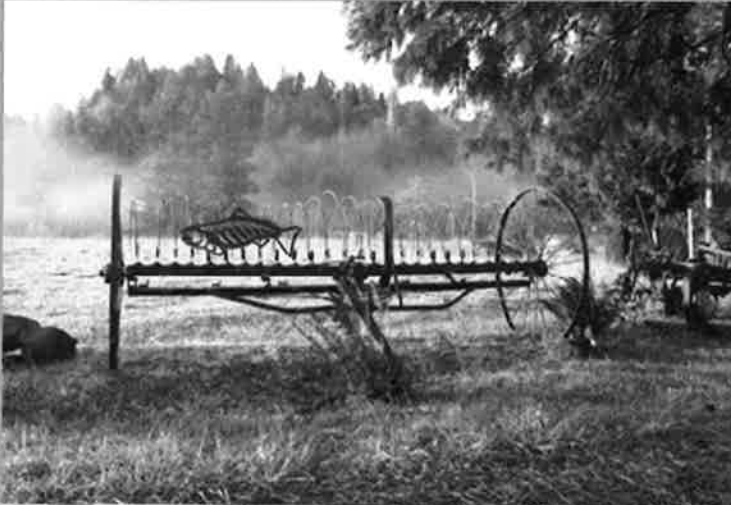


**City of Central Point, Oregon
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015**



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, 2015

Prepared by:

Bev Adams, Finance Director

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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JACKSON COUNTY, OREGON**

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

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February 8, 2016

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, 2015.

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, 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, 2015, are free from material misstatement. The audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditor concluded based on the audit performed, that there was a reasonable basis for rendering an unmodified opinion that the City of Central Point's financial statements are fairly presented in conformance with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

The City

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

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

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

The City operates under a manager form of government. The council consists of a mayor and six councilors. Two council members are elected from the city at large, while the other four are elected from wards that divide the city into four sections. While the mayor serves as the ceremonial head of the city and as presiding officer of the meetings, he is also a voting part of the Council and has no veto authority. The mayor has the authority to preserve order, enforce the rules and determine the order of business at the council meetings. With consent of council, the mayor appoints members of commissions and committees established by ordinance or resolution. The City council is the legislative branch of Central Point's municipal government and the people's elected representatives. Council meetings are open public meetings where the council makes local laws, policies and basic decisions for the municipality. The position of mayor and council members are elected for four year terms on alternating years in a general election of the State of Oregon.

Accounting System and Budgetary Control

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

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

The 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. In spring of 2015, the budget committee and council approved the City's first biennial budget. The new biennial budget, covering 2015/16 and 2016/17 fiscal years, was initiated specifically at this time to align with the State of Oregon and PERS budget periods. Going forward, this audit of the 2014/15 budget year will be the last annually adopted budget.

Budgetary control is maintained through constant review by the City's finance director. Detailed monthly budget reports are prepared for the City Manager and each department, with quarterly statements and presentation given to the Mayor and Council.

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

Factors Affecting Financial Condition – Local Economy

The regional economic base is tied to agriculture, tourism, higher education, health care, transportation and manufacturing. There is an increasing population of retirees moving into the area, a factor that requires new and expanded health care resources, and additional demands for retirement, assisted living and nursing home facilities. During the past recession, the City of Central Point and all cities within the Rogue Valley have experienced an increased number of lost jobs and one of the higher unemployment rates in the nation. During the same period of time, housing prices plummeted along with construction in the area, all of which had a negative effect on the City's building permit revenues and planning actions. However, during the past two years 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 initially 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. And although there have been substantial fluctuations in taxes as properties were reassessed following the recession, it appears that property values and therefore tax revenues are beginning to stabilize.

Financial Policies

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

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

Long-term Financial Planning

Although the City successfully navigated the recent recession by utilizing a variety of tools and techniques common to short-term reduced revenue situations, the City believes that it can be less reactive and more strategic in its financial planning. Prioritizing this goal, the City contracted for outside assistance with the plan, and in February 2015 a long term financial plan was implemented by council adoption.

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, 2014. 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.

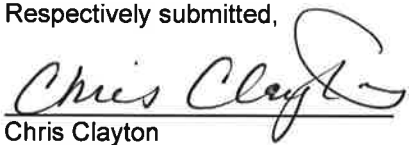
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, 2015

<u>CITY COUNCIL</u>	<u>TERM EXPIRES</u>
Hank Williams, Mayor	December 31, 2016
Bruce Dingler, Ward I	December 31, 2018
Michael Quilty, Ward II	December 31, 2018
Brandon Thueson, Ward III	December 31, 2018
Allen Broderick, Ward IV	December 31, 2016
Taneea Browning, 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



Government Finance Officers Association

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

Presented to

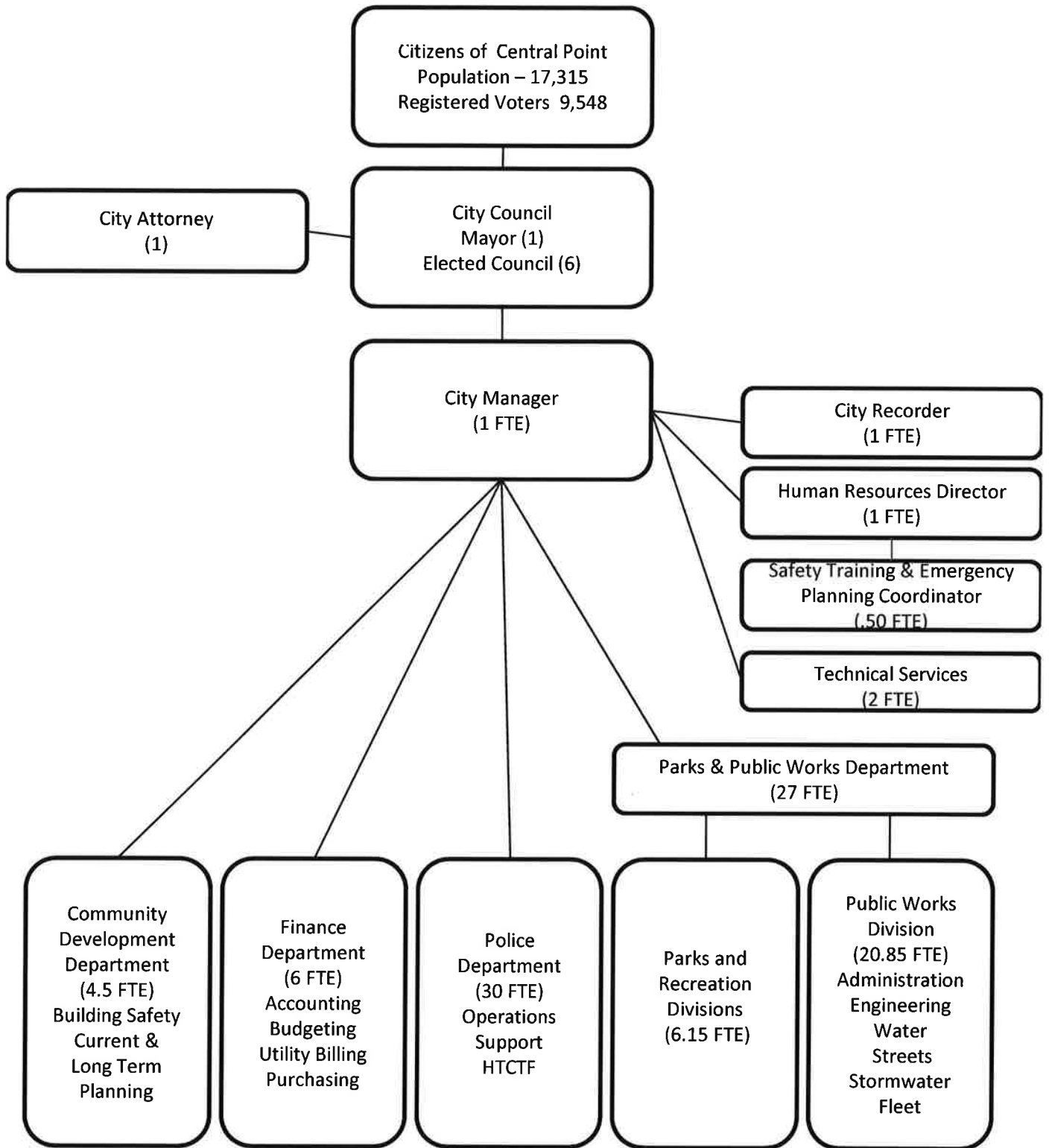
**City of Central Point
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

City of Central Point
73 FTE
For The Fiscal Year Ended June 30, 2015







An Independently Owned Member
McGLADREY ALLIANCE



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, 2015, 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, 2015 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.

Emphasis of Matter

Change in Accounting Principle

The City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

The cumulative effects of applying the provisions of GASB Statements No. 68 and 71 have been reported as restatement of beginning net position for the year ended June 30, 2015 in accordance with the Statements.

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 4 - 11 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 and budgetary comparisons are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards of Audits of Oregon Municipal Corporations, We have issued our report dated February 8, 2016, on our consideration of the City's compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive, flowing style.

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

Eugene, Oregon
February 8, 2016



**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, 2015. 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 2014-15 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, 2015, the close of the most recent fiscal year, by approximately \$70,035 (net position). Of this amount, \$5,614 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total current and other assets, including both governmental and business-type activities, increased by \$909 to \$11,198 while total current and other liabilities due with one year, including both governmental and business-type activities, increased by \$273 to \$2,267. These changes were reasonable and reflected normal City operations.
- Total capital assets decreased by \$3,085 due to depreciation expense as well as capital asset purchases and disposals of the current year. This decrease consisted of a \$2,541 decrease in governmental activities capital assets and a \$544 decrease in business-type capital assets. Capital asset additions during the current year consisted of \$462 in government activities, including internal services, and \$173 in business-type activities. Depreciation expense decreases consisted of \$3,003 in governmental activities, including internal services, and \$717 in business-type activities.
- The City's total current portion of long-term debt increased by \$72 to \$979. This increase consists of a \$72 increase in principal due for scheduled long-term debt service payments for the fiscal year ending June 30, 2016.
- The City's non-current portion of long-term liabilities decreased \$828 due to current maturities. During the current year the City issued the Series 2014 refunding debt. The decrease consists of a \$822 reduction in the current maturities on existing long-term debt and a net decrease of \$6 in the City's long-term portion of compensated absences earned by employees.
- A significant cause in the City's unfavorable change in net position was the implementation of GASB Statement No. 68 relating to pension reporting. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses relating to pensions. The implementation of this new accounting standard required a restatement of net position as of July 1, 2014 for both governmental activities and business-type activities to reflect the City's share of those accounting attributes. The restatement resulted in a reduction of \$2,145 to governmental activities unrestricted net position and a reduction of \$296 to business-type activities unrestricted net position to recognize prior year pension expense.

Overall net position for governmental activities decreased by \$2,264 to \$44,157. The decrease consisted of \$2,145 due to the implementation GASB Statement No. 68 and \$119 due to operations. Expenses of governmental activities decreased \$1,409 to \$10,669 primarily due to planned reductions in government expenses. Revenue increased \$22 to \$10,550. There was \$110 decrease in program revenue that was primarily caused by changes in the mix of operating and capital grants. This decrease is offset by \$132 increase in general revenue caused by increased property tax collections. These changes combined for a deficiency of revenue over expenses of \$119. Although the result was a net deficiency, the result is an improvement over the previous year when the net deficiency was \$1,550.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Overall, the net position for business-type activities increased by \$15 to \$25,878. The increase consisted of a decrease of \$296 due to the implementation of GASB Statement No. 68 and an increase of \$311 from operations. Expenses of the business type activities decreased \$350 to \$3,904 as a result of management cost controls. Overall program revenues of the business-type activities increased \$92 to \$4,767. General revenues increased \$4 to \$48 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, 2015 that significantly affect the availability of fund resources for future use.
- 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 12.5 positions ending with 73.0 employees at June 30, 2015. This current year end employee count compares to 73.5 at June 30, 2014; 75.75 at June 30, 2011, up to 85.5 at 2007.

Overview of the financial statements

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

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

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

Government-wide financial statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Fund financial statements

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

The City has the following kinds of funds:

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

Government-wide financial analysis (In Thousands of Dollars)

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

By far the largest portion of the City's net position (87%) is the net investment in capital assets (land, buildings, equipment and infrastructure improvements). These capital assets are used to deliver governmental and

business-type services to citizens and are not available for future spending. Net investment in capital assets decreased \$2,334 during the primarily due to depreciation expense.

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 decreased \$60 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 and the amount restricted for debt service payments decreased.

The final portion (9%) 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 \$14. This increase is largely due to the new utility service rates and effective expenditure management in the business type activities.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overall, the City's financial condition deteriorated during the 2014-15 fiscal year as evidenced by the decline in total net position of \$2,249. However, the majority of the governmental activities net position decrease of \$2,264 is due to the \$2,145 restatement resulting from the implementation of GASB Statement No. 68, with only \$119 due to City operations. The business-type net position increase of \$15 includes a charge of \$296 due to GASB Statement No. 68, and an increase of \$311 due to operations. The significant decrease caused by the implementation of GASB Statement No. 68 was not anticipated and is caused by the variables involved in the determination of pension expense. In addition, the detail effects of GASB Statement No. 68 the restatement on the previously reported expenses is not determinable. Changes in net position from operations in both governmental activities and business-type activities are as expected and planned for in the budget. The City has the capacity and resources to continue to weather the residual effects of the economic recession, particularly as signs of stability and improvement in the community begin to be seen. However, the impact of GASB Statement No. 68 going forward appears to be outside the control of City management.

