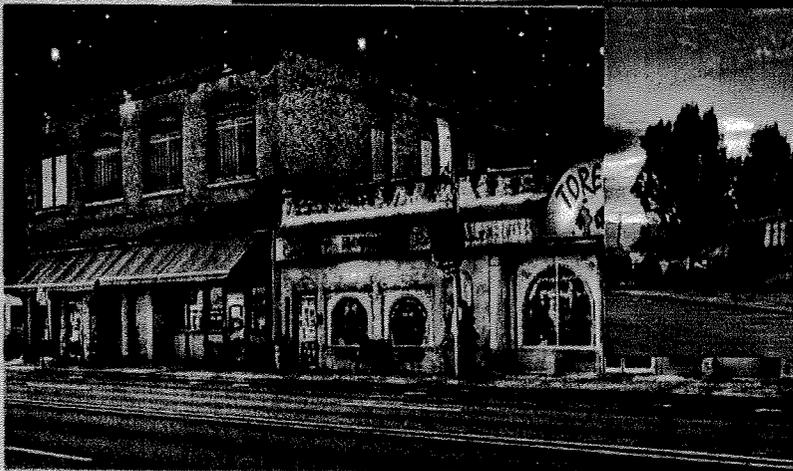


**City of Central Point, Oregon  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2014**



*Serving THE CITIZENS OF CENTRAL POINT*

*The Fair City*

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2014

Prepared by:

Bev Adams, Finance Director

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

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JACKSON COUNTY, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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December 29, 2014

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, 2014.

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

The enclosed financial statements have been audited by Isler CPA, LLC; a firm of licensed certified public accountants. The engagement partner is Paul Neilson, 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, 2014, 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 the recent past did the building boom of southern Oregon significantly alter the landscape of this small community with housing and commercial projects spurring population growth and impacting the need for services that accompany growth. Typically, the City's infrastructure serves a stable and slightly increasing population and requires expenditures primarily for maintenance and modernization of facilities rather than rapid growth. The impact of the nationwide economic recession over the last few years resulted in no significant growth in either population or residential or commercial projects; however, both interest in commercial projects and commercial and residential building permit activity has seen a slow but encouraging increase.

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 few years of recession, the City of Central Point and all cities within the Rogue Valley have experienced an increased number of lost jobs and one of the higher unemployment rates in the nation. During the same period of time, housing prices

plummeted along with construction in the area, all of which had a negative effect on the City's building permit revenues and planning actions. However, during the past 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 full 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 the 2013/14 budget process, the city budget committee approved a request of staff to facilitate a contract for a comprehensive long term financial plan that will assist the City in planning for future projects and stability of its financial resources. The financial plan will be completed in the fall of 2014.

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, 2013. This is the sixth consecutive year the City has received this prestigious award.

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.

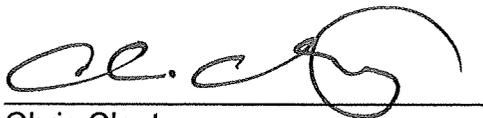
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## 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, 2014

<u>CITY COUNCIL</u>	<u>TERM EXPIRES</u>
Hank Williams, Mayor	December 31, 2016
Bruce Dinger, 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

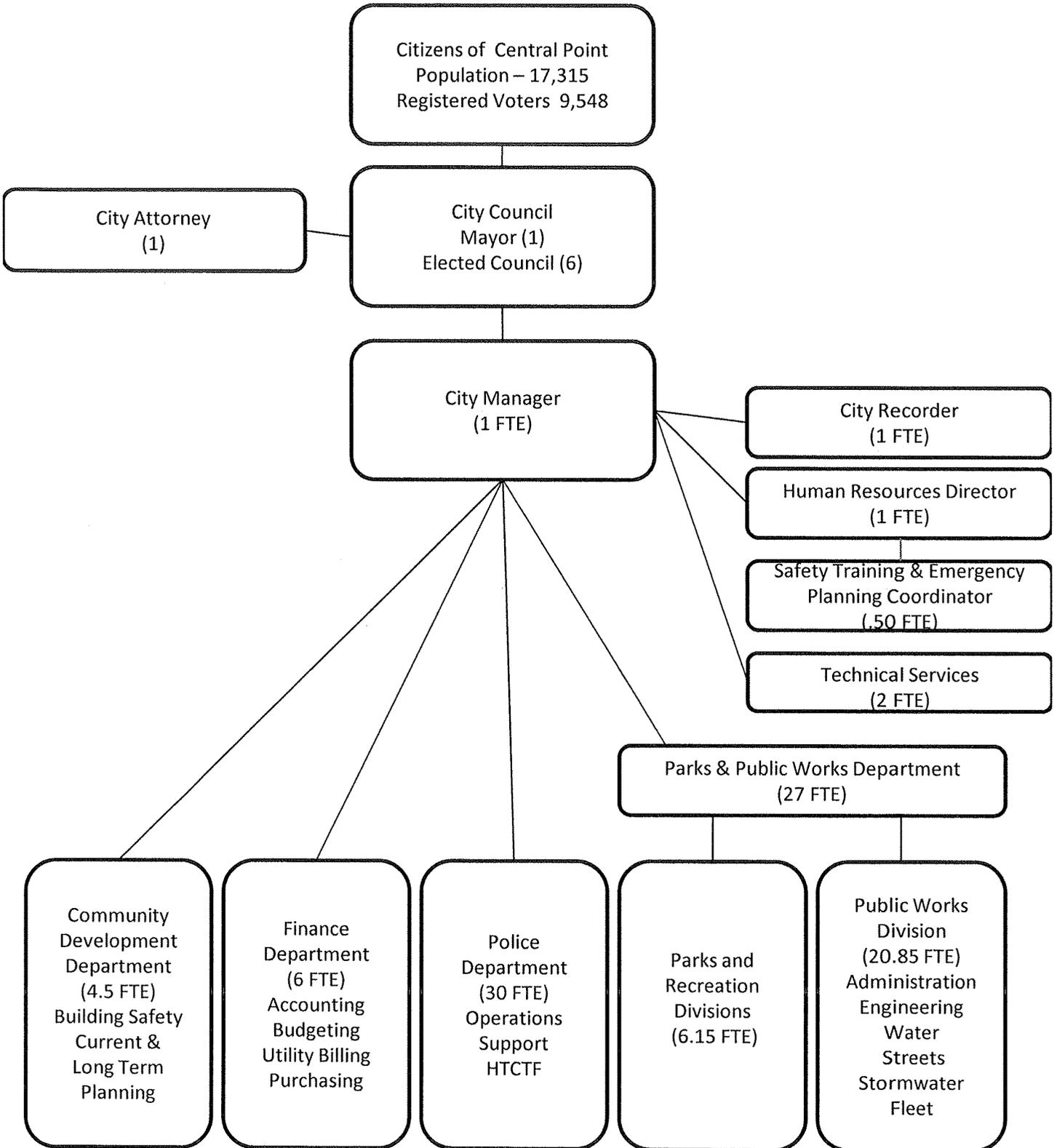
FINANCE DIRECTOR

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

# City of Central Point

73 FTE

For The Fiscal Year Ended June 30, 2014





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

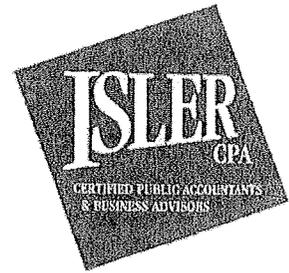
**City of Central Point  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO





## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Central Point, Oregon ("City") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014 and the respective changes in net position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the general fund and street fund budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis on pages in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information for the General Fund and Street Fund 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 budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

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

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

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

### *Report on Other Legal and Regulatory Requirements*

In accordance with Minimum Standards of Audits of Oregon Municipal Corporations, We have issued our report dated November 12, 2014, on our consideration of the City's compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

### **Isler CPA**



By: Paul Nielson, CPA, a member of the firm

Eugene, Oregon  
November 12, 2014

**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, 2014. Please read it in conjunction with the City's transmittal letter in the introductory section, and the City's financial statements following the MD&A.

**Financial highlights (*In Thousands of Dollars*)**

These highlights have been identified from the financial results of the 2013-14 fiscal year as reported on the government-wide statements - the Statement of Net Position and the Statement of Activities:

- Total assets of the City, including both governmental and business-type activities exceeded its total liabilities at June 30, 2014, the close of the most recent fiscal year, by approximately \$72,284 (net position). Of this amount, \$5,812 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total current and other assets decreased \$235 to \$10,289 and contributed to the overall decline in the City's net position of \$1,810 for the year ended June 30, 2014. However, most of the decline is attributed to depreciation expense that totals \$3,698 for both governmental and business type activities.
- Overall net position for governmental activities decreased \$1,550 to \$46,421. Expenses of governmental activities decreased \$1,680 to \$12,078 primarily due to reduced government expenses. Program revenues decreased \$466 to \$4,507 due to reductions in grants from other governments. These changes combined to reduce net expense \$1,214 to \$7,570. General revenues decreased \$271 to \$6,020. The reduction in net position was a good result when compared to the \$2,492 reduction in the previous year.
- Overall net position for business-type activities decreased \$135 to \$25,863. Expenses of the business type activities increased \$710 to \$4,255 due to increased interest expense on long term debt and depreciation expense of capital assets used in the City's business-type activities. Overall program revenues of the business-type activities increased \$351 to \$4,076. General revenues increased \$15 to \$44 from miscellaneous sources.
- 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, 2014 that significantly affect the availability of fund resources for future use.
- The City's total current and other liabilities and have decreased \$392 primarily due to having no construction payables or early retirement incentive accruals payables at June 30, 2014. 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 non-current portion of long-term debt decreased a net of \$751 to \$8,858. The decrease consists of reduction in the current maturities on existing long-term debt and a net decrease of \$2 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 continued 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. In 2007 the number of City FTE employees peaked at 85.5, since then the City has eliminated 12 positions overall ending with 74.5 employees at June 30, 2014. This year end employee

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

count compares to 73.5 at June 30, 2013, 75.75 at June 30, 2011, 76.25 at June 2010, 80 at 2009, 82.5 at 2008, and 85.5 at 2007.

**Overview of the financial statements**

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

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

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

**Government-wide financial statements**

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

- 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Fund financial statements**

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

The City has the following kinds of funds:

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

**Government-wide financial analysis (In Thousands of Dollars)**

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

By far the largest portion of the City's net position (88%) 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 \$2,499 due to \$3,698 of depreciation expense offset by \$1,199 of new capital asset costs relating to the completion of the new water reservoir.

The smallest portion (4%) 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 increased \$53 during the year as new systems development charges ("SDCs") were received on new construction activity at the same time as SDCs were spent on 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 \$224. This increase is 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 2013-14 fiscal year as evidenced by the decline in total net position of \$1,583. The governmental activities net position decreased by \$1,550 while the business-type net position decreased by \$135. The rate of decrease is about 3% for the governmental activities while the rate of decrease is less than 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 decrease in the business type activities reflects the affects of increases in the utility services rates and increasing cost of operations of utility services. 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 Position  
(In Thousands of Dollars)**

	Governmental		Business Type		Total	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
<b>ASSETS</b>						
Current and Other Assets	\$ 8,141	\$ 7,252	\$ 2,383	\$ 3,037	\$ 10,524	\$ 10,289
Capital Assets	45,842	44,097	29,504	28,750	75,346	72,847
Total Assets	<u>53,983</u>	<u>51,349</u>	<u>31,887</u>	<u>31,787</u>	<u>85,870</u>	<u>83,136</u>
<b>LIABILITIES</b>						
Current and Other Liabilities	2,000	1,452	293	542	2,293	1,994
Long-Term Liabilities	4,013	3,476	5,596	5,382	9,609	8,858
Total Liabilities	<u>6,013</u>	<u>4,928</u>	<u>5,889</u>	<u>5,924</u>	<u>11,902</u>	<u>10,852</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	41,574	40,358	23,899	23,153	65,473	63,511
Restricted Assets	2,602	2,406	306	555	2,908	2,961
Unrestricted Assets	3,795	3,657	1,793	2,155	5,588	5,812
Total Net Position	<u>\$ 47,971</u>	<u>\$ 46,421</u>	<u>\$ 25,998</u>	<u>\$ 25,863</u>	<u>\$ 73,969</u>	<u>\$ 72,284</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

	Governmental		Business Type		Total	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
<b>REVENUES</b>						
Program Revenues:						
Charges For Services	\$ 4,447	\$ 3,532	\$ 3,724	\$ 3,909	\$ 8,171	\$ 7,441
Grants and Contributions					-	-
Operating	261	127	-	-	261	127
Capital	266	849	-	166	266	1,015
General Revenues:						
Property Taxes	4,387	4,242	-	-	4,387	4,242
Franchise Taxes	1,179	1,181	-	-	1,179	1,181
Hotel/Motel Taxes	451	373	-	-	451	373
Interest	56	45	13	11	69	56
Gain on capital asset sale	-	30	-	-	-	30
Miscellaneous	218	149	16	33	234	182
<b>Total Revenues</b>	<b>11,265</b>	<b>10,528</b>	<b>3,753</b>	<b>4,119</b>	<b>15,018</b>	<b>14,647</b>
<b>EXPENSES</b>						
Functions:						
General Government	4,100	2,754	-	-	4,100	2,754
Public Safety	4,041	3,973	-	-	4,041	3,973
Highways and Streets	3,976	3,727	-	-	3,976	3,727
Parks and Recreation	1,455	1,471	-	-	1,455	1,471
Interest	180	153	-	-	180	153
Water Services	-	-	2,625	3,132	2,625	3,132
Stormwater Services	-	-	801	960	801	960
Building Services	-	-	119	162	119	162
<b>Total Expenses</b>	<b>13,752</b>	<b>12,078</b>	<b>3,545</b>	<b>4,254</b>	<b>17,297</b>	<b>16,332</b>
Excess (deficiency) before transfers	(2,487)	(1,550)	208	(135)	(2,279)	(1,685)
Transfers	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<b>(2,487)</b>	<b>(1,550)</b>	<b>208</b>	<b>(135)</b>	<b>(2,279)</b>	<b>(1,685)</b>
<b>BEGINNING NET POSITION</b>	<b>50,458</b>	<b>47,971</b>	<b>25,790</b>	<b>25,998</b>	<b>76,248</b>	<b>73,969</b>
<b>ENDING NET POSITION</b>	<b>\$ 47,971</b>	<b>\$ 46,421</b>	<b>\$ 25,998</b>	<b>\$ 25,863</b>	<b>\$ 73,969</b>	<b>\$ 72,284</b>

**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.

- **General Fund:** At June 30, 2014, the fund balance for the General Fund was \$2,635, an increase of \$82 from the previous year. Fund balance components include \$7 nonspendable relating to prepaid items, \$2,098 assigned to the 2013-14 budget and \$530 that is unassigned. In total, fund balance

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

represents approximately 34% of the 2013-14 total general fund expenditures. While revenues increased \$153 - about 6%, expenditures decreased \$ 258 - about 3%. Interfund transfers out were reduced to \$318 to \$98. Current year results provided an unexpected increase in General Fund carryover of \$82. 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 2013-14 budget and will continue throughout the 2014-15 budget year.

