Ongoing street maintenance efforts continued. Two significant street construction projects - an arterial improvement and a new parking lot - were in progress that cost about \$730. Increased expenditures and a \$30 reduction in revenues resulted in a decrease in fund balance from the prior fiscal year of almost \$338.
This change in fund balance compares unfavorably to a \$340 increase to fund balance at the end of the previous year. The fund balance is attributed to unspent state shared gas tax (restricted) and street utility fees (committed) and is available and budgeted for ongoing street maintenance. In addition, a new electric service franchise agreement that provides additional resources to the Street Fund assigned by the City Council to the City's street light program.
- **High Tech Crime Unit Fund:** The City established this fund in the previous fiscal year for the purpose of providing for and tracking the requirements of a regional High Tech Crime Task Force. The task force exists for proactive investigation, examination, and prosecution of cases involving crimes against children and intellectual property rights. Resources to finance these operations come from shared personnel from other cities in the Rogue Valley, FBI personnel, federal grant funds, and personal and other financial support provided by the City of Central Point and its citizens. The task force is a significant undertaking for the City that requires ongoing financial support. At June 30, 2013 the restricted fund balance declined by \$24 to \$63. Future operations of the fund will be provided by local and federal grants as well as the City of Central Point resources.
- **Housing Fund:** The Housing Fund has been in operation for many years and was the outgrowth of a grant funded program that made loans to City residents to remove wood stoves and weatherize their homes to reduce air pollution and the cost of heating and cooling homes. Loan repayments are the source of program income. In February 2013, the State of Oregon revised the program income requirements that stipulated the City must spend the accumulated program income - fund balance - on an eligible Community Development Block Grant project or donate it to an approved food bank. The City Council chose to donate the remaining fund balance to an approved food bank. Following the completion of the donation, a letter received from the State of Oregon indicates that as of April 1, 2013 the City can close fund. The City now plans to close the fund and transfer the \$57 of outstanding loans at June 30, 2013 to the General Fund. Future loan collections will be expended as required.
- **Debt Service Fund:** The Debt Service Fund accounts all debt relating to and paid by governmental activities. Annual debt service is funded by a recurring state payment relating to a prior joint city/state construction project, a share of the City's monthly utility fees, assessments received from special assessment payments of property owners benefited by past street construction projects and transfers from the General, Street and Capital Improvement funds. Financial activities for the year were as planned and budgeted and resulted in an increase to ending fund balance of \$18 that is restricted to future debt service payments.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

- **Capital Improvement Fund:** At June 30, 2013, the restricted fund balance (budget basis) for the Capital Improvement Fund was \$118, an increase of approximately \$39 from the 2011-12 fiscal year. Current year revenues include systems development charges and investment earnings. Systems development charges (SDCs) increased approximately \$34 reflecting an increase in construction activity. This fund is used to budget and record activity dealing with capital projects; therefore large fluctuations naturally occur depending on capital projects in process. There were no capital outlay expenditures this year, but an expenditure of \$14 was made for debt service relating to repayment of excess capacity SDCs refunded to developers when construction begins. In addition, \$25 was transferred to the Debt Service Fund to assist with the debt service payment relating to Don Jones Park. Fund balance increased by \$40 to \$118 and is spendable only on eligible SDC related improvements and expenditures.

- **Reserve Fund:** This fund was established by Council Resolution No. 1257 for the purpose of setting aside funds for future city hall improvements, equipment and vehicles. The initial funding was a 2010-11 transfer of \$300 from the Internal Service Fund. No expenditures have yet been made from the fund. Additional resources to the fund have included some interest earnings and transfers from the Internal Service fund. At June 30, 2013, the committed fund balance increased by \$3 to \$487. This increase was as planned and budgeted.

- **Water Fund:** At June 30, 2013, the net position of the Water Fund reports an increase of \$126 to \$17,273. Water utility operations were as planned and budgeted. Operating revenue increased \$288 to \$2,743 due to the full year impact of a new water rate schedule, fewer foreclosed or abandoned homes, and unusually high water usage in the month of June. Operating expenses of \$2,625 reflected an increase of \$8 over the prior year. Operating income was \$118 - a significant increase over the prior year operating loss of \$163. Nonoperating income for the year consisted of investment earnings of \$8. Last year's nonoperating included investment earnings of \$8 and of a \$21 loss on the disposal of a capital asset for a net loss of \$14. These changes resulted in a \$126 increase in net position at year end. The current water rate schedule is expected to provide operating income for several more years to strengthen the net position of the Water Fund.

- **Stormwater Fund:** At June 30, 2013, the net position of the Stormwater Fund reports an increase of \$90 to \$8,588. Stormwater utility operations were as planned and budgeted. Operating revenue increased \$163 to \$867 due to the full year impact of the new stormwater rate increase. Operating expenses increased \$81 to \$794. Operating income increased from \$82 to \$93. However, this increase was offset by a net nonoperating loss of almost \$3 resulting from a loss on disposal of a capital asset of \$7 and investment earnings of \$4. These changes resulted in a \$90 increase in net position at year end. The current stormwater rate schedule is expected to provide operating income for several more years to strengthen the net position of the Stormwater Fund.

- **Building Fund:** At June 30, 2013, the net position of the Building Fund was \$138, a decrease of \$8 from the 2011-12 fiscal year. Operating revenue increased \$31 reflecting a modest recovery in construction activity in the City. Management efforts reduced expenditures by \$4 compared to the previous year. Even so, an operating loss of \$10 was realized, this was significantly less than the operating loss of \$44 in the previous year. Under current City budget and operating policies, the ongoing deterioration of the Building Fund net position reflects the reduced level of local construction activity. However, local construction activity is picking up as evidenced by the modest increases realized in building permit and systems development charge revenues during 2012-13. This trend has continued during the summer months of the new 2013-14 fiscal year - affirming the City's cautious optimism that the construction turn around may have occurred.

- **Internal Services Fund:** At June 30, 2013, the net position of the Internal Services Fund was \$847, an increase of \$153 from the 2011-12 fiscal year. Interfund revenues increased \$101 while operating

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

expenses increased \$79. Operating income was \$86, and nonoperating income, which included a \$51 federal grant to purchase energy efficient vehicles, was \$67 for the combined increase to net position of \$153. The Internal Service Fund revenues consist primarily of rental and overhead fees charged to City departments. Fluctuations in revenues and expenses over the years in this fund are generally caused either fleet or facility projects requiring capital asset purchases.

General Fund budgetary highlights

The expenditures and revenues of the General Fund are well matched and there are no significant variances from the budget. More information about the City's budget process, legal requirements, and results for the year is presented in Note 1 to the financial statements.

Capital assets

The City of Central Point's investment in capital assets for its governmental and business type activities as of June 30, 2013, amounts to \$75,340 (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. A new water reservoir to provide water storage capacity to the eastside of the City under construction and was completed during 2012-13. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

Long term debt

At June 30, 2013, the City had \$10,328 of long-term debt compared to \$9,039 the previous year end. This amount includes \$9,874 of bonds and notes payable and \$454 of compensated absences payable. The City's bonds and notes payable debt was reduced by \$497 as result of making the maturing bond and note debt service payments, and increased \$1,805 relating to completion of the new water reservoir. The City's compensated absences increased \$418 by employee service and declined \$437 from employee retirements and use of vacation. More detailed information about the City's long-term debt is presented in the Notes 5 and 7 to the financial statements.

Economic factors and the new year budget

As of June 30, 2013 and looking at the upcoming 2013-14 fiscal year, the City's financial condition relating to its governmental activities will continue to deteriorate but at a reducing rate. Given the severity of the economic recession this is considered stability. While the City currently has resources and reserves to support this deterioration it cannot continue to do so indefinitely. While the City's financial condition relating to its business type activities also showed deterioration during the recent years, this trend has been reversed with the implementation of the new utility service rates. It is expected that the new utility rates will continue to provide operating income for a number of years to come.

In 2012-13 the number of residential permits increased over the prior five years and related fees are moderately increasing. However, there has yet to be sustained improvement in the commercial real estate market, but there are encouraging signs of improvement with new construction activity. The City's low income utility discount program which grants a 50% assistance to economically challenged citizens continues to be necessary as families struggle through the recession. These are but a few of the statistics that indicate that the City's financial condition has deteriorated even though there are encouraging signs of increased economic activity. In addition there are about 47 homes in foreclosure that are not currently paying for City utility services.

In the budget process and throughout the year, City staff carefully considered many options and made appropriate financial and operating decisions in an effort to retain sufficient carryover to continue current service levels as long as possible. No new services are planned, and only replacement hires are being considered.

City Council and staff are continually evaluating new revenue streams as a way to improve and stabilize the City's economic health and provide for needed maintenance and capital project funding.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Contacting the City's financial management

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



CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF NET POSITION
June 30, 2013**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 6,410,325	\$ 1,538,494	\$ 7,948,819
Current receivables, net allowances for uncollectibles	961,449	670,264	1,631,713
Prepaid expenses	29,651	960	30,611
Supply inventory	-	172,623	172,623
Noncurrent receivables:			
Due within one year	169,026	-	169,026
Due in more than one year	570,966	-	570,966
Bond issue costs	47,819	-	47,819
Capital assets, net of allowances for depreciation			
Governmental	45,228,942	-	45,228,942
Business-type	-	29,504,257	29,504,257
Internal service	613,300	-	613,300
Total Assets	54,031,478	31,886,598	85,918,076
Liabilities:			
Accounts payable	792,736	226,272	1,019,008
Accrued payroll	496,876	-	496,876
Unearned revenue			
Due within one year	26,168	-	26,168
Deposits	-	31,749	31,749
Noncurrent liabilities			
Compensated absences			
Due within one year	150,041	12,523	162,564
Due in more than one year	278,478	12,521	290,999
Long-term debt			
Due within one year	534,296	22,231	556,527
Due in more than one year	3,734,098	5,583,342	9,317,440
Total Liabilities	6,012,693	5,888,638	11,901,331
Net Position:			
Invested in capital assets, net of related debt	41,573,848	23,898,684	65,472,532
Restricted for:			
Debt service	787,004	-	787,004
Housing	57,103	-	57,103
Public Safety	62,551	-	62,551
Utility systems enhancements (SDCs)	1,743,346	305,848	2,049,194
Unrestricted	3,794,933	1,793,428	5,588,361
Total Net Position	\$ 48,018,785	\$ 25,997,960	\$ 74,016,745

See accompanying notes to basic financial statements

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 4,099,776	\$ 2,464,733	\$ 91,410	\$ 51,000	\$ (1,492,633)	\$ -	\$ (1,492,633)
Public safety	4,041,554	185,271	159,856	41,933	(3,654,494)	-	(3,654,494)
Highways and streets	3,975,841	1,418,101	9,350	172,947	(2,375,443)	-	(2,375,443)
Parks and recreation	1,455,619	141,549	-	-	(1,314,070)	-	(1,314,070)
Interest on long-term debt	184,837	237,827	-	-	52,990	-	52,990
Total Governmental Activities	13,757,627	4,447,481	260,616	265,880	(8,783,650)	-	(8,783,650)
Business-Type Activities							
Water services	2,625,032	2,729,293	-	-	-	104,261	104,261
Stormwater services	800,860	885,834	-	-	-	84,974	84,974
Building services	119,440	108,552	-	-	-	(10,888)	(10,888)
Total Business-Type Activities	3,545,332	3,723,679	-	-	-	178,347	178,347
Total Primary Government	\$ 17,302,959	\$ 8,171,160	\$ 260,616	\$ 265,880	(8,783,650)	178,347	(8,605,303)
General Revenues							
Property taxes					4,386,671	-	4,386,671
Franchise taxes					1,179,560	-	1,179,560
Hotel/Motel taxes					451,542	-	451,542
Interest					56,075	13,529	69,604
Miscellaneous					217,606	15,772	233,378
Total General Revenues					6,291,454	29,301	6,320,755
Change in Net Position					(2,492,196)	207,648	(2,284,548)
Beginning Net Position					50,510,981	25,790,312	76,301,293
Ending Net Position					\$ 48,018,785	\$ 25,997,960	\$ 74,016,745

See accompanying notes to basic financial statements

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013**

	SPECIAL REVENUE				CAPITAL PROJECTS			TOTAL
	GENERAL	STREET FUND	HIGH TECH CRIME UNIT FUND	HOUSING FUND	DEBT SERVICE FUND	CAPITAL IMPROVEMENT FUND	RESERVE FUND	
Assets:								
Cash and investments	\$ 3,112,394	\$ 2,167,239	\$ 78,197	\$ -	\$ 47,012	\$ 117,955	\$ 487,096	\$ 6,009,893
Receivables:								
Taxes	389,571	-	-	-	-	-	-	389,571
Accounts, net of allowances	345,894	168,881	-	57,103	-	-	-	571,878
State of Oregon	-	-	-	-	585,842	-	-	585,842
Special assessments	-	-	-	-	154,150	-	-	154,150
Prepaid items	19,879	3,592	249	-	-	-	-	23,720
Total Assets	<u>\$ 3,867,738</u>	<u>\$ 2,339,712</u>	<u>\$ 78,446</u>	<u>\$ 57,103</u>	<u>\$ 787,004</u>	<u>\$ 117,955</u>	<u>\$ 487,096</u>	<u>\$ 7,735,054</u>
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable	318,333	337,225	6,111	-	-	-	-	661,669
Payroll taxes and salaries	496,876	-	-	-	-	-	-	496,876
Comp absences payable	121,123	2,772	5,158	-	-	-	-	129,053
Deferred revenue	21,791	35,040	4,377	57,103	739,992	-	-	858,303
Deferred property taxes	356,423	-	-	-	-	-	-	356,423
Total Liabilities	<u>1,314,546</u>	<u>375,037</u>	<u>15,646</u>	<u>57,103</u>	<u>739,992</u>	<u>-</u>	<u>-</u>	<u>2,502,324</u>
Fund Balances:								
Nonspendable	19,879	3,592	249	-	-	-	-	23,720
Restricted		1,659,422	62,551	-	47,012	117,955	-	1,886,940
Committed		301,661	-	-	-	-	487,096	788,757
Assigned	2,518,770	-	-	-	-	-	-	2,518,770
Unassigned	14,543	-	-	-	-	-	-	14,543
Total Fund Balances	<u>2,553,192</u>	<u>1,964,675</u>	<u>62,800</u>	<u>-</u>	<u>47,012</u>	<u>117,955</u>	<u>487,096</u>	<u>5,232,730</u>
Total Liabilities and Fund Balances	<u>\$ 3,867,738</u>	<u>\$ 2,339,712</u>	<u>\$ 78,446</u>	<u>\$ 57,103</u>	<u>\$ 787,004</u>	<u>\$ 117,955</u>	<u>\$ 487,096</u>	<u>\$ 7,735,054</u>