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

	Governmental		Business Type		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
ASSETS						
Current and Other Assets	\$ 8,815	\$ 7,252	\$ 3,549	\$ 3,037	\$ 12,364	\$ 10,289
Capital Assets	41,556	44,097	28,206	28,750	69,762	72,847
Total Assets	<u>50,371</u>	<u>51,349</u>	<u>31,755</u>	<u>31,787</u>	<u>82,126</u>	<u>83,136</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflow of Resources						
Related to Pensions	505	-	70	-	575	-
LIABILITIES						
Current liabilities	923	781	364	306	1,287	1,087
Long-Term Liabilities	3,577	4,147	5,432	5,618	9,009	9,765
Total Liabilities	<u>4,500</u>	<u>4,928</u>	<u>5,796</u>	<u>5,924</u>	<u>10,296</u>	<u>10,852</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflow of Resources						
Related to Pensions	2,219	-	306	-	2,525	-
NET POSITION						
Net Investment in						
Capital Assets	38,370	40,358	22,807	23,153	61,177	63,511
Restricted	2,694	2,406	550	555	3,244	2,961
Unrestricted	3,093	3,657	2,521	2,155	5,614	5,812
Total Net Position	<u>\$ 44,157</u>	<u>\$ 46,421</u>	<u>\$ 25,878</u>	<u>\$ 25,863</u>	<u>\$ 70,035</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	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
REVENUES						
Program Revenues:						
Charges For Services	\$ 3,555	\$ 3,532	\$ 4,014	\$ 3,909	\$ 7,569	\$ 7,441
Grants and Contributions					-	-
Operating	660	127	-	-	660	127
Capital	183	849	153	166	336	1,015
General Revenues:						
Property Taxes	4,738	4,242	-	-	4,738	4,242
Franchise Taxes	1,004	1,181	-	-	1,004	1,181
Hotel/Motel Taxes	391	373	-	-	391	373
Interest	35	45	14	11	49	56
Gain (loss) on capital asset disposal	(16)	30	-	-	(16)	30
Miscellaneous	-	149	34	33	34	182
Total Revenues	10,550	10,528	4,215	4,119	14,765	14,647
EXPENSES						
Functions:						
General Government	2,956	2,754	-	-	2,956	2,754
Public Safety	4,441	3,973	-	-	4,441	3,973
Highways and Streets	1,710	3,727	-	-	1,710	3,727
Parks and Recreation	1,454	1,471	-	-	1,454	1,471
Interest	108	153	-	-	108	153
Water Services	-	-	2,954	3,132	2,954	3,132
Stormwater Services	-	-	843	960	843	960
Building Services	-	-	107	162	107	162
Total Expenses	10,669	12,078	3,904	4,254	14,573	16,332
CHANGE IN NET POSITION	(119)	(1,550)	311	(135)	192	(1,685)
BEGINNING NET POSITION	46,421	47,971	25,863	25,998	72,284	73,969
RESTATEMENT - GASB 68 AS RESTATED	(2,145)	-	(296)	-	(2,441)	-
ENDING NET POSITION	\$ 44,157	\$ 46,421	\$ 25,878	\$ 25,863	\$ 70,035	\$ 72,284

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2015, the fund balance for the General Fund was \$2,842, an increase of \$207 from the previous year. Fund balance components include \$7 non-spendable relating to prepaid items, \$2,502 assigned to the 2015-17 budget and \$334 that is unassigned. In total, fund balance represents approximately 36% of the 2014-15 total general fund expenditures. While revenues increased \$147, about 2%, expenditures increased \$ 75 - about 1%. Interfund transfers out were reduced to \$44 from \$98. Current year results provided an unexpected increase in General Fund carryover of \$207. 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 2014-15 budget and will continue throughout the 2015-17 biennial budget period.
- **Street Fund:** At June 30, 2015, the fund balance of the Street Fund primarily consisted of a restricted amount of \$1,925 from state shared gas taxes and a committed amount of \$25 from the street franchise fees. There is also a \$19 non-spendable fund balance relating to prepaid items. Ongoing street maintenance efforts continued. Compared to last year, revenues decreased \$247, primarily due to the absence of a large ODOT grant which previously funded bike/pedestrian projects, expenditures decreased by \$687 and street repair activities picked up, and transfers remained \$55. These changes caused fund balance to increase by \$213 to \$1,950. 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 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 water construction projects and transfers from the General, Street and Capital Improvement funds. The financial activities for the year were as planned and budgeted and included scheduled debt service plus a refunding transaction funded by the Series 2014 debt obligation. These activities resulted in a decrease to ending fund balance of \$23 to \$18. The \$18 ending fund balance is restricted to future debt service payments.
- **Water Fund:** At June 30, 2015, the net position of the Water Fund reports an increase of \$143 from operations and a decrease of \$187 relating to the implementation GASB Statement No. 68, resulting in an ending net position of \$17,133. Water utility operations were as planned and budgeted and improving because of a new service rate schedule in effect. Operating revenue increased \$64 to \$2,981 due to fewer foreclosed or abandoned homes, and high water usage in the summer months due to warmer weather. Operating expenses of \$2,761 reflected an increase of \$23 over the prior year and reflects increasing costs of operations and ongoing depreciation expense. Operating income was \$220 - a 22% increase over the prior year operating income of \$180. Non-operating activity for the year consisted of investment earnings of \$8 and interest expense of \$192. Last year's non-operating activity included investment earnings of \$6 and interest expense of \$395. SDCs were \$108 in the current year compared to \$113 in the previous year - a decrease of \$5. These changes resulted in a \$143 increase in net position at year end. The current water rate schedule is expected to provide operating income for several more years and to strengthen the net position of the Water Fund. However, it is beginning to appear 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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2015, the net position of the Stormwater Fund reports an increase of \$44 from operations and a decrease of \$64 due to the implementation of GASB Statement No. 68, for a combined decrease of \$20 to \$8,485. Stormwater utility operations were as planned and budgeted. Operating revenue increased \$15 to \$837 primarily due to the new service utility rate schedule. Operating expenses decreased \$118 to \$831 primarily due to operating cost controls and no significant capital projects, as depreciation remained the same. Operating income of \$220 was realized compared to an operating loss of \$127 in the previous year and is attributed to focused management oversight. Non-operating income from investment earnings increased \$1 to \$4 and interest expense remained \$11 for a \$7 non-operating loss. SDCs declined \$7 to \$45. These changes resulted in a \$44 increase in net position at year end. The current stormwater rate schedule is expected to provide sufficient operating income for several more years and continue to strengthen the net position of the Stormwater Fund.
- **Internal Services Fund:** At June 30, 2015, the net position of the Internal Services Fund was \$678, having declined \$136 from the 2013-14 fiscal year. \$197 of the decline was caused by the implementation of GASB Statement No. 68, while operations provided an increase of \$61. Interfund revenues decreased \$35 to \$1,139 and operating expenses decreased \$84 to \$1,085. Operating income was \$61 and non-operating loss was \$287. Combined this resulted in a \$61 increase 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, 2015, amounts to \$69,762 (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 2014-15, approximately \$635 of capital asset additions relating to the City's buildings, equipment, computers and software, and streets and utility infrastructure were added, \$23 were deleted, and depreciation expense totaled \$3,720. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

Long term debt

At June 30, 2015, the City had \$8,029 of long-term debt compared to \$8,858 the previous year end. This amount includes \$7,747 of bonds and notes payable and \$282 of compensated absences payable. During the current fiscal year the City issued the Series 2014 refunding obligation in the amount of \$2,693. The proceeds were used to pay off existing debt issued in 2004, 2007 and 2008. Principal debt repayment of the City's bonds and notes payable during the year totaled \$3,465, including scheduled maturities of \$767 and refunded debt of \$2,698. New SDC obligations totaled \$22 and \$33 of SDC obligations were paid as expected or expired. The City's compensated absences increased \$404 by employee service and declined \$390 as employees took time off for a net increase of \$14. More detailed information about the City's long-term debt is presented in the Notes 5 and 6 to the financial statements.

Economic factors and the new year budget

As of June 30, 2015 and looking at the upcoming 2015-17 biennium, the City's financial condition relating to its governmental activities will continue to deteriorate but at a reducing rate. Given the severity of the past 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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

implementation of the new utility service rates. It is expected that the new utility rates will continue to provide sufficient operating income as the rates are reviewed annually and adjusted by Council to meet ongoing expenses.

In 2014-15 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 renewed interest in commercial construction opportunities. The City's low income utility discount program which grants 50% assistance to economically challenged citizens continues to be necessary for those residents who continue to struggle from the recent recession and other factors. Currently there are about 47 homes in foreclosure that are not paying for City utility services. These are a few of the statistics that reflect indications that the City's financial condition has deteriorated even though there remain encouraging signs of increased economic activity.

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; however, if commercial building activity occurs as anticipated, unfilled vacancies such as a support position for the Building Official will be filled once revenue has been received in amounts which will cover the position for several years to come. City Council and staff are always evaluating new revenue streams as a way to improve and stabilize the City's economic health and provide for needed maintenance and capital project funding.

Contacting the City's financial management

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

If you have any questions about this report or need any clarification of information please contact the Finance department at the City of Central Point, or visit our website at www.centralpointoregon.gov. Our address is: 140 South Third St, Central Point, Oregon 97502.

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 6,367,204	\$ 2,852,010	\$ 9,219,214
Current receivables	811,515	526,222	1,337,737
Prepaid expenses	6,961	479	7,440
Supply inventory	-	169,991	169,991
Noncurrent receivables:			
Due within one year	162,860	-	162,860
Due in more than one year	300,803	-	300,803
Capital assets, net of allowances for depreciation			
Governmental	40,985,645	-	40,985,645
Business-type	-	28,206,458	28,206,458
Internal service	570,315	-	570,315
Net pension asset	<u>1,165,796</u>	<u>155,482</u>	<u>1,321,278</u>
Total Assets	<u>50,371,099</u>	<u>31,910,642</u>	<u>82,281,741</u>
Deferred outflows of resources			
Deferred outflow of resources related to pensions	<u>505,275</u>	<u>69,752</u>	<u>575,027</u>
Liabilities:			
Accounts payable	331,654	215,941	547,595
Accrued payroll	460,682	-	460,682
Unearned revenue	125,000	1,056	126,056
Accrued interest	5,731	90,452	96,183
Deposits	-	56,221	56,221
Noncurrent liabilities			
Compensated absences			
Due within one year	125,016	16,473	141,489
Due in more than one year	266,314	16,473	282,787
Long-term debt			
Due within one year	600,549	237,373	837,922
Due in more than one year	<u>2,584,931</u>	<u>5,162,158</u>	<u>7,747,089</u>
Total liabilities	<u>4,499,877</u>	<u>5,796,147</u>	<u>10,296,024</u>
Deferred inflows of resources			
Deferred inflow of resources related to pensions	2,219,277	306,361	2,525,638
Net position:			
Net invested in capital assets	38,370,480	22,806,927	61,177,407
Restricted for:			
Debt service	425,046	-	425,046
Capital projects	217,144	-	217,144
Public safety	126,600	-	126,600
Utility systems enhancements (Gas tax and SDCs)	1,925,224	550,129	2,475,353
Unrestricted	<u>3,092,726</u>	<u>2,520,830</u>	<u>5,613,556</u>
Total net position	<u>\$ 44,157,220</u>	<u>\$ 25,877,886</u>	<u>\$ 70,035,106</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, 2015**

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 2,956,023	\$ 1,623,683	\$ 655,246	\$ -	\$ (677,094)	\$ -	\$ (677,094)
Public safety	4,440,928	-	4,377	-	(4,436,551)	-	(4,436,551)
Highways and streets	1,709,768	1,746,276	-	182,648	219,156	-	219,156
Parks and recreation	1,453,826	185,382	-	-	(1,268,444)	-	(1,268,444)
Interest on long-term debt	108,429	-	-	-	(108,429)	-	(108,429)
Total governmental activities	<u>10,668,974</u>	<u>3,555,341</u>	<u>659,623</u>	<u>182,648</u>	<u>(6,271,362)</u>	<u>-</u>	<u>(6,271,362)</u>
Business-type activities							
Water services	2,954,133	2,953,854	-	108,009	-	107,730	-
Stormwater services	842,517	830,954	-	45,417	-	33,854	-
Building services	107,161	228,860	-	-	-	121,699	-
Total business-type activities	<u>3,903,811</u>	<u>4,013,668</u>	<u>-</u>	<u>153,426</u>	<u>-</u>	<u>263,283</u>	<u>-</u>
Total primary government	<u>\$ 14,572,785</u>	<u>\$ 7,569,009</u>	<u>\$ 659,623</u>	<u>\$ 336,074</u>	<u>(6,271,362)</u>	<u>263,283</u>	<u>(6,271,362)</u>
General revenues							
Property taxes					4,737,843	-	4,737,843
Franchise taxes					1,004,667	-	1,004,667
Hotel/Motel taxes					391,491	-	391,491
Interest					34,819	13,540	48,359
Gain (loss) on capital asset disposal					(16,199)	-	(16,199)
Miscellaneous					-	34,422	34,422
Total general revenues					6,152,621	47,962	6,200,583
Change in net position					(118,741)	311,245	192,504
Beginning net position, as restated, see Note 12					44,275,961	25,566,641	69,842,602
Ending net position					<u>\$ 44,157,220</u>	<u>\$ 25,877,886</u>	<u>\$ 70,035,106</u>

See accompanying notes to the basic financial statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015**