- **Street Fund:** At June 30, 2014, the fund balance of the Street Fund primarily consisted of a restricted amount of \$1,603 from state shared gas taxes and a committed amount of \$134 from the street franchise fees. There is also a small nonspendable fund balance relating to prepaid items. Ongoing street maintenance efforts continued. Compared to last year, revenues increased \$268, expenditures increased by \$107, and transfers out increased \$50. These changes caused fund balance to decline by \$227 to \$1,737. 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.
- **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. The financial activities for the year were as planned and budgeted and resulted in a decrease to ending fund balance of \$5. The \$42 ending fund balance is restricted to future debt service payments.
- **Water Fund:** At June 30, 2014, the net position of the Water Fund reports a decrease of \$96 to \$17,176. Water utility operations were as planned and budgeted. Operating revenue increased \$174 to \$2,917 due to the full year impact of a new water rate schedule, fewer foreclosed or abandoned homes, and unusually high water usage in the summer months. Operating expenses of \$2,738 reflected an increase of \$113 over the prior year and reflects the filling of the new reservoir and increasing costs of operations and ongoing depreciation expense. Operating income was \$180 - a 52% increase over the prior year operating income of \$118. Non-operating activity for the year consisted of investment earnings of \$6, interest expense of \$395 and SDCs of \$113. Last year's nonoperating included investment earnings of \$8. Also SDCs were reported as charges for services in prior years. These changes resulted in a \$96 decrease in net position at year end. The current water rate schedule had been expected to provide operating income for several more years to strengthen the net position of the Water Fund; however it now appears that operating costs, including depreciation expense, are increasing faster than expected. Although the City has a current water rate study that reflects increasing rates over time that recover both operating and capital costs, the full increases called for in the water rate study have not been implemented as the fund experiences significant positive cash flow on a budgetary basis.
- **Stormwater Fund:** At June 30, 2014, the net position of the Stormwater Fund reports a decrease of \$82 to \$8,505. Stormwater utility operations were as planned and budgeted. Operating revenue decreased \$64 to \$822 primarily due to changing the reporting of SDCs as contributions instead of charges for services as in prior years. Operating expenses increased \$155 to \$949 primarily due to the expense of a stormwater master plan. Operating income decreased \$220 from \$92 to an operating loss of \$127. However, this decrease was reduced by \$45 from non-operating income investment earnings of \$4, SDC contributions of \$53, and interest expense of \$11. These changes resulted in an \$82 decrease in net position at year end. The current stormwater rate schedule was expected to provide operating income for several more years to strengthen the net position of the Stormwater Fund; however, it now appears that operating costs, including depreciation expense, are increasing faster than

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

expected. Although the City has a current stormwater rate study that reflects increasing rates over time that recover both operating and capital costs, the full increases called for in the stormwater rate study have not been implemented as the fund experiences significant positive cash flow on budgetary basis.

- **Internal Services Fund:** At June 30, 2014, the net position of the Internal Services Fund was \$814 having declined \$32 from the 2012-13 fiscal year. Interfund revenues decreased \$46 to \$1,186 while operating expenses increased \$25 to \$1,170. Operating income was \$16, nonoperating income was \$32 and \$80 was transferred out. Combined this resulted in a \$32 decline in net position. The Internal Service Fund revenues consist primarily of rental and overhead fees charged to City departments. Fluctuations in revenues and expenses over the years in this fund are generally caused 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, 2014, amounts to \$72,847 (net of accumulated depreciation). This investment covers a broad range of capital assets, including land, buildings, storm water system improvements, vehicles, equipment, and water utility system. During 2013-14, approximately \$1,792 of capital asset additions relating to the City's buildings, equipment, computers and software, and streets and utility infrastructure were added, while depreciation expense totaled \$3,697. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

**Long term debt**

At June 30, 2014, the City had \$8,858 of long-term debt compared to \$9,609 the previous year end. This amount includes \$8,569 of bonds and notes payable and \$288 of compensated absences payable. The City's bonds and notes payable debt was reduced by \$553 as result of making the maturing bond and note debt service payments, and increased \$14 relating to SDC obligations. The City's compensated absences increased \$381 by employee service and declined \$405 as employees took time off for a net decrease of \$24. 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, 2014 and looking at the upcoming 2014-15 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 2013-14 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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

**Contacting the City's financial management**

Our financial report is designed to provide our taxpayers, ratepayers, investors and creditors with an overview of the City's finances.

If you have any questions about this report or need any clarification of information please contact the Finance department at the City of Central Point, or visit our website at [www.centralpointoregon.gov](http://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  
For the Fiscal Year Ended June 30, 2014**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 5,932,767	\$ 2,316,454	\$ 8,249,221
Current receivables, net of allowances	836,018	562,778	1,398,796
Prepaid expenses	7,204	660	7,864
Supply inventory	-	156,932	156,932
Noncurrent receivables:			
Due within one year	162,864	-	162,864
Due in more than one year	313,464	-	313,464
Capital assets, net of allowances for depreciation			
Governmental	43,483,957	-	43,483,957
Business-type	-	28,750,370	28,750,370
Internal service	612,729	-	612,729
<b>Total Assets</b>	<u>51,349,003</u>	<u>31,787,194</u>	<u>83,136,197</u>
<b>Liabilities:</b>			
Accounts payable	259,513	178,442	437,955
Accrued payroll	350,339	-	350,339
Unearned revenue	162,864	-	162,864
Accrued interest	8,477	93,762	102,239
Deposits	-	34,165	34,165
Noncurrent liabilities			
Compensated absences			
Due within one year	130,127	10,485	140,612
Due in more than one year	278,363	10,485	288,848
Long-term debt			
Due within one year	541,029	225,548	766,577
Due in more than one year	3,197,289	5,371,556	8,568,845
<b>Total liabilities</b>	<u>4,928,001</u>	<u>5,924,443</u>	<u>10,852,444</u>
<b>Net Position:</b>			
Net invested in capital assets	40,358,368	23,153,266	63,511,634
Restricted for:			
Debt service	624,028	-	624,028
Housing	57,103	-	57,103
Public Safety	-	-	-
Utility systems enhancements (SDCs)	1,724,655	554,482	2,279,137
Unrestricted	3,656,848	2,155,003	5,811,851
<b>Total Net Position</b>	<u>\$ 46,421,002</u>	<u>\$ 25,862,751</u>	<u>\$ 72,283,753</u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2014**

Functions/Programs	Program Revenue			Net Revenue (Expenses) and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
Governmental Activities							
General government	\$ 2,753,719	\$ 1,443,604	\$ -	\$ -	\$ (1,310,115)	\$ -	\$ (1,310,115)
Public safety	3,972,593	144,779	125,365	263,587	(3,438,862)	-	(3,438,862)
Highways and streets	3,726,934	1,613,409	-	585,739	(1,527,786)	-	(1,527,786)
Parks and recreation	1,470,929	330,473	1,053	-	(1,139,403)	-	(1,139,403)
Interest on long-term debt	153,468	-	-	-	(153,468)	-	(153,468)
<b>Total Governmental Activities</b>	<b>12,077,643</b>	<b>3,532,265</b>	<b>126,418</b>	<b>849,326</b>	<b>(7,569,634)</b>	<b>-</b>	<b>(7,569,634)</b>
<b>Business-Type Activities</b>							
Water services	3,132,382	2,887,364	-	112,690	-	(132,328)	-
Stormwater services	960,248	819,915	-	52,834	-	(87,499)	-
Building services	161,975	202,163	-	-	-	40,188	-
<b>Total Business-Type Activities</b>	<b>4,254,605</b>	<b>3,909,442</b>	<b>-</b>	<b>165,524</b>	<b>-</b>	<b>(179,639)</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 16,332,248</b>	<b>\$ 7,441,707</b>	<b>\$ 126,418</b>	<b>\$ 1,014,850</b>	<b>(7,569,634)</b>	<b>(179,639)</b>	<b>(7,569,634)</b>
<b>General Revenues</b>							
Property taxes					4,241,913	-	4,241,913
Franchise taxes					1,180,569	-	1,180,569
Hotel/Motel taxes					373,342	-	373,342
Interest					45,028	10,939	55,967
Gain (loss) on capital asset disposal					29,887	-	29,887
Miscellaneous					148,931	33,491	182,422
<b>Total General Revenues</b>					<b>6,019,670</b>	<b>44,430</b>	<b>6,064,100</b>
<b>Change in Net Position</b>					<b>(1,549,964)</b>	<b>(135,209)</b>	<b>(1,685,173)</b>
<b>Beginning Net Position</b>					<b>47,970,966</b>	<b>25,997,960</b>	<b>73,968,926</b>
<b>Ending Net Position</b>					<b>\$ 46,421,002</b>	<b>\$ 25,862,751</b>	<b>\$ 72,283,753</b>

See accompanying notes to the basic financial statements

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2014**

	GENERAL FUND	STREET FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
<b>ASSETS</b>					
Cash and investments	\$ 2,961,832	\$ 1,641,868	\$ 204,803	\$ 864,708	\$ 5,673,211
Receivables:					
Taxes	357,826	-	-	-	357,826
Accounts, net of allowances	283,743	161,449	-	33,000	478,192
State of Oregon	-	-	307,449	-	307,449
Special assessments	57,103	-	111,776	-	168,879
Prepaid items	6,506	483	-	-	6,989
Total Assets	<u>\$ 3,667,010</u>	<u>\$ 1,803,800</u>	<u>\$ 624,028</u>	<u>\$ 897,708</u>	<u>\$ 6,992,546</u>
<b>LIABILITIES</b>					
Accounts payable	202,560	34,533	-	2,041	239,134
Payroll taxes and salaries	350,339	-	-	-	350,339
Unearned revenue	-	-	162,864	-	162,864
Compensated absences	109,015	-	-	-	109,015
Total Liabilities	<u>661,914</u>	<u>34,533</u>	<u>162,864</u>	<u>2,041</u>	<u>861,352</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - special assessments	57,103	32,067	419,225	4,377	512,772
Unavailable revenue - property taxes	312,824	-	-	-	312,824
Total Deferred Inflows of Resources	<u>369,927</u>	<u>32,067</u>	<u>419,225</u>	<u>4,377</u>	<u>825,596</u>
<b>FUND BALANCE</b>					
Nonspendable	6,506	483	-	-	6,989
Restricted	-	1,603,202	41,939	321,321	1,966,462
Committed	-	133,515	-	569,969	703,484
Assigned	2,098,460	-	-	-	2,098,460
Unassigned	530,203	-	-	-	530,203
Total Fund Balances	<u>2,635,169</u>	<u>1,737,200</u>	<u>41,939</u>	<u>891,290</u>	<u>5,305,598</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,667,010</u>	<u>\$ 1,803,800</u>	<u>\$ 624,028</u>	<u>\$ 897,708</u>	<u>\$ 6,992,546</u>

See accompanying notes to the basic financial statements

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

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO STATEMENT OF NET POSITION**

June 30, 2014

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

**Total Fund Balances - Governmental Funds** \$ 5,305,598

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 43,483,957

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

Accrued interest	(8,477)	
Long-term debt	<u>(3,738,318)</u>	(3,746,795)

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 (261,576)

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

Unavailable Revenue

Special assessments made but not collected	\$ 512,771	
Property taxes levied but not collected	<u>312,824</u>	<u>825,595</u>

