

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

Prepared by:

Steven Weber, Finance Director

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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February 8, 2019

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

Oregon statutes require that all general purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants under the direction of a licensed municipal auditor. Pursuant to that requirement, we hereby submit the comprehensive annual financial report of the City of Central Point, Oregon for the fiscal year ended June 30, 2018.

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

The enclosed financial statements have been audited by Isler CPA, LLC; a firm of licensed certified public accountants. The engagement partner is Paul Neilson, CPA and Licensed Municipal Auditor. The goal of the independent audit is to determine that the financial statements of the City of Central Point for the fiscal year ending June 30, 2018, are free from material misstatement. The audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditor concluded based on the audit performed, that there was a reasonable basis for rendering an unqualified opinion that the City of Central Point's financial statements are fairly presented in conformance with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

For financial reporting purposes, the City of Central Point is a primary government. The City is governed by a City Council that is elected by the voters at each general election. The financial statement includes all organizations and activities for which the elected officials exercise financial control, except for the Parks and Recreation Foundation. This component unit has not been

included in the CAFR because it is not material to the overall financial statements of the City, nor is it a significant activity of the City. The City interacts and contracts with various other governmental entities but is not financially accountable to or for those entities.

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

The City

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

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

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

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

Accounting System and Budgetary Control

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

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

The biennial budget serves as the foundation for the City of Central Point's financial planning and control. All departments of the City submit a two-year budget to the city manager who then oversees the preparation of a proposed biennial budget. The biennial budget is presented to a budget committee for review and approval and then submitted to city council for adoption prior to July 1 of the budget period.

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

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

Factors Affecting Financial Condition – Local Economy

The regional economic base is tied to agriculture, tourism, higher education, health care, transportation and manufacturing. There is an increasing population of retirees moving into the area, a factor that requires new and expanded health care resources, and additional demands for retirement, assisted living and nursing home facilities. During the past recession, the City of Central Point and all cities within the Rogue Valley have experienced an increased number of lost jobs and one of the higher unemployment rates in the nation. During the same period of time, housing prices plummeted along with construction in the area, all of which had a negative effect on the City's building permit revenues and planning actions. However, during the past three years there are indications that the local economy is continuing to show improvement with the lowering of the unemployment rate and an increasing number of home sales at increasingly higher prices. Property tax assessments and collections continue to show improvement as well with a 4% increase in assessed value for property within the City limits and collection rate at 94%. This has resulted in General Fund revenues stabilizing.

Financial Policies

It has been a policy of the City's governing body and management to budget, plan and spend conservatively, and to make adjustments as early as possible when the need for change is identified. This unwritten policy of conservatism was beneficial and helped to stabilize and

conserve the City and its services during the downward spiral of the local and national economy. No one could foresee just how dramatic the changes to the economy would affect local construction, businesses and families. However, the City has been fortunate that with the slowing of construction, timely decisions were made and actions taken to re-adjust staffing and prioritize projects to respond to the decline and the slowing of revenues. As a result, the City is currently maintaining financial and operating stability. The notion of sustainability has become an important consideration as we manage through adversity.

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

Long-term Financial Planning

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for excellence in financial reporting to the City of Central Point for its comprehensive annual financial report for the fiscal year ended June 30, 2017. 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



Steve Weber
Finance Director

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

ELECTED OFFICIALS

June 30, 2018

<u>CITY COUNCIL</u>	<u>TERM EXPIRES</u>
Hank Williams, Mayor	December 31, 2020
Bruce Dingle, Ward I	December 31, 2018
Michael Quilty, Ward II	December 31, 2018
Brandon Thueson, Ward III	December 31, 2018
Tanea Browning, Ward IV	December 31, 2020
Rob Hernandez, At Large	December 31, 2020

All council members receive mail at the address listed below.