	GENERAL FUND	STREET FUND	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS					
Cash and investments	\$ 3,173,445	\$ 1,957,829	\$ 18,486	\$ 916,560	\$ 6,066,320
Receivables:					
Taxes	349,196	-	-	-	349,196
Accounts receivable	289,021	173,298	-	-	462,319
State of Oregon	-	-	325,727	-	325,727
Special assessments	57,103	-	80,833	-	137,936
Prepaid items	6,896	19	-	-	6,915
Total assets	<u>\$ 3,875,661</u>	<u>\$ 2,131,146</u>	<u>\$ 425,046</u>	<u>\$ 916,560</u>	<u>\$ 7,348,413</u>
LIABILITIES					
Accounts payable	198,775	31,535	-	-	230,310
Payroll taxes and salaries	460,682	-	-	-	460,682
Unearned revenue	-	125,000	-	-	125,000
Total liabilities	<u>659,457</u>	<u>156,535</u>	<u>-</u>	<u>-</u>	<u>815,992</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - special assessments	57,103	-	80,833	-	137,936
Unavailable revenue - property taxes	310,995	-	-	-	310,995
Unavailable notes and accounts receivable	6,360	24,684	325,727	-	356,771
Total deferred inflows of resources	<u>374,458</u>	<u>24,684</u>	<u>406,560</u>	<u>-</u>	<u>805,702</u>
FUND BALANCE					
Nonspendable	6,896	19	-	-	6,915
Restricted	-	1,925,224	18,486	343,744	2,287,454
Committed	-	24,684	-	572,816	597,500
Assigned	2,501,250	-	-	-	2,501,250
Unassigned	333,600	-	-	-	333,600
Total fund balances	<u>2,841,746</u>	<u>1,949,927</u>	<u>18,486</u>	<u>916,560</u>	<u>5,726,719</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,875,661</u>	<u>\$ 2,131,146</u>	<u>\$ 425,046</u>	<u>\$ 916,560</u>	<u>\$ 7,348,413</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, 2015**

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

Total fund balances - governmental funds	\$	5,726,719
<p>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.</p>		
		40,985,645
<p>Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets.</p>		
Accrued interest	\$ (5,731)	
Long-term debt	<u>(3,185,480)</u>	(3,191,211)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>		
		(353,246)
<p>Assets, liabilities, deferred inflows and outflows related to the City's portion of the State-wide pension plan are not current resources or requirements and therefore are not reported in the funds:</p>		
Net pension asset	1,057,794	
Deferred outflow of resources related to pensions	460,853	
Deferred inflow of resources related to pensions	<u>(2,013,785)</u>	
		(495,138)
<p>Unavailable revenues are not earned in the current period and therefore are not reported as revenues in the funds</p>		
<p>Unavailable revenue</p>		
Special assessments made but not collected	137,936	
Property taxes levied but not collected	310,995	
Long term notes and accounts receivable	<u>356,771</u>	805,702
<p>An internal service fund is used by the City and its assets and liabilities are included with the City's governmental activities in the Statement of Net Position.</p>		
		<u>678,749</u>
Total net position - governmental activities	\$	<u>44,157,220</u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015**

	GENERAL FUND	STREET FUND	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES					
Taxes	\$ 6,098,085	\$ 175,000	\$ -	\$ -	\$ 6,273,085
Licenses and permits	63,355	-	-	-	63,355
Intergovernmental	492,382	1,067,001	162,864	4,377	1,726,624
Charges for services	1,019,539	666,383	222,007	185,382	2,093,311
Assessments	-	-	34,541	-	34,541
Fines and forfeitures	99,302	-	-	-	99,302
Investment earnings	20,850	8,269	619	3,519	33,257
Miscellaneous	173,992	23,540	55,900	-	253,432
Total revenues	<u>7,967,505</u>	<u>1,940,193</u>	<u>475,931</u>	<u>193,278</u>	<u>10,576,907</u>
EXPENDITURES					
Current:					
General government	2,593,696	-	34,371	-	2,628,067
Public safety	3,872,535	-	-	59,705	3,932,240
Highways and streets	-	1,672,466	-	-	1,672,466
Parks and recreation	1,250,697	-	-	8,302	1,258,999
Debt service:					
Principal	-	-	3,182,604	-	3,182,604
Interest	-	-	111,175	-	111,175
Total expenditures	<u>7,716,928</u>	<u>1,672,466</u>	<u>3,328,150</u>	<u>68,007</u>	<u>12,785,551</u>
Excess of revenues over (under) expenditures	<u>250,577</u>	<u>267,727</u>	<u>(2,852,219)</u>	<u>125,271</u>	<u>(2,208,644)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of refunding debt	-	-	2,629,766	-	2,629,766
Transfers in	-	-	199,000	-	199,000
Transfers out	<u>(44,000)</u>	<u>(55,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>(199,000)</u>
Total transfers	<u>(44,000)</u>	<u>(55,000)</u>	<u>2,828,766</u>	<u>(100,000)</u>	<u>2,629,766</u>
Net change in fund balance	206,577	212,727	(23,453)	25,271	421,122
Beginning fund balance	<u>2,635,169</u>	<u>1,737,200</u>	<u>41,939</u>	<u>891,289</u>	<u>5,305,597</u>
Ending fund balance	<u>\$ 2,841,746</u>	<u>\$ 1,949,927</u>	<u>\$ 18,486</u>	<u>\$ 916,560</u>	<u>\$ 5,726,719</u>

See accompanying notes to the basic financial statements

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

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - TO
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015**

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	\$	421,122
<p>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.</p>		
Capitalized expenditures	\$ 408,633	
Loss on capital asset disposal	(14,350)	
Depreciation expense	<u>(2,892,595)</u>	
Net adjustment		(2,498,312)
<p>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.</p>		
Accrued interest	2,746	
Compensated absences	<u>(91,670)</u>	(88,924)
<p>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.</p>		
Issuance of long-term debt	(2,629,766)	
Bond and notes payable principal payments	<u>3,182,604</u>	552,838
Expenses related to pension obligations not using current resources		1,453,146
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Special assessments	26,160	
Property taxes	(19,994)	
Long term notes and accounts receivable	<u>(26,059)</u>	(19,893)
<p>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.</p>		
Internal service fund change in net position		<u>61,282</u>
Change in net position - governmental activities	\$	<u>(118,741)</u>

See accompanying notes to the basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**
**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**
June 30, 2015

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	60 INTERNAL SERVICES FUND
ASSETS					
Current assets					
Cash and investments	\$ 1,505,229	\$ 920,810	\$ 425,971	\$ 2,852,010	\$ 300,884
Accounts receivable	452,386	73,836	-	526,222	-
Prepaid items	159	70	250	479	46
Supply inventory	169,991	-	-	169,991	-
Total current assets	<u>2,127,765</u>	<u>994,716</u>	<u>426,221</u>	<u>3,548,702</u>	<u>300,930</u>
Noncurrent assets					
Capital assets not being depreciated	2,128,446	439,107	-	2,567,553	-
Capital assets being depreciated, net	18,513,561	7,125,344	-	25,638,905	570,315
Net pension asset	98,058	33,583	23,841	155,482	108,002
Total noncurrent assets	<u>20,740,065</u>	<u>7,598,034</u>	<u>23,841</u>	<u>28,361,940</u>	<u>678,317</u>
Total assets	<u>22,867,830</u>	<u>8,592,750</u>	<u>450,062</u>	<u>31,910,642</u>	<u>979,247</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pensions	<u>43,990</u>	<u>15,066</u>	<u>10,696</u>	<u>69,752</u>	<u>44,422</u>
LIABILITIES					
Current liabilities					
Accounts payable	118,856	4,299	92,786	215,941	101,344
Developer and customer deposits	-	-	56,221	56,221	-
Accrued interest	90,452	-	-	90,452	-
Unearned revenue	-	1,056	-	1,056	-
Current portion of long-term debt					
SDC obligations	2,105	832	-	2,937	-
Notes payable	203,466	-	-	203,466	-
Series 2014 bonds	12,650	18,320	-	30,970	-
Compensated absences	10,640	3,376	2,457	16,473	19,042
Total current portion of long-term debt	<u>228,861</u>	<u>22,528</u>	<u>2,457</u>	<u>253,846</u>	<u>19,042</u>
Total current liabilities	<u>438,169</u>	<u>27,883</u>	<u>151,464</u>	<u>617,516</u>	<u>120,386</u>
Noncurrent liabilities					
SDC obligations	16,843	6,663	-	23,506	-
Notes payable	5,107,682	-	-	5,107,682	-
Series 2014 bonds	12,650	18,320	-	30,970	-
Compensated absences	10,640	3,376	2,457	16,473	19,042
Total long-term liabilities	<u>5,147,815</u>	<u>28,359</u>	<u>2,457</u>	<u>5,178,631</u>	<u>19,042</u>
Total liabilities	<u>5,585,984</u>	<u>56,242</u>	<u>153,921</u>	<u>5,796,147</u>	<u>139,428</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pensions	<u>193,212</u>	<u>66,172</u>	<u>46,977</u>	<u>306,361</u>	<u>205,492</u>
NET POSITION					
Net investment in capital assets	15,286,611	7,520,316	-	22,806,927	678,317
Restricted for:					
Utility system enhancements (SDCs)	388,619	161,510	-	550,129	-
Unrestricted	<u>1,457,394</u>	<u>803,576</u>	<u>259,860</u>	<u>2,520,830</u>	<u>432</u>
Total net position	<u>\$ 17,132,624</u>	<u>\$ 8,485,402</u>	<u>\$ 259,860</u>	<u>\$ 25,877,886</u>	<u>\$ 678,749</u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICES FUND
OPERATING REVENUES					
Charges for services	\$ 2,953,854	\$ 830,954	\$ 228,860	\$ 4,013,668	\$ 1,138,864
Miscellaneous	27,566	5,673	1,183	34,422	7,856
Total operating revenues	<u>2,981,420</u>	<u>836,627</u>	<u>230,043</u>	<u>4,048,090</u>	<u>1,146,720</u>
OPERATING EXPENSES					
Public works equipment rental operations	-	-	-	-	974,540
Utility operations	2,267,119	608,502	-	2,875,621	-
Building inspection services	-	-	107,161	107,161	-
Depreciation	494,554	222,515	-	717,069	110,611
Total operating expenses	<u>2,761,673</u>	<u>831,017</u>	<u>107,161</u>	<u>3,699,851</u>	<u>1,085,151</u>
Operating income (loss)	<u>219,747</u>	<u>5,610</u>	<u>122,882</u>	<u>348,239</u>	<u>61,569</u>
NONOPERATING REVENUES (EXPENSES)					
Interest expense	(192,460)	(11,500)	-	(203,960)	-
Investment earnings	7,670	4,384	1,486	13,540	1,562
Gain/loss on assets	-	-	-	-	(1,849)
Total nonoperating revenues (expenses)	<u>(184,790)</u>	<u>(7,116)</u>	<u>1,486</u>	<u>(190,420)</u>	<u>(287)</u>
Income (loss) before contributions	34,957	(1,506)	124,368	157,819	61,282
System development charges capital contributions	<u>108,009</u>	<u>45,417</u>	<u>-</u>	<u>153,426</u>	<u>-</u>
Change in net position	142,966	43,911	124,368	311,245	61,282
Beginning net position, as restated, see Note 12	<u>16,989,658</u>	<u>8,441,491</u>	<u>135,492</u>	<u>25,566,641</u>	<u>617,467</u>
Ending net position	<u>\$ 17,132,624</u>	<u>\$ 8,485,402</u>	<u>\$ 259,860</u>	<u>\$ 25,877,886</u>	<u>\$ 678,749</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, 2015**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 3,018,026	\$ 837,631	\$ 252,099	\$ 4,107,756	\$ -
Received from interfund services provided	-	-	-	-	1,146,720
Paid for interfund services provided	(774,000)	(295,000)	-	(1,069,000)	-
Paid to suppliers	(881,367)	(159,322)	(13,923)	(1,054,612)	(330,627)
Paid to employees	(745,085)	(204,192)	(87,836)	(1,037,113)	(706,281)
Net cash provided by operating activities	<u>617,574</u>	<u>179,117</u>	<u>150,340</u>	<u>947,031</u>	<u>109,812</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
SDC fees received	108,009	45,417	-	153,426	-
Purchase of capital assets	(104,695)	(68,462)	-	(173,157)	(76,696)
Proceeds from sale of capital assets	-	-	-	-	6,650
Interest paid on capital debt	(195,768)	(11,500)	-	(207,268)	-
Long-term debt principal payments	(181,737)	(15,836)	-	(197,573)	-
Net cash provided (used) by capital and related financing activities	<u>(374,191)</u>	<u>(50,381)</u>	<u>-</u>	<u>(424,572)</u>	<u>(70,046)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	<u>7,670</u>	<u>4,384</u>	<u>1,043</u>	<u>13,097</u>	<u>1,562</u>
Net increase in cash and investments	<u>251,053</u>	<u>133,120</u>	<u>151,383</u>	<u>535,556</u>	<u>41,328</u>
Cash and investments					
Beginning of year	<u>1,254,176</u>	<u>787,690</u>	<u>274,588</u>	<u>2,316,454</u>	<u>259,556</u>
End of Year	<u>\$ 1,505,229</u>	<u>\$ 920,810</u>	<u>\$ 425,971</u>	<u>\$ 2,852,010</u>	<u>\$ 300,884</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 219,747	\$ 5,610	\$ 122,882	\$ 348,239	\$ 61,569
Depreciation and amortization	494,554	222,515	-	717,069	110,611
Net reduction of expense under GASB 68	(135,585)	(46,435)	(32,522)	(214,542)	(143,688)
(Increase) decrease in prepaid expenses	(135)	(70)	386	181	169
(Increase) decrease in customer deposits	-	-	22,056	22,056	-
(Increase) decrease in inventory	(13,059)	-	-	(13,059)	-
(Increase) decrease in receivables	36,608	(52)	-	36,556	-
Increase (decrease) in unearned revenue	-	1,056	-	1,056	-
Increase (decrease) in payables	10,111	(6,971)	34,359	37,499	80,966
Increase (decrease) in compensated absences	<u>5,333</u>	<u>3,464</u>	<u>3,179</u>	<u>11,976</u>	<u>185</u>
Net Cash Provided by Operating Activities	<u>\$ 617,574</u>	<u>\$ 179,117</u>	<u>\$ 150,340</u>	<u>\$ 947,031</u>	<u>\$ 109,812</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 are 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 the City's governmental activities debt service. The City's business-type activities debt service is accounted for in the proprietary funds.