Governmental Funds Net Position 45,606,779

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 814,223

**Total Net Position - Governmental Activities** \$ 46,421,002

See accompanying notes to the basic financial statements

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2014

	GENERAL FUND	STREET FUND	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>					
Taxes	\$ 5,984,972	\$ 115,708	\$ -	\$ -	\$ 6,100,680
Licenses and permits	55,925	-	-	-	55,925
Intergovernmental	520,389	1,411,268	162,864	263,587	2,358,108
Charges for services	849,497	631,555	223,362	141,737	1,846,151
Assessments	-	-	51,567	-	51,567
Fines and forfeitures	140,096	-	-	-	140,096
Investment earnings	30,953	9,574	325	3,513	44,365
Miscellaneous	239,214	18,888	-	4,073	262,175
Total Revenues	<u>7,821,046</u>	<u>2,186,993</u>	<u>438,118</u>	<u>412,910</u>	<u>10,859,067</u>
<b>EXPENDITURES</b>					
Current:					
General government	2,641,291	-	-	-	2,641,291
Public safety	3,811,732	-	-	135,532	3,947,264
Highways and streets	-	2,359,168	-	-	2,359,168
Parks and recreation	1,187,546	-	-	88,939	1,276,485
Debt service:					
Principal	-	-	497,000	-	497,000
Interest	-	-	144,991	-	144,991
Total Expenditures	<u>7,640,569</u>	<u>2,359,168</u>	<u>641,991</u>	<u>224,471</u>	<u>10,866,199</u>
Excess of Revenues Over (Under) Expenditures	<u>180,477</u>	<u>(172,175)</u>	<u>(203,873)</u>	<u>188,439</u>	<u>(7,132)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	198,800	100,000	298,800
Transfers out	<u>(98,500)</u>	<u>(55,300)</u>	<u>-</u>	<u>(65,000)</u>	<u>(218,800)</u>
Total transfers	<u>(98,500)</u>	<u>(55,300)</u>	<u>198,800</u>	<u>35,000</u>	<u>80,000</u>
Net Change in Fund Balance	81,977	(227,475)	(5,073)	223,439	72,868
Beginning Fund Balance	<u>2,553,192</u>	<u>1,964,675</u>	<u>47,012</u>	<u>667,851</u>	<u>5,232,730</u>
Ending Fund Balance	<u>\$ 2,635,169</u>	<u>\$ 1,737,200</u>	<u>\$ 41,939</u>	<u>\$ 891,290</u>	<u>\$ 5,305,598</u>

See accompanying notes to the basic financial statements

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

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

June 30, 2014

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** \$ 72,868

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capitalized expenditures	\$ 1,153,556	
Loss on fixed asset disposal	(17,735)	
Depreciation expense	<u>(2,880,806)</u>	
Net adjustment		(1,744,985)

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

Accrued interest	(8,477)	
Compensated absences	<u>(66,653)</u>	(75,130)

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

Bond and notes payable principal		497,000
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Special assessments	(6,539)	
Property taxes	<u>(356,423)</u>	<u>(362,962)</u>

Governmental Funds Change in Net Position		(1,613,209)
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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>(32,393)</u>
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<b>Change in Net Position - Governmental Activities</b>		<b><u>\$ (1,645,602)</u></b>
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See accompanying notes to the basic financial statements

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

**STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2014**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NON-MAJOR BUILDING FUND	TOTAL	INTERNAL SERVICES FUND
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ 1,254,176	\$ 787,690	\$ 274,588	\$ 2,316,454	\$ 259,556
Accounts, net of allowances	488,994	73,784	-	562,778	-
Prepaid items	24	-	636	660	215
Supply inventory	156,932	-	-	156,932	-
Total Current Assets	<u>1,900,126</u>	<u>861,474</u>	<u>275,224</u>	<u>3,036,824</u>	<u>259,771</u>
Noncurrent Assets					
Capital assets not being depreciated	2,023,752	370,645	-	2,394,397	-
Capital assets being depreciated, net	19,008,114	7,347,859	-	26,355,973	612,729
Total Noncurrent Assets	<u>21,031,866</u>	<u>7,718,504</u>	<u>-</u>	<u>28,750,370</u>	<u>612,729</u>
Total Assets	<u>22,931,992</u>	<u>8,579,978</u>	<u>275,224</u>	<u>31,787,194</u>	<u>872,500</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	108,745	11,270	58,427	178,442	20,378
Developer and customer deposits	-	-	34,165	34,165	-
Accrued interest	93,762	-	-	93,762	-
Current Portion of Long-Term Debt					
SDC Obligations	485	-	-	485	-
Notes payable	196,776	-	-	196,776	-
Financing agreement	8,486	19,801	-	28,287	-
Compensated absences	7,974	1,644	867	10,485	18,950
Total Current Portion of Long-Term Debt	<u>213,721</u>	<u>21,445</u>	<u>867</u>	<u>236,033</u>	<u>18,950</u>
Total Current Liabilities	<u>416,228</u>	<u>32,715</u>	<u>93,459</u>	<u>542,402</u>	<u>39,328</u>
Long-Term Liabilities					
SDC Obligations	3,424	939	-	4,363	-
Financing agreement	16,814	39,231	-	56,045	-
Notes payable	5,311,148	-	-	5,311,148	-
Compensated absences	7,973	1,644	868	10,485	18,949
Total Long-Term Liabilities	<u>5,339,359</u>	<u>41,814</u>	<u>868</u>	<u>5,382,041</u>	<u>18,949</u>
Total Liabilities	<u>5,755,587</u>	<u>74,529</u>	<u>94,327</u>	<u>5,924,443</u>	<u>58,277</u>
<b>NET POSITION</b>					
Net investment in capital assets	15,494,733	7,658,533	-	23,153,266	612,729
Restricted for:					
Utility System Enhancements (SDCs)	392,033	162,449	-	554,482	-
Unrestricted	1,289,639	684,467	180,897	2,155,003	201,494
Total Net Position	<u>\$ 17,176,405</u>	<u>\$ 8,505,449</u>	<u>\$ 180,897</u>	<u>\$ 25,862,751</u>	<u>\$ 814,223</u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2014**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NON-MAJOR BUILDING FUND	TOTAL	INTERNAL SERVICES FUND
<b>OPERATING REVENUES</b>					
Charges for services	\$ 2,887,364	\$ 819,915	\$ 202,163	\$ 3,909,442	\$ 1,174,225
Miscellaneous	29,964	1,684	1,843	33,491	11,392
Total Operating Revenue	<u>2,917,328</u>	<u>821,599</u>	<u>204,006</u>	<u>3,942,933</u>	<u>1,185,617</u>
<b>OPERATING EXPENSES</b>					
Public works equipment rental operations	-	-	-	-	1,069,356
Utility operations	2,243,056	726,490	-	2,969,546	-
Building inspection services	-	-	161,975	161,975	-
Depreciation	494,554	222,258	-	716,812	100,229
Total Operating Expenses	<u>2,737,610</u>	<u>948,748</u>	<u>161,975</u>	<u>3,848,333</u>	<u>1,169,585</u>
Total Operating Income (Loss)	<u>179,718</u>	<u>(127,149)</u>	<u>42,031</u>	<u>94,600</u>	<u>16,032</u>
<b>NONOPERATING INCOME (LOSS)</b>					
Interest expense	(394,772)	(11,500)	-	(406,272)	-
Investment earnings	6,158	3,738	1,043	10,939	1,588
Gain/loss on assets	-	-	-	-	29,987
Total Nonoperating Income (Loss)	<u>(388,614)</u>	<u>(7,762)</u>	<u>1,043</u>	<u>(395,333)</u>	<u>31,575</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>					
System development charges capital contributions	112,690	52,834	-	165,524	-
Transfers out	-	-	-	-	(80,000)
Total Transfers and Contributions	<u>112,690</u>	<u>52,834</u>	<u>-</u>	<u>165,524</u>	<u>(80,000)</u>
Change in Net Position	(96,206)	(82,077)	43,074	(135,209)	(32,393)
Beginning 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>
Ending Net Position	<u>\$ 17,176,405</u>	<u>\$ 8,505,449</u>	<u>\$ 180,897</u>	<u>\$ 25,862,751</u>	<u>\$ 814,223</u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2014**

	WATER FUND	STORMWATER FUND	NON-MAJOR BUILDING FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
<b>Cash Flows from Operating Activities</b>					
Received from customers	\$ 3,019,154	\$ 827,259	\$ 204,006	\$ 4,050,419	\$ 38,317
Received from interfund services provided	-	-	-	-	1,147,300
Paid for interfund services provided	(707,000)	(264,000)	-	(971,000)	-
Paid to suppliers	(928,075)	(195,650)	19,270	(1,104,455)	(817,521)
Paid to employees	(629,886)	(203,988)	(146,396)	(980,270)	(360,889)
Net cash provided	<u>754,193</u>	<u>163,621</u>	<u>76,880</u>	<u>994,694</u>	<u>7,207</u>
<b>Cash Flows from Noncapital and Related Financing Activities</b>					
Transfers to other funds	-	-	-	-	(80,000)
<b>Cash Flows from Capital and Related Financing Activities</b>					
Capital contributions	112,690	52,834	-	165,524	-
Purchase of capital assets	(19,481)	(52,737)	-	(72,218)	(99,658)
Proceeds from sale of capital assets	-	(11,500)	-	(11,500)	29,987
Interest paid on capital debt	(301,010)	-	-	(301,010)	-
Long-term debt payments	3,377	(11,846)	-	(8,469)	-
Net cash (used)	<u>(204,424)</u>	<u>(23,249)</u>	<u>-</u>	<u>(227,673)</u>	<u>(69,671)</u>
<b>Cash Flows from Investing Activities</b>					
Interest on investments	6,158	3,738	1,043	10,939	1,588
<b>Net (Decrease) Increase in Cash and Investments</b>	555,927	144,110	77,923	777,960	(140,876)
<b>Cash and Investments Beginning of Year</b>	<u>698,249</u>	<u>643,580</u>	<u>196,665</u>	<u>1,538,494</u>	<u>400,432</u>
<b>End of Year</b>	<u>\$ 1,254,176</u>	<u>\$ 787,690</u>	<u>\$ 274,588</u>	<u>\$ 2,316,454</u>	<u>\$ 259,556</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>					
Operating Income	\$ 179,718	\$ (127,149)	\$ 42,031	\$ 94,600	\$ 16,032
Depreciation and amortization	494,554	222,258	-	716,812	100,229
(Increase) Decrease in prepaid expenses	554	382	(636)	300	5,716
(Increase) Decrease in customer deposits	-	-	2,416	2,416	-
(Increase) Decrease in inventory	15,691	-	-	15,691	-
(Increase) Decrease in receivables	101,826	5,660	-	107,486	-
(Increase) Decrease in compensated absences	(3,186)	(2,426)	1,538	(4,074)	(4,081)
(Increase) Decrease in payables	(34,964)	64,896	31,531	61,463	(110,689)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 754,193</u>	<u>\$ 163,621</u>	<u>\$ 76,880</u>	<u>\$ 994,694</u>	<u>\$ 7,207</u>

See accompanying notes to the basic financial statements

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**THE FINANCIAL REPORTING ENTITY**

The City of Central Point is a municipal corporation governed by an elected mayor and six-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable, as defined under GASB Statement 39. 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. For the most part Interfund services provided and used are eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* are those costs, usually administrative in nature, that support all City functions and programs and enable direct services to be provided. Program revenues include 1) charges for services that 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 the proprietary funds. Basis of accounting refers to when revenues, expenditures, expenses, and transfers - and assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recognized in the accounts and reported in the financial statements.

Exchange transactions are recognized when the exchange takes place. Nonexchange transactions are recognized in accordance with the nature of the nonexchange transaction. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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.

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

The government report the following non-major governmental funds:

**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.

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

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

The government reports the following major proprietary 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.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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 and contributions. Internally dedicated resources and all taxes are reported as *general revenues* rather than as program revenues. likewise general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's internal service fund is charges to other departments for sales and services. Operating expenses for the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Beginning in the current fiscal year, all systems development charges ("SDCs") are considered to be capital contributions and reported as nonoperating revenue. In prior years these SDC s were considered charges for services and reported as operating revenue in the Proprietary Funds

**BUDGETS**

The City budgets all funds as required by Oregon State Budget Law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Expenditure budgets for the Reserve Fund, Debt Service Fund 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.

Budget amounts presented herein are as originally adopted and amended by the City Council. There was one amendment resolution during the year. The resolution was done to account for unanticipated grant funding for the High Tech Crime Unit Fund. Budget appropriations lapse at year end.

The City budgets all funds on the modified accrual basis of accounting.

**ESTIMATES**

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**ASSETS, LIABILITIES, AND NET POSITION OR EQUITY**

**Cash and Investments**

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

**Receivables and Payables**

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

Receivables are assessed for collectability and allowances for doubtful collection are recorded as necessary. Receivables for federal and state grants, and state, county and local shared revenue are recorded as revenue in all funds as earned. The receivables for state, county and local shared revenue are recorded in accounts receivable.

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

**Interfund Activities**

Interfund activities include charges for services and operating transfers

**Supplies Inventories**

Supply inventory in the proprietary fund types are stated at the lower of cost or market, using the first-in/first-out (FIFO) method, or market, when consumed rather than when purchased.

**Prepaid Expenses**

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

**Capital Assets**

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

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, 2014, 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 liability for a portion of these amounts is reported in the governmental funds and the remainder in the government-wide statements in accordance with GASB No. 16 *Accounting for Compensated Absences*.

**Deferred Inflow of resources**

The statement of financial position will reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, occupancy taxes, franchise fees and rehabilitation loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Long-term Obligations**

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

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

**Net Position**

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

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

**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.

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

**Statement of Cash Flows**

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

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

**2. CASH AND INVESTMENTS**

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

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

	<b>2014</b>
Petty cash	\$ 1,150
Demand deposits	60,648
Investments - FSA	4,000
Investments	<u>8,183,423</u>
Total	<u>\$ 8,249,221</u>

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

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

**Custodial Credit Risk** - The City's cash and investment balances are exposed to Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2014, none of the City's bank balances were exposed to credit risk.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized and may be subject to credit risk. 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, 2014.