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 POSITION
June 30, 2013

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

Total Fund Balances - Governmental Funds \$ 5,232,730

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

Capital assets 45,228,942

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

Long-term debt \$ (4,268,394)
Bond discount and issuance costs 47,819 (4,220,575)

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

Accrued vacation and sick leave (428,519)
Accrued in governmental funds 129,053
Accrued in Internal Service Fund 41,980 (257,486)

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

Unearned Revenue
Special assessments made but not collected 832,135
Property taxes levied but not collected 356,423 1,188,558

Governmental Funds Net Position 47,172,169

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

Internal Service Fund Net Position 846,616

Total Net Position- Governmental Activities \$ 48,018,785

**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, 2013

	GENERAL	SPECIAL REVENUE				CAPITAL PROJECTS		TOTAL
		STREET FUND	HIGH TECH CRIME UNIT FUND	HOUSING FUND	DEBT SERVICE FUND	CAPITAL IMPROVEMENT FUND	RESERVE FUND	
REVENUES:								
Taxes	\$ 5,819,199	\$ 108,941	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,928,140
Licenses and permits	51,833	-	-	-	-	-	-	51,833
Intergovernmental	620,157	1,177,771	157,044	-	162,864	-	-	2,117,836
Charges for services	785,599	598,155	1,227	-	196,281	78,343	-	1,659,605
Assessments	-	-	-	-	59,364	-	-	59,364
Fines and forfeitures	181,121	-	-	-	-	-	-	181,121
Investment earnings	31,442	17,480	-	107	376	648	3,633	53,686
Miscellaneous	178,622	16,680	-	417	-	-	-	195,719
Total Revenues	7,667,973	1,919,027	158,271	524	418,885	78,991	3,633	10,247,304
EXPENDITURES:								
Current:								
General government	3,056,186	-	-	40,925	-	-	-	3,097,111
Public safety	3,600,439	-	419,721	-	-	-	-	4,020,160
Highways and streets	-	2,246,667	-	-	-	-	-	2,246,667
Parks and recreation	1,242,721	-	-	-	-	-	-	1,242,721
Debt service:								
Principal	-	5,491	-	-	438,000	14,274	-	457,765
Interest	-	-	-	-	162,313	-	-	162,313
Total Expenditures	7,899,346	2,252,158	419,721	40,925	600,313	14,274	-	11,226,737
Excess of Revenues Over (Under) Expenditures	(231,373)	(333,131)	(261,450)	(40,401)	(181,428)	64,717	3,633	(979,433)
Other Financing Sources, (Uses)								
Transfers in	-	50,000	237,350	-	210,400	-	-	497,750
Transfers out	(417,350)	(55,400)	-	-	-	(25,000)	-	(497,750)
Total Transfers	(417,350)	(5,400)	237,350	-	210,400	(25,000)	-	-
Net Change in Fund Balance	(648,723)	(338,531)	(24,100)	(40,401)	28,972	39,717	3,633	(979,433)
Beginning Fund Balance	3,201,915	2,303,206	86,900	40,401	18,040	78,238	483,463	6,212,163
Ending Fund Balance	\$ 2,553,192	\$ 1,964,675	\$ 62,800	\$ -	\$ 47,012	\$ 117,955	\$ 487,096	\$ 5,232,730

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, 2013**

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

Total Net Change in Fund Balances - Governmental Funds \$ (979,433)

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	\$	888,948	
Deletions to fixed assets		9,302	
Depreciation expense		<u>(2,864,362)</u>	
Net adjustment			(1,966,112)

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			23,803
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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 discounts and bond issuance costs		(4,725)	
Bonds and notes payable principal		<u>415,476</u>	
			410,751

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

Special assessments		(139,854)	
Property taxes		<u>4,948</u>	
			<u>(134,906)</u>

Governmental Funds Change in Net Position			(2,645,897)
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Internal service funds are used by the City to account for the fleet operations, public works administration and engineering services that are provided to the other departments on a cost reimbursement basis. The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities.

Internal Service Fund Change in Net Position			<u>153,701</u>
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Change in Net Position - Governmental Activities			<u><u>\$ (2,492,196)</u></u>
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**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013**

	WATER FUND	STORM WATER FUND	BUILDING FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
ASSETS:					
Current Assets					
Cash and investments	\$ 698,249	\$ 643,580	\$ 196,665	\$ 1,538,494	\$ 400,432
Accounts receivable, net	590,820	79,444	-	670,264	-
Prepaid expenses	578	382	-	960	5,931
Supply inventory	172,623	-	-	172,623	-
Total Current Assets	<u>1,462,270</u>	<u>723,406</u>	<u>196,665</u>	<u>2,382,341</u>	<u>406,363</u>
Noncurrent Assets					
Capital assets not being depreciated	2,023,752	452,984	-	2,476,736	-
Capital assets being depreciated, net	19,483,187	7,544,334	-	27,027,521	613,300
Total Noncurrent Assets	<u>21,506,939</u>	<u>7,997,318</u>	<u>-</u>	<u>29,504,257</u>	<u>613,300</u>
Total Assets	<u>22,969,209</u>	<u>8,720,724</u>	<u>196,665</u>	<u>31,886,598</u>	<u>1,019,663</u>
LIABILITIES					
Current Liabilities					
Accounts payable	143,709	55,667	26,896	226,272	131,067
Developer and customer deposits	-	-	31,749	31,749	-
Current Portion Long-Term Debt					
SDC obligations	106	649	-	755	-
Financing agreement	5,799	15,677	-	21,476	-
Comp absences payable	9,567	2,857	99	12,523	20,989
Total Current Portion Long-Term Debt	<u>15,472</u>	<u>19,183</u>	<u>99</u>	<u>34,754</u>	<u>20,989</u>
Total Current Liabilities	<u>159,181</u>	<u>74,850</u>	<u>58,744</u>	<u>292,775</u>	<u>152,056</u>
Long-term Liabilities					
SDC obligations	1,007	5,789	-	6,796	-
Financing agreement	18,920	49,702	-	68,622	-
Comp absences payable	9,566	2,857	98	12,521	20,991
Notes payable	5,507,924	-	-	5,507,924	-
Total Long-Term Liabilities	<u>5,537,417</u>	<u>58,348</u>	<u>98</u>	<u>5,595,863</u>	<u>20,991</u>
Total Liabilities	<u>5,696,598</u>	<u>133,198</u>	<u>58,842</u>	<u>5,888,638</u>	<u>173,047</u>
NET POSITION					
Invested in capital assets, net of related debt	15,973,183	7,925,501	-	23,898,684	613,300
Restricted for:					
Utility Systems Enhancements (SDCs)	185,550	120,298	-	305,848	-
Unrestricted	1,113,878	541,727	137,823	1,793,428	233,316
Total Net Position	<u>\$ 17,272,611</u>	<u>\$ 8,587,526</u>	<u>\$ 137,823</u>	<u>\$ 25,997,960</u>	<u>\$ 846,616</u>

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2013**

	WATER FUND	STORM WATER FUND	BUILDING FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
OPERATING REVENUES					
Licenses and fees	\$ -	\$ -	\$ 108,551	\$ 108,551	\$ -
Charges for services	2,729,293	885,834	-	3,615,127	1,221,293
Miscellaneous	13,881	711	1,180	15,772	10,318
Total Operating Revenue	<u>2,743,174</u>	<u>886,545</u>	<u>109,731</u>	<u>3,739,450</u>	<u>1,231,611</u>
OPERATING EXPENSES					
Public works equipment rental operations	-	-	-	-	1,040,493
Utility operations	2,179,540	572,502	-	2,752,042	-
Building inspection services	-	-	118,330	118,330	-
Depreciation	445,492	221,529	1,109	668,130	104,911
Total Operating Expenses	<u>2,625,032</u>	<u>794,031</u>	<u>119,439</u>	<u>3,538,502</u>	<u>1,145,404</u>
Total Operating Income (Loss)	<u>118,142</u>	<u>92,514</u>	<u>(9,708)</u>	<u>200,948</u>	<u>86,207</u>
NONOPERATING INCOME (LOSS)					
Capital grant proceeds	-	-	-	-	51,000
Gain/(Loss) on disposal of capital assets	-	(6,829)	-	(6,829)	14,105
Investment earnings	7,746	4,402	1,381	13,529	2,389
Nonoperating Income (Loss)	<u>7,746</u>	<u>(2,427)</u>	<u>1,381</u>	<u>6,700</u>	<u>67,494</u>
Change in Net Position	125,888	90,087	(8,327)	207,648	153,701
Beginning Net Position	<u>17,146,723</u>	<u>8,497,439</u>	<u>146,150</u>	<u>25,790,312</u>	<u>692,915</u>
Ending Net Position	<u>\$ 17,272,611</u>	<u>\$ 8,587,526</u>	<u>\$ 137,823</u>	<u>\$ 25,997,960</u>	<u>\$ 846,616</u>

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, 2013

	WATER FUND	STORMWATER FUND	BUILDING FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
Cash Flows from Operating Activities:					
Received from customers	\$ 2,724,509	\$ 867,452	\$ 132,892	\$ 3,724,853	\$ 24,640
Received from interfund svcs provided	-	-	-	-	1,206,971
Paid for interfund services provided	(352,000)	(179,000)	(2,200)	(533,200)	-
Paid to suppliers	(1,247,000)	(251,962)	(4,277)	(1,503,239)	(415,149)
Paid to employees	(578,159)	(178,727)	(115,842)	(872,728)	(515,851)
Net cash provided	<u>547,350</u>	<u>257,763</u>	<u>10,573</u>	<u>815,686</u>	<u>300,611</u>
Cash Flows from Capital and Related Financing Activities					
Grant proceeds	-	-	-	-	51,000
Purchase of fixed assets	(2,727,754)	(109,292)	-	(2,837,046)	(257,402)
Proceeds from sale of fixed assets	-	-	-	-	17,600
Long-term debt borrowings	1,805,273	-	-	1,805,273	-
Long-term debt payments	(6,179)	(23,882)	-	(30,061)	-
Net cash (used)	<u>(928,660)</u>	<u>(133,174)</u>	<u>-</u>	<u>(1,061,834)</u>	<u>(188,802)</u>
Cash Flows from Investing Activities					
Interest on investments	<u>7,746</u>	<u>4,402</u>	<u>1,381</u>	<u>13,529</u>	<u>2,389</u>
Net (decrease) increase in cash and investments	(373,564)	128,991	11,954	(232,619)	114,198
Cash and Investments:					
Beginning of year	<u>1,071,813</u>	<u>514,589</u>	<u>184,711</u>	<u>1,771,113</u>	<u>286,234</u>
End of year	<u>\$ 698,249</u>	<u>\$ 643,580</u>	<u>\$ 196,665</u>	<u>\$ 1,538,494</u>	<u>\$ 400,432</u>
Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities					
Operating Income	\$ 118,142	\$ 92,514	\$ (9,708)	\$ 200,948	\$ 86,207
Depreciation and amortization	445,492	221,528	1,109	668,129	104,911
(Increase) Decrease in prepaid exp.	2,834	(199)	-	2,635	(2,769)
(Increase) Decrease in cust. deposits	(1,113)	-	23,161	22,048	-
(Increase) Decrease in inventory	(1,358)	-	-	(1,358)	-
(Increase) Decrease in receivables	(17,552)	(19,093)	-	(36,645)	-
Increase (Decrease) in accrued vacation	1,685	(404)	(10,668)	(9,387)	9,997
Increase (Decrease) in payables	(780)	(36,583)	6,679	(30,684)	102,265
Net Cash Provided by Operating Activities	<u>\$ 547,350</u>	<u>\$ 257,763</u>	<u>\$ 10,573</u>	<u>\$ 815,686</u>	<u>\$ 300,611</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 Position and the Statement of Activities) report information on all of the activities of the primary government and its component units. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges for services that includes charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges, fines and forfeitures assessed as penalties for code violations, and state shared revenues received for support of various programs - all of which are related to a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The government reports the following major governmental funds:

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

Street Fund – This special revenue fund accounts for the City’s share of State of Oregon gasoline taxes. The state gasoline taxes are restricted for expenditures under Article XI, Section 3 of the Oregon Constitution for construction, maintenance and repair of streets, roads and bike and foot paths. Street utility fees set by Council resolution also fund street repairs and maintenance.