The government reports the following nonmajor governmental funds:

High Tech Crime Unit Fund - This special revenue accounted for federal grant and local source revenue that funded a region-wide law enforcement effort to detect, investigate, and prosecute crimes involving the use of high tech equipment and the Internet. This targeted activity ceased during 2014-15 and the fund will be closed during 2015-16.

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

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

The government reports the following major proprietary funds:

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

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

The government also reports the following proprietary funds:

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

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

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

**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. All systems development charges ("SDCs") are considered to be capital contributions and reported as nonoperating revenue.

BUDGETS

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

There were budget amendment resolutions adopted during the year. These amendments included both appropriation transfers and a supplemental budget. Appropriations in the Debt Service Fund were exceeded due to paying an unscheduled debt payment. In addition, Debt Service Fund appropriations were exceeded because of the refunding transaction of long term debt described in Note 5 to basic financial statements, however this refunding transaction was exempt from Local Budget Law and appropriation limits.

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
Software:	5 years

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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, 2015, and for prior years as well, no interest was capitalized on capital assets. All interest incurred during the current year was charged to expense/expenditures.

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 Outflow / Inflow of Resources

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

Long-term Obligations

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

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

Net Position

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

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

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

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

Unrestricted net position - all other net position.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances

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

Nonspendable fund balance - inherently nonspendable resources that, because of their form, 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 cash equivalents, unrestricted and restricted, at June 30 consisted of:

	2015
Petty cash	\$ 1,150
Demand deposits	76,218
Investments - FSA	6,000
Investments - LGIP	<u>9,135,846</u>
Total	<u>\$ 9,219,214</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 and 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, 2015, none of the City's bank balances were exposed to credit risk.

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

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

3. RECEIVABLES

Receivables as of the year ended June 30, 2015, 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 (\$80,833) are pledged for the payment of a bond purchase agreement further described in Note 5. However, at June 30, 2015, 67% of the special assessments in Debt Service Fund (\$53,800) are delinquent. 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 Funds</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<u>Governmental Activities</u>			
Current:			
Accounts receivable	\$ 462,319	\$ 462,319	\$ -
Property taxes	349,196	349,196	-
Total current	<u>811,515</u>	<u>811,515</u>	<u>-</u>
Long-term:			
Special assessments	137,936	-	137,936
State of Oregon	325,727	162,860	162,867
Total long-term	<u>463,663</u>	<u>162,860</u>	<u>300,803</u>
Total	<u>\$ 1,275,178</u>	<u>\$ 974,375</u>	<u>\$ 300,803</u>
	<u>Proprietary Fund</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<u>Business-type Activities</u>			
Current:			
Accounts, net	\$ 526,222	\$ 526,222	\$ -

**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, 2015 are as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Governmental Activities:				
Not being depreciated				
Land	\$ 5,345,702	\$ -	\$ -	\$ 5,345,702
Work in process	389,990	27,188	-	417,178
Land use rights	42,815	-	-	42,815
Total	<u>5,778,507</u>	<u>27,188</u>	<u>-</u>	<u>5,805,695</u>
Being depreciated				
Buildings	5,106,509	30,017	-	5,136,526
Software	134,537	36,102	-	170,639
Computers	445,371	-	(22,422)	422,949
Equipment and vehicles	633,269	-	(19,737)	613,532
Infrastructure	85,606,757	315,326	-	85,922,083
Total	<u>91,926,443</u>	<u>381,445</u>	<u>(42,159)</u>	<u>92,265,729</u>
Accumulated depreciation				
Buildings	(1,650,198)	(121,140)	-	(1,771,338)
Software	(12,992)	(36,917)	-	(49,909)
Computers	(203,807)	(52,448)	8,072	(248,183)
Equipment and vehicles	(439,429)	(37,289)	19,737	(456,981)
Infrastructure	(51,914,566)	(2,644,801)	-	(54,559,367)
Total	<u>(54,220,992)</u>	<u>(2,892,595)</u>	<u>27,809</u>	<u>(57,085,778)</u>
Governmental capital assets, net	<u>\$ 43,483,958</u>	<u>\$ (2,483,962)</u>	<u>\$ (14,350)</u>	<u>\$ 40,985,646</u>
Internal Service Fund:				
Being depreciated				
Buildings	267,912	-	-	267,912
Equipment and vehicles	1,110,265	76,697	(15,035)	1,171,927
Infrastructure	18,000	-	-	18,000
Total	<u>1,396,177</u>	<u>76,697</u>	<u>(15,035)</u>	<u>1,457,839</u>
Accumulated depreciation				
Buildings	(100,339)	(9,110)	-	(109,449)
Equipment and vehicles	(679,689)	(101,141)	6,535	(774,295)
Infrastructure	(3,420)	(360)	-	(3,780)
Total	<u>(783,448)</u>	<u>(110,611)</u>	<u>6,535</u>	<u>(887,524)</u>
Internal service fund capital assets, net	<u>\$ 612,729</u>	<u>\$ (33,914)</u>	<u>\$ (8,500)</u>	<u>\$ 570,315</u>

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

4. CAPITAL ASSETS, continued

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Business-type Activities:				
Not being depreciated				
Land	\$ 1,943,024	\$ -	\$ -	\$ 1,943,024
Work in process	150,706	173,157	-	323,863
Land use rights	300,666	-	-	300,666
Total	<u>2,394,396</u>	<u>173,157</u>	<u>-</u>	<u>2,567,553</u>
Being depreciated				
Equipment and vehicles	75,947	-	-	75,947
Infrastructure	36,656,668	-	-	36,656,668
Total	<u>36,732,615</u>	<u>-</u>	<u>-</u>	<u>36,732,615</u>
Accumulated depreciation				
Equipment and vehicles	(19,543)	(9,435)	-	(28,978)
Infrastructure	(10,357,098)	(707,634)	-	(11,064,732)
Total	<u>(10,376,641)</u>	<u>(717,069)</u>	<u>-</u>	<u>(11,093,710)</u>
Business-type capital assets, net	<u>\$ 28,750,370</u>	<u>\$ (543,912)</u>	<u>\$ -</u>	<u>\$ 28,206,458</u>

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

Function/Activities	Governmental Activities	Business-type Activities
General Government	\$ 954,557	\$ -
Public Safety	1,185,964	-
Highways and Streets	404,963	-
Parks and Recreation	347,111	-
Internal Service Fund - charged to various functions based on usage	110,611	-
Water	-	494,554
Stormwater	-	222,515
Total	<u>\$ 3,003,206</u>	<u>\$ 717,069</u>

5. LONG-TERM DEBT

At June 30, 2015, the City's long-term financed debt consists of the following:

Limited Tax Improvement Bonds: 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.

10th, Scenic, Upton Road improvements: 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 was secured by the full faith and credit of the City and was payable from all legally available funds of the City. Interest at 4.3% is paid semi-annually and principal is paid annually. Final payment was scheduled for 2017; however, the final balance was paid in full through the Series 2014 refinance.

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

5. LONG-TERM DEBT, continued

City Hall: On September 29, 2004, the City entered into a certificate of participation agreement to obtain funding in the amount of \$2,700,000 to construct, furnish, and equip new City council chambers, city hall offices, and pay bond issuance costs. These certificates of participation were payable from all legally available funds of the City, although no such guaranteed repayments have been necessary. Final payment was scheduled for 2025; however, the final balance was paid in full through the Series 2014 refinance.

Don Jones Memorial Park: : 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 was secured by the full faith and credit of the City and was payable from all legally available funds of the City. Interest at 4.05% was paid semi-annually, and principal was paid annually. Final payment was scheduled for 2018; however, the final balance was paid in full through the Series 2014 refinance.

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

Water Reservoir: During 2010-11, the City entered into an agreement with the state of Oregon Safe Drinking Water Revolving Loan Fund to provide financing of up to \$5,600,000 to engineer and construct a new City reservoir. 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. While repayment is guaranteed by the United State government, the City has made all scheduled repayments; and management does not anticipate a need to look to the United States government to make any repayments.

System Development Credits: The City entered into agreements with various developers to provide water line, stormwater line, parks, streets and sidewalk infrastructure relating to developers providing enhanced improvements at the time of site development and construction. These improvements are in addition to the requirements placed on them by the planning and approval process. A few agreements required that the City reimburse the developer's costs (without interest); with most agreements providing a credit issued towards the various permit fees and systems development charges ("SDCs") to be used within ten (10) years.

In December 2015, a major portion of the SDC's will expire, significantly reducing the outstanding liability of this debt from \$610,000 at June 30, 2015 to approximately \$300,000.

All outstanding long-term debt at June 30, 2015 is related to capital assets. No specific revenue sources are pledged to the repayment of long term debt.

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

5. LONG-TERM DEBT, continued

Changes in the City's long-term debt during the fiscal year ending June 30, 2015:

	<u>Balance 7/1/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2015</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
Governmental Activities						
Limited tax improvement bonds	\$ 217,491	\$ -	\$ (110,000)	\$ 107,491	\$ 55,000	\$ 52,491
Road Improvements	607,668	-	(607,668)	-	-	-
City Hall	1,725,000	-	(1,725,000)	-	-	-
Don Jones Park	655,000	-	(655,000)	-	-	-
Series 2014	-	2,629,766	(51,445)	2,578,321	490,030	2,088,291
SDC obligations	533,159	-	(33,491)	499,668	55,519	444,149
Total	<u>\$ 3,738,318</u>	<u>\$ 2,629,766</u>	<u>\$(3,182,604)</u>	<u>\$ 3,185,480</u>	<u>\$ 600,549</u>	<u>\$ 2,584,931</u>
Business-type Activities						
Road Improvement	\$ 84,332	\$ -	\$ (84,332)	\$ -	\$ -	\$ -
Water Reservoir	5,507,924	-	(196,776)	5,311,148	203,466	5,107,682
Series 2014	-	63,175	(1,235)	61,940	30,970	30,970
SDC obligations	4,848	21,595	-	26,443	2,937	23,506
Total	<u>\$ 5,597,104</u>	<u>\$ 84,770</u>	<u>\$(282,343)</u>	<u>\$ 5,399,531</u>	<u>\$ 237,373</u>	<u>\$ 5,162,158</u>

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

<u>Years Ending June 30,</u>	<u>Limited Tax Bond</u>		<u>SDC Obligations</u>		<u>Series 2014 Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 55,000	\$ 7,507	\$ 55,519	\$ -	\$ 490,030	\$ 55,734
2017	52,491	4,966	55,519	-	535,000	46,109
2018	-	-	55,519	-	279,090	35,974
2019	-	-	55,519	-	289,946	28,889
2020	-	-	55,519	-	157,399	23,319
2021 to 2025	-	-	222,073	-	826,856	54,756
Total	<u>\$ 107,491</u>	<u>\$ 12,473</u>	<u>\$ 499,668</u>	<u>\$ -</u>	<u>\$ 2,578,321</u>	<u>\$ 244,781</u>

<u>Years Ending June 30,</u>	<u>Total Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 600,549	\$ 600,549
2017	643,010	643,010
2018	334,609	334,609
2019	345,465	345,465
2020	212,918	212,918
2021 to 2025	1,048,929	1,048,929
Total	<u>\$ 3,185,480</u>	<u>\$ 3,185,480</u>

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

5. LONG-TERM DEBT, continued

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

Years Ending June 30,	State of Oregon Note Payable		SDC Obligations		Series 2014 Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 203,466	\$ 180,579	\$ 2,938	\$ -	\$ 30,970	\$ 3,522
2017	210,384	173,661	2,938	-	30,970	2,908
2018	217,537	166,508	2,938	-	-	-
2019	224,933	159,112	2,938	-	-	-
2020	232,581	151,464	2,938	-	-	-
2021 to 2025	1,287,037	633,188	11,753	-	-	-
2026 to 2030	1,521,226	298,999	-	-	-	-
2031 to 2035	1,413,984	122,197	-	-	-	-
Total	\$ 5,311,148	\$ 1,885,708	\$ 26,443	\$ -	\$ 61,940	\$ 6,430

	Total Business-Type Activities	
	Principal	Interest
2015-16	\$ 237,374	\$ 184,101
2016-17	244,292	176,569
2017-18	220,475	166,508
2018-19	227,871	159,112
2019-20	235,519	151,464
2021 to 2025	1,298,790	633,188
2026 to 2030	1,521,226	298,999
2031 to 2035	1,413,984	122,197
Total	\$ 5,399,531	\$ 1,892,138

Interest cost incurred and charged to expense during the year ended June 20, 2015 was \$312,379. No interest was incurred related to any capital asset project.

Current year interest expense / expenditures:

Governmental activities	\$ 108,419
Business-type activities	<u>203,960</u>
Total	\$ <u>312,379</u>

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

6. COMPENSATED ABSENCES

During the year ended June 30, 2015, the changes in the City's vested compensated absences obligation to employees were as follows:

	<u>Balance 7/1/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 7/1/15</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
Governmental Activities						
Governmental Funds	\$ 370,591	\$ 340,307	\$ (357,652)	\$ 353,246	\$ 105,974	\$ 247,272
Internal Service Fund	18,950	36,649	(17,515)	38,084	19,042	19,042
Total	<u>\$ 389,541</u>	<u>\$ 376,956</u>	<u>\$ (375,167)</u>	<u>\$ 391,330</u>	<u>\$ 125,016</u>	<u>\$ 266,314</u>
Business-Type Activities						
Proprietary Funds	\$ 20,970	\$ 26,642	\$ (14,666)	\$ 32,946	\$ 16,473	\$ 16,473
Combined Total	<u>\$ 410,511</u>	<u>\$ 403,598</u>	<u>\$ (389,833)</u>	<u>\$ 424,276</u>	<u>\$ 141,489</u>	<u>\$ 282,787</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.