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

**3. RECEIVABLES**

Receivables as of the year ended June 30, 2014, 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. Special assessment payments received have proved sufficient to cover the scheduled debt repayments to date. The City expects to ultimately collect all special assessments. 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 Activities</u>	<u>Governmental Funds</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
Current:			
Accounts, net	\$ 478,192	\$ 478,192	\$ -
Property taxes	<u>357,826</u>	<u>357,826</u>	<u>-</u>
Total current	<u>836,018</u>	<u>836,018</u>	<u>-</u>
Long-term:			
Special assessments	168,879	-	168,879
State of Oregon	<u>307,449</u>	<u>162,864</u>	<u>144,585</u>
Total long-term	<u>476,328</u>	<u>162,864</u>	<u>313,464</u>
Total	<u>\$ 1,312,346</u>	<u>\$ 998,882</u>	<u>\$ 313,464</u>
		<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<u>Business-type Activities</u>	<u>Proprietary Fund</u>		
Current:			
Accounts, net	<u>\$ 562,778</u>	<u>\$ 562,778</u>	<u>\$ -</u>

**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, 2014 are as follows:

	<u>Balance Beginning Of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End Of Year</u>
<b>Governmental Activities:</b>				
<b>Not being depreciated</b>				
Land	\$ 5,345,702	\$ -	\$ -	\$ 5,345,702
Work in process	880,055	69,586	(559,652)	389,989
Land use rights	42,815	-	-	42,815
Total	<u>6,268,572</u>	<u>69,586</u>	<u>(559,652)</u>	<u>5,778,506</u>
<b>Being depreciated</b>				
Buildings	5,061,244	45,265	-	5,106,509
Software	59,255	75,282	-	134,537
Computers	443,654	23,573	(21,856)	445,371
Equipment and vehicles	670,203	-	(36,934)	633,269
Infrastructure	84,107,257	1,499,500	-	85,606,757
Total	<u>90,341,613</u>	<u>1,643,620</u>	<u>(58,790)</u>	<u>91,926,443</u>
<b>Accumulated depreciation</b>				
Buildings	(1,530,937)	(119,261)	-	(1,650,198)
Software	-	(12,992)	-	(12,992)
Computers	(140,670)	(77,797)	14,660	(203,807)
Equipment and vehicles	(420,202)	(45,623)	26,396	(439,429)
Infrastructure	(49,289,434)	(2,625,132)	-	(51,914,566)
Total	<u>(51,381,243)</u>	<u>(2,880,805)</u>	<u>41,056</u>	<u>(54,220,992)</u>
<b>Governmental Capital Assets, Net</b>	<u>\$ 45,228,942</u>	<u>\$ (1,167,599)</u>	<u>\$ (577,386)</u>	<u>\$ 43,483,957</u>
<b>Internal Service Fund:</b>				
<b>Being depreciated</b>				
Buildings	267,912	-	-	267,912
Equipment and vehicles	1,085,822	99,659	(75,216)	1,110,265
Infrastructure	18,000	-	-	18,000
Total	<u>1,371,734</u>	<u>99,659</u>	<u>(75,216)</u>	<u>1,396,177</u>
<b>Accumulated depreciation</b>				
Buildings	(91,229)	(9,110)	-	(100,339)
Equipment and vehicles	(664,145)	(90,760)	75,216	(679,689)
Infrastructure	(3,060)	(360)	-	(3,420)
Total	<u>(758,434)</u>	<u>(100,230)</u>	<u>75,216</u>	<u>(783,448)</u>
<b>Internal Service Fund Capital Assets, Net</b>	<u>\$ 613,300</u>	<u>\$ (571)</u>	<u>\$ -</u>	<u>\$ 612,729</u>

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

**4. CAPITAL ASSETS, continued**

	<u>Balance Beginning Of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End Of Year</u>
<b>Business-type Activities:</b>				
<b>Not being depreciated</b>				
Land	\$ 1,943,024	\$ -	\$ -	\$ 1,943,024
Work in process	233,046	33,807	(116,147)	150,706
Land use rights	300,666	-	-	300,666
Total	<u>2,476,736</u>	<u>33,807</u>	<u>(116,147)</u>	<u>2,394,396</u>
<b>Being depreciated</b>				
Computers	-	-	-	-
Equipment and vehicles	83,731	-	(7,784)	75,947
Infrastructure	36,611,403	45,265	-	36,656,668
Total	<u>36,695,134</u>	<u>45,265</u>	<u>(7,784)</u>	<u>36,732,615</u>
<b>Accumulated depreciation</b>				
Computers	-	-	-	-
Equipment and vehicles	(17,892)	(9,435)	7,784	(19,543)
Infrastructure	(9,649,721)	(707,377)	-	(10,357,098)
Total	<u>(9,667,613)</u>	<u>(716,812)</u>	<u>7,784</u>	<u>(10,376,641)</u>
<b>Business-type Capital Assets, Net</b>	<u>\$ 29,504,257</u>	<u>\$ (637,740)</u>	<u>\$ (116,147)</u>	<u>\$ 28,750,370</u>

Part of the reduction in construction in progress is due to \$116,147 of expenditures deemed not to be capitalizable in the current year.

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	\$ 881,677	\$ -
Public Safety	1,220,128	-
Highways and Streets	410,489	-
Parks and Recreation	368,512	-
Internal Service Fund - charged to various functions based on usage	100,229	-
Water	-	494,554
Stormwater	-	222,258
Total	<u>\$ 2,981,035</u>	<u>\$ 716,812</u>

**5. LONG-TERM DEBT**

At June 30, 2014, 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 total borrowing that financed the costs of engineering and construction was \$5,507,924. During 2013-14 an interest only payment of \$292,510 was made. Beginning in 2014-15, the City 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.

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

**5. LONG-TERM DEBT, continued**

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. The final payment is scheduled for 2018.

During 2007-08, the City entered into a limited tax 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 certificate of participation 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. The final payment is scheduled for 2025.

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, 2014 is related to capital assets.

Changes in the City's long-term debt during the fiscal year ending June 30, 2014:

	<u>Balance 7/1/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2014</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<b>Governmental Activities</b>						
Limited tax bond	\$ 267,491	\$ -	\$ (50,000)	\$ 217,491	\$ 50,000	\$ 167,491
Financing agreement	813,902	-	(206,234)	607,668	192,713	414,955
Certificates of participation	1,845,000	-	(120,000)	1,725,000	125,000	1,600,000
SDC obligations	572,001	5,096	(43,938)	533,159	53,316	479,843
Don Jones Park agreement	770,000	-	(115,000)	655,000	120,000	535,000
<b>Total</b>	<u>\$ 4,268,394</u>	<u>\$ 5,096</u>	<u>\$(535,172)</u>	<u>\$3,738,318</u>	<u>\$ 541,029</u>	<u>\$3,197,289</u>
<b>Business-Type Activities</b>						
Financing agreement	\$ 90,098	\$ -	\$ (5,766)	\$ 84,332	\$ 28,287	\$ 56,045
State of Oregon Note payable	5,507,924	-	-	5,507,924	196,776	5,311,148
SDC obligations	7,551	9,435	(12,138)	4,848	485	4,363
<b>Total</b>	<u>\$ 5,605,573</u>	<u>\$ 9,435</u>	<u>\$(17,904)</u>	<u>\$5,597,104</u>	<u>\$ 225,548</u>	<u>\$5,371,556</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>
2014-15	\$ 50,000	\$ 12,358	\$ 192,713	\$ 38,222	\$ 125,000	\$ 65,613
2015-16	50,000	10,048	203,541	30,377	130,000	61,213
2016-17	50,000	7,738	211,414	22,130	135,000	56,508
2017-18	50,000	5,428	-	-	145,000	51,395
2018-19	17,491	2,714	-	-	150,000	45,863
2019 to 2023	-	-	-	-	845,000	133,072
2023 to 2025	-	-	-	-	195,000	4,193
<b>Total</b>	<b>\$ 217,491</b>	<b>\$ 38,286</b>	<b>\$ 607,668</b>	<b>\$ 90,729</b>	<b>\$ 1,725,000</b>	<b>\$ 417,857</b>

	<u>Don Jones Park Agreement</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>
2014-15	\$ 120,000	\$ 23,800	\$ 53,316	\$ -	\$ 541,029	\$ 391,513
2015-16	125,000	18,900	53,316	-	561,857	402,441
2016-17	130,000	13,800	53,316	-	579,730	410,214
2017-18	135,000	8,500	53,316	-	383,316	203,500
2018-19	145,000	2,900	53,316	-	365,807	170,391
2019 to 2023	-	-	266,579	-	1,111,579	845,000
2023 to 2025	-	-	-	-	195,000	195,000
<b>Total</b>	<b>\$ 655,000</b>	<b>\$ 67,900</b>	<b>\$ 533,159</b>	<b>\$ -</b>	<b>\$ 3,738,318</b>	<b>\$ 2,618,059</b>

**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:

	<b>Financing Agreement</b>		<b>State of Oregon Note Payable</b>		<b>SDC Obligations</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2014-15	\$ 28,287	\$ 2,875	\$ 196,776	\$ 187,269	\$ 485	\$ -
2015-16	26,459	1,761	203,466	180,579	485	-
2016-17	29,586	584	210,384	173,661	485	-
2017-18	-	-	217,537	166,508	485	-
2018-19	-	-	224,933	159,112	485	-
2019 to 2023	-	-	1,244,717	675,509	2,423	-
2023 to 2034	-	-	3,210,111	630,340	-	-
<b>Total</b>	<b>\$ 84,332</b>	<b>\$ 5,220</b>	<b>\$ 5,507,924</b>	<b>\$ 2,172,978</b>	<b>\$ 4,848</b>	<b>\$ -</b>

	<b>Total Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2014-15	\$ 225,548	\$ 190,144
2015-16	230,410	182,340
2016-17	240,455	174,245
2017-18	218,022	166,508
2018-19	225,418	159,112
2019 to 2023	1,247,140	675,509
2023 to 2025	3,210,111	630,340
<b>Total</b>	<b>\$ 5,597,104</b>	<b>\$ 2,178,198</b>

**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, 2014, was \$63,196. Future minimum lease payments under non-cancelable operating leases are as follows:

<b>Years Ending June 30,</b>	<b>Amounts</b>
2015	\$ <u>48,114</u>

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

**7. COMPENSATED ABSENCES**

During the year ended June 30, 2014, the changes in the City's vested compensated absences obligation to employees were as follows:

	<u>Balance 7/1/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 7/1/14</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<b>Governmental Activities</b>						
Governmental Funds	\$ 386,538	\$ 340,307	\$ (356,254)	\$ 370,591	\$ 111,177	\$ 259,414
Internal Service Fund	41,981	34,719	(38,801)	37,899	18,950	18,949
<b>Total</b>	<u>\$ 428,519</u>	<u>\$ 375,026</u>	<u>\$ (395,055)</u>	<u>\$ 408,490</u>	<u>\$ 130,127</u>	<u>\$ 278,363</u>
<b>Business-Type Activities</b>						
Proprietary Funds	\$ 25,044	\$ 6,202	\$ (10,276)	\$ 20,970	\$ 10,485	\$ 10,485
<b>Combined Total</b>	<u>\$ 453,563</u>	<u>\$ 381,228</u>	<u>\$ (405,331)</u>	<u>\$ 429,460</u>	<u>\$ 140,612</u>	<u>\$ 288,848</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, 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>Debt Service Fund</u>	<u>Non Major Governmental Funds</u>		
<u>Transfer Out</u>		<u>High Tech Crime Unit Fund</u>	<u>Reserve Fund</u>	
General Fund	\$ 98,500	\$ -	\$ -	\$ 98,500
Street Fund	55,300	-	-	55,300
Nonmajor governmental funds (Capital Improvement Fund)	45,000	20,000	-	65,000
Internal Service Fund	-	-	80,000	80,000
<b>Total</b>	<u>\$ 198,800</u>	<u>\$ 20,000</u>	<u>\$ 80,000</u>	<u>\$ 298,800</u>

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 High Tech Crime Unit Fund was for operating expenses. The transfer from the Internal Service Fund to the Reserve Fund was to provide resources for future capital expenditure

There are no outstanding interfund balances.

**CITY OF CENTRAL POINT  
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NOTES TO BASIC FINANCIAL STATEMENTS**

**9. GOVERNMENTAL FUND BALANCES**

Governmental fund balance components at June 30, 2014 are:

<u>Fund Balance Components</u>	<u>General Fund</u>	<u>Street Fund</u>	<u>Debt Service Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
Nonspendable	\$ 6,506	\$ 483	\$ -	\$ -	\$ 6,989
Restricted:					
Loan Agreements	-	-	41,939	-	41,939
State Law - SDCs	-	1,603,202	-	139,393	1,742,595
Grant Funds	-	-	-	181,928	181,928
Total	<u>-</u>	<u>1,603,202</u>	<u>41,939</u>	<u>321,321</u>	<u>1,966,462</u>
Committed:					
Council resolution/ordinances:					
Street maintenance	-	133,515	-	-	133,515
Future capital assets	-	-	-	569,969	569,969
Total	<u>-</u>	<u>133,515</u>	<u>-</u>	<u>569,969</u>	<u>703,484</u>
Assigned:					
2014-15 Budget	2,098,460	-	-	-	2,098,460
Unassigned	<u>530,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>530,203</u>
Total fund balance components	<u>\$ 2,635,169</u>	<u>\$ 1,737,200</u>	<u>\$ 41,939</u>	<u>\$ 891,290</u>	<u>\$ 5,305,598</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.

**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.

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

**11. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued**

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

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

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

Funding Policy - Plan members are required to contribute 6% of their annual covered salary but the City has elected to pay this contribution on their behalf. The City is required by ORS 238.225 to contribute at an actuarially determined rate. The 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. The December 31, 2013 Actuarial Valuation Report set contribution rates effective for the period July 1, 2013 to June 30, 2015 at 15.08% for Tier I and Tier II employees, 10.25% for OPSRP general service employees, and 12.98% for OPSRP police and fire employees.