High Tech Crime Unit Fund – This special revenue fund accounts for a federal grant received for the specific purpose of detecting, investigating and prosecuting crimes involving the use of high tech equipment and the internet. Additional local resources used in this crime fighting effort include charges for services to other police agencies and a transfer from the General Fund assigned by the City Council through the adopting and appropriating budget resolution for expenditure on this activity.

Housing Fund – This special revenue 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.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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, Reserve Fund, Debt Service Fund and Building Fund are appropriated at object levels of personal services, materials and services, capital outlay, debt service, interfund transactions and contingency. All other funds, including the General, Street, High Tech Crime Unit Fund, Capital Improvement, Water, Stormwater and Internal Service funds are appropriated by total budget at the division level. Unexpected additional resources or appropriations may be added to the budget through the use of a supplemental budget. Original and supplemental budgets require hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by passing a Council resolution authorizing the transfer.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget amounts presented herein are as originally adopted and amended by the City Council. There were two amendment resolutions during the year. The first resolution was done to close out the Housing Fund balance and donate the proceeds to a local food bank. The second resolution was to account for unanticipated grant funding for equipment in the General Fund. One over expenditure of appropriations occurred during the fiscal year at the level of appropriation control of the final budget in the Internal Service Fund. 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.

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 demand deposit cash and investment pool as well as a certificate of deposit cash pool. While both demand cash and investment pools are available to both governmental funds and proprietary funds and activities the certificate of deposit cash pool is only available to the governmental funds and activities. Each fund's portion of the pools is displayed on the balance sheet as "cash and investments" on the fund financial statements and as "cash and cash equivalents" on the government wide financial statements.

Receivables and Payables

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

Receivables are assessed for collectability and allowances for doubtful collection are recorded as necessary.

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Activities

Interfund activities include charges for services and operating transfers.

Capital assets

Capital assets, which include property, plant, equipment, intangible assets (e.g., software, land use rights, patents), and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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
Software:	5 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, 2013, 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 position.

Compensated absences

It is the City's policy to permit employees to accumulate up to one year's earned but unused vacation benefits. The City pays all vacation but no sick leave when an employee terminates. A 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Position.

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

Net position

In the year ended June 30, 2013, the City implemented GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position consistent with Concepts Statement Number 4, Elements of Financial Statements, with specific application to derivatives instruments and service concession agreements. The City does not have any derivatives instruments or service concession agreements. Net position is defined as the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the City's financial statements.

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

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

Unrestricted net position – all other net position.

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

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

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

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

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

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

Unassigned fund balance - residual net resources the expenditure of which has not been limited in any way.

Proprietary fund balances are reported as invested, restricted or unrestricted net position.

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

Statement of Cash Flows

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Cash and Investments, unrestricted and restricted, at June 30, 2013 consisted of:

	Total
Petty Cash	\$ 1,450
Demand Deposits	205,628
Investments - FSA	4,000
Investments	<u>7,737,741</u>
Total at fair value	<u>\$ 7,948,819</u>

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

Deposits consist of bank demand accounts and certificates of deposits. The carrying amount of demand account deposits is \$205,628. The total bank balance at June 30, 2013, per the bank statement, is \$289,972. All deposits are covered by federal depository insurance and the Public Funds Collateralization Program.

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, 2013, as listed above were invested in the state treasurer's investment pool.

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

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (Continued)

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, 2013.

The City's cash and investments balances are exposed to the following risks:

Custodial Credit Risk - The risk that in the event of a bank failure, a government's deposits may not be returned to it. While the City does not have a formal deposit policy for custodial credit risk, in practice it deposits funds only in depository banks approved by the State Treasurer. The City is in the process of developing a formal policy to address custodial credit risk. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized and may be subject to credit risk. 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, 2013. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Interest Rate Risk - The risk that changes in interest rates will adversely affect the fair value of an investment. 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. At year end, the City was not exposed to interest rate risk.

Credit Risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of 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 - The risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, 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.

The investments in the State Treasurer's Investment Pool maturities are as follows:

<u>Deposit/Investment</u>	<u>Fair Value/ Carrying Value</u>	<u>Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3 to 5</u>	<u>6 to 8</u>
State Treasurer's Investment Pool	\$ 7,737,741	\$ 7,737,741	\$ -	\$ -

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

NOTES TO BASIC FINANCIAL STATEMENTS

3. RECEIVABLES

Receivables as of the year ended June 30, 2013, 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 5. 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. At year end, delinquent principal and interest of \$75,762 related to special assessments was due the City. However, the special assessment payments received have proved sufficient to cover the scheduled debt repayments to date. The City expects to ultimately collect all special assessments, including those currently delinquent.

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 5. 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 agreement provides for no interest, it was discounted when recorded by the City by \$267,292 to reflect a 4.3% annual interest rate, the same interest rate that applies to the related financing note agreement described in Note 5.

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

These receivables are presented in the Statement of Net Position 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	\$ 571,878	\$ -	\$ 571,878	\$ 571,878	\$ -
Property taxes	389,571	-	389,571	389,571	-
Total current	<u>961,449</u>	<u>-</u>	<u>961,449</u>	<u>961,449</u>	<u>-</u>
Long-term					
Special assessments	154,150	-	154,150	6,162	147,988
State of Oregon	585,842	-	585,842	162,864	422,978
Total long-term	<u>739,992</u>	<u>-</u>	<u>739,992</u>	<u>169,026</u>	<u>570,966</u>
Total	<u>\$ 1,701,441</u>	<u>\$ -</u>	<u>\$ 1,701,441</u>	<u>\$ 1,130,475</u>	<u>\$ 570,966</u>
			<u>Proprietary Fund</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<u>Business-type Activities</u>					
Current:					
Accounts, net			\$ 670,264	\$ 670,264	\$ -

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

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2013 are as follows:

	Balance Beginning Of Year	Additions	Deletions	Balance End Of Year
Governmental Activities:				
Not being depreciated				
Land	\$ 5,345,702	\$ -	\$ -	\$ 5,345,702
Work in process	391,921	488,134	-	880,055
Land use rights	42,815	-	-	42,815
Total	<u>5,780,438</u>	<u>488,134</u>	<u>-</u>	<u>6,268,572</u>
Being depreciated				
Buildings	5,020,832	40,412	-	5,061,244
Software	59,255	-	-	59,255
Computers	304,372	148,584	9,302	443,654
Equipment and vehicles	476,681	193,522	-	670,203
Infrastructure	84,088,961	18,296	-	84,107,257
Total	<u>89,950,101</u>	<u>400,814</u>	<u>9,302</u>	<u>90,341,613</u>
Accumulated Depreciation				
Buildings	1,414,568	116,369	-	1,530,937
Computers	74,264	66,406	-	140,670
Equipment and vehicles	354,133	66,069	-	420,202
Infrastructure	46,673,916	2,615,518	-	49,289,434
Total	<u>48,516,881</u>	<u>2,864,362</u>	<u>-</u>	<u>51,381,243</u>
Governmental Capital Assets, Net	<u><u>\$ 47,213,658</u></u>			<u><u>\$ 45,228,942</u></u>
Internal Service Fund:				
Being depreciated				
Buildings	\$ 259,122	\$ 8,790	\$ -	\$ 267,912
Equipment and vehicles	957,154	248,612	119,944	1,085,822
Infrastructure	18,000	-	-	18,000
Total	<u>1,234,276</u>	<u>257,402</u>	<u>119,944</u>	<u>1,371,734</u>
Accumulated Depreciation				
Buildings	82,953	8,276	-	91,229
Equipment and vehicles	684,319	96,275	116,449	664,145
Infrastructure	2,700	360	-	3,060
Total	<u>769,972</u>	<u>104,911</u>	<u>116,449</u>	<u>758,434</u>
Internal Service Fund Capital Assets, Net	<u><u>\$ 464,304</u></u>			<u><u>\$ 613,300</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS (Continued)

	Balance Beginning Of Year	Additions	Deletions	Balance End Of Year
Business-Type Activities:				
Not being depreciated				
Land	\$ 1,943,024	\$ -	\$ -	\$ 1,943,024
Work in process	4,248,113	109,294	4,124,361	233,046
Land use rights	300,666	-	-	300,666
Total	<u>6,491,803</u>	<u>109,294</u>	<u>4,124,361</u>	<u>2,476,736</u>
Being depreciated				
Computers	72,300	-	72,300	-
Equipment and vehicles	80,960	18,721	15,950	83,731
Infrastructure	29,778,038	6,833,365	-	36,611,403
Total	<u>29,931,298</u>	<u>6,852,086</u>	<u>88,250</u>	<u>36,695,134</u>
Accumulated Depreciation				
Computers	72,300	-	72,300	-
Equipment and vehicles	19,257	7,756	9,121	17,892
Infrastructure	8,989,347	660,374	-	9,649,721
Total	<u>9,080,904</u>	<u>668,130</u>	<u>81,421</u>	<u>9,667,613</u>
Business-type Capital Assets, Net	<u>\$ 27,342,197</u>			<u>\$ 29,504,257</u>

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

<u>Function/Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General Government	\$ 120,779	\$ -
Public Safety	60,237	-
Highways and Streets	2,401,927	-
Parks and Recreation	281,419	-
Internal Service Fund - charged to various functions based on usage	104,911	-
Water	-	445,492
Storm Water	-	221,529
Building	-	1,109
Total	<u>\$ 2,969,273</u>	<u>\$ 668,130</u>

At June 30, 2013, the City had entered into construction agreements for the following two projects. The remaining contract amounts are shown below:

Oak Street Parking Lot Project	\$ 85,660
Hwy 99 Beautification Project	\$ 356,509

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT

At June 30, 2013, the City's long-term financed debt consists of the following:

During 2010-11, the City entered into an agreement with the state of Oregon Safe Drinking Water Revolving Loan Fund to provide financing of up to \$5,600,000 to engineer and construct a new City reservoir. The three year construction project was completed during the current year. The total borrowing that financed the costs of engineering and construction was \$5,507,924. During 2013-14 an interest only payment of \$292,510 will be made. Beginning in 2014-15, the City will make annual payments of \$384,045, including interest at 3.4%, for approximately 20 years. Repayment is guaranteed by the United States government. The final payment is scheduled for 2034.

During 2008-09, the City entered into a purchase agreement to obtain funding in the amount of \$1,200,000 for the construction of Don Jones Memorial Park. The tax exempt financing note is secured by the full faith and credit of the City and is payable from all legally available funds of the City. Interest at 4.05% is paid semi-annually, and principal is paid annually. Issuance costs of \$11,100 are amortized over the 10 year life of the note at \$1,110 per year, and at June 30, 2013, the unamortized balance is \$4,440. The final payment is scheduled for 2018.

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.

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. 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, 2013, the unamortized balance is \$43,379. The final payment is scheduled for 2025.

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. LONG-TERM DEBT (Continued)

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.

All outstanding long-term debt at June 30, 2013 is related to capital assets.

Changes in the City's long-term debt during the fiscal year ending June 30, 2013:

	<u>Balance</u> <u>07/01/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/13</u>	<u>Due Within</u> <u>One Year</u>	<u>Long-Term</u> <u>Portion</u>
Governmental Activities						
Limited tax bond	\$ 267,491	\$ -	\$ -	\$ 267,491	\$ 50,000	\$ 217,491
Financing agreement	994,378	-	180,476	813,902	192,096	621,806
Certificates of participation	1,965,000	-	120,000	1,845,000	120,000	1,725,000
SDC obligations	622,475	-	50,474	572,001	57,200	514,801
Tax exempt financing note	885,000	-	115,000	770,000	115,000	655,000
Total	<u>\$ 4,734,344</u>	<u>\$ -</u>	<u>\$ 465,950</u>	<u>\$ 4,268,394</u>	<u>\$ 534,296</u>	<u>\$ 3,734,098</u>
Business-Type Activities						
Financing agreement	\$ 112,623	\$ -	\$ 22,525	\$ 90,098	\$ 21,476	\$ 68,622
Notes payable	3,702,678	1,805,246	-	5,507,924	-	5,507,924
SDC obligations	16,203	-	8,652	7,551	755	6,796
Total	<u>\$ 3,831,504</u>	<u>\$ 1,805,246</u>	<u>\$ 31,177</u>	<u>\$ 5,605,573</u>	<u>\$ 22,231</u>	<u>\$ 5,583,342</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. LONG TERM DEBT (Continued)

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

	<u>Limited Tax Bond</u>		<u>Financing Agreement</u>		<u>Certificates of Participation</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013-14	\$ 50,000	\$ 12,358	\$ 192,096	\$ 30,601	\$ 120,000	\$ 69,718
2014-15	50,000	10,048	198,590	22,225	125,000	65,613
2015-16	50,000	7,738	206,616	13,502	130,000	61,213
2016-17	50,000	5,428	216,600	4,392	135,000	56,508
2017-18	50,000	2,714	-	-	145,000	51,395
2018 to 2022	17,491	-	-	-	810,000	166,620
2023 to 2025	-	-	-	-	380,000	16,508
Total	\$ 267,491	\$ 38,286	\$ 813,902	\$ 70,720	\$ 1,845,000	\$ 487,575