7. INTERFUND ACTIVITY

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

	<u>Transfer In</u>
	<u>Debt Service Fund</u>
Transfer Out	
General Fund	\$ 44,000
Street Fund	55,000
Nonmajor governmental funds (Capital Improvement Fund)	100,000
Total	<u>\$ 199,000</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.

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

8. GOVERNMENTAL FUND BALANCES

Governmental fund balance components at June 30, 2015 are:

<u>Fund Balance Components</u>	<u>General Fund</u>	<u>Street Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable					
Prepaid items	\$ 6,896	\$ 19	\$ -	\$ -	\$ 6,915
Restricted:					
Debt Service	-	-	18,486	-	18,486
State Law - Gas Tax and SDCs	-	1,925,224	-	217,144	2,142,368
Grant Funds - Public Safety	-	-	-	126,600	126,600
Total	-	1,925,224	18,486	343,744	2,287,454
Committed:					
Council resolution/ordinances:					
Street maintenance	-	24,684	-	-	24,684
Future capital assets	-	-	-	572,816	572,816
Total	-	24,684	-	572,816	597,500
Assigned:					
2015-17 Budget	2,501,250	-	-	-	2,501,250
Unassigned	333,600	-	-	-	333,600
Total fund balance	<u>\$ 2,841,746</u>	<u>\$ 1,949,927</u>	<u>\$ 18,486</u>	<u>\$ 916,560</u>	<u>\$ 5,726,719</u>

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for general, auto and property liability. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM

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

Oregon PERS produces an independently audited CAFR which can be found at:
http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Risk Pooling

The City has elected to participate in the State and Local Government Rate Pool (SLGRP). Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contribution rates. Pool participants share pension assets and future pension liabilities and surpluses. Employers in the pool jointly fund the future pension costs of all of the pooled participants.

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature.

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

Pension Benefits

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

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

Death Benefits

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

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

Disability Benefits

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

Benefit Changes After Retirement

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

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

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits.

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

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

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

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

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

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

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

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

Death Benefits

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

Contributions:

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

1. Member contributions

Beginning January 1, 2004, all member contributions, except judge members, were placed in the OPSRP Individual Account Program. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 to 7.0 percent of salary and are remitted by participating employers, who may agree to make member contributions on the member's behalf. The contributions are either deducted from member salaries or paid by the employers. The City has elected to make payments on behalf of its employees, who pay 6.0% of their salary to the IAP.

2. Employer contributions

Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates, based on a percentage of payroll, first became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivisions, including the City, have made lump sum payments to establish side accounts, and their rates have been reduced.

The City's contributions for the year ended June 30, 2015 were \$851,622. The rates in effect for the fiscal year ended June 30, 2015 were 15.08 percent for Tier One/Tier Two General Services, 10.25 percent for OPSRP Pension Program General Services, and 12.98 percent for OPSRP Police and Fire members.

A 10 year schedule of Defined Benefit Pension Plan Contributions can be found beginning on page 58 of the June 30, 2014 PERS CAFR.

Pension Plan CAFR:

Oregon PERS produces an independently audited CAFR which can be found at:

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

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

At June 30, 2015, the City's proportionate share of the net pension asset is \$1,321,278. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the City's proportion was 0.058 percent, which was unchanged from its proportion measured as of June 30, 2013.

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$2,549,530
Changes in proportion and differences between contributions and proportionate share of contributions	-	(23,982)
Contributions subsequent to the measurement date	<u>575,027</u>	<u>-</u>
Total	<u>\$ 575,027</u>	<u>\$2,525,548</u>

Deferred outflows of resources related to pensions of \$575,027 resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Difference of Projected and Actual Investment Earnings	Change in employer proportion and differences between employer contributions proportionate share of contribution	Total
2016	\$ 638,170	\$ (5,980)	\$ 632,190
2017	638,170	(5,980)	632,190
2018	638,170	(5,980)	632,190
2019	638,170	(5,980)	632,190
2020	<u>(3,150)</u>	<u>(62)</u>	<u>(3,212)</u>
Total	<u>\$ 2,549,530</u>	<u>\$ (23,982)</u>	<u>\$ 2,525,548</u>

Actuarial Valuations:

The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, published September 18, 2013
Actuarial Cost Method	Entry Age normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization based over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment Rate of return	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Mortality	Health retirees and beneficiaries: PF-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage of the RP-2000 statistic combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

Discount rate

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability,

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	7.20 %	4.50 %
Short-Term Bonds	8.00 %	3.70 %
Intermediate - Term Bonds	3.00 %	4.10 %
High Yield Bonds	1.80 %	6.66 %
Large Cap US Equities	11.65 %	7.20 %
Mid Cap US Equities	3.88 %	7.30 %
Small Cap US Equities	2.27 %	7.45 %
Developed Foreign Equities	14.21 %	6.90 %
Emerging Foreign Equities	5.49 %	7.40 %
Private Equities	20.00 %	8.26 %
Opportunity Funds/Absolute Return	5.00 %	6.01 %
Real Estate (Property)	13.75 %	6.51 %
Real Estate (REITS)	2.50 %	6.76 %
Commodities	1.25 %	6.07 %
Total	<u>100.00 %</u>	
Assumed Inflation - Mean		2.75 %

Sensitivity of the net pension liability to changes in the discount rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of net pension liability (asset)	\$ 2,797,989	\$ (1,321,278)	\$ (4,805,210)

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

Changes in Plan Provisions Subsequent to Measurement Date

The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision has not been fully determined. However, the change in benefit terms is estimated to increase the City's proportionate share of the net pension (asset)/liability by \$2,865,101 as shown in the following table.

	<u>Prior to Moro</u>	<u>After Moro (estimated)</u>	<u>Change</u>
Total pension liability	\$ 36,801,530	\$ 39,666,631	\$ (2,865,101)
Fiduciary net position	<u>38,122,808</u>	<u>38,122,809</u>	<u>-</u>
Net pension (asset) liability	\$ <u>(1,321,278)</u>	\$ <u>1,543,822</u>	\$ <u>(2,865,101)</u>

11. PROPERTY TAX LIMITATIONS

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

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

12. RESTATEMENT OF NET POSITION

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68. The City implemented GASB Statements No. 68 and 71 in the year ending June 30, 2015.

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

12. RESTATEMENT OF NET POSITION, continued

	Governmental Activities (excluding Internal Service Funds)	Internal Services Fund	Total Governmental Activities	Water Fund	Stormwater Fund	Nonmajor Building Fund
Ending net position, July 1, 2014:						
As previously reported	\$ 45,606,779	\$ 814,223	\$ 46,421,002	\$17,176,405	\$ 8,505,499	\$ 180,897
Deferred outflows of resources related to pension	425,783	43,000	468,783	40,813	13,978	9,923
Net pension liability	<u>(2,374,068)</u>	<u>(239,756)</u>	<u>(2,613,824)</u>	<u>(227,560)</u>	<u>(77,936)</u>	<u>(55,328)</u>
Net position, July 1, 2014 as restated	<u>\$ 43,658,494</u>	<u>\$ 617,467</u>	<u>\$ 44,275,961</u>	<u>\$16,989,658</u>	<u>\$ 8,441,541</u>	<u>\$ 135,492</u>



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

REQUIRED SUPPLEMENTARY INFORMATION

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

CITY OF CENTRAL POINT
 Required Supplementary Information
 Year Ended June 30, 2015

Schedule of the Proportionate Share of the Net Pension Liability
 Oregon Public Employees Retirement System

	<u>2015</u>	<u>2014</u>	<u>2013 and Prior</u>
Proportion of the net pension liability (asset)	0.058290 %	0.058290 %	N/A
Proportionate share of the net pension liability (asset)	\$(1,321,278)	\$ 2,974,646	N/A
Covered payroll	\$ 4,574,921	\$ 4,582,245	N/A
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	(28.88)%	64.92 %	N/A
Plan net position as a percentage of the total pension liability	103.59 %	92.00 %	N/A

Schedule of Pension Contributions
 Oregon Public Employees Retirement System

	<u>2015</u>	<u>2014</u>	<u>2013 and Prior</u>
Contractually required contribution	\$ 851,622	\$ 855,682	N/A
Contributions in relation to the contractually required contribution	<u>851,622</u>	<u>855,682</u>	N/A
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	N/A
Covered employee payroll	\$ 4,574,921	\$ 4,582,245	N/A
Contributions as a percentage of covered employee payroll	18.62 %	18.67 %	N/A

**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, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Taxes	\$ 5,928,500	\$ 6,125,000	\$ 6,098,085	\$ (26,915)
Licenses and permits	52,670	59,500	63,355	3,855
Intergovernmental	653,400	497,100	492,382	(4,718)
Charges for services	816,500	994,500	1,019,539	25,039
Fines and forfeitures	147,500	105,000	99,302	(5,698)
Investment earnings	30,000	32,500	20,850	(11,650)
Miscellaneous	141,100	137,000	173,992	36,992
Total revenues	7,769,670	7,950,600	7,967,505	16,905
Expenditures:				
Mayor & Council	59,750	61,250	44,873	16,377
Administration	668,600	701,100	677,641	23,459
Technical services	555,500	548,400	508,747	39,653
City enhancement	199,000	383,100	159,306	223,794
Finance	870,900	775,600	721,837	53,763
Interdepartmental	236,000	125,000	123,774	1,226
Parks and recreation - parks	785,400	801,350	788,220	13,130
Parks and recreation - recreation	495,350	522,740	462,477	60,263
Planning	462,800	403,850	357,518	46,332
Police	4,010,440	4,130,910	3,872,535	258,375
Contingency	150,000	160,000	-	160,000
Total expenditures	8,493,740	8,613,300	7,716,928	896,372
Excess of revenues over (under) expenditures	(724,070)	(662,700)	250,577	913,277
Other financing sources (uses):				
Transfers out	(98,500)	(44,000)	(44,000)	-
Net change in fund balance	(822,570)	(706,700)	206,577	913,277
Beginning fund balance	2,518,770	2,346,060	2,635,169	289,109
Ending fund balance	\$ 1,696,200	\$ 1,639,360	\$ 2,841,746	\$ 1,202,386

GAAP Basis Presentation of Expenditures:

Current:

General government	\$ 2,593,696
Public safety	3,872,535
Parks and recreation	1,250,697
Total	\$ 7,716,928

**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, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Taxes	\$ 105,000	\$ 175,000	\$ 175,000	\$ -
Intergovernmental	1,413,000	1,055,000	1,067,001	12,001
Charges for services	487,500	550,000	666,383	116,383
Investment earnings	15,000	11,000	8,269	(2,731)
Miscellaneous	3,000	5,000	23,540	18,540
Total revenues	2,023,500	1,796,000	1,940,193	144,193
Expenditures:				
Street operations	2,030,800	1,485,200	1,354,275	130,925
SDC streets	247,700	485,000	318,191	166,809
Total expenditures	2,278,500	1,970,200	1,672,466	297,734
Excess of revenues over (under) expenditures	(255,000)	(174,200)	267,727	441,927
Other financing sources (uses):				
Transfers out	(32,600)	(55,000)	(55,000)	-
Contingency	(100,000)	(100,000)	-	100,000
Net change in fund balance	(387,600)	(329,200)	212,727	541,927
Beginning fund balance	1,897,500	1,594,730	1,737,200	142,470
Ending fund balance	\$ 1,409,900	\$ 1,165,530	\$ 1,949,927	\$ 784,397

GAAP Basis Presentation of Expenditures:

Current:

Highways and streets \$ 1,672,466

**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, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Intergovernmental	\$ 162,900	\$ 162,870	\$ 162,864	\$ (6)
Charges for services	591,500	224,000	222,007	(1,993)
Assessments	60,050	60,000	34,541	(25,459)
Investment earnings	250	100	619	519
Miscellaneous	-	-	55,900	55,900
Total revenues	814,700	446,970	475,931	28,961
Expenditures:				
Debt service	1,009,650	645,600	698,384	(52,784)
Total expenditures	1,009,650	645,600	698,384	(52,784)
Excess of revenues over (under) expenditures	(194,950)	(198,630)	(222,453)	(23,823)
Other financing sources (uses):				
Transfers in	198,800	199,000	199,000	-
Net change in fund balance	3,850	370	(23,453)	(23,823)
Beginning fund balance	21,900	45,800	41,940	(3,860)
Ending fund balance	\$ 25,750	\$ 46,170	\$ 18,487	\$ (27,683)

GAAP Basis Presentation

	Budgetary Basis	Adjustment for Debt Issuance	Total
Debt service:			
Issuance of 2014 refunding bond	\$ -	\$ 2,629,766	\$ 2,629,766
Principal	628,680	2,553,924	3,182,604
Interest	69,704	41,471	111,175
Bond issuance cost and fees	-	34,371	34,371
Total	\$ 698,384	\$ 5,259,532	\$ 5,957,916

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

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2015**

	High Tech Crime Unit Fund	Reserve Fund	Capital Improvement Fund	Total
Assets:				
Cash and investments	\$ 126,600	\$ 572,816	\$ 217,144	\$ 916,560
 Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Restricted	126,600	-	217,144	343,744
Committed	-	572,816	-	572,816
Total fund balances:	126,600	572,816	217,144	916,560
Total liabilities and fund balances:	\$ 126,600	\$ 572,816	\$ 217,144	\$ 916,560