Annual Pension Cost - For the fiscal years ending June 30, 2014, 2013, and 2012 the City's annual pension costs of \$855,682, \$839,727, and \$824,702 were equal to the City's required and actual contributions. The required contributions and liabilities were determined as part of the December 31, 2013 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**

During 2013-14 new GASB pronouncements were issued and became effective and were implemented into the City's presentations and disclosures contained in the City's financial statements. The new GASB pronouncements that were applicable 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  
NOTES TO BASIC FINANCIAL STATEMENTS**

**14. FUTURE REPORTING CHANGES**

The City is a participating employer in the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension plan. Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions – An amendment of GASB Statement No. 27* will require individual public employers to provide greater detail regarding their pension-related obligations on financial statements. Currently, the City reports pension expense as the amount of contributions paid to OPERS. Beginning with fiscal year 2015, financial reports will show the pension expense as the change in their share of OPERS' unfunded actuarial liability (UAL). Implementation of GASB 68 will require a prior period adjustment to the Statement of Net Position reducing net position by the June 30, 2014 UAL.

Required supplementary information under the new standard will include 10-year schedules containing (1) the net pension liability and certain related ratios and (2) if applicable, information about statutorily or contractually required contributions, contributions to the pension plan, and related ratios.

**15. PRIOR PERIOD RESTATEMENT**

In the year ended June 30, 2014 the City implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The implementation of GASB Statement Number 65 resulted in the write off of unamortized bond costs of \$47,819. In accordance with the implementation guidance of GASB Statement 65, the statement was applied retroactively by restating the City's beginning net position of its Government Activities at July 1, 2013 as follows:

	Bond issuance cost net
Ending net position, June 30, 2013:	
As previously reported	\$ 48,018,785
Unamortized bond issue cost expensed	(47,819)
Ending net position, June 30, 2013 as restated	\$ 47,970,966

**16. SUBSEQUENT EVENTS**

Due to favorable interest rates, that will ultimately save the City \$118,375 of interest payments, the City refinanced the 2004, 2007, and 2008 issued debt with the proceeds of a Series 2014 issue in October 2014. The total amount of the new debt of the 2014 issue is \$2,693,200 and bears interest at 2.49%. The June 30, 2014 balances of debt refinanced and their related interest rates were - \$1,725,000 at 3.5% to 4.3% (2004). \$217,491 at 4.62% (2007), and \$655,000 at 4.05% (2008). The old debt will be paid in full. .



**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**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2014**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Taxes	\$ 5,928,500	\$ 5,928,500	\$ 5,984,972	\$ 56,472
Licenses and permits	52,670	52,670	55,925	3,255
Intergovernmental	653,400	653,400	520,389	(133,011)
Charges for services	816,500	816,500	849,497	32,997
Fines and forfeitures	147,500	147,500	140,096	(7,404)
Investment earnings	30,000	30,000	30,953	953
Miscellaneous	141,100	141,100	239,214	98,114
<b>Total Revenues</b>	<b>7,769,670</b>	<b>7,769,670</b>	<b>7,821,046</b>	<b>51,376</b>
Expenditures:				
Mayor & Council	59,750	59,750	49,412	10,338
Administration	668,600	668,600	644,571	24,029
Technical services	555,500	555,500	498,410	57,090
City enhancement	199,000	199,000	191,335	7,665
Finance	870,900	870,900	762,600	108,300
Interdepartmental	236,000	236,000	122,986	113,014
Parks and recreation - parks	785,400	785,400	734,823	50,577
Parks and recreation - recreation	495,350	495,350	452,723	42,627
Planning	462,800	462,800	371,977	90,823
Police	4,010,440	4,010,440	3,811,732	198,708
Contingency	150,000	150,000	-	150,000
<b>Total Expenditures</b>	<b>8,493,740</b>	<b>8,493,740</b>	<b>7,640,569</b>	<b>853,171</b>
Excess of Revenues Over (Under) Expenditures	16,263,410	(724,070)	180,477	904,547
Other Financing Sources (Uses):				
Transfers out	(98,500)	(98,500)	(98,500)	-
<b>Net Change in Fund Balance</b>	<b>(822,570)</b>	<b>(822,570)</b>	<b>81,977</b>	<b>904,547</b>
<b>Beginning Fund Balance</b>	<b>2,518,770</b>	<b>2,518,770</b>	<b>2,553,192</b>	<b>34,422</b>
<b>Ending Fund Balance</b>	<b>\$ 1,696,200</b>	<b>\$ 1,696,200</b>	<b>\$ 2,635,169</b>	<b>\$ 938,969</b>
Current:				
General government			\$ 2,641,291	
Public safety			3,811,732	
Parks and recreation			1,187,546	
<b>Total</b>			<b>\$ 7,640,569</b>	

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

**STREET FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2014**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
Revenues:				
Taxes	\$ 105,000	\$ 105,000	\$ 115,708	\$ 10,708
Intergovernmental	1,413,000	1,413,000	1,411,268	(1,732)
Charges for services	487,500	487,500	631,555	144,055
Investment earnings	15,000	15,000	9,574	(5,426)
Miscellaneous	<u>3,000</u>	<u>3,000</u>	<u>18,888</u>	<u>15,888</u>
Total Revenues	<u>2,023,500</u>	<u>2,023,500</u>	<u>2,186,993</u>	<u>163,493</u>
Expenditures:				
Street operations	2,030,800	2,108,200	2,052,981	55,219
SDC streets	<u>247,700</u>	<u>310,000</u>	<u>306,187</u>	<u>3,813</u>
Total Expenditures	<u>2,278,500</u>	<u>2,418,200</u>	<u>2,359,168</u>	<u>59,032</u>
Excess of Revenues Over (Under) Expenditures	<u>4,302,000</u>	<u>(394,700)</u>	<u>(172,175)</u>	<u>222,525</u>
Other Financing Sources (Uses):				
Transfers out	(32,600)	(55,300)	(55,300)	-
Contingency	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balance	(387,600)	(550,000)	(227,475)	322,525
Beginning Fund Balance	<u>1,897,500</u>	<u>2,092,500</u>	<u>1,964,675</u>	<u>(127,825)</u>
Ending Fund Balance	<u>\$ 1,409,900</u>	<u>\$ 1,442,500</u>	<u>\$ 1,737,200</u>	<u>\$ 294,700</u>
Current:				
Highways and streets			<u>\$ 2,359,168</u>	



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

**SUPPLEMENTARY INFORMATION**

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

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

**DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2014**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Intergovernmental	\$ 162,900	\$ 162,900	\$ 162,864	\$ (36)
Charges for services	591,500	591,500	223,362	(368,138)
Assessments	60,050	60,050	51,567	(8,483)
Investment earnings	250	250	325	75
Total Revenues	814,700	814,700	438,118	(376,582)
Expenditures:				
Debt service	1,009,650	1,009,650	641,991	367,659
Total Expenditures	1,009,650	1,009,650	641,991	367,659
Excess of Revenues Over (Under) Expenditures	1,824,350	(194,950)	(203,873)	(8,923)
Other Financing Sources (Uses):				
Transfers in	198,800	198,800	198,800	-
Net Change in Fund Balance	3,850	3,850	(5,073)	(8,923)
Beginning Fund Balance	21,900	21,900	47,012	25,112
Ending Fund Balance	\$ 25,750	\$ 25,750	\$ 41,939	\$ 16,189
Current:				
Debt service:				
Principal			\$ 497,000	
Interest			144,991	
Total			\$ 641,991	

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

**NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
For the Fiscal Year Ended June 30, 2014**

	High Tech Crime Unit Fund	Reserve Fund	Capital Improvement Fund	Total
<b>Assets:</b>				
Cash and investments	\$ 186,639	\$ 569,969	\$ 108,100	\$ 864,708
Receivables	-	-	33,000	33,000
<b>Total Assets:</b>	<u>\$ 186,639</u>	<u>\$ 569,969</u>	<u>\$ 141,100</u>	<u>\$ 897,708</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
Liabilities:				
Accounts payable	\$ 334	\$ -	\$ 1,707	\$ 2,041
Deferred Inflows of Resources:				
Unearned revenue	4,377	-	-	4,377
Fund Balances:				
Restricted	181,928	-	139,393	321,321
Committed	-	569,969	-	569,969
Total Fund Balances:	181,928	569,969	139,393	891,290
Total Liabilities, Deferred Inflows of Resources, and Fund Balances:	<u>\$ 186,639</u>	<u>\$ 569,969</u>	<u>\$ 141,100</u>	<u>\$ 897,708</u>

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

**NON-MAJOR GOVERNMENTAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2014**

	High Tech Crime Unit Fund	Reserve Fund	Capital Improvement Fund	Total
<b>REVENUES:</b>				
Intergovernmental	\$ 230,587	\$ -	\$ 33,000	\$ 263,587
Charges for services	-	-	141,737	141,737
Investment earnings	-	2,873	640	3,513
Miscellaneous	4,073	-	-	4,073
Total Revenues:	<u>234,660</u>	<u>2,873</u>	<u>175,377</u>	<u>412,910</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	135,532	-	-	135,532
Parks and recreation	-	-	88,939	88,939
Total Expenditures:	<u>135,532</u>	<u>-</u>	<u>88,939</u>	<u>224,471</u>
Excess of Revenues Over (Under) Expenditures	<u>99,128</u>	<u>2,873</u>	<u>86,438</u>	<u>188,439</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	20,000	80,000	-	100,000
Transfers out	-	-	(65,000)	(65,000)
Total Transfers:	<u>20,000</u>	<u>80,000</u>	<u>(65,000)</u>	<u>35,000</u>
Net Change in Fund Balance	119,128	82,873	21,438	223,439
Beginning Fund Balance	<u>62,800</u>	<u>487,096</u>	<u>117,955</u>	<u>667,851</u>
Ending Fund Balance	<u>\$ 181,928</u>	<u>\$ 569,969</u>	<u>\$ 139,393</u>	<u>\$ 891,290</u>

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

**HIGH TECH CRIME UNIT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2014**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Intergovernmental	\$ 50,000	\$ 200,000	\$ 230,587	\$ 30,587
Miscellaneous	-	-	4,073	4,073
Total Revenues	50,000	200,000	234,660	34,660
Expenditures:				
Public safety	96,500	246,500	135,532	110,968
Excess of Revenues Over (Under) Expenditures	146,500	(46,500)	99,128	145,628
Other Financing Sources (Uses):				
Transfers in	20,000	20,000	20,000	-
Net Change in Fund Balance	(26,500)	(26,500)	119,128	145,628
Beginning Fund Balance	35,200	35,200	62,800	27,600
Ending Fund Balance	\$ 8,700	\$ 8,700	\$ 181,928	\$ 173,228
Current:				
Public safety			\$ 135,532	

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

**RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2014**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
Revenues:				
Investment earnings	\$ 4,000	\$ 4,000	\$ 2,873	\$ (1,127)
Other Financing Sources (Uses):				
Transfers in	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net Change in Fund Balance	84,000	84,000	82,873	(1,127)
Beginning Fund Balance	<u>487,500</u>	<u>487,500</u>	<u>487,096</u>	<u>(404)</u>
Ending Fund Balance	<u>\$ 571,500</u>	<u>\$ 571,500</u>	<u>\$ 569,969</u>	<u>\$ (1,531)</u>

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

**CAPITAL IMPROVEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2014**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 33,000	\$ (17,000)
Charges for services	60,000	60,000	141,737	81,737
Investment earnings	760	760	640	(120)
Total Revenues	110,760	110,760	175,377	64,617
Expenditures:				
Capital Projects	37,000	37,000	36,941	59
SDC Capital Projects	52,000	52,000	51,998	2
Total Expenditures	89,000	89,000	88,939	61
Excess of Revenues Over (Under) Expenditures	199,760	21,760	86,438	64,678
Other Financing Sources (Uses):				
Transfers out	(65,000)	(65,000)	(65,000)	-
Net Change in Fund Balance	(43,240)	(43,240)	21,438	64,678
Beginning Fund Balance	88,940	88,940	117,955	29,015
Ending Fund Balance	\$ 45,700	\$ 45,700	\$ 139,393	\$ 93,693
Current:				
Parks and recreation			\$ 88,939	

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

**WATER FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2014**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Charges for services	\$ 2,850,000	\$ 2,850,000	\$ 3,000,054	\$ 150,054
Investment earnings	10,000	10,000	6,158	(3,842)
Miscellaneous	5,000	5,000	29,964	24,964
Total Revenues	2,865,000	2,865,000	3,036,176	171,176
Expenditures:				
Operations	2,657,500	2,657,500	2,637,613	19,887
SDC water improvements	5,000	5,000	371	4,629
Total Expenditures	2,662,500	2,662,500	2,637,984	24,516
Excess of Revenues Over (Under) Expenditures	5,527,500	202,500	398,192	195,692
Other Financing Sources (Uses):				
Contingency	(145,000)	(145,000)	-	145,000
Net Change in Fund Balance	57,500	57,500	398,192	340,692
Beginning Fund Balance	1,242,400	1,242,400	1,299,427	57,027
Ending Fund Balance	\$ 1,154,900	\$ 1,154,900	1,697,619	\$ 542,719
Reconciliation to Proprietary Net Position:				
Capital assets, net			21,031,866	
Long-term debt:				
Current portion			(213,721)	
Long-term portion			(5,339,359)	
Total			\$ 17,176,405	