	<u>Tax Exempt Financing Note</u>		<u>SDC Obligations</u>		<u>Total Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013-14	\$ 115,000	\$ 28,500	\$ 57,200	\$ -	\$ 534,296	\$ 141,177
2014-15	120,000	23,800	57,200	-	\$ 550,790	\$ 121,686
2015-16	125,000	18,900	57,200	-	\$ 568,816	\$ 101,353
2016-17	130,000	13,800	57,200	-	\$ 588,800	\$ 80,128
2017-18	135,000	5,800	57,200	-	\$ 387,200	\$ 59,909
2018 to 2022	145,000	2,900	286,001	-	\$ 1,258,492	\$ 169,520
2023 to 2025	-	-	-	-	\$ 380,000	\$ 16,508
Total	\$ 770,000	\$ 93,700	\$ 572,001	\$ -	\$ 4,268,394	\$ 690,281

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. LONG TERM DEBT (Continued)

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

	<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>
2013-14	\$ 19,904	\$ 3,713	\$ -	\$ 292,510	\$ 755	\$ -
2014-15	22,410	2,780	196,776	187,269	755	-
2015-16	23,384	1,806	203,466	180,579	755	-
2016-17	24,400	790	210,384	173,661	755	-
2017-18	-	-	217,537	166,508	755	-
2018 to 2034	-	-	4,679,761	1,464,960	3,776	-
Total	\$ 90,098	\$ 9,089	\$ 5,507,924	\$ 2,465,487	\$ 7,551	\$ -

	<u>Total Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013-14	\$ 20,659	\$ 296,223
2014-15	219,941	190,049
2015-16	227,605	182,385
2016-17	235,539	174,451
2017-18	218,292	166,508
2018 to 2034	4,683,537	1,464,960
Total	\$ 5,605,573	\$ 2,474,576

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. OPERATING LEASE COMMITMENTS

The City entered into a lease for one Chevy Tahoe police vehicle on December 15, 2011 and a lease for three Dodge Charger police vehicles on August 17, 2012, both with a term of three years. The first lease payment of \$51,769 for the Dodge Chargers and the lease payment of \$18,479 on the Chevy Tahoe police vehicle were made during the year. Total lease expense for the year ended June 30, 2013, was \$70,248. Future minimum lease payments under non-cancelable operating leases are as follows:

<u>Years Ending June 30,</u>	<u>Amounts</u>
2014	\$ 63,196
2015	48,114
2016	-
2017	-
2018	-
Total	<u><u>\$ 111,310</u></u>



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

NOTES TO BASIC FINANCIAL STATEMENTS

7. COMPENSATED ABSENCES

During the year ended June 30, 2013, the changes in the City's vested compensated absences obligation to employees were as follows:

	<u>Balance 07/01/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/13</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
Governmental Activities						
Governmental Funds	\$ 405,823	\$ 378,058	\$ 397,343	\$ 386,538	\$ 129,051	\$ 257,487
Internal Service Fund	34,942	34,885	27,846	41,981	20,990	20,991
Total	<u>\$ 440,765</u>	<u>\$ 412,943</u>	<u>\$ 425,189</u>	<u>\$ 428,519</u>	<u>\$ 150,041</u>	<u>\$ 278,478</u>
Business-Type Activities						
Proprietary Funds	\$ 31,472	\$ 4,988	\$ 11,416	\$ 25,044	\$ 12,523	\$ 12,521
Combined Total	<u>\$ 472,237</u>	<u>\$ 417,931</u>	<u>\$ 436,605</u>	<u>\$ 453,563</u>	<u>\$ 162,564</u>	<u>\$ 290,999</u>

City personnel policies limit the vested amount of compensated-absence hours an employee may accrue as unpaid in a year, and also limit the total amount of accrued vested unpaid compensated-absence hours to no more than two years of accrual. Any additional compensated absence-hours earned will be paid for when earned. The governmental General Fund, Street Fund and High Tech Crime Unit Fund have been used to liquidate the liability for compensated absences.

8. INTERFUND ACTIVITY

Interfund activity includes services, equipment rental and interest and approximates \$1,195,700, including activities accounted for in the Internal Service Fund. Interfund activity also includes transfers, unrelated to interfund services, as follows:

	<u>Transfer In</u>					<u>Total</u>
	<u>General Fund</u>	<u>Street Fund</u>	<u>High Tech Crime Unit Fund</u>	<u>Reserve Fund</u>	<u>Debt Service Fund</u>	
Transfer Out						
General Fund	\$ -	\$ 50,000	\$ 237,350	\$ -	\$ 130,000	\$ 417,350
Street Fund	-	-	-	-	55,400	55,400
Housing Fund	-	-	-	-	-	-
Capital Improvements Fund	-	-	-	-	25,000	25,000
Water Fund	-	-	-	-	-	-
Stormwater Fund	-	-	-	-	-	-
Internal Service Fund	-	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 237,350</u>	<u>\$ -</u>	<u>\$ 210,400</u>	<u>\$ 497,750</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

8. INTERFUND ACTIVITY (Continued)

The transfers from the General Fund, Street Fund and Capital Improvements Funds were made to facilitate the payment of principal and interest on long-term debt. The transfer from the General Fund to the Street Fund was to pay for street lighting electrical service. The transfer from the General Fund to the High Tech Crime Unit Fund was for operating expenses.

There are no outstanding interfund balances.

9. GOVERNMENTAL FUND BALANCES

Governmental fund balance components at June 30, 2013 are:

Fund Balance Components	General Fund	Street Fund	High Tech Crime Unit Fund	Housing Fund	Debt Service Fund	Capital Improvement Fund	Reserve Fund	Total
Nonspendable	\$ 19,879	\$ 3,592	\$ 249	\$ -	\$ -	\$ -	\$ -	23,720
Restricted:								
Loan agreements	-	-	-	-	47,012	-	-	47,012
State law - SDCs	-	1,659,422	-	-	-	117,955	-	1,777,377
Grant Funds	-	-	62,551	-	-	-	-	62,551
Total	-	1,659,422	62,551	-	47,012	117,955	-	1,886,940
Committed:								
Council resolution/ordinances:								
Street maintenance	-	301,661	-	-	-	-	-	301,661
Future capital assets	-	-	-	-	-	-	487,096	487,096
Total	-	301,661	-	-	-	-	487,096	788,757
Assigned:								
2013-14 Budget	2,518,770	-	-	-	-	-	-	2,518,770
Unassigned	14,543	-	-	-	-	-	-	14,543
Total fund balance components	<u>\$ 2,553,192</u>	<u>\$ 1,964,675</u>	<u>\$ 62,800</u>	<u>\$ -</u>	<u>\$ 47,012</u>	<u>\$ 117,955</u>	<u>\$ 487,096</u>	<u>\$ 5,232,730</u>

10. 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, 2013 nor were there any unpaid claims outstanding at June 30, 2012.

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

NOTES TO BASIC FINANCIAL STATEMENTS

11. 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). The authority to change Plan provisions concerning funding and benefits rests with OPERS and the Oregon Legislature.

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 beginning at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits.

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

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

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

Funding Policy – Plan members are required to contribute 6% of their annual covered salary but the City has elected to pay this contribution on their behalf. The City is required by ORS 238.225 to contribute at an actuarially determined rate; the current rate (as of July 1, 2009) is 5.77% for Tier I and Tier II employees, 4.08% for OPSRP general services, and 6.79% 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

11. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM (Continued)

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

Annual Pension Cost – For the fiscal years ending June 30, 2013, 2012, and 2011 the City's annual pension costs of \$839,727, \$824,702, and \$533,758 were equal to the City's required and actual contributions. The required contributions and liabilities were determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. Because all OPERS employers are required by law to submit the contributions adopted by the Retirement Board, and the employer contributions are calculated in conformance with the standards of Statement No. 27, there is no net pension obligation. The contributions actually made are equivalent to 100% of the required annual pension contribution.

12. PROPERTY TAX LIMITATIONS

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

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

13. RECENT ACCOUNTING PRONOUNCEMENTS

As described in Note 1 to these financial statements, generally accepted principles (GAAP) include pronouncements of the Governmental Accounting Standards Board (GASB), and the City applies GASB pronouncements to both financial statement presentation and disclosure, to the extent they are applicable to the City's activities. During 2012-13, several new GASB pronouncements were issued and became effective but only two were currently applicable. GASB Statement number 62 and 63 were applicable to the City's presentations and disclosures contained in the City's financial statements. See Note 1 for the description of GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement Number 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* incorporates into GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989 that is included in FASB statements and interpretations, APB opinions, and accounting research bulletins of the AICPA Committee on

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

NOTES TO BASIC FINANCIAL STATEMENTS

13. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

Accounting Procedure. The provisions of this statement were applied to the period presented, no restatement was considered necessary.

During 2012-13 new GASB pronouncements were issued and became effective, however, they were not currently applicable to the City's presentations and disclosures contained in the City's financial statements. The new GASB pronouncements that will be applicable beginning in the 2013-14 fiscal year are GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*, GASB Statement Number 66, *Technical Corrections*, GASB Statement Number 67, *Financial Reporting for Pension Plans*, and GASB Statement Number 68, *Accounting and Financial Reporting for Pensions*.

**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, 2013

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Taxes	\$ 5,885,000	\$ 5,885,000	\$ 5,819,199	\$ (65,801)
Licenses and fees	53,100	53,100	51,833	(1,267)
Intergovernmental	486,500	628,493	620,157	(8,336)
Charges for services	756,000	756,000	785,599	29,599
Fines and forfeitures	149,500	149,500	181,121	31,621
Investment earnings	20,000	20,000	31,442	11,442
Miscellaneous	140,000	140,000	178,622	38,622
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenues	\$ 7,490,100	\$ 7,632,093	\$ 7,667,973	\$ 35,880

**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, 2013**

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
Mayor and Council Administration	\$ 59,750	\$ 59,750	\$ 46,349	\$ 13,401
Technical services	762,550	762,550	738,769	23,781
City enhancement	574,750	621,743	499,824	121,919
Finance	310,500	310,500	272,243	38,257
Interdepartmental	832,250	832,250	786,900	45,350
Parks and recreation - parks	180,000	280,000	267,667	12,333
Parks and recreation - recreation	808,750	808,750	776,024	32,726
Planning	484,300	484,300	466,697	17,603
Police	460,200	460,200	444,434	15,766
	<u>3,655,000</u>	<u>3,650,000</u>	<u>3,600,439</u>	<u>49,561</u>
Total Expenditures	<u>8,128,050</u>	<u>8,270,043</u>	<u>7,899,346</u>	<u>370,697</u>
Excess of Revenues Over (Under) Expenditures	<u>(637,950)</u>	<u>(637,950)</u>	<u>(231,373)</u>	<u>406,577</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	10,000	10,000	-	(10,000)
Transfers out	<u>(417,350)</u>	<u>(417,350)</u>	<u>(417,350)</u>	<u>-</u>
Net Transfers	(407,350)	(407,350)	(417,350)	(10,000)
Contingency	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>
Net Change in Fund Balance	(1,195,300)	(1,195,300)	(648,723)	546,577
Beginning Fund Balance	<u>2,988,602</u>	<u>2,988,602</u>	<u>3,201,915</u>	<u>213,313</u>
Ending Fund Balance	<u>\$ 1,793,302</u>	<u>\$ 1,793,302</u>	<u>\$ 2,553,192</u>	<u>\$ 759,890</u>
Current:				
General government			\$ 3,056,186	
Public safety			3,600,439	
Parks and recreation			<u>1,242,721</u>	
Total			<u>\$ 7,899,346</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, 2013

<u>STREET FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Taxes	\$ 105,000	\$ 105,000	\$ 108,941	\$ 3,941
Intergovernmental	1,935,750	1,935,750	1,177,771	(757,979)
Charges for services	485,000	485,000	598,155	113,155
Investment earnings	7,000	7,000	17,480	10,480
Miscellaneous	2,000	2,000	16,680	14,680
Total Revenues	<u>2,534,750</u>	<u>2,534,750</u>	<u>1,919,027</u>	<u>(615,723)</u>
EXPENDITURES:				
Street operations	2,671,315	2,671,315	2,028,324	642,991
SDC streets	245,000	245,000	218,343	26,657
Debt Service	30,000	30,000	5,491	24,509
Total Expenditures	<u>2,946,315</u>	<u>2,946,315</u>	<u>2,252,158</u>	<u>694,157</u>
Excess of Revenues Over (Under) Expenditures	<u>(411,565)</u>	<u>(411,565)</u>	<u>(333,131)</u>	<u>78,434</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	50,000	50,000	50,000	-
Transfers out	(55,400)	(55,400)	(55,400)	-
Net Transfers	(5,400)	(5,400)	(5,400)	-
Contingency	(100,000)	(100,000)	-	100,000
Net Change in Fund Balance	(516,965)	(516,965)	(338,531)	178,434
Beginning Fund Balance	<u>2,459,430</u>	<u>2,459,430</u>	<u>2,303,206</u>	<u>(156,224)</u>
Ending Fund Balance	<u>\$ 1,942,465</u>	<u>\$ 1,942,465</u>	<u>\$ 1,964,675</u>	<u>\$ 22,210</u>
Current:				
Highways and streets			\$ 2,246,667	
Debt service:				
Principal			<u>5,491</u>	
Total			<u>\$ 2,252,158</u>	

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 For the Fiscal Year Ended June 30, 2013