CITY MANAGER

Chris Clayton

FINANCE DIRECTOR

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



Government Finance Officers Association

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

Presented to

**City of Central Point
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

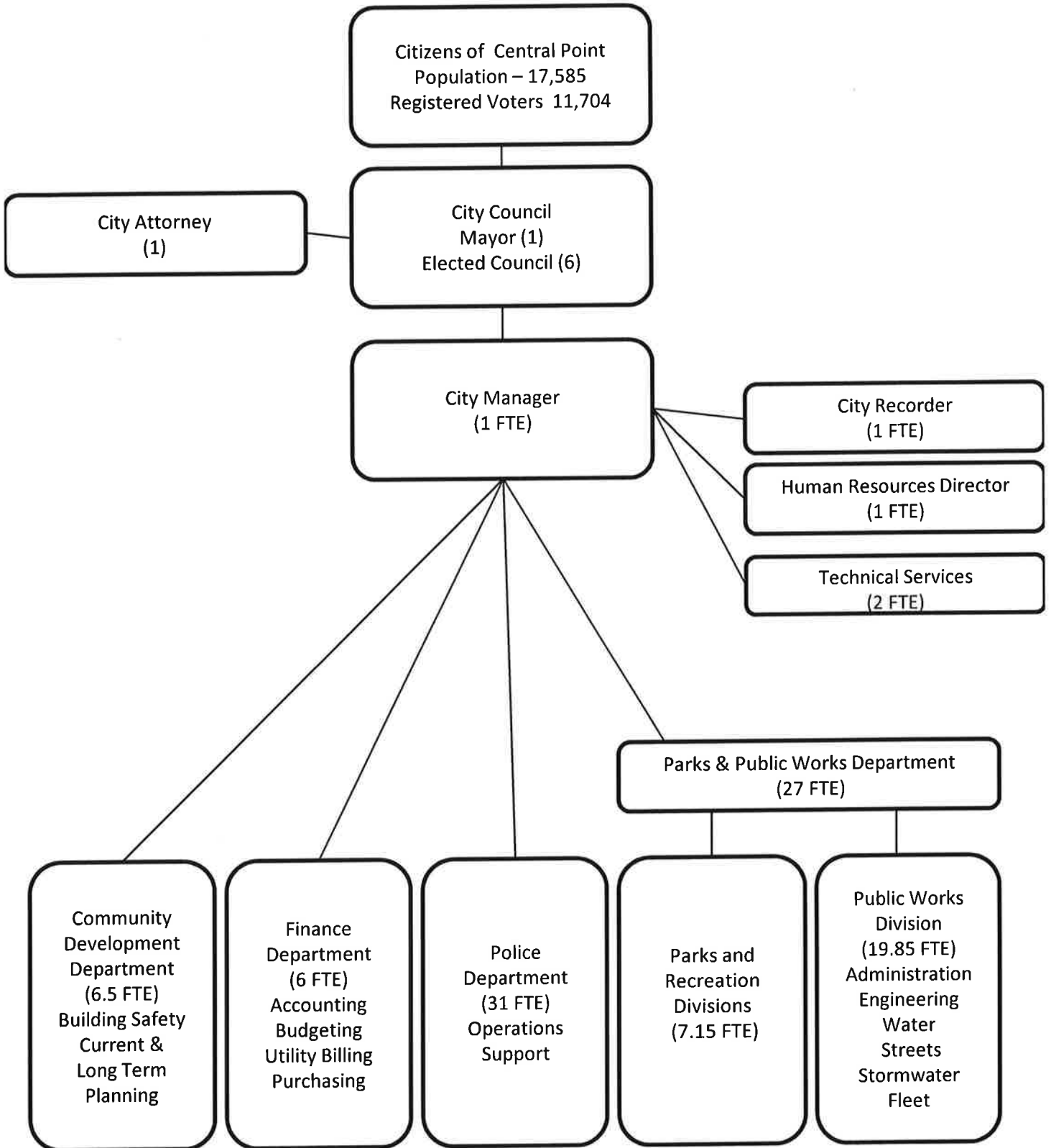
Christopher P. Morill

Executive Director/CEO

City of Central Point

75.5 FTE

For The Biennial Budget 2017/2019





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Eugene, OR 97403
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Central Point, Oregon ("City") as of and for the year ended June 30, 2018, 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, 2018 and the respective changes in net position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

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

Other Information

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated February 8, 2019, on our consideration of the City's compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive style with a prominent loop at the end of the last name.