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

**STORMWATER FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2014**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Charges for services	\$ 838,000	\$ 838,000	\$ 872,749	\$ 34,749
Investment earnings	5,000	5,000	3,738	(1,262)
Miscellaneous	-	-	1,684	1,684
Total Revenues	843,000	843,000	878,171	35,171
Expenditures:				
Operations	686,750	686,750	620,177	66,573
Stormwater quality	102,000	102,000	54,621	47,379
SDC stormwater improvements	41,500	41,500	15,194	26,306
Total Expenditures	830,250	830,250	689,992	140,258
Excess of Revenues Over (Under) Expenditures	1,673,250	12,750	188,179	175,429
Other Financing Sources (Uses):				
Contingency	(43,000)	(43,000)	-	43,000
Net Change in Fund Balance	(30,250)	(30,250)	188,179	218,429
Beginning Fund Balance	606,300	606,300	662,025	55,725
Ending Fund Balance	\$ 533,050	\$ 533,050	850,204	\$ 317,154
Reconciliation to Proprietary Net Position:				
Capital assets, net of depreciation			7,718,504	
Long-term debt:				
Current portion			(21,445)	
Long-term portion			(41,814)	
Total			\$ 8,505,449	

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

**INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2014**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Charges for services	\$ 1,157,300	\$ 1,154,800	\$ 1,174,225	\$ 19,425
Investment earnings	2,500	2,500	1,588	(912)
Miscellaneous	5,000	7,500	11,392	3,892
Proceeds from sale of assets	-	-	29,987	29,987
Total Revenues	1,164,800	1,164,800	1,217,192	52,392
Expenditures:				
Administration	685,750	685,750	605,843	79,907
Facilities Maintenance	284,000	284,000	237,539	46,461
Fleet Maintenance	294,800	294,800	287,732	7,068
Total Expenditures	1,264,550	1,264,550	1,131,114	133,436
Excess of Revenues Over (Under) Expenditures	2,429,350	(99,750)	86,078	185,828
Other Financing Sources (Uses):				
Transfers out	(80,000)	(80,000)	(80,000)	-
Net Change in Fund Balance	(179,750)	(179,750)	6,078	185,828
Beginning Fund Balance	314,800	314,800	233,315	(81,485)
Ending Fund Balance	\$ 135,050	\$ 135,050	239,393	\$ 104,343
Reconciliation to Proprietary Net Position:				
Capital assets, net of depreciation			612,729	
Long-term debt:				
Current portion			(18,950)	
Long-term portion			(18,949)	
Total			\$ 814,223	

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

**BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2014**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
Revenues:				
Charges for service	\$ 119,000	\$ 119,000	\$ 202,163	\$ 83,163
Investment earnings	1,500	1,500	1,043	(457)
Miscellaneous	-	-	1,843	1,843
Total Revenues	<u>120,500</u>	<u>120,500</u>	<u>205,049</u>	<u>84,549</u>
Expenditures:				
Personal services	157,000	157,000	146,199	10,801
Materials and services	14,100	14,100	14,041	59
Total Expenditures	<u>171,100</u>	<u>171,100</u>	<u>160,240</u>	<u>10,860</u>
Excess of Revenues Over (Under) Expenditures	<u>291,600</u>	<u>(50,600)</u>	<u>44,809</u>	<u>95,409</u>
Other Financing Sources (Uses):				
Contingency	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>	<u>2,500</u>
Net Change in Fund Balance	(53,100)	(53,100)	44,809	97,909
Beginning Fund Balance	<u>156,800</u>	<u>156,800</u>	<u>137,823</u>	<u>(18,977)</u>
Ending Fund Balance	<u>\$ 101,200</u>	<u>\$ 101,200</u>	182,632	<u>\$ 81,432</u>
Reconciliation to Proprietary Net Position:				
Compensated absences payable			<u>(1,735)</u>	
Total			<u>\$ 180,897</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, 2014**

<u>TAX YEAR</u>	<u>IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/2013</u>	<u>DISCOUNTS ALLOWED</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/2014</u>
Current:					
2013-14	\$ 4,610,815	\$ (114,066)	\$ (11,995)	\$ (4,308,261)	\$ 176,493
Prior Years:					
2012-13	195,508	(512)	(6,077)	(105,953)	82,966
2011-12	96,774	(845)	6,661	(49,926)	52,664
2010-11	51,441	(2,002)	8,312	(33,063)	24,688
2009-10	26,785	(247)	5,021	(24,688)	6,871
2008-09	7,610	(574)	1,046	(3,586)	4,496
2007-08	5,234	(705)	1,358	(2,380)	3,507
2006-07 & Prior	6,219	(343)	4,278	(4,013)	6,141
Total Prior	<u>389,571</u>	<u>(5,228)</u>	<u>20,599</u>	<u>(223,609)</u>	<u>181,333</u>
Total All Funds	<u>\$ 5,000,386</u>	<u>\$ (119,294)</u>	<u>\$ 8,604</u>	<u>\$ (4,531,870)</u>	<u>\$ 357,826</u>

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

**STATISTICAL SECTION**

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

**Financial Trends**

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

**Financial Trends**

- 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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Fiscal Year Ended June 30,</b>										
<b>Governmental activities</b>										
Net invested in capital assets	\$ 18,366,890	\$ 14,274,528	\$ 49,168,194	\$ 48,838,382	\$ 48,417,254	\$ 46,594,689	\$ 44,500,963	\$ 42,943,618	\$ 41,573,848	\$ 40,358,368
Restricted	2,708,036	78,455	1,614,643	1,851,088	4,751,603	4,302,082	1,197,631	2,653,745	2,650,004	2,465,786
Unrestricted	8,154,412	5,003,468	4,721,419	3,599,054	2,507,938	2,304,153	6,226,634	4,973,618	3,794,933	3,656,848
<b>Total governmental activities net assets</b>	<b>\$ 29,229,338</b>	<b>\$ 19,356,451</b>	<b>\$ 55,504,256</b>	<b>\$ 54,288,534</b>	<b>\$ 55,676,795</b>	<b>\$ 53,800,924</b>	<b>\$ 51,925,228</b>	<b>\$ 50,510,981</b>	<b>\$ 48,016,785</b>	<b>\$ 46,421,002</b>
<b>Business-type activities</b>										
Net invested in capital assets	-	-	22,984,016	23,251,411	23,619,580	23,955,986	23,676,805	23,526,695	23,898,684	23,153,266
Restricted	-	-	2,645,236	2,357,084	2,354,177	1,816,743	1,816,743	201,433	305,848	554,482
Unrestricted	-	-	1,429,915	1,378,880	956,608	445,095	502,475	2,061,984	1,793,428	2,155,003
<b>Total business-type activities net assets</b>	<b>-</b>	<b>-</b>	<b>\$ 27,069,167</b>	<b>\$ 26,987,375</b>	<b>\$ 26,930,365</b>	<b>\$ 26,217,824</b>	<b>\$ 25,996,023</b>	<b>\$ 25,790,312</b>	<b>\$ 25,997,960</b>	<b>\$ 25,862,761</b>
<b>Primary government</b>										
Net invested in capital assets	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	63,511,634
Restricted	2,708,036	78,455	4,259,879	4,208,172	7,105,780	6,118,825	3,014,374	2,855,178	2,955,852	2,960,278
Unrestricted	8,154,412	5,003,468	6,151,334	4,977,944	3,464,546	3,349,248	6,729,109	6,975,602	5,588,361	5,811,851
<b>Total primary government</b>	<b>\$ 29,229,338</b>	<b>\$ 19,356,451</b>	<b>\$ 82,573,423</b>	<b>\$ 81,275,909</b>	<b>\$ 82,607,160</b>	<b>\$ 80,018,748</b>	<b>\$ 77,921,251</b>	<b>\$ 76,301,293</b>	<b>\$ 74,016,745</b>	<b>\$ 72,283,763</b>

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

Fiscal Years Ended June 30,	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 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	\$ 2,753,719
Public safety	1,652,909	3,747,234	3,635,878	3,408,746	3,432,492	3,546,951	3,650,777	3,831,436	4,041,554	3,972,593
Highways and streets	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	3,726,934
Parks and recreation	912,296	1,265,213	1,192,426	1,051,386	1,104,829	1,204,106	1,071,328	1,368,369	1,455,619	1,470,929
Interest on long term debt	63,399	195,475	108,068	169,560	174,600	228,498	370,303	203,134	184,837	153,468
<b>Total governmental activities net assets</b>	<b>\$ 9,664,943</b>	<b>\$ 12,656,980</b>	<b>\$ 13,720,232</b>	<b>\$ 12,463,721</b>	<b>\$ 11,339,638</b>	<b>\$ 12,357,558</b>	<b>\$ 12,724,952</b>	<b>\$ 12,788,572</b>	<b>\$ 13,757,627</b>	<b>\$ 12,077,643</b>
<b>Business-type activities</b>										
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	\$ 3,132,382
Stormwater services	-	-	541,127	790,686	613,368	675,609	787,799	712,514	800,860	960,248
Building services	-	905,181	788,695	504,341	209,814	153,638	148,381	123,545	119,440	161,975
<b>Total business-type activities net assets</b>	<b>\$ -</b>	<b>\$ 3,636,748</b>	<b>\$ 3,386,845</b>	<b>\$ 3,585,392</b>	<b>\$ 3,218,585</b>	<b>\$ 3,467,855</b>	<b>\$ 3,374,507</b>	<b>\$ 3,474,748</b>	<b>\$ 3,545,332</b>	<b>\$ 4,254,605</b>
<b>Program revenues</b>										
<b>Governmental activities:</b>										
Charges for services										
General Government	\$ 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	\$ 1,443,604
Public safety	163,356	203,062	175,303	169,673	156,336	204,673	202,034	263,232	185,271	144,779
Highways and streets	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	1,613,409
Parks and recreation	171,042	144,919	688,663	376,309	329,248	219,162	147,207	117,524	141,549	330,473
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	126,418
Capital grants and contributions	-	-	935,561	-	257,900	170,000	-	-	265,880	849,326
<b>Total governmental activities program revenues</b>	<b>\$ 6,124,275</b>	<b>\$ 2,088,845</b>	<b>\$ 7,551,755</b>	<b>\$ 6,660,224</b>	<b>\$ 5,176,215</b>	<b>\$ 4,602,369</b>	<b>\$ 4,511,632</b>	<b>\$ 5,071,748</b>	<b>\$ 4,973,977</b>	<b>\$ 4,508,009</b>
<b>Business-type activities:</b>										
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	\$ 2,887,364
Stormwater services	-	658,051	569,363	577,362	588,752	543,537	708,031	720,597	885,834	819,915
Building services	-	-	399,758	412,585	180,107	54,418	96,372	77,892	108,552	202,163
Capital grants and contributions	-	-	-	-	-	9,905	-	-	-	165,524
<b>Total business-type activities program revenues</b>	<b>\$ -</b>	<b>\$ 3,194,761</b>	<b>\$ 3,493,013</b>	<b>\$ 3,303,498</b>	<b>\$ 3,072,463</b>	<b>\$ 2,757,553</b>	<b>\$ 3,157,403</b>	<b>\$ 3,232,505</b>	<b>\$ 3,723,679</b>	<b>\$ 4,074,966</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (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)	\$ (7,569,634)
Business-type activities:	-	(441,987)	106,168	(281,894)	(146,122)	(710,302)	(217,104)	(242,243)	178,347	(179,639)
<b>Total primary government net expense</b>	<b>\$ (3,540,668)</b>	<b>\$ (11,010,122)</b>	<b>\$ (6,062,309)</b>	<b>\$ (6,085,391)</b>	<b>\$ (6,309,545)</b>	<b>\$ (8,465,491)</b>	<b>\$ (8,430,424)</b>	<b>\$ (7,959,067)</b>	<b>\$ (8,605,303)</b>	<b>\$ (7,749,273)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental activities:</b>										
Property	\$ 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	\$ 4,241,913
Franchise	-	-	778,941	855,676	911,080	942,997	964,808	1,148,367	1,179,560	1,180,569
Hotel/Motel	-	-	293,468	343,237	299,009	297,808	304,366	362,446	451,542	373,342
Other	1,460,452	1,897,786	-	-	-	-	-	-	-	-
Intergovernmental	516,456	-	-	-	-	-	-	-	-	-
Interest	270,858	205,453	288,082	287,039	122,221	42,876	25,126	46,674	56,075	45,028
Gain (loss) on capital asset disposal	-	-	-	-	-	-	-	-	-	29,887
Miscellaneous	475,007	1,924,816	67,364	61,084	156,261	279,427	397,464	234,647	217,606	148,931
Transfers	-	(2,994,093)	(235,000)	-	-	41,900	157,700	-	-	-
<b>Total governmental activities</b>	<b>\$ 5,841,439</b>	<b>\$ 4,381,432</b>	<b>\$ 4,951,582</b>	<b>\$ 5,615,536</b>	<b>\$ 5,848,403</b>	<b>\$ 5,879,318</b>	<b>\$ 6,299,917</b>	<b>\$ 6,302,577</b>	<b>\$ 6,291,454</b>	<b>\$ 6,019,670</b>
<b>Business-type activities</b>										
Interest	\$ -	\$ 178,540	\$ 215,268	\$ 181,545	\$ 82,411	\$ 15,409	\$ 7,721	\$ 11,116	\$ 13,529	\$ 10,939
Miscellaneous	-	20,303	50,856	18,556	6,702	24,252	49,368	25,418	15,772	33,491
Transfers	-	2,994,093	235,000	-	-	(41,900)	(157,700)	-	-	-
<b>Total Business-type activities</b>	<b>\$ -</b>	<b>\$ 3,192,936</b>	<b>\$ 501,124</b>	<b>\$ 200,101</b>	<b>\$ 89,113</b>	<b>\$ (2,239)</b>	<b>\$ (100,611)</b>	<b>\$ 36,534</b>	<b>\$ 29,301</b>	<b>\$ 44,430</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 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)	\$ (1,549,964)
Business-type activities	-	2,750,949	607,282	(81,793)	(57,009)	(712,541)	(317,715)	(205,709)	207,648	(135,209)
<b>Total primary government</b>	<b>\$ 2,300,771</b>	<b>\$ (3,435,754)</b>	<b>\$ (609,603)</b>	<b>\$ (269,754)</b>	<b>\$ (372,029)</b>	<b>\$ (2,588,412)</b>	<b>\$ (2,231,118)</b>	<b>\$ (1,619,956)</b>	<b>\$ (2,284,548)</b>	<b>\$ (1,685,173)</b>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Property taxes	\$ 3,118,666	\$ 3,347,470	\$ 3,758,727	\$ 4,088,601	\$ 4,359,832	\$ 4,274,310	\$ 4,450,453	\$ 4,510,443	\$ 4,386,671	\$ 4,241,913
Franchise taxes	-	-	778,941	855,575	911,080	942,897	964,808	1,148,387	1,179,560	1,180,589
Hotel/Motel taxes	-	-	293,468	343,237	298,009	297,808	304,366	362,446	451,542	373,342
Other taxes	1,460,452	1,897,786	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 4,579,118</b>	<b>\$ 5,245,256</b>	<b>\$ 4,831,136</b>	<b>\$ 5,287,413</b>	<b>\$ 5,569,921</b>	<b>\$ 5,515,115</b>	<b>\$ 5,719,627</b>	<b>\$ 6,021,256</b>	<b>\$ 6,017,773</b>	<b>\$ 5,795,824</b>