HIGH TECH CRIME UNIT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ 618,000	\$ 618,000	\$ 157,044	\$ (460,956)
Charges for services	500	500	1,227	727
Total Revenues	<u>618,500</u>	<u>618,500</u>	<u>158,271</u>	<u>(460,229)</u>
EXPENDITURES:				
Public Safety	<u>743,150</u>	<u>743,150</u>	<u>419,721</u>	<u>323,429</u>
Total Expenditures	<u>743,150</u>	<u>743,150</u>	<u>419,721</u>	<u>323,429</u>
Excess of Revenues Over (Under) Expenditures	<u>(124,650)</u>	<u>(124,650)</u>	<u>(261,450)</u>	<u>(136,800)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>237,350</u>	<u>237,350</u>	<u>237,350</u>	<u>-</u>
Net Transfers	237,350	237,350	237,350	-
Net Change in Fund Balance	112,700	112,700	(24,100)	(136,800)
Beginning Fund Balance	<u>5,000</u>	<u>5,000</u>	<u>86,900</u>	<u>81,900</u>
Ending Fund Balance	<u>\$ 117,700</u>	<u>\$ 117,700</u>	<u>\$ 62,800</u>	<u>\$ (54,900)</u>
Current:				
Public safety			<u>\$ 419,721</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, 2013

HOUSING FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Investment earnings	\$ 150	\$ 150	\$ 107	\$ (43)
Miscellaneous	10,000	10,000	417	(9,583)
Total Revenues	<u>10,150</u>	<u>10,150</u>	<u>524</u>	<u>(9,626)</u>
EXPENDITURES:				
Materials and services	5,000	40,925	40,925	-
Total Expenditures	<u>5,000</u>	<u>40,925</u>	<u>40,925</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>5,150</u>	<u>(30,775)</u>	<u>(40,401)</u>	<u>(9,626)</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	(10,000)	(10,000)	-	10,000
Net Change in Fund Balance	(4,850)	(40,775)	(40,401)	374
Beginning Fund Balance	40,925	40,925	40,401	(524)
Ending Fund Balance	<u>\$ 36,075</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ (150)</u>
Current:				
General government			<u>\$ 40,925</u>	

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

SUPPLEMENTARY INFORMATION

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

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 For the Fiscal Year Ended June 30, 2013

<u>DEBT SERVICE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES:				
Intergovernmental	\$ 162,900	\$ 162,900	\$ 162,864	\$ (36)
Charges for services	344,700	344,700	196,281	(148,419)
Assessments	63,000	63,000	59,364	(3,636)
Investment earnings	250	250	376	126
	<u>570,850</u>	<u>570,850</u>	<u>418,885</u>	<u>(151,965)</u>
EXPENDITURES:				
Debt Service	<u>773,800</u>	<u>773,800</u>	<u>600,313</u>	<u>173,487</u>
Total Expenditures	<u>773,800</u>	<u>773,800</u>	<u>600,313</u>	<u>173,487</u>
Excess of Revenues Over (Under) Expenditures	(202,950)	(202,950)	(181,428)	21,522
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>210,400</u>	<u>210,400</u>	<u>210,400</u>	<u>-</u>
Net Change in Fund Balance	7,450	7,450	28,972	21,522
Beginning Fund Balance	<u>26,472</u>	<u>26,472</u>	<u>18,040</u>	<u>(8,432)</u>
Ending Fund Balance	<u>\$ 33,922</u>	<u>\$ 33,922</u>	<u>\$ 47,012</u>	<u>\$ 13,090</u>
Current:				
Debt service:				
Principal			\$ 438,000	
Interest			<u>162,313</u>	
Total			<u>\$ 600,313</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, 2013

CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 25,000	\$ 25,000	\$ 78,343	\$ 53,343
Investment earnings	250	250	648	398
Total Revenues	<u>25,250</u>	<u>25,250</u>	<u>78,991</u>	<u>53,741</u>
EXPENDITURES:				
Debt service	<u>25,000</u>	<u>25,000</u>	<u>14,274</u>	<u>10,726</u>
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>14,274</u>	<u>10,726</u>
Excess of Revenues Over (Under) Expenditures	<u>250</u>	<u>250</u>	<u>64,717</u>	<u>64,467</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net Transfers	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>(24,750)</u>	<u>(24,750)</u>	<u>39,717</u>	<u>64,467</u>
Beginning Fund Balance	<u>60,907</u>	<u>60,907</u>	<u>78,238</u>	<u>17,331</u>
Ending Fund Balance	<u>\$ 36,157</u>	<u>\$ 36,157</u>	<u>\$ 117,955</u>	<u>\$ 81,798</u>
Current:				
Debt service:				
Principal			<u>\$ 14,274</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, 2013

RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Investment earnings	\$ 1,500	\$ 1,500	\$ 3,633	\$ 2,133
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>3,633</u>	<u>2,133</u>
EXPENDITURES:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>1,500</u>	<u>1,500</u>	<u>3,633</u>	<u>2,133</u>
Net Change in Fund Balance	1,500	1,500	3,633	2,133
Beginning Fund Balance	<u>482,100</u>	<u>482,100</u>	<u>483,463</u>	<u>1,363</u>
Ending Fund Balance	<u>\$ 483,600</u>	<u>\$ 483,600</u>	<u>\$ 487,096</u>	<u>\$ 3,496</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, 2013**

	<u>WATER FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Charges for services	\$ 2,730,500	\$ 2,730,500	\$ 2,729,293	\$ (1,207)
Intergovernmental	-	-	-	-
Investment earnings	5,000	5,000	7,746	2,746
Miscellaneous	2,500	2,500	13,881	11,381
Total Revenues	2,738,000	2,738,000	2,750,920	12,920
EXPENDITURES:				
Operations	4,791,915	5,161,915	4,914,586	247,329
SDC water improvements	25,000	25,000	-	25,000
Total Expenditures	4,816,915	5,186,915	4,914,586	272,329
Excess of Revenue Over (Under) Expenditures	(2,078,915)	(2,448,915)	(2,163,666)	285,249
OTHER FINANCING SOURCES AND (USES):				
Financing proceeds	1,500,000	1,870,000	1,805,273	(64,727)
Net Transfers	1,500,000	1,870,000	1,805,273	(64,727)
Contingency	(150,000)	(150,000)	-	150,000
Net Change in Fund Balance	(728,915)	(728,915)	(358,393)	370,522
Beginning Fund Balance	1,853,365	1,853,365	1,657,820	(195,545)
Ending Fund Balance	\$ 1,124,450	\$ 1,124,450	1,299,427	\$ 174,977

Reconciliation to Proprietary Net Position:

Capital Assets, net	21,506,939
Comp absenses payable	19,133
Current portion long term debt	(15,472)
Long term debt	(5,537,417)
Rounding	1
Total Net Position	\$ 17,272,611

**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, 2013**

<u>STORMWATER FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for services	798,500	798,500	885,834	87,334
Investment earnings	1,500	1,500	4,402	2,902
Miscellaneous	-	-	711	711
Total Revenues	800,000	800,000	890,947	90,947
EXPENDITURES:				
Operations	806,765	806,765	705,673	101,092
SDC stormwater improvements	21,850	21,850	-	21,850
Total Expenditures	828,615	828,615	705,673	122,942
Excess of Revenues Over (Under) Expenditures	(28,615)	(28,615)	185,274	213,889
OTHER FINANCING SOURCES (USES):				
Contingency	(40,000)	(40,000)	-	40,000
Net Change in Fund Balance	(68,615)	(68,615)	185,274	253,889
Beginning Fund Balance	412,276	412,276	476,751	64,475
Ending Fund Balance	\$ 343,661	\$ 343,661	662,025	\$ 318,364

Reconciliation to Proprietary Net Position:

Capital Assets, net	7,997,318
Comp absenses payable	5,714
Current portion long term debt	(19,183)
Long term debt	(58,348)
Rounding	-
Total Net Position	\$ 8,587,526

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, 2013

BUILDING FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Licenses and fees	\$ 97,300	\$ 97,300	\$ 108,551	\$ 11,251
Investment earnings	800	800	1,381	581
Miscellaneous	-	-	1,180	1,180
Total Revenues	<u>98,100</u>	<u>98,100</u>	<u>111,112</u>	<u>13,012</u>
EXPENDITURES:				
Personal services	119,650	119,650	105,174	14,476
Materials and services	<u>13,900</u>	<u>13,900</u>	<u>13,156</u>	<u>744</u>
Total Expenditures	<u>133,550</u>	<u>133,550</u>	<u>118,330</u>	<u>15,220</u>
Excess of Revenues Over (Under) Expenditures	<u>(35,450)</u>	<u>(35,450)</u>	<u>(7,218)</u>	<u>28,232</u>
OTHER FINANCING SOURCES (USES)				
Contingency	<u>(2,000)</u>	<u>(2,000)</u>	-	<u>2,000</u>
Net Change in Fund Balance	(37,450)	(37,450)	(7,218)	30,232
Beginning Fund Balance	<u>144,680</u>	<u>144,680</u>	<u>145,041</u>	<u>361</u>
Ending Fund Balance	<u>\$ 107,230</u>	<u>\$ 107,230</u>	137,823	<u>\$ 30,593</u>

Reconciliation to Proprietary Net Position:

Capital Assets, net	-
Comp absenses payable	98
Current portion long term debt	(99)
Rounding	<u>1</u>
Total Net Position	<u>\$ 137,823</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, 2013

INTERNAL SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Charges for services	\$ 1,205,700	\$ 1,205,700	\$ 1,221,293	\$ 15,593
Federal grants	105,000	105,000	51,000	(54,000)
Investment earnings	2,000	2,000	2,389	389
Miscellaneous	15,000	15,000	27,918	12,918
Total revenues	<u>1,327,700</u>	<u>1,327,700</u>	<u>1,302,600</u>	<u>(25,100)</u>
EXPENDITURES:				
Public works administration	690,015	690,015	581,855	108,160
Facilities maintenance	283,000	283,000	261,427	21,573
Fleet maintenance	400,650	400,650	454,613	(53,963)
Total expenditures	<u>1,373,665</u>	<u>1,373,665</u>	<u>1,297,895</u>	<u>75,770</u>
Excess of Revenues Over (Under) Expenditures	<u>(45,965)</u>	<u>(45,965)</u>	<u>4,705</u>	<u>50,670</u>
Net Change in Fund Balance	(45,965)	(45,965)	4,705	50,670
Beginning Fund Balance	<u>170,000</u>	<u>170,000</u>	<u>228,610</u>	<u>58,610</u>
Ending Fund Balance	<u>\$ 124,035</u>	<u>\$ 124,035</u>	<u>\$ 233,315</u>	<u>\$ 109,280</u>

Reconciliation to Proprietary Net Position:

Capital Assets, net	613,300
Comp absenses payable	20,991
Current portion long term debt	(20,989)
Rounding	<u>(1)</u>
Total Net Position	<u>\$ 846,616</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, 2013

GENERAL FUND

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/012	DISCOUNTS ALLOWED	ADJUSTMENTS TO ROLLS	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/013
Current:					
2012-13	\$ 4,500,231	\$ (108,954)	\$ (18,185)	\$ (4,177,584)	\$ 195,508
Prior Years:					
2011-12	210,080	-	31,090	(144,396)	96,774
2010-11	93,458	-	12,203	(54,220)	51,441
2009-10	53,258	-	8,087	(34,560)	26,785
2008-09	23,441	-	8,624	(24,455)	7,610
2007-08	7,271	-	(63)	(1,974)	5,234
2006-07	3,535	-	(169)	(796)	2,570
2005-06 & Prior	5,254	-	(631)	(974)	3,649
Total Prior	396,297	-	59,141	(261,375)	194,063
Total All Funds	\$ 4,896,528	\$ (108,954)	\$ 40,956	\$ (4,438,959)	\$ 389,571



**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 Position By Component
(accrual basis of accounting)
Last Ten Fiscal Years

Fiscal Year Ended June 30,	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets, net of related debt	\$ 6,776,253	\$ 18,366,890	\$ 14,274,528	\$ 49,166,194	\$ 48,838,382	\$ 48,417,284	\$ 46,594,689	\$ 44,500,963	\$ 42,943,618	\$ 41,573,848
Restricted	4,151,878	2,708,036	78,455	1,614,643	1,851,088	4,751,603	4,302,082	1,197,631	2,853,745	2,650,004
Unrestricted	5,470,692	8,154,412	5,003,468	4,721,419	3,599,064	2,507,938	2,904,153	6,226,634	4,913,618	3,784,933
Total governmental activities net assets	\$ 16,398,823	\$ 29,229,338	\$ 19,356,451	\$ 55,504,256	\$ 54,288,534	\$ 55,676,795	\$ 53,800,924	\$ 51,925,228	\$ 50,510,981	\$ 48,018,785
Business-type activities										
Invested in capital assets, net of related debt	-	-	-	22,984,016	23,251,411	23,619,580	23,955,986	23,676,905	23,526,695	23,696,684
Restricted	-	-	-	2,645,236	2,357,084	2,354,177	1,816,743	1,815,743	201,433	305,848
Unrestricted	-	-	-	1,429,915	1,378,880	956,608	445,095	502,475	2,061,984	1,793,428
Total business-type activities net assets	-	-	-	\$ 27,069,167	\$ 26,987,375	\$ 26,930,365	\$ 26,217,824	\$ 25,996,023	\$ 25,790,312	\$ 25,997,960
Primary government										
Invested in capital assets, net of related debt	6,776,253	18,366,890	14,274,528	72,162,210	72,089,793	72,036,834	70,550,675	68,177,768	66,470,513	65,472,532
Restricted	4,151,878	2,708,036	78,455	4,259,879	4,208,172	7,105,760	6,118,825	3,014,374	2,855,178	2,955,852
Unrestricted	5,470,692	8,154,412	5,003,468	6,151,334	4,977,944	3,464,546	3,349,248	6,729,109	6,975,602	5,586,361
Total primary government	\$ 16,398,823	\$ 29,229,338	\$ 19,356,451	\$ 82,573,423	\$ 81,275,909	\$ 82,607,160	\$ 80,018,748	\$ 77,921,251	\$ 76,301,293	\$ 74,016,745