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

**NONMAJOR GOVERNMENTAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2015**

	High Tech Crime Unit Fund	Reserve Fund	Capital Improvement Fund	Total
REVENUES:				
Intergovernmental	\$ 4,377	\$ -	\$ -	\$ 4,377
Charges for services	-	-	185,382	185,382
Investment earnings	-	2,847	672	3,519
Total revenues:	<u>4,377</u>	<u>2,847</u>	<u>186,054</u>	<u>193,278</u>
EXPENDITURES:				
Current:				
Public safety	59,705	-	-	59,705
Parks and recreation	-	-	8,302	8,302
Total expenditures:	<u>59,705</u>	<u>-</u>	<u>8,302</u>	<u>68,007</u>
Excess of revenues over (under) expenditures	<u>(55,328)</u>	<u>2,847</u>	<u>177,752</u>	<u>125,271</u>
Other Financing Sources (Uses)				
Transfers out	-	-	(100,000)	(100,000)
Total transfers:	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
Net change in fund balance	(55,328)	2,847	77,752	25,271
Beginning fund balance	<u>181,928</u>	<u>569,969</u>	<u>139,392</u>	<u>891,289</u>
Ending fund balance	<u>\$ 126,600</u>	<u>\$ 572,816</u>	<u>\$ 217,144</u>	<u>\$ 916,560</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, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Intergovernmental	\$ 50,000	\$ 40,000	\$ 4,377	\$ (35,623)
Expenditures:				
Public safety	96,500	78,500	59,705	18,795
Excess of Revenues Over (Under) Expenditures	(46,500)	(38,500)	(55,328)	(16,828)
Other Financing Sources (Uses):				
Transfers in	20,000	-	-	-
Net change in fund balance	(26,500)	(38,500)	(55,328)	(16,828)
Beginning fund balance	35,200	177,755	181,928	4,173
Ending fund balance	<u>\$ 8,700</u>	<u>\$ 139,255</u>	<u>\$ 126,600</u>	<u>\$ (12,655)</u>

GAAP Basis Presentation of Expenditures:

Current:

Public safety \$ 59,705

**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, 2015**

	<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	\$ 2,847	\$ (1,153)
Expenditures:				
Interdepartmental	-	40,000	-	40,000
Other financing sources (uses):				
Transfers in	80,000	-	-	-
Net change in fund balance	84,000	(36,000)	2,847	38,847
Beginning fund balance	487,500	569,800	569,969	169
Ending fund balance	<u>\$ 571,500</u>	<u>\$ 533,800</u>	<u>\$ 572,816</u>	<u>\$ 39,016</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, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Intergovernmental	\$ 50,000	\$ -	\$ -	\$ -
Charges for services	60,000	60,000	185,382	125,382
Investment earnings	760	700	672	(28)
Total revenues	<u>110,760</u>	<u>60,700</u>	<u>186,054</u>	<u>125,354</u>
Expenditures:				
Capital projects	37,000	-	-	-
SDC capital projects	52,000	10,000	8,302	1,698
Total expenditures	<u>89,000</u>	<u>10,000</u>	<u>8,302</u>	<u>1,698</u>
Excess of revenues over (under) expenditures	<u>21,760</u>	<u>50,700</u>	<u>177,752</u>	<u>127,052</u>
Other financing sources (uses):				
Transfers out	(65,000)	(100,000)	(100,000)	-
Net Change in fund balance	<u>(43,240)</u>	<u>(49,300)</u>	<u>77,752</u>	<u>127,052</u>
Beginning fund balance	<u>88,940</u>	<u>68,625</u>	<u>139,392</u>	<u>70,767</u>
Ending fund balance	<u>\$ 45,700</u>	<u>\$ 19,325</u>	<u>\$ 217,144</u>	<u>\$ 197,819</u>

GAAP Basis Presentation of Expenditures:

Current:	
Parks and recreation	<u>\$ 8,302</u>

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

**WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Charges for services	\$ 2,850,000	\$ 2,885,500	\$ 3,061,867	\$ 176,367
Investment earnings	10,000	6,000	7,670	1,670
Miscellaneous	5,000	10,000	27,566	17,566
Total revenues	2,865,000	2,901,500	3,097,103	195,603
Expenditures:				
Operations	2,657,500	3,038,300	2,876,265	162,035
SDC water improvements	5,000	16,000	-	16,000
Total expenditures	2,662,500	3,054,300	2,876,265	178,035
Excess of revenues over (under) expenditures	-	(152,800)	220,838	373,638
Other financing sources (uses):				
Contingency	(145,000)	(145,000)	-	145,000
Net change in fund balance	57,500	(297,800)	220,838	518,638
Beginning fund balance	1,242,400	1,794,160	1,697,619	(96,541)
Ending fund balance	\$ 1,154,900	\$ 1,351,360	1,918,457	\$ 567,097

Reconciliation to Proprietary Net Position:

Capital assets, net of depreciation	20,642,007
Net pension asset	98,058
Deferred outflow of resources	43,990
Compensated absences	
Current portion	(10,640)
Noncurrent portion	(10,640)
Long-term debt:	
Current portion	(218,221)
Noncurrent portion	(5,137,175)
Deferred inflow of resources	(193,212)
Total	\$ 17,132,624

**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, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Charges for services	\$ 838,000	\$ 841,150	\$ 876,371	\$ 35,221
Investment earnings	5,000	4,000	4,384	384
Miscellaneous	-	-	5,673	5,673
Total revenues	843,000	845,150	886,428	41,278
Expenditures:				
Operations	686,750	899,250	617,456	281,794
Stormwater quality	102,000	123,000	116,679	6,321
SDC stormwater improvements	41,500	14,000	13,135	865
Total expenditures	830,250	1,036,250	747,270	288,980
Excess of revenues over (under) expenditures	12,750	(191,100)	139,158	330,258
Other financing sources (uses):				
Contingency	(43,000)	(43,000)	-	43,000
Net change in fund balance	(30,250)	(234,100)	139,158	373,258
Beginning fund balance	606,300	731,390	850,205	118,815
Ending fund balance	\$ 533,050	\$ 454,290	989,363	\$ 535,073
Reconciliation to Proprietary Net Position:				
Capital assets, net of depreciation			7,564,449	
Net pension asset			33,583	
Deferred outflow of resources			15,066	
Compensated absences				
Current portion			(3,376)	
Noncurrent portion			(3,376)	
Long-term debt:				
Current portion			(19,152)	
Noncurrent portion			(24,983)	
Deferred inflow of resources			(66,172)	
Total			\$ 8,485,402	

**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, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Charges for services	\$ 1,157,300	\$ 1,115,300	\$ 1,138,864	\$ 23,564
Investment earnings	2,500	2,000	1,562	(438)
Miscellaneous	5,000	10,500	7,856	(2,644)
Proceeds from sale of assets	-	-	6,651	6,651
Total revenues	1,164,800	1,127,800	1,154,933	27,133
Expenditures:				
Administration	685,750	674,200	653,312	20,888
Facilities maintenance	284,000	254,000	248,207	5,793
Fleet maintenance	294,800	307,100	293,222	13,878
Total expenditures	1,264,550	1,235,300	1,194,741	40,559
Excess of revenues over (under) expenditures	(99,750)	(107,500)	(39,808)	67,692
Other Financing sources (uses):				
Transfers out	(80,000)	-	-	-
Net change in fund balance	(179,750)	(107,500)	(39,808)	67,692
Beginning fund balance	314,800	139,000	239,394	100,394
Ending fund balance	\$ 135,050	\$ 31,500	199,586	\$ 168,086
Reconciliation to Proprietary Net Position:				
Capital assets, net of depreciation			570,315	
Net pension asset			108,002	
Deferred outflow of resources			44,422	
Compensated absences:				
Current portion			(19,042)	
Noncurrent portion			(19,042)	
Deferred inflow of resources			(205,492)	
Total			\$ 678,749	

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

**NONMAJOR BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2015**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Charges for service	\$ 119,000	\$ 144,500	\$ 228,860	\$ 84,360
Investment earnings	1,500	1,500	1,486	(14)
Miscellaneous	-	-	1,183	1,183
Total revenues	120,500	146,000	231,529	85,529
Expenditures:				
Personal services	157,000	156,300	122,638	33,662
Materials and services	14,100	16,300	14,309	1,991
Total expenditures	171,100	172,600	136,947	35,653
Excess of revenues over (under) expenditures	(50,600)	(26,600)	94,582	121,182
Other financing sources (uses):				
Contingency	(2,500)	(3,000)	-	3,000
Net change in fund balance	(53,100)	(29,600)	94,582	124,182
Beginning fund balance	156,800	133,495	182,632	49,137
Ending fund balance	\$ 101,200	\$ 100,895	277,214	\$ 176,319
Reconciliation to proprietary net position:				
Net pension asset			23,841	
Deferred outflows			10,696	
Compensated absences				
Current portion			(2,457)	
Noncurrent portion			(2,457)	
Deferred inflow of resources			(46,977)	
Total			\$ 259,860	



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

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

- These schedules contain information to help the reader assess the City's most significant local revenue source - the property tax.
- Schedules 6, 7,8,9 and 10.

Debt Capacity

- These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.
- Schedules11,12,13,14 and 15.

Demographic and Economic Information

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

Operating Information

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

Financial Trends

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

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

<u>Fiscal Year Ended June 30,</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities										
Net investment in capital assets	\$ 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	\$ 38,370,480
Restricted	78,455	1,614,643	1,851,088	4,751,603	4,302,082	1,197,631	2,653,745	2,650,004	2,405,786	2,350,270
Unrestricted	5,003,468	4,721,419	3,599,064	2,507,938	2,904,153	6,226,634	4,913,618	3,794,933	3,656,848	3,436,470
Total governmental activities net assets	\$ 19,356,451	55,504,256	54,288,534	55,676,795	53,800,924	51,925,228	50,510,981	48,018,785	46,421,002	44,157,220
Business-type activities										
Net investment in capital assets	-	22,994,016	23,251,411	23,619,580	23,955,986	23,676,805	23,526,895	23,898,684	23,153,266	22,806,927
Restricted	-	2,645,236	2,357,084	2,354,177	1,816,743	1,816,743	201,433	305,848	554,492	550,129
Unrestricted	-	1,429,915	1,378,880	956,608	445,095	502,475	2,061,984	1,793,428	2,155,003	2,520,830
Total business-type activities net assets	-	27,069,167	26,987,375	26,930,365	26,217,824	25,996,023	25,790,312	25,997,960	25,862,761	25,877,886
Primary government										
Net investment in capital assets	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	61,177,407
Restricted	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	2,900,399
Unrestricted	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	5,957,300
Total primary government	\$ 19,356,451	\$ 82,573,423	\$ 81,275,909	\$ 82,607,160	\$ 80,018,748	\$ 77,921,251	\$ 76,301,293	\$ 74,016,745	\$ 72,283,763	\$ 70,035,106