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

	2005	2006	2007	2008	2009	2010	2011	2012	2014
<b>General Fund</b>									
Reserved	\$ 2,209,720	\$ 2,448,843	\$ 2,613,391	\$ 2,916,709	\$ 3,154,369	\$ -	\$ -	\$ -	\$ -
Unreserved	\$ 2,209,720	\$ 2,448,843	\$ 2,613,391	\$ 2,916,709	\$ 3,154,369	\$ -	\$ -	\$ -	\$ -
<b>Total general funds</b>	\$ 2,209,720	\$ 2,448,843	\$ 2,613,391	\$ 2,916,709	\$ 3,154,369	\$ -	\$ -	\$ -	\$ -
<b>All other governmental funds</b>									
Reserved, reported in:									
Debt service fund	\$ 78,455	\$ 87,591	\$ 39,619	\$ 98,807	\$ 117,329	\$ -	\$ -	\$ -	\$ -
Capital projects fund	-	-	-	-	-	-	-	-	-
Unreserved, reported in:									
Special revenue fund	\$ 2,120,243	\$ 3,139,464	\$ 1,688,137	\$ 1,871,334	\$ 1,757,167	\$ -	\$ -	\$ -	\$ -
Capital projects fund	\$ 177,638	\$ 128,915	\$ 566,497	\$ 161,166	\$ 73,379	\$ -	\$ -	\$ -	\$ -
<b>Total all other governmental funds</b>	\$ 2,376,336	\$ 3,355,970	\$ 2,294,253	\$ 2,131,307	\$ 1,947,875	\$ -	\$ -	\$ -	\$ -

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<i>Using GASB Statement 54 Definitions</i>										
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,249	\$ 19,879	\$ 6,506
Assigned							2,824,550	2,988,602	2,518,770	2,098,460
Unassigned							519,581	188,064	14,543	550,203
<b>Total General Fund</b>							<b>3,344,131</b>	<b>3,201,915</b>	<b>2,553,192</b>	<b>2,635,169</b>
<b>All other governmental funds</b>										
Nonspendable								672	3,841	483
Restricted										
Special revenue funds							1,644,801	1,690,262	1,721,973	1,785,130
Debt service fund							7,094	18,040	47,012	41,939
Capital projects fund							68,167	78,238	117,955	139,393
Total Restricted							1,720,062	1,786,540	1,886,940	1,966,462
Committed										
Special revenue funds							363,817	739,573	301,661	133,515
Capital projects funds							300,613	483,463	487,096	569,969
Total Committed							664,430	1,223,036	788,757	703,484
<b>Total all other governmental funds</b>							<b>2,384,492</b>	<b>3,010,248</b>	<b>2,679,538</b>	<b>2,670,429</b>
<b>Total Fund Balances, Governmental Funds</b>	<b>\$ -</b>	<b>5,728,623</b>	<b>6,212,163</b>	<b>5,232,730</b>	<b>5,305,598</b>					

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Fiscal Years Ended June 30,</b>										
<b>REVENUES:</b>										
Taxes	\$ 4,563,177	\$ 5,283,064	\$ 4,655,097	\$ 5,033,472	\$ 5,270,507	\$ 5,492,186	\$ 5,678,570	\$ 5,895,946	\$ 5,928,140	\$ 6,100,660
Licenses and permits	587,762	496,318	59,485	57,915	58,990	53,128	52,468	52,726	51,833	55,925
Intergovernmental	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	2,358,108
Charges for services	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	1,846,151
Assessments	-	-	239,995	185,231	82,875	83,145	31,709	59,855	59,364	51,567
Fines and forfeitures	163,356	203,062	175,303	169,674	156,336	204,673	202,034	180,330	181,121	140,096
Investment earnings	270,858	205,452	265,232	264,844	109,949	38,568	23,124	44,945	53,686	44,365
Miscellaneous	435,450	2,337,826	85,783	60,567	106,849	197,012	303,326	232,963	195,719	262,175
<b>Total Revenues</b>	<b>10,479,487</b>	<b>9,629,181</b>	<b>10,402,184</b>	<b>9,608,898</b>	<b>9,502,895</b>	<b>9,352,317</b>	<b>9,665,997</b>	<b>10,394,551</b>	<b>10,247,304</b>	<b>10,859,067</b>
<b>EXPENDITURES:</b>										
Current										
General government	-	-	2,104,782	1,076,877	1,772,998	1,426,625	2,433,392	2,794,613	3,097,111	2,841,291
Public Safety	-	-	3,326,099	3,228,420	3,275,750	3,485,011	3,635,189	3,979,123	4,020,160	3,947,264
Highways and streets	-	-	3,660,993	1,152,794	1,135,045	1,220,863	1,486,442	1,598,584	2,246,667	2,359,168
Parks and recreation	-	-	1,115,899	1,351,709	1,029,186	1,191,358	1,143,584	1,084,081	-	1,276,485
Personal services	4,714,032	4,538,070	-	-	-	-	-	-	-	-
Materials and services	3,244,676	2,995,267	-	-	-	-	-	-	-	-
Debt service	70,773	207,813	-	-	-	-	-	-	-	-
Principal	-	-	173,615	468,792	499,342	488,355	593,702	454,000	457,765	487,000
Interest	-	-	108,068	154,171	180,764	223,265	205,009	180,610	162,313	144,991
Capital outlay	5,406,222	2,954,046	1,011,428	3,712,192	2,878,934	1,332,325	-	-	-	-
<b>Total Expenditures</b>	<b>13,435,703</b>	<b>10,696,196</b>	<b>11,500,884</b>	<b>11,144,955</b>	<b>10,772,019</b>	<b>9,367,802</b>	<b>9,497,318</b>	<b>10,091,011</b>	<b>11,226,737</b>	<b>10,866,199</b>
Excess of revenues over (under) expenditures	(2,956,216)	(1,067,015)	(1,098,700)	(1,536,057)	(1,269,124)	(15,485)	168,679	303,540	(979,433)	(7,132)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	45,000	1,269,941	50,000	30,000	62,500	274,639	671,746	703,100	497,750	298,800
Transfers out	(45,000)	(4,264,034)	(285,000)	(30,000)	(62,500)	(232,739)	(214,046)	(523,100)	(497,750)	(218,800)
Slate 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	-	80,000
<b>Net Change in Fund Balance</b>	<b>1,171,421</b>	<b>(4,061,108)</b>	<b>1,218,757</b>	<b>(897,168)</b>	<b>140,372</b>	<b>54,230</b>	<b>626,379</b>	<b>483,540</b>	<b>(979,433)</b>	<b>72,868</b>
<b>Beginning fund balance</b>	<b>9,178,715</b>	<b>8,647,167</b>	<b>4,586,056</b>	<b>5,804,813</b>	<b>4,907,645</b>	<b>5,048,015</b>	<b>5,102,244</b>	<b>5,728,623</b>	<b>6,212,163</b>	<b>5,232,730</b>
<b>Ending fund balance</b>	<b>\$ 10,350,136</b>	<b>\$ 4,586,056</b>	<b>\$ 5,804,813</b>	<b>\$ 4,907,645</b>	<b>\$ 5,048,016</b>	<b>\$ 5,102,245</b>	<b>\$ 5,728,623</b>	<b>\$ 6,212,163</b>	<b>\$ 5,232,730</b>	<b>\$ 5,305,598</b>

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,	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>EXPENDITURES:</b>										
Current										
General government	\$ -	\$ -	\$ 2,104,782	\$ 1,076,877	\$ 1,772,998	\$ 1,426,625	\$ 2,433,392	\$ 2,794,613	\$ 3,097,111	\$ 2,641,291
Public Safety	-	-	3,326,099	3,228,420	3,275,750	3,485,011	3,635,189	3,979,123	4,020,160	3,947,264
Highways and streets	-	-	3,660,993	1,152,794	1,135,045	1,220,863	1,486,442	1,598,584	2,246,667	2,359,168
Parks and recreation	-	-	1,115,899	1,351,709	1,029,186	1,191,358	1,143,564	1,084,081	1,242,721	1,276,485
Personal services	4,714,032	4,538,070	-	-	-	-	-	-	-	-
Materials and services	3,244,678	2,996,267	-	-	-	-	-	-	-	-
Debt service	70,773	207,813	-	-	-	-	-	-	-	-
Principal	-	-	173,615	468,792	499,342	486,355	593,702	454,000	457,765	497,000
Interest	-	-	108,068	154,171	180,764	223,265	205,009	180,610	162,313	144,991
Capital outlay	5,406,222	2,954,046	1,011,428	3,712,192	2,878,934	1,332,325	-	-	-	-
<b>Total Expenditures</b>	\$ 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	\$ 10,866,199

Debt service as a percentage of non-capital expenditures

Debt Service Calculations										
Total Expenditures	\$ 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	\$ 10,866,199
Less capitalized expenditures	4,216,529	5,485,339	2,912,850	6,926,889	2,303,916	397,024	365,286	782,987	888,948	1,153,556
Non-capital expenditures	\$ 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	\$ 9,712,643
Debt service	\$ 70,773	\$ 207,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal	-	-	173,615	468,792	499,342	486,355	593,702	454,000	457,765	497,000
Interest	-	-	108,068	154,171	180,764	223,265	205,009	180,610	162,313	144,991
Total debt service	\$ 70,773	\$ 207,813	\$ 281,683	\$ 622,963	\$ 680,106	\$ 711,620	\$ 798,711	\$ 634,610	\$ 620,078	\$ 641,991
Debt service as a percentage of non-capital expenditures	0.77%	3.99%	3.42%	14.77%	8.03%	7.93%	8.75%	6.82%	6.00%	6.61%

(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	
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
2014	4,241,913	1,180,569	373,342	-	5,795,824

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

Fiscal Year Ended	Taxable Assessed Value						Total Direct Tax Rate (1) (2)	Real Market Value (5)
	Real Property	Mobile Homes	Personal Property	Utilities	Non-Profit Housing	Total		
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
2014	983,026	8,971	18,458	4,306,919	2,430	5,319,804	4.47	1,136,873

Source: Jackson County Assessment Records

Notes:

- (1) For year 2001 and prior this tax rate was 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 of the amount derived through maximum tax rate computation 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		Overlapping										Total	Combined
	City of Central Point	Jackson County	Transit District	Vector Control District	Rogue Comm. College	Educ. Service District	Fire District #3	School District #6/549C	Fire District #3	Educ. Service District	Rogue Comm. College	Transit District		
2005	\$ 4.47	\$ 3.94	\$ 0.17	\$ 0.04	\$ 0.50	\$ 0.34	\$ 2.69	\$ 5.06	\$ 12.74	\$ 12.74	\$ 12.74	\$ 12.74	\$ 17.21	
2006	4.47	3.94	0.17	0.04	0.50	0.34	2.71	5.02	12.72	12.72	12.72	12.72	17.19	
2007	4.47	3.60	0.17	0.04	0.62	0.34	2.72	5.09	12.58	12.58	12.58	12.58	17.05	
2008	4.47	3.80	0.17	0.04	0.62	0.34	2.67	4.99	12.63	12.63	12.63	12.63	17.10	
2009	4.47	3.80	0.17	0.04	0.62	0.34	2.67	4.99	12.63	12.63	12.63	12.63	17.10	
2010	4.47	2.37	0.17	0.04	0.63	0.35	3.12	5.57	12.25	12.25	12.25	12.25	16.72	
2011	4.47	2.33	0.18	0.04	0.63	0.35	3.12	5.60	12.25	12.25	12.25	12.25	16.72	
2012	4.47	2.03	0.18	0.04	0.62	0.35	3.12	5.67	12.01	12.01	12.01	12.01	16.48	
2013	4.47	2.26	0.18	0.04	0.62	0.35	3.12	5.65	12.22	12.22	12.22	12.22	16.69	
2014	4.47	2.25	0.18	0.04	0.63	0.35	3.12	5.59	12.16	12.16	12.16	12.16	16.63	