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

Fiscal Years Ended June 30,	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 3,089,851	\$ 4,576,469	\$ 5,050,809	\$ 3,951,952	\$ 3,938,907	\$ 3,867,997	\$ 3,818,268	\$ 6,408,877	\$ 3,741,404	\$ 4,099,776
Public safety	1,680,363	1,652,909	3,747,234	3,635,878	3,406,746	3,432,492	3,546,951	3,650,777	3,831,436	4,041,554
Highways and streets	1,899,179	2,459,870	2,397,249	4,831,908	3,897,122	2,759,920	3,559,735	1,223,667	3,644,229	3,975,841
Parks and recreation	517,400	912,296	1,266,213	1,192,426	1,051,386	1,104,629	1,204,106	1,071,328	1,368,369	1,455,619
Interest on long term debt	21,712	63,399	195,475	108,068	169,560	174,600	228,498	370,303	203,134	184,837
Total governmental activities net assets	\$ 7,208,505	\$ 9,664,943	\$ 12,656,980	\$ 13,720,232	\$ 12,463,721	\$ 11,339,638	\$ 12,357,558	\$ 12,724,952	\$ 12,788,572	\$ 13,757,627
Business-type activities										
Water services	\$ -	\$ -	\$ 2,731,567	\$ 2,057,023	\$ 2,290,365	\$ 2,395,403	\$ 2,638,608	\$ 2,438,327	\$ 2,638,689	\$ 2,625,032
Stormwater services	-	-	-	541,127	790,686	613,368	675,609	787,799	712,514	800,860
Building services	-	-	905,181	788,695	504,341	209,814	153,638	148,381	123,545	119,440
Total business-type activities net assets	\$ -	\$ -	\$ 3,636,748	\$ 3,386,845	\$ 3,585,392	\$ 3,218,585	\$ 3,467,855	\$ 3,374,507	\$ 3,474,748	\$ 3,545,332
Program revenues										
Governmental activities:										
Charges for services										
General Government	\$ 3,458,165	\$ 3,177,416	\$ 666,746	\$ 4,296,043	\$ 2,315,279	\$ 2,649,709	\$ 2,499,067	\$ 2,229,797	\$ 2,405,632	\$ 2,464,733
Public safety	-	163,356	203,062	175,303	169,673	156,336	204,673	202,034	263,232	185,271
Highways and streets	627,263	35,978	215,034	1,432,101	3,209,989	1,442,138	1,243,122	1,556,713	1,325,656	1,418,101
Parks and recreation	222,210	171,042	144,919	688,663	376,309	329,248	219,162	147,207	117,524	141,549
Interest on long term debt	-	-	-	-	530,515	326,743	260,654	370,303	252,253	237,827
Operating grants and contributions	-	2,576,483	859,084	24,084	58,459	14,141	5,691	5,578	707,451	260,616
Capital grants	-	-	-	935,561	-	257,900	170,000	-	-	265,880
Total governmental activities program revenues	\$ 4,307,638	\$ 6,124,275	\$ 2,088,845	\$ 7,551,755	\$ 6,660,224	\$ 5,176,215	\$ 4,602,369	\$ 4,511,632	\$ 5,071,748	\$ 4,973,977
Business-type activities:										
Charges for services										
Water services	\$ -	\$ -	\$ 2,536,710	\$ 2,523,892	\$ 2,313,551	\$ 2,303,604	\$ 2,149,693	\$ 2,353,000	\$ 2,434,016	\$ 2,729,293
Stormwater services	-	-	658,051	569,363	577,362	588,752	543,537	708,031	720,597	885,834
Building services	-	-	-	399,758	412,585	180,107	54,418	96,372	77,892	108,552
Capital grants	-	-	-	-	-	-	9,905	-	-	-
Total business-type activities program revenues	\$ -	\$ -	\$ 3,194,761	\$ 3,493,013	\$ 3,303,498	\$ 3,072,463	\$ 2,757,553	\$ 3,157,403	\$ 3,232,505	\$ 3,723,679
Net (expense)/revenue										
Governmental activities:	\$ (2,900,867)	\$ (3,540,668)	\$ (10,568,135)	\$ (6,168,477)	\$ (5,803,497)	\$ (6,163,423)	\$ (7,755,189)	\$ (8,213,320)	\$ (7,716,824)	\$ (8,783,650)
Business-type activities:	-	-	(441,987)	106,168	(281,894)	(146,122)	(710,302)	(217,104)	(242,243)	178,347
Total primary government net expense	\$ (2,900,867)	\$ (3,540,668)	\$ (11,010,122)	\$ (6,062,309)	\$ (6,085,391)	\$ (6,309,545)	\$ (8,465,491)	\$ (8,430,424)	\$ (7,959,067)	\$ (8,605,303)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property	\$ 2,825,627	\$ 3,118,666	\$ 3,347,470	\$ 3,758,727	\$ 4,068,601	\$ 4,359,832	\$ 4,274,310	\$ 4,450,453	\$ 4,510,443	\$ 4,386,671
Franchise	-	-	-	778,941	855,575	911,080	942,997	964,808	1,148,367	1,179,560
Hotel/Motel	-	-	-	293,468	343,237	299,009	297,808	304,366	362,446	451,542
Other	864,601	1,460,452	1,897,786	-	-	-	-	-	-	-
Intergovernmental	972,701	516,456	-	-	-	-	-	-	-	-
Interest	129,763	270,858	205,453	288,082	287,039	122,221	42,876	25,126	46,674	56,075
Miscellaneous	550,130	475,007	1,924,816	67,364	61,084	156,261	279,427	397,464	234,647	217,606
Transfers	-	-	(2,994,093)	(235,000)	-	-	41,900	157,700	-	-
Total governmental activities	\$ 5,342,822	\$ 5,841,439	\$ 4,381,432	\$ 4,951,582	\$ 5,615,536	\$ 5,848,403	\$ 5,879,318	\$ 6,299,917	\$ 6,302,577	\$ 6,291,454
Business-type activities										
Interest	\$ -	\$ -	\$ 178,540	\$ 215,268	\$ 181,545	\$ 82,411	\$ 15,409	\$ 7,721	\$ 11,116	\$ 13,529
Miscellaneous	-	-	20,303	50,856	18,556	6,702	24,252	49,368	25,418	15,772
Transfers	-	-	2,994,093	235,000	-	-	(41,900)	(157,700)	-	-
Total Business-type activities	\$ -	\$ -	\$ 3,192,936	\$ 501,124	\$ 200,101	\$ 89,113	\$ (2,239)	\$ (100,611)	\$ 36,534	\$ 29,301
Change in Net Assets										
Governmental activities	\$ 2,441,955	\$ 2,300,771	\$ (6,186,703)	\$ (1,216,895)	\$ (187,961)	\$ (315,020)	\$ (1,875,871)	\$ (1,913,403)	\$ (1,414,247)	\$ (2,492,196)
Business-type activities	-	-	2,750,949	607,292	(81,793)	(57,009)	(712,541)	(317,715)	(205,709)	207,648
Total primary government	\$ 2,441,955	\$ 2,300,771	\$ (3,435,754)	\$ (609,603)	\$ (269,754)	\$ (372,029)	\$ (2,588,412)	\$ (2,231,118)	\$ (1,619,956)	\$ (2,284,548)

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

	Fiscal Years Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Property taxes	\$ 2,825,627	\$ 3,118,666	\$ 3,347,470	\$ 3,759,727	\$ 4,068,601	\$ 4,359,832	\$ 4,274,310	\$ 4,450,453	\$ 4,510,443	\$ 4,386,671
Franchise taxes	-	-	-	778,941	855,575	911,080	942,997	964,808	1,148,367	1,179,560
Hotel/Motel taxes	-	-	-	293,468	343,237	299,009	297,808	304,366	362,446	451,542
Other taxes	864,601	1,460,452	1,897,786	-	-	-	-	-	-	-
Total	\$ 3,690,228	\$ 4,579,118	\$ 5,245,256	\$ 4,831,136	\$ 5,267,413	\$ 5,569,921	\$ 5,515,115	\$ 5,719,627	\$ 6,021,256	\$ 6,017,773



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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 2,489,537	2,620,358	2,209,720	2,448,843	2,613,391	2,916,709	3,154,369	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total general funds	\$ 2,489,537	\$ 2,620,358	\$ 2,209,720	\$ 2,448,843	\$ 2,613,391	\$ 2,916,709	\$ 3,154,369	\$ -	\$ -	\$ -
All other governmental funds										
Reserved, reported in:										
Debt service fund	\$ 9,507	2,635	78,455	87,591	39,619	98,807	117,329	-	-	\$
Capital projects fund	-	61,945	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue fund	1,256,820	5,281,808	2,120,243	3,139,464	1,688,137	1,871,334	1,757,167	-	-	-
Capital projects fund	5,422,851	2,445,135	177,638	128,915	566,497	161,166	73,379	-	-	-
Total all other governmental funds	\$ 6,689,178	\$ 7,791,723	\$ 2,376,336	\$ 3,355,970	\$ 2,294,253	\$ 2,131,307	\$ 1,947,875	\$ -	\$ -	\$ -

Notes: (1) The City implemented GASB Statement 34 with the year ended June 30, 2004. Data not available for years prior to 2003-04.
(2) The City implemented GASB Statement 54 with the year ended June 30, 2011 and previous years were not restated.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Using GASB Statement 54 Definitions</u>										
General Fund										
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,249	\$ 19,879
Unassigned								2,824,550	2,988,602	2,518,770
								519,561	188,064	14,543
Total General Fund								3,344,131	3,201,915	2,553,192
All other governmental funds										
Nonspendable									672	3,841
Special revenue fund										
Restricted										
Special revenue funds								1,644,801	1,690,262	1,721,973
Debt service fund								7,094	18,040	47,012
Capital projects fund								68,167	78,238	117,965
Total Restricted								1,720,062	1,786,540	1,886,940
Committed										
Special revenue funds								963,817	739,573	301,661
Capital projects funds								300,613	483,463	487,096
Total Committed								664,430	1,223,036	788,757
Total all other governmental funds								2,384,492	3,010,248	2,679,638
Total Fund Balances, Governmental Funds	\$ -	5,728,623	6,212,163	5,232,730						

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

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

	Fiscal Years Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES:										
Taxes	\$ 3,753,389	\$ 4,563,177	\$ 5,283,064	\$ 4,655,097	\$ 5,033,472	\$ 5,270,507	\$ 5,492,186	\$ 5,678,570	\$ 5,899,946	\$ 5,923,140
Licenses and permits	561,713	597,762	496,318	59,485	57,915	58,990	53,125	52,468	52,726	51,833
Intergovernmental	972,701	516,456	859,084	2,138,190	1,516,709	1,523,005	1,585,932	1,636,926	2,425,471	2,117,836
Charges for services	3,402,472	3,932,428	244,375	2,783,099	2,320,486	2,194,384	1,697,673	1,737,840	1,498,315	1,659,605
Assessments	-	-	-	239,995	185,231	82,875	83,145	31,709	59,855	59,364
Fines and forfeitures	320,037	163,356	203,062	175,303	169,674	156,336	204,673	180,330	180,330	181,121
Investment earnings	129,763	270,858	205,452	285,232	284,844	109,949	38,568	23,124	44,945	53,686
Miscellaneous	573,546	435,450	2,337,826	85,783	60,567	106,849	197,012	303,326	232,963	195,719
Total Revenues	9,713,621	10,479,487	9,629,181	10,402,184	9,608,898	9,502,895	9,352,317	9,665,997	10,394,551	10,247,304
EXPENDITURES:										
Current										
General government	-	-	-	2,104,782	1,076,877	1,772,998	1,426,625	2,433,392	2,794,613	3,097,111
Public Safety	-	-	-	3,326,099	3,228,420	3,275,750	3,485,011	3,635,189	3,979,123	4,020,160
Highways and streets	-	-	-	3,680,993	1,152,794	1,135,045	1,220,863	1,486,442	1,598,584	2,246,667
Parks and recreation	-	-	-	1,115,899	1,351,709	1,029,186	1,191,358	1,143,584	1,084,081	1,242,721
Personal services	4,385,505	4,714,032	4,538,070	-	-	-	-	-	-	-
Materials and services	2,918,101	3,244,676	2,996,267	-	-	-	-	-	-	-
Debt service	-	70,773	207,813	-	-	-	-	-	-	-
Principal	207,943	-	-	173,615	468,792	499,342	488,355	593,702	454,000	457,765
Interest	21,712	-	-	108,068	154,171	180,764	223,265	205,009	180,610	162,313
Capital outlay	2,074,928	5,406,222	2,954,046	1,011,428	3,712,192	2,878,934	1,332,325	-	-	-
Total Expenditures	9,608,189	13,435,703	10,696,196	11,500,884	11,144,955	10,772,019	9,367,802	9,497,318	10,091,011	11,226,737
Excess of revenues over (under) expenditures	105,432	(2,956,216)	(1,067,015)	(1,098,700)	(1,536,057)	(1,269,124)	(15,485)	168,679	303,540	(979,433)
OTHER FINANCING SOURCES (USES)										
Transfers in	1,244,175	45,000	1,269,941	50,000	30,000	62,500	274,639	671,746	703,100	497,750
Transfers out	(1,244,175)	(45,000)	(4,264,034)	(285,000)	(30,000)	(62,500)	(232,739)	(214,046)	(523,100)	(497,750)
State capital grants	-	1,470,286	-	-	-	-	-	-	-	-
Long term debt proceeds	-	2,657,351	-	2,552,457	638,889	1,409,496	27,815	-	-	-
Total other financings sources (uses)	-	4,127,637	(2,994,093)	2,317,457	638,889	1,409,496	69,715	457,700	180,000	-
Net Change in Fund Balance	105,432	1,171,421	(4,061,108)	1,218,757	(897,168)	140,372	54,230	626,379	483,540	(979,433)
Beginning fund balance	9,073,283	9,178,715	8,647,167	4,586,056	5,804,813	4,907,645	5,048,015	5,102,244	5,728,623	6,212,163
Ending fund balance	\$ 9,178,715	\$ 10,350,136	\$ 4,586,056	\$ 5,804,813	\$ 4,907,645	\$ 5,048,016	\$ 5,102,245	\$ 5,728,623	\$ 6,212,163	\$ 5,232,730