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

Eugene, Oregon
February 8, 2019

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Central Point, we offer readers of the City of Central Point's financial statements this narrative overview and analysis of the activities of the City of Central Point for the fiscal year ended June 30, 2018. 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 2017-18 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, 2018, the close of the most recent fiscal year, by approximately \$63,911 (net position). Of this amount, \$3,663 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total current and other assets, including both governmental and business-type activities, decreased \$4,034 to \$15,303 while total current and other liabilities due with one year, including both governmental and business-type activities, increased \$461 to \$3.186. These changes were expected due to work on several large capital projects.
- Total capital assets increased \$2,705 due to capital asset purchases and disposals as well as depreciation expense in the current year. This increase consisted of a \$1,893 increase in governmental activities capital assets and an \$812 increase in business-type capital assets. Capital asset additions during the current year consisted of \$4,867 in government activities, including internal services, and \$1,533 in business-type activities. Depreciation expense consisted of \$2,969 in governmental activities, including internal services, and \$721 in business-type activities.
- The City's total current portion of noncurrent liabilities increased \$104 to \$1,065. This decrease consists of a \$98 increase in the current portion of compensated absences and a \$5 increase in current maturities of long-term debt.
- The City's non-current portion of long-term liabilities decreased \$833. The decrease consists of a \$800 reduction in the current maturities on existing long-term debt and a net decrease of \$33 in the City's long-term portion of compensated absences earned by employees.
- A significant impact in the City's change in net position from year to year is the continued impact of GASB Statement No. 68 relating to pension reporting. The effects of the Moro decision as ruled by the Oregon Supreme Court on April 30, 2015 as well as the OPERS investment performance as measured on December 31, 2013 and rolled forward has led to large swings in net pension liability from year to year. For June 30, 2018 the City's net pension liability to decreased \$1,685 to \$7,204.
- Overall net position for governmental activities decreased \$2,209 to \$37,676. The decrease consisted of \$925 due to operations, \$2,889 in depreciation expense and an increase of \$467 due to the GASB Statement No. 68 pension reporting. Expenses of governmental activities increased \$751 to \$14,468. Revenue decreased \$669 to \$12,259. There was a significant decrease in charges for services of \$3,144 due to a large commercial project within the City in the prior year that had permit and street fees of \$1,912. This decrease was offset by an increase of \$1,291 as a result of increased tax collections.
- Overall, the net position for business-type activities increased \$390 to \$26,235. Expenses of the business type activities decreased \$134 to \$4,474. Overall program revenues of the business-type activities increased \$203 to \$4,864. Overall program revenues increased \$199 to \$4,790.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

- 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, 2018 that significantly affect the availability of fund resources for future use.
- The City Council, through the adoption of the biennial budget, has established a conservative financial policy as the economy continues to recover from the financial effects of the most recent recession, and a stated policy of not wanting to reduce the level of City services provided to the community. In response to these policies, the City staff continues to reevaluate and reassign staff in an effort to maintain the current level of City services, even though staff vacancies due to attrition and retirement have occurred. In 2007 the number of City FTE employees peaked at 85.5; since then the City has eliminated 10.0 positions ending with 75.5 employees at June 30, 2018. This current year end employee count compares to 73.0 at June 30, 2015; 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.

- 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Fund financial statements

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

The City has the following kinds of funds:

- Governmental funds - Governmental funds focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.

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

Government-wide financial analysis (In Thousands of Dollars)

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

By far the largest portion of the City's net position (88%) is the net investment in capital assets (land, buildings, equipment and infrastructure improvements). These capital assets are used to deliver governmental and business-type services to citizens and are not available for future spending. Net investment in capital assets increased \$3,499 during the year primarily due to a large capital project.

The next largest portion (6%) 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 \$4,505 during the year as debt issued in the prior year for a major infrastructure project was spent.

The final portion (6%) 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 decreased by \$13.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overall, the City's financial condition deteriorated during the 2017-18 fiscal year as evidenced by the decline in total net position of \$1,819. However, the majority of the governmental activities net position decrease of \$2,209 consisted of \$2,889 depreciation expense, \$1,912 in fees from a major commercial project received in fiscal year 2016-17, and a \$1,685 decrease in net pension expenses. The business-type net position increase of \$390 includes a combination of \$199 increase in program revenues and a decrease of \$134 in operation expenses. Changes in net position from operations in both governmental activities and business-type activities are as expected and planned for in the budget. The City has the capacity and resources to continue to weather the residual effects of the economic recession, particularly as signs of stability and improvement in the community begin to be seen. However, the impact of GASB Statement No. 68 going forward appears to be outside the control of City management.