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

Fiscal Years Ended June 30,	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 5,050,809	\$ 3,951,952	\$ 3,938,907	\$ 3,867,897	\$ 3,818,288	\$ 4,408,677	\$ 3,741,404	\$ 4,099,778	\$ 2,753,719	\$ 2,958,023
Public safety	3,747,234	3,635,878	3,406,746	3,432,492	3,546,951	3,650,777	3,631,436	4,041,554	3,972,593	4,440,928
Highways and streets	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	1,709,788
Parks and recreation	1,266,213	1,192,426	1,051,388	1,104,629	1,204,108	1,071,328	1,368,969	1,455,819	1,470,929	1,453,826
Interest on long-term debt	195,475	108,068	169,560	174,800	228,498	370,303	203,134	184,837	153,468	108,429
Total governmental activities expenses	\$ 12,668,980	\$ 13,720,232	\$ 12,463,721	\$ 11,339,638	\$ 12,357,658	\$ 12,724,852	\$ 12,788,572	\$ 13,757,827	\$ 12,077,843	\$ 10,668,974
Business-type activities										
Water services	\$ 2,731,567	\$ 2,057,023	\$ 2,280,385	\$ 2,395,403	\$ 2,638,608	\$ 2,438,327	\$ 2,638,669	\$ 2,825,032	\$ 3,132,382	\$ 2,954,133
Stormwater services	-	541,127	790,886	613,368	675,609	787,799	712,514	800,960	960,248	842,517
Building services	905,181	788,695	504,341	209,814	153,638	148,381	123,545	119,440	161,975	107,161
Total business-type activities expenses	\$ 3,636,748	\$ 3,386,845	\$ 3,585,392	\$ 3,218,585	\$ 3,467,855	\$ 3,374,507	\$ 3,474,748	\$ 3,545,332	\$ 4,254,605	\$ 3,903,811
Program revenues										
Governmental activities:										
Charges for services										
General Government	\$ 666,748	\$ 4,296,043	\$ 2,315,279	\$ 2,849,709	\$ 2,499,067	\$ 2,229,797	\$ 2,405,632	\$ 2,464,733	\$ 1,443,604	\$ 1,623,683
Public safety	203,062	175,303	169,673	156,336	204,673	202,034	263,232	185,271	144,779	-
Highways and streets	215,034	1,432,101	3,209,969	1,442,138	1,243,122	1,558,713	1,325,658	1,418,101	1,613,409	1,746,276
Parks and recreation	144,919	688,663	376,309	329,248	219,162	147,207	117,524	141,549	330,473	165,382
Interest on long-term debt	-	-	530,515	328,743	260,654	370,303	252,253	237,827	-	-
Operating grants and contributions	859,084	24,084	58,459	14,141	5,691	5,578	707,451	260,816	126,418	659,623
Capital grants and contributions	-	935,561	-	257,900	170,000	-	-	265,880	849,326	162,648
Total governmental activities program revenues	\$ 2,088,846	\$ 7,551,755	\$ 6,680,224	\$ 5,176,216	\$ 4,602,369	\$ 4,511,832	\$ 5,071,748	\$ 4,973,977	\$ 4,508,009	\$ 4,397,812
Business-type activities:										
Charges for services										
Water services	\$ 2,536,710	\$ 2,523,892	\$ 2,313,551	\$ 2,303,804	\$ 2,149,893	\$ 2,353,000	\$ 2,434,016	\$ 2,729,293	\$ 2,887,364	\$ 2,953,854
Stormwater services	658,051	569,363	577,382	588,752	543,537	708,031	720,587	885,834	818,915	830,954
Building services	-	399,758	412,585	180,107	54,418	96,372	77,882	108,552	202,183	228,860
Capital grants and contributions	-	-	-	-	9,905	-	-	-	165,524	153,426
Total business-type activities program revenues	\$ 3,194,761	\$ 3,493,013	\$ 3,303,488	\$ 3,072,463	\$ 2,767,653	\$ 3,157,403	\$ 3,232,505	\$ 3,723,679	\$ 4,074,986	\$ 4,167,094
Net revenue (expense)										
Governmental activities:	\$ (10,568,135)	\$ (6,168,477)	\$ (5,803,497)	\$ (6,163,423)	\$ (7,755,189)	\$ (8,213,320)	\$ (7,716,824)	\$ (8,783,850)	\$ (7,569,834)	\$ (8,271,362)
Business-type activities:	(441,987)	106,168	(281,894)	(146,122)	(710,302)	(217,104)	(242,243)	178,347	(178,639)	263,283
Total primary government net expense	\$ (11,010,122)	\$ (6,062,309)	\$ (6,085,391)	\$ (6,309,645)	\$ (8,465,491)	\$ (8,430,424)	\$ (7,959,087)	\$ (8,605,503)	\$ (7,402,733)	\$ (8,008,079)
General revenues and other changes in net position										
Governmental activities:										
Property	\$ 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	\$ 4,737,843
Franchise	-	778,941	855,575	911,080	842,997	964,808	1,148,387	1,179,560	1,180,589	1,004,667
Hotel/Motel	-	293,468	343,237	299,009	287,608	304,366	362,446	451,542	373,342	391,491
Other	1,897,786	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Interest	205,453	288,082	287,039	122,221	42,876	25,126	46,674	58,075	45,028	34,819
Gain (loss) on capital asset disposal	-	-	-	-	-	-	-	-	29,887	(10,199)
Miscellaneous	1,924,816	67,384	61,084	158,261	279,427	397,484	234,647	217,606	148,931	-
Transfers	(2,984,093)	(235,000)	-	-	41,900	157,700	-	-	-	-
Total governmental activities	\$ 4,381,432	\$ 4,851,582	\$ 5,615,538	\$ 5,848,403	\$ 5,878,318	\$ 6,299,917	\$ 6,302,577	\$ 6,291,464	\$ 6,019,870	\$ 6,152,821
Business-type activities										
Interest	\$ 178,540	\$ 215,268	\$ 181,545	\$ 82,411	\$ 15,409	\$ 7,721	\$ 11,116	\$ 13,529	\$ 10,939	\$ 13,540
Miscellaneous	20,303	50,856	18,556	6,702	24,252	49,368	25,418	15,772	33,491	34,422
Transfers	2,994,093	235,000	-	-	(41,900)	(157,700)	-	-	-	-
Total Business-type activities	\$ 3,192,936	\$ 501,124	\$ 200,101	\$ 89,113	\$ (2,238)	\$ (100,611)	\$ 38,534	\$ 29,301	\$ 44,430	\$ 47,962
Change in net position										
Governmental activities:	\$ (8,186,703)	\$ (1,216,895)	\$ (187,961)	\$ (315,020)	\$ (1,875,871)	\$ (1,913,403)	\$ (1,414,247)	\$ (2,492,198)	\$ (1,549,964)	\$ (118,741)
Business-type activities:	2,750,949	607,292	(81,793)	(57,009)	(712,541)	(317,715)	(205,709)	207,648	(135,209)	311,245
Total primary government	\$ (3,435,754)	\$ (609,603)	\$ (269,764)	\$ (372,029)	\$ (2,588,412)	\$ (2,231,118)	\$ (1,619,956)	\$ (2,284,548)	\$ (1,685,173)	\$ 192,504

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

Fiscal Years Ended June 30,	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Property taxes	\$ 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	\$ 4,737,843
Franchise taxes		778,941	855,575	911,080	942,997	964,808	1,148,367	1,179,560	1,180,569	1,004,667
Hotel/Motel taxes		293,468	343,237	299,009	297,808	304,366	362,446	451,542	373,342	391,491
Other taxes	1,897,786	-	-	-	-	-	-	-	-	-
Total	\$ 5,245,256	\$ 4,831,136	\$ 5,267,413	\$ 5,569,921	\$ 5,515,115	\$ 5,719,627	\$ 6,021,256	\$ 6,017,773	\$ 5,795,824	\$ 6,134,001

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

<u>Fiscal Years Ended June 30,</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2014</u>	<u>2015</u>
General Fund									
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,209,720	2,448,843	2,613,391	2,916,709	3,154,369				
Total general funds	\$ 2,209,720	\$ 2,448,843	\$ 2,613,391	\$ 2,916,709	\$ 3,154,369	\$ -	\$ -	\$ -	\$ -
All other governmental funds									
Reserved, reported in:									
Debt service fund	\$ 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				
Total all other governmental funds	\$ 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 Ten Fiscal Years

Fiscal Years Ended June 30,	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>Using GASB Statement 54 Definitions</i>										
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	25,249	19,879	6,506	6,896
Assigned						2,824,550	2,988,602	2,518,770	2,098,460	2,501,250
Unassigned						519,581	188,064	14,543	530,203	333,600
Total General Fund	-	-	-	-	-	3,344,131	3,201,915	2,553,192	2,635,169	2,841,746
All other governmental funds										
Nonspendable										
Special revenue fund						-	672	3,841	483	19
Restricted										
Special revenue funds						1,644,801	16	1,721,973	1,785,130	2,051,824
Debt service fund						7,094	18,040	47,012	41,939	18,486
Capital projects fund						68,167	78,236	117,955	139,393	217,144
Total Restricted						1,720,062	96,294	1,886,940	1,966,462	2,287,454
Committed										
Special revenue funds						363,817	739,573	301,661	133,515	24,684
Capital projects funds						300,613	483,463	487,096	569,969	572,816
Total Committed						664,430	1,223,036	788,757	703,484	597,500
Total all other governmental funds	-	-	-	-	-	2,384,492	1,320,002	2,679,538	2,670,429	2,884,973
Total fund balances, governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,728,623	\$ 4,521,917	\$ 5,232,730	\$ 5,305,598	\$ 5,726,719

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

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

Fiscal Years Ended June 30,	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES:										
Taxes	\$ 5,283,064	\$ 4,655,097	\$ 5,033,472	\$ 5,270,507	\$ 5,492,186	\$ 5,678,570	\$ 5,899,946	\$ 5,928,140	\$ 6,100,680	\$ 6,273,085
Licenses and permits	496,318	59,485	57,915	58,990	53,128	52,468	52,726	51,833	55,925	63,355
Intergovernmental	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	1,726,624
Charges for services	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	2,093,311
Assessments	-	239,995	185,231	82,875	83,145	31,709	59,855	59,364	51,567	34,541
Fines and forfeitures	203,062	175,303	169,674	156,336	204,673	202,034	180,330	181,121	140,096	99,302
Investment earnings	205,452	265,232	264,844	109,949	38,568	23,124	44,945	53,686	44,365	33,257
Miscellaneous	2,337,826	85,783	60,567	106,849	197,012	303,326	232,963	195,719	262,175	253,432
Total Revenues	9,629,181	10,402,184	9,608,898	9,502,895	9,352,317	9,665,997	10,394,551	10,247,304	10,859,067	10,576,907
EXPENDITURES:										
Current										
General government	-	2,104,782	1,076,877	1,772,998	1,426,625	2,433,392	2,794,613	3,097,111	2,641,291	2,628,067
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	3,932,240
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	1,672,466
Parks and recreation	-	1,115,899	1,351,709	1,029,186	1,191,358	1,143,584	1,084,081	1,242,721	1,276,485	1,258,999
Personal services	4,538,070	-	-	-	-	-	-	-	-	-
Materials and services	2,996,267	-	-	-	-	-	-	-	-	-
Debt service	207,813	-	-	-	-	-	-	-	-	-
Principal	-	173,615	468,792	499,342	488,355	593,702	454,000	457,765	497,000	3,182,604
Interest	-	108,068	154,171	180,764	223,265	205,009	180,610	162,313	144,991	111,175
Capital outlay	2,954,046	1,011,428	3,712,192	2,878,934	1,332,325	-	-	-	-	-
Total Expenditures	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	12,785,551
Excess of revenues over (under) expenditures	(1,067,015)	(1,098,700)	(1,536,057)	(1,269,124)	(15,485)	168,679	303,540	(979,433)	(7,132)	(2,208,644)
OTHER FINANCING SOURCES (USES)										
Transfers in	1,269,941	50,000	30,000	62,500	274,639	671,746	703,100	497,750	298,800	199,000
Transfers out	(4,264,034)	(285,000)	(30,000)	(62,500)	(232,739)	(214,046)	(523,100)	(497,750)	(218,800)	(199,000)
State capital grants	-	-	-	-	-	-	-	-	-	-
Long term debt proceeds	-	2,552,457	638,889	1,409,496	27,815	-	-	-	-	2,629,766
Total other financings sources (uses)	(2,994,093)	2,317,457	638,889	1,409,496	69,715	457,700	180,000	-	80,000	2,629,766
Net change in fund balance	(4,061,108)	1,218,757	(897,168)	140,372	54,230	626,379	483,540	(979,433)	72,868	421,122
Beginning fund balance	8,647,167	4,586,056	5,804,813	4,907,645	5,048,015	5,102,244	5,728,623	6,212,163	5,232,730	5,305,597
Ending fund balance	\$ 4,586,056	\$ 5,804,813	\$ 4,907,645	\$ 5,048,016	\$ 5,102,245	\$ 5,728,623	\$ 6,212,163	\$ 5,232,730	\$ 5,305,598	\$ 5,726,719

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 Ten Fiscal Years

Fiscal Years Ended June 30,	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENDITURES:										
Current										
General government	\$ -	\$ 2,104,782	\$ 1,076,877	\$ 1,772,998	\$ 1,426,625	\$ 2,433,392	\$ 2,794,613	\$ 3,097,111	\$ 2,641,291	2,628,067
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	3,932,240
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	1,672,466
Parks and recreation	-	1,115,899	1,351,709	1,029,186	1,191,358	1,143,584	1,084,081	1,242,721	1,276,485	1,258,999
Personal services	4,538,070	-	-	-	-	-	-	-	-	-
Materials and services	2,996,267	-	-	-	-	-	-	-	-	-
Debt service	207,813	-	-	-	-	-	-	-	-	-
Principal	-	173,615	468,792	499,342	488,355	593,702	454,000	457,765	497,000	3,182,604 (1)
Interest	-	108,068	154,171	180,764	223,265	205,009	180,610	162,313	144,991	111,175
Capital outlay	2,954,046	1,011,428	3,712,192	2,878,934	1,332,325	-	-	-	-	-
Total Expenditures	\$ 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	12,785,551
Debt service as a percentage of non-capital expenditures										
Debt Service Calculations										
Total Expenditures	\$ 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	12,785,551
Less capitalized expenditures	5,485,339	2,912,850	6,926,889	2,303,916	397,024	365,286	782,987	888,948	1,153,556	408,633
Non-capital expenditures	\$ 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	12,376,918
Debt service										
Principal	\$ 207,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	173,615	468,792	499,342	488,355	593,702	454,000	457,765	497,000	3,182,604 (2)
Total debt service	\$ 207,813	\$ 281,683	\$ 622,963	\$ 680,106	\$ 711,620	\$ 798,711	\$ 634,610	\$ 620,078	\$ 641,991	3,293,779
Debt service as a percentage of non-capital expenditures										
	3.99%	3.42%	14.77%	8.03%	7.93%	8.75%	6.82%	6.00%	6.61%	26.61%

Notes:

(1) Issued 2014 Series Refunding Bond.

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

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

Fiscal Years Ended June 30	Property Taxes	Franchise Taxes	Hotel/Motel Taxes	Other Taxes	Total
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
2015	4,737,843	1,004,667	391,491	-	6,134,001

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

Fiscal Year Ended	Taxable Assessed Value						Total Direct Tax Rate	Real Market Value
	Real Property	Mobile Homes	Personal Property	Utilities	Non-Profit Housing	Total		
							(1) (2) (3)	(4)
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	21,211	2,430	1,034,096	4.47	1,136,873
2015	1,233,042	12,450	17,967	21,750	2,808	1,288,017	4.47	1,387,362

Source: Jackson County Assessment Records

Notes:

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

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

Fiscal Year Ended	Direct	Overlapping							Total	Combined
	City of Central Point	Jackson County	Transit District	Vector Control District	Rogue Comm. College	Educ. Service District	Fire District #3	School District #6/549C		
2006	\$ 4.47	\$ 3.94	\$ 0.17	\$ 0.04	\$ 0.50	\$ 0.34	\$ 2.71	\$ 5.02	12.72	\$ 17.19
2007	4.47	3.60	0.17	0.04	0.62	0.34	2.72	5.09	12.58	17.05
2008	4.47	3.80	0.17	0.04	0.62	0.34	2.67	4.99	12.63	17.10
2009	4.47	3.80	0.17	0.04	0.62	0.34	2.67	4.99	12.63	17.10
2010	4.47	2.37	0.17	0.04	0.63	0.35	3.12	5.57	12.25	16.72
2011	4.47	2.33	0.18	0.04	0.63	0.35	3.12	5.60	12.25	16.72
2012	4.47	2.03	0.18	0.04	0.62	0.35	3.12	5.67	12.01	16.48
2013	4.47	2.26	0.18	0.04	0.62	0.35	3.12	5.65	12.22	16.69
2014	4.47	2.25	0.18	0.04	0.63	0.35	3.12	5.59	12.16	16.63
2015	4.47	2.24	0.02	0.04	0.62	0.35	3.12	5.55	11.94	16.41

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Source: Jackson County Tax Assessor for Tax Area 0602.