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

Fiscal Years Ended June 30,	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENDITURES:										
Current										
General government	\$ -	\$ -	\$ -	2,104,762	1,076,877	1,772,998	1,426,625	2,433,392	2,794,613	3,097,111
Public Safety	-	-	-	3,326,099	3,228,420	3,275,750	3,485,011	3,635,189	3,979,123	4,020,160
Highways and streets	-	-	-	3,660,993	1,152,794	1,135,045	1,220,863	1,486,442	1,598,584	2,246,667
Parks and recreation	-	-	-	1,115,899	1,351,709	1,029,186	1,191,358	1,143,584	1,084,081	1,242,721
Personal services	4,385,505	4,714,032	4,538,070	-	-	-	-	-	-	-
Materials and services	2,918,101	3,244,676	2,996,267	-	-	-	-	-	-	-
Debt service	-	70,773	207,813	-	-	-	-	-	-	-
Principal	207,943	-	-	173,615	468,792	499,342	488,355	593,702	454,000	457,765
Interest	21,712	-	-	108,068	154,171	180,764	223,265	205,009	180,610	162,313
Capital outlay	2,074,928	5,406,222	2,954,046	1,011,428	3,712,192	2,878,934	1,332,325	-	-	-
Total Expenditures	\$ 9,608,189	13,435,703	10,696,196	11,500,884	11,144,955	10,772,019	9,367,802	9,497,318	10,091,011	11,226,737

Debt service as a percentage of non-capital expenditures

Debt Service Calculations										
Total Expenditures	\$ 9,608,189	\$ 13,435,703	\$ 10,696,196	\$ 11,144,955	\$ 11,144,955	\$ 10,772,019	\$ 9,367,803	\$ 9,497,318	\$ 10,091,011	\$ 11,226,737
Less capitalized expenditures	2,139,312	4,216,529	5,485,339	2,912,850	6,926,889	2,303,916	397,024	365,286	782,987	888,948
Non-capital expenditures	7,468,877	9,219,174	5,210,857	8,232,105	4,218,066	8,468,103	8,970,779	9,132,032	9,308,024	10,337,789
Debt service	\$ -	\$ 70,773	\$ 207,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal	207,943	-	-	173,615	468,792	499,342	488,355	593,702	454,000	457,765
Interest	21,712	-	-	108,068	154,171	180,764	223,265	205,009	180,610	162,313
Total debt service	229,655	70,773	207,813	281,683	622,963	680,106	711,620	798,711	634,610	620,078
Debt service as a percentage of non-capital expenditures	3.07%	0.77%	3.99%	3.42%	14.77%	8.03%	7.93%	8.75%	6.82%	6.00%

(Total debt service/total non-capital expenditures)

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	Franchise	Hotel/Motel	Other	Total
	Taxes	Taxes	Taxes	Taxes	
2004	\$ 2,825,627	\$ -	\$ -	\$ 864,601	\$ 3,690,228
2005	3,118,666	-	-	1,460,452	4,579,118
2006	3,347,470	-	-	1,897,786	5,245,256
2007	3,758,727	778,941	293,468	-	4,831,136
2008	4,068,601	855,575	343,237	-	5,267,413
2009	4,359,832	911,080	299,009	-	5,569,921
2010	4,274,310	942,997	297,808	-	5,515,115
2011	4,450,453	964,808	304,366	-	5,719,627
2012	4,510,443	1,148,367	362,446	-	6,021,256
2013	4,386,671	1,179,560	451,542	-	6,017,773

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

Fiscal Year Ended	Taxable Assessed Value						Total Direct Tax Rate	Real Market Value (5)
	Real Property	Mobile Homes	Personal Property	Utilities	Non-Profit Housing	Total		
2004	\$ 605,693	\$ 28,372	\$ 12,426	\$ 7,096	\$ -	\$ 653,587	4.47 \$	855,645
2005	684,225	9,596	13,028	8,322	-	715,171	4.47	1,012,062
2006	740,622	10,456	12,683	7,344	-	771,105	4.47	1,341,053
2007	804,660	11,407	15,157	7,957	-	839,181	4.47	1,589,797
2008	863,168	10,879	15,637	7,759	2,036	899,479	4.47	1,714,248
2009	914,230	10,091	14,757	8,049	2,097	949,224	4.47	1,621,274
2010	950,387	9,395	14,133	11,924	2,160	987,999	4.47	1,428,667
2011	979,262	8,071	16,915	14,639	2,224	1,021,111	4.47	1,259,362
2012	992,547	8,663	15,965	16,485	2,291	1,035,951	4.47	1,196,041
2013	960,102	8,901	16,277	16,364	2,359	1,004,003	4.47	1,124,215

Source: Jackson County Assessment Records

Notes:

- (1) For 2001 this tax rate is determined by the City Charter.
- (2) For years after 2001 this rate was set by a statewide voter initiative and is referred to as the "maximum tax rate".
- (3) Any property taxes levied in excess than that derived through maximum tax rate requires local voter approval.
- (4) The City of Central Point does not levy the maximum approved tax rate per \$1,000 of Taxable Assessed Value.
- (5) "Real Market Value" is the descriptive term contained in Oregon law that means "Estimated Actual Value of Taxable Property".

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

Fiscal Year Ended	Direct City of Central Point		Overlapping							Total	Combined
	Jackson County	Transit District	Vector Control District	Rogue Comm. College	Educ. Service District	Fire District #3	School District #6/549C				
2004	\$ 4.47	\$ 4.08	\$ 0.17	\$ 0.04	\$ 0.50	\$ 0.34	\$ 2.68	\$ 5.20	\$ 13.01	\$ 17.48	
2005	4.47	3.94	0.17	0.04	0.50	0.34	2.69	5.06	12.74	17.21	
2006	4.47	3.94	0.17	0.04	0.50	0.34	2.71	5.02	12.72	17.19	
2007	4.47	3.60	0.17	0.04	0.62	0.34	2.72	5.09	12.58	17.05	
2008	4.47	3.80	0.17	0.04	0.62	0.34	2.67	4.99	12.63	17.10	
2009	4.47	3.80	0.17	0.04	0.62	0.34	2.67	4.99	12.63	17.10	
2010	4.47	2.37	0.17	0.04	0.63	0.35	3.12	5.57	12.25	16.72	
2011	4.47	2.33	0.18	0.04	0.63	0.35	3.12	5.60	12.25	16.72	
2012	4.47	2.03	0.18	0.04	0.62	0.35	3.12	5.67	12.02	16.49	
2013	4.47	2.26	0.18	0.04	0.62	0.35	3.12	5.65	12.22	16.69	

Source:

Jackson County Tax Assessor for Tax Area 0602.

Notes:

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

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

Taxpayers	Type of Business	2013		2003		Percentage of Total Assessed Valuation
		Assessed Valuation	Percentage of Total Assessed Valuation	Assessed Valuation	Percentage of Total Assessed Valuation	
USF Reddaway Inc	Distribution	\$ 7,516,110	0.75%	\$ 4,919,300	0.75%	
Twin Creeks Development	Builder/Developer	5,698,180	0.57%			
Berdan Federal Way LLC	Builder/Developer	5,571,640	0.55%			
Federal Way Development LLC	Builder/Developer	5,124,350	0.51%			
Twin Creeks Retirement	Retirement Living Community	5,181,840	0.52%			
Avista Corp	Gas Utility	5,118,000	0.51%	2,334,700	0.36%	
Charter Communications	Cable Utility	4,956,100	0.49%			
Investors II LLC	Builder/Developer	4,801,250	0.48%			
STU 1 LLC EIAI	Shopping Center	4,256,170	0.42%			
ABS OR-O LLC	Shopping Center	4,045,890	0.40%			
Albertson's Inc	Shopping Center			3,912,530	0.60%	
Travel Center Development	Truck Stop/Store			3,347,640	0.51%	
Qwest Corp	Utility			3,465,391	0.53%	
Mountain View Plaza LLC	Builder/Developer			3,287,450	0.50%	
Hotel Invest Prop Two LLC	Builder/Developer			2,880,000	0.44%	
Malot Enterprises LLC	Builder/Developer			2,257,360	0.35%	
Grange Co-Op	Supply Association			2,479,010	0.38%	
Thomas & Sandra Malot	Builder/Developer			2,257,360	0.35%	
Total Value Principal Taxpayers		\$ 52,270,530	5.21%	\$ 31,160,741	4.77%	
Total Assessed Value all Taxable Property		\$ 1,004,000,000		\$ 653,587,000		

Total 2013 Assessed Value = \$1,004,000,000
Total 2003 Assessed Value = \$653,587,000

Source: Jackson County Assessor's Office.

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

Fiscal Year Ended	Total Tax Levy	Current Tax Collections	% of Levy Collected	Delinq. Tax Collections	Total Tax Collections	Percent of Total Tax Collect. to Tax Levy	Out-standing Delinq. Taxes	Percent of Delinq. Tax to Tax Levy
2004	\$ 2,912,038	\$ 2,747,523	94.4%	\$ 142,466	\$ 2,889,989	99.2%	\$ 192,613	6.6%
2005	3,184,363	3,012,368	94.6%	117,628	3,129,996	98.3%	198,099	6.2%
2006	3,737,802	3,238,731	86.6%	147,842	3,386,573	90.6%	158,995	4.3%
2007	3,902,856	3,491,251	89.5%	90,465	3,581,716	91.8%	256,846	6.6%
2008	4,017,179	3,799,328	94.6%	79,166	3,878,494	96.5%	271,213	6.8%
2009	4,244,501	3,943,985	92.9%	151,074	4,095,059	96.5%	336,457	7.9%
2010	4,425,222	4,082,008	92.2%	207,045	4,289,053	96.9%	322,343	7.3%
2011	4,566,195	4,338,021	95.0%	145,943	4,483,794	98.2%	404,564	8.9%
2012	4,630,906	4,420,826	95.5%	218,347	4,639,173	100.2%	396,297	8.6%
2013	4,500,231	4,304,723	95.7%	202,234	4,506,957	100.1%	389,571	8.7%

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

- Notes: (1) Collections reflect cash transactions as presented on the Schedule of Property Tax Transactions.
(2) Collections include discounts allowed and adjustments to the rolls.



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

Fiscal Year Ended	Governmental Activities							Total
	SDC Obligations	Financing Agreement	Capital Leases	Notes Payable	Limited Tax Improvement Bonds	Tax Exempt Financing Note	Certificates of Participation	
2004	\$ -	\$ -	\$ 180,812	\$ -	\$ -	\$ -	\$ -	\$ 180,812
2005	-	-	182,734	-	-	-	2,700,000	2,882,734
2006	-	-	134,897	114,662	-	-	2,600,000	2,849,559
2007	470,829	1,769,557	88,185	166,145	-	-	2,500,000	4,994,716
2008	551,078	1,624,453	38,762	93,306	457,214	-	2,400,000	5,164,813
2009	703,446	1,473,974	-	19,087	401,491	1,200,000	2,295,000	6,092,998
2010	629,347	1,315,937	-	27,815	352,491	1,100,000	2,190,000	5,615,590
2011	622,475	1,165,853	-	13,824	302,491	995,000	2,080,000	5,179,643
2012	622,475	994,378	-	-	267,491	885,000	1,965,000	4,734,344
2013	572,001	813,902	-	-	267,491	770,000	1,845,000	4,268,394

Notes

(1) Details of the City's outstanding debt can be found in the notes to the financial statements.

(2) *Data not available as of 11/12/13

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

Business-type Activities									
SDC Obligations	Financing Agreement	Notes Payable	Total	Total Primary Government	Personal Income	%	Personal Income	Debt Per Capita	
\$ -	\$ -	\$ 152,415	\$ 152,415	\$ 333,227	\$ 426,538,450	0.08%		\$ 23	
-	-	152,415	152,415	3,035,149	471,280,120	0.64%		206	
-	-	152,415	152,415	3,001,974	526,041,750	0.57%		201	
37,349	230,443	152,415	420,207	5,414,923	578,151,000	0.94%		346	
25,707	211,547	152,415	389,669	5,554,482	587,464,650	0.95%		336	
20,637	191,711	140,206	352,554	6,445,552	*N/A		*N/A	374	
19,540	171,063	127,896	318,499	5,934,089	*N/A		*N/A	349	
17,315	135,147	601,015	753,477	5,933,120	*N/A		*N/A	346	
16,202	112,622	3,702,678	3,831,502	8,565,846	*N/A		*N/A	497	
7,551	90,098	5,507,924	5,605,573	9,873,967	*N/A		*N/A	572	

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

Fiscal Year Ended	Limited Tax Bonds	Estimated Real Market Value (RMV) Of Taxable Property	% of RMV	Population	Debt Per Capita
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	1,589,797,000	0.03%	17,250	28.99
2008	457,214	1,714,248,000	0.03%	17,025	26.86
2009	401,491	1,621,273,750	0.02%	17,160	23.40
2010	352,491	1,428,666,739	0.02%	17,165	20.54
2011	302,491	1,259,361,862	0.02%	17,235	17.55
2012	267,491	1,196,041,552	0.02%	17,235	15.52
2013	267,491	1,124,215,919	0.02%	17,275	15.48

Source: City of Central Point Financial Records.