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	2014		2004		Percentage of Total Assessed	
		Assessed Valuation	Percentage of Total Assessed Valuation	Assessed Valuation	Percentage of Total Assessed Valuation	2014	2004
USF Reddaway Inc	Distribution	\$ 7,516,110	0.66%	\$ 4,487,849	0.63%		
Twin Creeks Development	Builder/Developer	5,699,180	0.50%	2,459,180			
Berdan Federal Way LLC	Builder/Developer	5,571,640	0.49%				
Federal Way Development LLC	Builder/Developer	5,124,350	0.45%				
Twin Creeks Retirement	Retirement Living Community	5,181,840	0.46%				
Avista Corp	Gas Utility	5,118,000	0.45%	2,373,500	0.33%		
Charter Communications	Cable Utility	4,956,100	0.44%				
Investors II LLC	Builder/Developer	4,801,250	0.42%				
STJ 1 LLC Et Al	Shopping Center	4,256,170	0.37%				
ABS OR-O LLC	Shopping Center	4,045,890	0.36%				
Owest Corporation	Telephone Utility			4,622,300	0.65%		
Malot Enterprises LLC	Builder/Developer			4,562,870			
Albertsons	Shopping Center			4,029,900	0.56%		
Travel Center Development	Truck Stop/Store			3,448,050	0.48%		
Mountain View Plaza LLC	Shopping Center			3,386,060	0.47%		
Miller Brad Trustee FBO	Builder/Developer			3,109,140	0.43%		
Hotel Investment Property Two LLC	Motel			2,976,600	0.42%		
<b>Total Value Principal Taxpayers</b>		<b>\$ 52,270,530</b>	<b>4.60%</b>	<b>\$ 35,455,449</b>	<b>4.96%</b>		
<b>Total Assessed Value all Taxable Property</b>		<b>\$ 1,136,873,005</b>		<b>\$ 715,171,267</b>			

Total 2014 Assessed Value = \$1,136,873,005  
 Total 2004 Assessed Value+ \$715,171,267

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
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%
2014	4,610,815	4,434,322	96.2%	208,238	4,642,560	100.7%	357,826	7.8%

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.  
(3) Discounts allowed and adjustments to the rolls have not been significant or material in any year presented.



**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	
2005	\$ -	\$ -	180,812	\$ -	\$ -	\$ -	2,700,000	\$ 2,897,396
2006	-	-	182,734	114,662	-	-	2,600,000	5,041,428
2007	470,829	1,769,557	134,897	166,145	-	-	2,500,000	5,164,813
2008	551,078	1,624,453	38,762	93,306	457,214	-	2,400,000	6,092,998
2009	703,446	1,473,974	-	19,087	401,491	1,200,000	2,295,000	5,615,590
2010	629,347	1,315,937	-	27,815	352,491	1,100,000	2,190,000	5,179,643
2011	622,475	1,165,853	-	13,824	302,491	995,000	2,080,000	4,734,344
2012	622,475	994,378	-	-	267,491	885,000	1,965,000	4,268,394
2013	572,001	813,902	-	-	267,491	770,000	1,845,000	3,738,318
2014	533,159	607,668	-	-	217,491	655,000	1,725,000	3,738,318

*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 11/05/14*
- (3) *Debt per capit based on population reported on Schedule 16*

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	\$ 3,049,811	\$ 471,280,120	0.65%	\$ 195		
-	-	152,415	152,415	5,193,843	526,041,750	0.99%	314		
37,349	230,443	152,415	420,207	5,585,020	578,151,000	0.97%	324		
25,707	211,547	152,415	389,669	6,482,667	587,464,650	1.10%	381		
20,637	191,711	140,206	352,554	5,968,144	*N/A	*N/A	348		
19,540	171,063	127,896	318,499	5,498,142	*N/A	*N/A	320		
17,315	135,147	601,015	753,477	5,487,821	*N/A	*N/A	318		
16,202	112,622	3,702,678	3,831,502	8,099,896	*N/A	*N/A	470		
7,551	90,098	5,507,924	5,605,573	9,343,891	*N/A	*N/A	541		
4,848	84,332	5,507,924	5,597,104	9,335,422	*N/A	*N/A	539		

**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
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
2014	217,491	1,136,873,000	0.02%	17,315	12.56

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 comingled and not separately identified to specific outstanding debt.
  - (3) The City has no other long term debt outstanding that the City's full faith, credit and taxing power has been pledged for repayment.

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

Jurisdiction	Net Debt Outstanding (1)	Direct Debt and Overlapping Debt Applicable within City of Central Point (2)	Amount Applicable Within City of Central Point
<b>Total Direct Debt</b>	<b>\$ 9,335,422</b>	<b>100.00%</b>	<b>\$ 9,335,422</b>
<b>Overlapping Debt</b>			
Jackson County School District 6	17,080,000	53.24%	9,093,641
General Obligation Bonds			
Jackson County School District 549C			
General Obligation Bonds	169,125,000	0.98%	1,657,425
Limited Tax Pension Obligation Bonds	37,045,000	0.98%	363,041
<b>Total</b>	<b>206,170,000</b>	<b>0.98%</b>	<b>2,020,466</b>
<b>Total Overlapping Debt</b>	<b>223,250,000</b>		<b>11,355,888</b>
<b>Total Direct and Overlapping Debt</b>	<b>\$ 232,585,422</b>	<b>\$</b>	<b>20,449,529</b>

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 30,361,830	\$ 40,231,590	\$ 47,693,913	\$ 57,427,438	\$ 48,638,213
Total net debt applicable to debt limit	-	-	-	-	-
Available debt limit	<u>\$ 30,363,835</u>	<u>\$ 40,233,596</u>	<u>\$ 47,695,920</u>	<u>\$ 57,429,446</u>	<u>\$ 48,640,222</u>
Total net debt applicable to debt limit as a percentage of debt limit	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 42,860,002	\$ 37,780,856	\$ 35,881,230	\$ 33,726,450	\$ 34,106,190
Total net debt applicable to debt limit	-	-	-	-	-
Available debt limit	<u>\$ 42,862,012</u>	<u>\$ 37,782,867</u>	<u>\$ 35,883,242</u>	<u>\$ 33,728,463</u>	<u>\$ 34,108,204</u>
Total net debt applicable to debt limit as a percentage of debt limit	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

**Legal Debt Margin Calculation for Fiscal Year**

	<u>2014</u>
True Cash Value (1)	\$ 1,136,873,000
Debt Limit at 3% of True Cash Value (2)	34,106,190
Amount of Debt Applicable to Debt Limit:	
Total bonded debt	
Tax Obligation Bonds	\$ 217,491
Less: Deductions allowed by law (3)	<u>(217,491)</u>
Tax Obligation Bonds	<u>\$ -</u>
<b>Legal Debt Margin</b>	<b><u>\$ 34,106,190</u></b>

**Notes:**

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

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

Fiscal Year	Gross Revenues	Less: Operating Expenses	Plus: Interest Expenses	Net Available For Debt Service	Debt Service Requirements		Coverage (3)
					Principal	Interest	
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	2,614,085	6,824	(433,778)	-	6,824	319
2011	2,353,000	2,438,327	6,824	(78,503)	127,896	6,824	345
2012	2,434,016	2,221,930	-	212,086	-	-	-
2013	2,729,293	2,625,032	-	104,261	-	-	-
2014	3,000,054	2,737,610	-	262,444	-	-	-

Notes:

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

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

Fiscal Year Ended	Population (1)	Per Capita Income (\$) (2)	Personal Income	Median Age (4)	Education Level In		School Enrollment Average Daily Members (3)	Unemployment Rate (%) (Jackson Co.) (2)
					Formal Schooling	High School/College		
2005	15,640	\$ 30,133	\$ 526,041,750	34	86%	14%	4,545	6.7
2006	16,550	31,785	578,151,000	34	86%	14%	4,647	6.0
2007	17,250	33,516	587,464,650	34	86%	14%	4,575	6.1
2008	17,025	34,506	588,828,240	34	86%	14%	4,668	6.7
2009	17,160	34,314	586,630,392	34	89%	29%	4,664	13.4
2010	17,169	34,168	596,365,470	34	89%	29%	4,567	12.0
2011	17,235	34,602	596,365,470	37	89%	29%	4,434	12.8
2012	17,235	36,000	620,460,000	38	89%	29%	4,468	10.7
2013	17,275	36,881	637,119,275	38	89%	29%	4,436	9.8
2014	17,315	*N/A	*N/A	41	90%	19%	4,336	8.6

Source:

- (1) Certified by the Center for Population Research and Census, Portland State University.
- (2) State of Oregon Employment Division; average for 12 months ended June 30th of each year.
- (3) School District # 6; using May of each year.
- (4) U.S. Census Report of 2000 and 2010.

Note:

- (1) \*N/A Data not available at 10/30/2014

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

Employer	Fiscal Year 2013/14			Fiscal Year 2007/08 (1)		
	Employees	Population	Rank	Employees	Employment	Rank
School Dist 6	578	3.37%	1	600	3.52%	1
USF Reddaway	115	0.67%	2	120	0.70%	2
Albertsons	100	0.58%	3	80	0.47%	4
Providence Medical Group	75	0.44%	4	46	0.27%	8
City of Central Point	74	0.43%	5	110	0.65%	3
McDonalds	55	0.32%	6	75	0.44%	5
Grange Co-op	54	0.31%	7	70	0.41%	6
Pilot Travel Center	50	0.29%	8	-	-	-
Rays Food Place	38	0.22%	9	53	0.31%	7
Quality Fence	35	0.20%	10	45	0.26%	9
Shari's	32	0.19%	11	44	0.26%	10
<b>Total</b>	<b>1,206</b>	<b>7.03%</b>		<b>1,243</b>	<b>7.29%</b>	

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 2003/2004.  
(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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Government</b>										
Administration	2.00	4.00	4.00	3.25	3.25	4.00	5.50	5.50	5.50	5.50
Finance	6.00	7.00	7.00	7.00	8.00	7.50	7.50	7.00	7.00	7.00
Human Resources	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development	6.00	6.00	4.50	5.50	5.50	4.50	4.50	3.00	3.50	3.00
Police	27.00	27.50	28.50	28.25	28.25	28.50	28.50	28.50	28.50	29.50
<b>Physical Environment</b>										
Building	6.00	6.00	6.00	4.50	2.50	1.50	1.50	1.50	1.50	1.50
Public Works	14.00	17.50	18.69	18.86	18.50	17.25	12.75	12.00	14.50	14.85
<b>Transportation</b>										
Streets & Fleet	6.00	8.00	7.31	6.64	6.00	6.00	8.00	7.00	6.00	6.00
<b>Culture/Recreation</b>										
Parks	-	4.00	4.00	3.00	5.00	3.50	3.75	2.65	3.50	3.65
Recreation	-	4.00	4.50	4.50	2.00	2.50	2.75	3.65	2.50	2.50
<b>Total</b>	<b>67.00</b>	<b>85.00</b>	<b>85.50</b>	<b>82.50</b>	<b>80.00</b>	<b>76.25</b>	<b>75.75</b>	<b>71.80</b>	<b>73.50</b>	<b>74.50</b>

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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Building Inspections</b>										
Building Permits Issued	326	251	179	97	57	28	30	45	70	84
<b>Finance</b>										
Accounts Payable Checks Processed	5,334	5,519	4,105	5,030	3,548	1,513	1,604	1,366	1,249	1,672
Business Licenses	999	1,056	1,000	1,003	882	913	978	972	950	931
Average Number Utility Accounts	5,145	5,209	5,907	6,030	6,044	6,128	6,079	6,100	6,158	6,409
<b>Public Works - Street Division</b>										
Streets Cleaned (Miles)				800	800	800	800	800	800	2,000
Man Holes Inspected				198	198	198	198	198	198	350
Curb Inlets & Catch Basins Inspected				583	583	583	583	583	583	750
<b>Water/Storm</b>										
Fire Hydrants Flushed & Serviced				215	215	215	215	218	218	218
Water Valve Actuators				620	620	620	620	620	620	620
Water Meters Read				72,824	73,049	73,279	73,512	73,764	73,892	73,892
Blow-off Valves Flushed				18	18	18	18	18	18	18
Stormdrains Flushed & Cleaned (Miles)				16	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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub Station	0	1	1	1	1	2	2	2	2	1
<b>Other Public Works</b>										
Miles of Streets	71	71	71	71	71	71	71	71	71	71
<b>Parks and Recreation</b>										
Park acreage	41.92	71.87	134.87	135.12	186.48	187.93	189.73	192.73	192.73	192.73
Number of community parks	13	14	15	16	16	17	17	17	17	17
Number of neighborhood parks	3	4	5	5	5	5	6	6	6	6
<b>Water</b>										
Water Mains (miles)	73	77	77	77	86	89.7	89.7	90	91	91
Maximum Plant Capacity (MPG)									6700	6700
Fire Hydrants					904	913	913	913	925	925

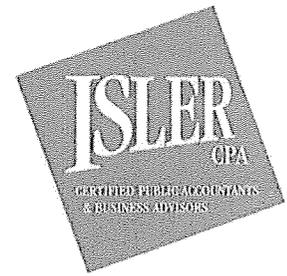
Source: City of Central Point Finance Department

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**

**2013 - 2014 INDEPENDENT AUDITOR'S COMPLIANCE REPORT**





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

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

We have audited the basic financial statements of the City of Central Point, Oregon ("City") as of and for the year ended June 30, 2014, and have issued our report thereon dated November 12, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

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

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

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

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

**OAR 162-10-0230 Internal Control**

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

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

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

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

ISLER CPA

A handwritten signature in cursive script that reads "Paul R. Nielson".

by: Paul Nielson, CPA, a member of the firm

Eugene, Oregon  
November 12, 2014