Notes:

- (1) The direct property tax rate of the City of Central Point 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	2015	Percentage of	2005	Percentage of
		Assessed Valuation	Total Assessed Valuation	Assessed Valuation	Total Assessed Valuation
USF Reddaway Inc	Distribution	\$ 7,774,310	0.68%	\$ 4,487,849	0.63%
Charter Communications	Cable Utility	5,682,500	0.50%		
Berdan Federal Way LLC	Builder/Developer	5,417,780	0.47%		
Avista Corp	Gas Utility	5,623,000	0.49%	2,373,500	0.33%
Investors II LLC	Builder/Developer	5,346,330	0.47%		
Twin Creeks Retirement	Retirement Living Community	5,337,290	0.47%		
Travel Center Development	Truck Stop/Store	4,688,140	0.41%	3,448,050	0.48%
STJ 1 LLC Et Al	Shopping Center	4,335,030	0.38%		
Twin Creeks Development	Builder/Developer	4,061,090	0.36%	1,133,830	
Federal Way Development LLC	Builder/Developer	3,946,730	0.35%		
Qwest Corporation	Telephone Utility			4,622,300	0.65%
Albertsons	Shopping Center			4,029,900	0.56%
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%
Malot Enterprises	Builder/Developer			2,429,370	0.34%
Total Value Principal Taxpayers		\$ 52,212,200	4.57%	\$ 31,996,599	4.47%
Total Assessed Value all Taxable Property		\$ 1,143,484,738		\$ 715,171,267	

Total 2015 Assessed Value = \$1,143,484,738
Total 2005 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	Net Tax Levy	Collected Within the Fiscal Year of the Levy		Subsequent Years		Total Current & Delinquent Collections	Percent of Total Tax Collected to Net Tax Levy (5)	Out-standing Delinquent Taxes	Percent of Delinquent Tax to Net Tax Levy
		Current Tax Collections	Percentage of Net Tax Levy	Delinq. Tax Collections					
2006	\$ 3,737,802	\$ 3,238,731	86.6%	\$ 498,372	\$ 3,737,103	100.0%	\$ 699	0.0%	
2007	3,902,856	3,491,251	89.5%	410,621	3,901,872	100.0%	984	0.0%	
2008	4,017,179	3,799,328	94.6%	216,432	4,015,760	100.0%	1,419	0.0%	
2009	4,244,501	3,943,985	92.9%	297,338	4,241,323	99.9%	3,178	0.1%	
2010	4,425,222	4,082,008	92.2%	338,916	4,420,924	99.9%	4,298	0.1%	
2011	4,566,195	4,338,021	95.0%	221,739	4,559,760	99.9%	6,435	0.1%	
2012	4,630,906	4,420,826	95.5%	178,275	4,599,101	99.3%	31,805	0.7%	
2013	4,500,231	4,304,723	95.7%	145,261	4,449,984	98.9%	50,247	1.1%	
2014	4,610,815	4,434,322	96.2%	99,025	4,533,347	98.3%	77,468	1.7%	
2015	4,713,240 (5)	4,546,455 (1) (2) (3) (4)	96.5%	N/A	4,546,455	96.5%	166,785	3.5%	

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

Notes:

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

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

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	Series 2014		
2006	\$ -	\$ -	\$ 182,734	\$ 114,662	\$ -	\$ -	\$ 2,600,000	\$ -	\$ -	\$ 2,897,396
2007	470,829	1,769,557	134,897	166,145	-	-	2,500,000	-	-	5,041,428
2008	551,078	1,624,453	38,762	93,306	457,214	-	2,400,000	-	-	5,164,813
2009	703,446	1,473,974	-	19,087	401,491	1,200,000	2,295,000	-	-	6,092,998
2010	629,347	1,315,937	-	27,815	352,491	1,100,000	2,190,000	-	-	5,615,590
2011	622,475	1,165,853	-	13,824	302,491	995,000	2,080,000	-	-	5,179,643
2012	622,475	994,378	-	-	267,491	885,000	1,965,000	-	-	4,734,344
2013	572,001	813,902	-	-	267,491	770,000	1,845,000	-	-	4,268,394
2014	533,159	607,668	-	-	217,491	655,000	1,725,000	-	-	3,738,318
2015	499,668	-	-	-	107,491	-	-	2,578,321	-	3,185,480

Note:

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

Business-type Activities

SDC Obligations	Financing Agreement	Notes Payable	Series 2014	Total	Total Primary Government	Personal Income	% Personal Income	Population	Debt Per Capita
\$ -	\$ -	\$ 152,415	\$ -	\$ 152,415	\$ 3,049,811	\$ 578,151,000	0.53%	16,550	\$ 134
37,349	230,443	152,415	-	420,207	5,461,635	587,464,650	0.93%	17,250	317
25,707	211,547	152,415	-	389,669	5,554,482	588,828,240	0.94%	17,025	326
20,637	191,711	140,206	-	352,554	6,445,552	586,630,392	1.10%	17,160	376
19,540	171,063	127,896	-	318,499	5,934,089	596,365,470	1.00%	17,169	346
17,315	135,147	601,015	-	753,477	5,933,120	596,365,470	0.99%	17,325	342
16,202	112,622	3,702,678	-	3,831,502	8,565,846	620,460,000	1.38%	17,235	497
7,551	90,098	5,507,924	-	5,605,573	9,873,967	637,119,275	1.55%	17,275	572
4,848	84,332	5,507,924	-	5,597,104	9,335,422	422,105,070	2.21%	17,315	539
26,443	-	5,311,148	61,940	5,399,531	8,585,011	N/A	N/A	17,724	N/A

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
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
2015	107,491	1,387,362,586	0.01%	17,724	6.06

Source: City of Central Point Financial Records

Notes:

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

Schedule 13
City of Central Point, Oregon
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

Jurisdiction	Net Debt Outstanding (1)	Direct Debt and Overlapping Debt Applicable within City of Central Point (2)	Amount Applicable Within City of Central Point
<u>Total Direct Debt</u>			
City of Central Point	\$ 3,185,480	100.00%	\$ 3,185,480
<u>Overlapping Debt</u>			
Jackson County School District 6			
General Obligation Bonds	13,860,000	53.24%	7,379,266
Jackson County School District 549C			
General Obligation Bonds	191,940,000	0.98%	1,881,012
Limited Tax Pension Obligation Bonds	35,925	0.98%	352
Total	191,975,925	0.98%	1,881,364
Total Overlapping Debt	205,835,925		5,066,844
Total Direct and Overlapping Debt	\$ 209,021,405		\$ 12,446,110

Notes:

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

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

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

<u>Fiscal Years Ended June 30,</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 40,231,590	\$ 47,693,913	\$ 575,427,438	\$ 48,638,213	\$ 42,860,002
Total net debt applicable to debt limit	-	-	-	-	-
Available debt limit	<u>\$ 40,233,596</u>	<u>\$ 47,695,920</u>	<u>\$ 575,429,446</u>	<u>\$ 48,640,222</u>	<u>\$ 42,862,012</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 37,780,856	\$ 35,881,230	\$ 33,726,450	\$ 34,106,190	\$ 38,596,008
Total net debt applicable to debt limit	-	-	-	-	-
Available debt limit	<u>\$ 37,782,867</u>	<u>\$ 35,883,242</u>	<u>\$ 33,728,463</u>	<u>\$ 34,108,204</u>	<u>\$ 38,598,023</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>2015</u>
True Cash Value (1)	\$ 1,286,533,591
Debt Limit at 3% of True Cash Value (2)	38,596,008
Amount of Debt Applicable to Debt Limit:	
Total bonded debt	
Tax Obligation Bonds	\$ 107,491
Less: Deductions allowed by law (3)	<u>(107,491)</u>
Tax Obligation Bonds	<u>\$ -</u>
Legal Debt Margin	<u>\$ 38,596,008</u>

Notes:

(1) "True Cash Value" in Oregon law means "Real Market Value".

(2) Oregon law provides that a City may not issue or have outstanding general obligation bonds in a principal amount that exceeds 3% of the real market value of the taxable property within its boundaries.

(3) Oregon law exempts from limitation tax obligation bonds that finance the costs of local improvements assessed and paid for installments under statutory or charter authority.

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

Utility System Revenue Notes (1)

Fiscal Year	Operating Revenues	Less: Operating Expenses	Plus: Interest Expenses	Net Available For Debt Service	Debt Service Requirements		Coverage (3)
					Principal	Interest	
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	-	-	-
2015	2,981,420	2,761,673	-	219,747	-	-	-

Notes:

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

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

Fiscal Year Ended	Population (1)	Per Capita Income (\$) (2)	Personal Income	Median Age (4)	Education Level In Formal Schooling High School/College (4)		School Enrollment Average Daily Members (3)	Unemployment Rate (%) (Jackson Co.) (2)
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	24,378	422,105,700	41	90%	19%	4,336	8.6
2015	17,724	N/A	N/A	41	89%	25%	4,413	7.1

Sources:

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

Note: N/A Data not available at 10/30/2015

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

<u>Employer</u>	<u>Fiscal Year 2014/15</u>			<u>Fiscal Year 2007/08 (1)(2)</u>		
	<u>Employees</u>	<u>Percent of Total City Population</u>	<u>Rank</u>	<u>Employees</u>	<u>Percent of Total City Employment</u>	<u>Rank</u>
School Dist 6	588	3.43%	1	600	3.52%	1
USF Reddaway	115	0.67%	2	120	0.70%	2
Pilot Travel Center	100	0.58%	3	-	-	-
Albertsons	93	0.54%	4	80	0.47%	4
Providence Medical Group	75	0.44%	5	46	0.27%	8
City of Central Point	73	0.43%	6	110	0.65%	3
Grange Co-op	54	0.31%	7	70	0.41%	6
McDonalds	53	0.31%	8	75	0.44%	5
Shari's	40	0.23%	9	44	0.26%	10
Rays Food Place	34	0.20%	10	53	0.31%	7
Quality Fence	30	0.17%	11	45	0.26%	9
Total	1,255	7.31%		1,243	7.29%	

Source: City of Central Point Finance Department

Notes:

- (1) Accurate data was not readily available for the 10 year look back period of fiscal year 2005/2006.
- (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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
<i>Administration</i>	4.00	4.00	3.25	3.25	4.00	5.50	5.50	5.50	5.50	4.50
<i>Finance</i>	7.00	7.00	7.00	8.00	7.50	7.50	7.00	7.00	7.00	6.00
<i>Human Resources</i>	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<i>Community Development</i>	6.00	4.50	5.50	5.50	4.50	4.50	3.00	3.50	3.00	3.00
<i>Police</i>	27.50	28.50	28.25	28.25	28.50	28.50	28.50	28.50	29.50	30.00
Physical Environment										
<i>Building</i>	6.00	6.00	4.50	2.50	1.50	1.50	1.50	1.50	1.50	1.50
<i>Public Works</i>	17.50	18.69	18.86	18.50	17.25	12.75	12.00	14.50	14.85	14.85
Transportation										
<i>Streets & Fleet</i>	8.00	7.31	6.64	6.00	6.00	8.00	7.00	6.00	6.00	6.00
Culture/Recreation										
<i>Parks</i>	4.00	4.00	3.00	5.00	3.50	3.75	2.65	3.50	3.65	3.65
<i>Recreation</i>	4.00	4.50	4.50	2.00	2.50	2.75	3.65	2.50	2.50	2.50
Total	85.00	85.50	82.50	80.00	76.25	75.75	71.80	73.50	74.50	73.00

Source: City of Central Point Finance Department payroll records

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Building Inspections										
Building Permits Issued	251	179	97	57	28	30	45	70	84	120
Finance										
Accounts Payable Checks Processed	5,519	4,105	5,030	3,548	1,513	1,604	1,366	1,249	1,672	1,455
Business Licenses	1,056	1,000	1,003	882	913	978	972	950	931	971
Average Number Utility Accounts	5,209	5,907	6,030	6,044	6,128	6,079	6,100	6,158	6,409	6,505
Public Works - Street Division										
Streets Cleaned (Miles)			800	800	800	800	800	800	2,000	7,696
Man Holes Inspected			198	198	198	198	198	198	350	175
Curb Inlets & Catch Basins Inspected			583	583	583	583	583	583	750	300
Water/Storm										
Fire Hydrants Flushed & Serviced			215	215	215	215	218	218	218	107
Water Valve Actuations			620	620	620	620	620	620	620	136
Water Meters Read			72,824	73,049	73,279	73,512	73,764	73,892	73,892	78,054
Blow-off Valves Flushed			18	18	18	18	18	18	18	162
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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
<i>Police Stations</i>	1	1	1	1	1	1	1	1	1	1
<i>Police Sub Station</i>	1	1	1	1	2	2	2	2	1	1
Other Public Works										
<i>Miles of Streets</i>	71	71	71	71	71	71	71	71	71	71
Parks and Recreation										
<i>Park acreage</i>	71.87	134.87	135.12	186.48	187.93	189.73	192.73	192.73	192.73	192.73
<i>Number of community parks</i>	14	15	16	16	17	17	17	17	17	17
<i>Number of neighborhood parks</i>	4	5	5	5	5	6	6	6	6	6
Water										
<i>Water Mains (miles)</i>	77	77	77	86	89.7	89.7	90	91	91	91
<i>Maximum Plant Capacity (MPG)</i>								6700	6700	6700
<i>Fire Hydrants</i>				904	913	913	913	925	925	929

Source: City of Central Point Finance Department

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

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

INDEPENDENT AUDITOR'S COMPLIANCE REPORT



An Independently Owned Member
McGLADREY ALLIANCE



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, 2015, and have issued our report thereon dated February 8, 2016. 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 except as follows:

Transfers in do not equal transfers out in the Biennial Budget for the period starting July 1, 2015 and ending June 30, 2017.

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 those 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 black ink that reads "Paul R. Nielson". The signature is written in a cursive style with a large, prominent "P" and "N".

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

Eugene, Oregon
February 8, 2016