Notes:

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

Schedule 13
City of Central Point, Oregon
Direct and Overlapping Governmental Activities Debt
As of June 30, 2013

<u>Jurisdiction</u>	<u>Net Debt Outstanding (1)</u>	<u>Direct Debt and Overlapping Debt Applicable within City of Central Point (2)</u>	<u>Amount Applicable Within City of Central Point</u>
<u>Total Direct Debt</u>			
City of Central Point	\$ 4,268,394	100.00%	\$ 4,268,394
<u>Overlapping Debt</u>			
Jackson County School District 6			
General Obligation Bonds	17,300,060	53.24%	9,210,804
Jackson County School District 549C			
General Obligation Bonds	174,680,000	0.98%	1,711,864
Limited Tax Pension Obligation Bonds	37,970,000	0.98%	372,106
Total	212,650,000	0.98%	2,083,970
Total Overlapping Debt	229,950,060		6,352,364
Total Direct and Overlapping Debt	\$ 234,218,454		\$ 15,563,168

Notes: (1) Source: Individual District's Financial Records
 (Amount includes all long term debt presented on Statistical Schedule 11.)

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

Schedule 14
City of Central Point, Oregon
Legal Debt Margin
Last Ten Fiscal Years

<u>Fiscal Years Ended June 30,</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 21,455,138	\$ 30,361,830	\$ 40,231,590	\$ 47,693,913	\$ 57,427,438
Total net debt applicable to debt limit	-	-	-	-	-
Total net debt applicable to debt limit as a percentage of debt limit	<u>\$ 21,455,138</u>	<u>\$ 30,361,830</u>	<u>\$ 40,231,590</u>	<u>\$ 47,693,913</u>	<u>\$ 57,427,438</u>

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 48,638,213	\$ 42,860,002	\$ 37,780,856	\$ 35,881,230	\$ 33,726,450
Total net debt applicable to debt limit	-	-	-	-	-
Total net debt applicable to debt limit as a percentage of debt limit	<u>\$ 48,638,213</u>	<u>\$ 42,860,002</u>	<u>\$ 37,780,856</u>	<u>\$ 35,881,230</u>	<u>\$ 33,726,450</u>

Legal Debt Margin Calculation for Fiscal Year	<u>2013</u>
True Cash Value	\$ 1,124,215,000
Debt Limit at 3% of True Cash Value	33,726,450
Amount of Debt Applicable to Debt Limit:	
Total bonded debt	
Tax Obligation Bonds	\$ 267,491
Less: Deductions allowed by law	
Tax Obligation Bonds	<u>\$ 267,491</u>
Legal Debt Margin	<u><u>\$ 33,726,450</u></u>

Note: "True Cash Value" in Oregon law means "Real Market Value"

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

Utility System Revenue Notes (1)										
Fiscal Year	Gross Revenues	Less: Operating Expenses	Plus: Interest Expenses	Net Available For Debt Service	Debt Service Requirements		Coverage (3)			
					Principal	Interest				
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			
2009	2,377,591	2,850,993	7,374	(466,028)	-	7,374	322			
2010	2,173,483	3,156,349	6,824	(976,042)	-	6,824	319			
2011	2,353,000	2,438,327	6,824	(78,503)	127,896	6,824	345			
2012	2,434,016	2,617,269	-	(183,253)	-	-	-			
2013	2,729,293	2,625,032	-	104,261	-	-	-			

Notes:

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

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

Fiscal Year Ended	Population (1)	Per Capita Income (\$) (2)	Personal Income	Median Age (4)	Education Level In		School Enrollment Average Daily Members (3)	Unemployment Rate (%) (Jackson Co.) (2)
					Formal Schooling High School/College (4)			
2004	14,950	\$ 28,531	\$ 426,538,450	34	86%	14%	4,621	7.1
2005	15,640	30,133	471,280,120	34	86%	14%	4,545	6.7
2006	16,550	31,785	526,041,750	34	86%	14%	4,647	6.0
2007	17,250	33,516	578,151,000	34	86%	14%	4,575	6.1
2008	17,025	34,506	587,464,650	34	86%	14%	4,668	6.7
2009	17,160	34,314	588,828,240	34	89%	29%	4,664	13.4
2010	17,169	34,168	586,630,392	37	89%	29%	4,567	12.0
2011	17,235	34,602	596,365,470	38	89%	29%	4,434	12.8
2012	17,235	*N/A	*N/A	38	89%	29%	4,468	10.7
2013	17,275	*N/A	*N/A	36	89%	29%	4,436	9.8

Source:

- (1) Certified by the Center for Population Research and Census, Portland State University
- (2) State of Oregon Employment Division; average for 12 months ended June 30th of each year.
- (3) School District # 6; using May of each year.
- (4) U.S. Census of 2000

Note:

- (1) *N/A Data not available at 11/12/13

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

Employer	Fiscal Year 2012/13			Fiscal Year 2007/08 (1)		
	Employees	Percent of Total City Population	Rank	Employees	Percent of Total City Employment	Rank
School Dist 6	551	3.21%	1	600	3.52%	1
Albertsons	100	0.58%	2	80	0.47%	4
USF Reddaway	85	0.50%	3	120	0.70%	2
City of Central Point	71	0.41%	4	110	0.65%	3
Pilot Travel Center	60	0.35%	5	75	0.44%	5
McDonalds	57	0.33%	6	-	-	-
Grange Co-op	54	0.31%	7	70	0.41%	6
Rays Food Place	45	0.26%	8	53	0.31%	7
Providence Medical Group	42	0.24%	9	46	0.27%	8
Shari's	32	0.19%	10	44	0.26%	10
Quality Fence	31	0.18%	11	45	0.26%	9
Total	1,128	6.57%		1,243	7.29%	

Source: City of Central Point Finance Department

Note: (1) Accurate data was not readily available for the 10 year look back period of fiscal year 2002/2003.
(2) Information first presented in the 2007-08 CAFR

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
<i>Administration</i>	2.00	2.00	4.00	4.00	3.25	3.25	4.00	5.50	5.50	5.50
<i>Finance</i>	5.00	6.00	7.00	7.00	7.00	8.00	7.50	7.50	7.00	7.00
<i>Human Resources</i>	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<i>Community Development</i>	5.00	6.00	6.00	4.50	5.50	5.50	4.50	4.50	3.00	3.50
<i>Police</i>	26.00	27.00	27.50	28.50	28.25	28.25	28.50	28.50	28.50	28.50
Physical Environment										
<i>Building</i>	6.00	6.00	6.00	6.00	4.50	2.50	1.50	1.50	1.50	1.50
<i>Public Works</i>	13.00	14.00	17.50	18.69	18.86	18.50	17.25	12.75	12.00	14.50
Transportation										
<i>Streets & Fleet</i>	6.00	6.00	8.00	7.31	6.64	6.00	6.00	8.00	7.00	6.00
Culture/Recreation										
<i>Parks</i>	-	-	4.00	4.00	3.00	5.00	3.50	3.75	2.65	3.50
<i>Recreation</i>	-	-	4.00	4.50	4.50	2.00	2.50	2.75	3.65	2.50
Total	63.00	67.00	85.00	85.50	82.50	80.00	76.25	75.75	71.80	73.50

Source: City of Central Point Finance Department payroll records

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Building Inspections										
Building Permits Issued	311	326	251	179	97	57	28	30	45	70
Finance										
Accounts Payable Checks Processed	5,169	5,334	5,519	4,105	5,030	3,548	1,513	1,604	1,366	1,249
Business Licenses		999	1,056	1,000	1,003	882	913	978	972	950
Average Number Utility Accounts	4,978	5,145	5,209	5,907	6,030	6,044	6,128	6,079	6,100	6,158
Public Works - Street Division										
Streets Cleaned (Miles)					800	800	800	800	800	800
Man Holes Inspected					198	198	198	198	198	198
Curb Inlets & Catch Basins Inspected					583	583	583	583	583	583
Water/Storm										
Fire Hydrants Flushed & Serviced					215	215	215	215	218	218
Water Valve Actuations					620	620	620	620	620	620
Water Meters Read					72,824	73,049	73,279	73,512	73,764	73,892
Blow-off Valves Flushed					18	18	18	18	18	18
Stormdrains Flushed & Cleaned (Miles)					16	16	16	16	16	16

Source: City of Central Point Records

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub Station	0	0	1	1	1	1	2	2	2	2
Other Public Works										
Miles of Streets	71	71	71	71	71	71	71	71	71	71
Parks and Recreation										
Park acreage	31.49	41.92	71.87	134.87	135.12	186.48	187.93	189.73	192.73	192.73
Number of community parks	11	13	14	15	16	16	17	17	17	17
Number of neighborhood parks	3	3	4	5	5	5	5	6	6	6
Water										
Water Mains (miles)	73	73	77	77	77	86	89.7	89.7	90	91
Maximum Plant Capacity (MPG)										6700
Fire Hydrants						904	913	913	913	925

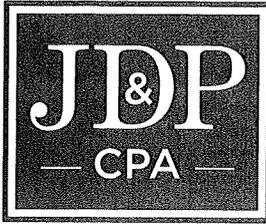
Source: City of Central Point Finance Department

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

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

2012 – 2013 INDEPENDENT AUDITOR'S COMPLIANCE REPORTS





JOHANNSEN,
DYE &
PURKEYPILE
Certified Public Accountants, LLP

Frederic C. Johannsen, CPA
Christopher V. Dye, CPA

Tina M. Lenker, CPA
Robert W. Purkeypile, CPA
Trudy J. Brown

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

We have audited the basic financial statements of the City of Central Point as of and for the year ended June 30, 2013, and have issued our report thereon dated November 14, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

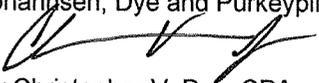
In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as described on page 23, Note 1 – Summary of Significant Accounting Policies, disclosing over expenditure of appropriations.

OAR 162-10-0230 Internal Control

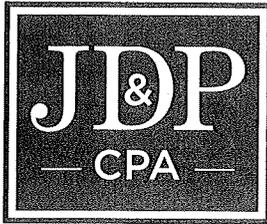
In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the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

This report is intended solely for the information and use of the council members and management of the City of Central Point and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Johannsen, Dye and Purkeypile CPAs LLP


By Christopher V. Dye, CPA
Partner

Medford, Oregon
November 14, 2013



JOHANNSEN,
DYE &
PURKEYPILE
Certified Public Accountants, LLP

Frederic C. Johannsen, CPA
Christopher V. Dye, CPA

Tina M. Lenker, CPA
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Trudy J. Brown

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Central Point, Oregon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Central Point, Oregon's basic financial statements and have issued our report thereon dated November 14, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

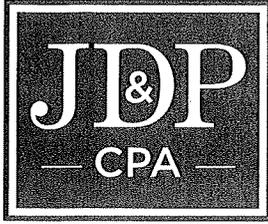
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in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

Johannsen, Dye and Purkeypile CPAs LLP



By Christopher V. Dye, CPA
Partner

Medford, Oregon
November 14, 2013



JOHANNSEN,
DYE &
PURKEYPILE
Certified Public Accountants, LLP

Frederic C. Johannsen, CPA
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Tina M. Lenker, CPA
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Trudy J. Brown

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Central Point, Oregon's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Central Point, Oregon's major federal programs for the year ended June 30, 2013. The City of Central Point, Oregon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Central Point, Oregon's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Central Point, Oregon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Central Point, Oregon's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Central Point, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The management of the City of Central Point, Oregon is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the City of Central Point, Oregon's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine our auditing procedures that are appropriate in the circumstances for the

purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Central Point, Oregon's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Johannsen, Dye and Purkeypile CPAs LLP



By Christopher V. Dye, CPA
Partner

Medford, Oregon
November 14, 2013

City of Central Point, Oregon
Schedule of Findings and Questioned Costs
June 30, 2012

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal Control over financial reporting:

- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133 yes no

Identification of Major Programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
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U.S. Environmental Protection Agency: Capitalization Grants for Drinking Water State Revolving Funds	66.468
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Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AND STATE FINDINGS AND QUESTIONED COSTS

None

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None

CITY OF CENTRAL POINT
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2012

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Program or award amount</u>	<u>Federal Expenditures</u>
U.S Environmental Protection Agency:			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	5,600,000	1,805,246
Total U.S. Environmental Protection Agency:		<u>5,600,000</u>	<u>1,805,246</u>
U.S. Department of Justice:			
Economic High-Tech and Cyber Crime Prevention	16.752	386,875	111,424
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	166,500	27,007
Total U.S. Department of Justice:		<u>553,375</u>	<u>138,431</u>
US Dept. of Transportation:			
Federal Highway Administration Pass-through: Oregon Dept of Transportaion Highway Planning and Construction Federal-Aid Highway Program, Federal Lands Highway Program	20.205	226,000	223,947
Total US Dept. of Transportation:		<u>226,000</u>	<u>223,947</u>
Total Expenditures of Federal Awards			<u><u>2,167,624</u></u>

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Central Point and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