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

	Governmental		Business Type		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
ASSETS						
Current and Other Assets	\$ 10,815	\$ 14,533	\$ 4,488	\$ 4,804	\$ 15,303	\$ 19,337
Capital Assets	39,092	37,199	28,295	27,483	67,387	64,682
Net Pension Asset	-	-	-	-	-	-
Deferred Outflows	2,439	4,134	318	580	2,757	4,714
Total Assets and Outflows	<u>52,346</u>	<u>55,866</u>	<u>33,101</u>	<u>32,867</u>	<u>85,447</u>	<u>88,733</u>
LIABILITIES						
Current and Due Within One Year	1,970	1,957	1,216	738	3,186	2,695
Long-Term Liabilities	5,731	5,901	4,741	5,144	10,472	11,045
Net Pension Liability	6,373	7,795	831	1,094	7,204	8,889
Deferred Inflows	596	328	78	46	674	374
Total Liabilities	<u>14,670</u>	<u>15,981</u>	<u>6,866</u>	<u>7,022</u>	<u>21,536</u>	<u>23,003</u>
NET POSITION						
Net Investment in						
Capital Assets	33,038	30,740	23,210	22,009	56,248	52,749
Restricted Assets	3,466	7,971	534	534	4,000	8,505
Unrestricted Assets	1,172	1,174	2,491	3,302	3,663	4,476
Total Net Position	<u>\$ 37,676</u>	<u>\$ 39,885</u>	<u>\$ 26,235</u>	<u>\$ 25,845</u>	<u>\$ 63,911</u>	<u>\$ 65,730</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	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
REVENUES						
Program Revenues:						
Charges For Services	\$ 1,815	\$ 3,959	\$ 4,662	\$ 4,378	\$ 6,477	\$ 8,337
Grants and Contributions					-	-
Operating	1,864	1,658	-	-	1,864	1,658
Capital	50	-	128	213	178	213
General Revenues:						
Property Taxes	6,357	5,164	-	-	6,357	5,164
Franchise Taxes	1,269	1,171	-	-	1,269	1,171
Hotel/Motel Taxes	495	441	-	-	495	441
Interest	288	46	68	33	356	79
Gain on capital asset sale	-	-	-	-	-	-
Miscellaneous	121	489	6	37	127	526
Total Revenues	<u>12,259</u>	<u>12,928</u>	<u>4,864</u>	<u>4,661</u>	<u>17,123</u>	<u>17,589</u>
EXPENSES						
Functions:						
General Government	4,390	4,088	-	-	4,390	4,088
Public Safety	5,878	5,453	-	-	5,878	5,453
Highways and Streets	2,292	1,679	-	-	2,292	1,679
Parks and Recreation	1,571	1,992	-	-	1,571	1,992
Community development	86	410	-	-	86	410
Interest	251	95	-	-	251	95
Water Services	-	-	3,427	3,490	3,427	3,490
Stormwater Services	-	-	851	885	851	885
Building Services	-	-	196	233	196	233
Total Expenses	<u>14,468</u>	<u>13,717</u>	<u>4,474</u>	<u>4,608</u>	<u>18,942</u>	<u>18,325</u>
Excess (deficiency) before transfers	<u>(2,209)</u>	<u>(789)</u>	<u>390</u>	<u>53</u>	<u>(1,819)</u>	<u>(736)</u>
CHANGE IN NET POSITION	<u>(2,209)</u>	<u>(789)</u>	<u>390</u>	<u>53</u>	<u>(1,819)</u>	<u>(736)</u>
BEGINNING NET POSITION	39,885	40,402	25,845	25,792	65,730	66,194
RESTATEMENT	-	272	-	-	-	272
AS RESTATED	<u>39,885</u>	<u>40,674</u>	<u>25,845</u>	<u>25,792</u>	<u>65,730</u>	<u>66,466</u>
ENDING NET POSITION	<u>\$ 37,676</u>	<u>\$ 39,885</u>	<u>\$ 26,235</u>	<u>\$ 25,845</u>	<u>\$ 63,911</u>	<u>\$ 65,730</u>

**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, 2018, the fund balance for the General Fund was \$3,983, an increase of \$88 from the previous year. Fund balance components include \$18 non-spendable relating to prepaid items, \$3,871 assigned to the 2017-19 budget and \$94 that is unassigned. In total, fund balance represents approximately 45% of the 2017-18 total general fund expenditures. While revenues decreased \$87 - about 0.9%, expenditures increased \$273 - about 3.2%. Interfund transfers out were increased to \$196 from \$107. Current year results provided an anticipated increase in General Fund carryover of \$88. Also, since the 2008-09 fiscal year, as compelling evidence of local and regional economic challenges became more evident, the management of every department has been focused on conserving resources in whatever manner possible while still preserving services. This trend of conservation is still ongoing and is reflected in the 2017-19.
- **Street Fund:** At June 30, 2018, the fund balance of the Street Fund primarily consisted of a restricted amount of \$3,414 from state shared gas taxes and system development charges. Compared to last year, revenues decreased \$1,042 due to system development charges of \$1,912 from a large commercial project received in the prior year. Expenditures increased by \$1,148 due to a large infrastructure project. These changes caused fund balance to decrease by \$730 to \$3,415. The fund balance is attributed to unspent state shared gas tax and system development charges (restricted) and is available and budgeted for ongoing street maintenance.
- **Economic Development Fund:** At June 30, 2018, the fund balance of the Economic Development Fund primarily consisted of a unrestricted deficit amount of \$3,241. Compared to last year, revenues increased \$101. Expenditures increased by \$3,230 due to the East Pine Streetscaping project which was financed through an advance from the City of \$3,634 in the prior year.
- **Debt Service Fund:** The Debt Service Fund accounts all debt relating to and paid by governmental activities. Annual debt service is funded by a recurring state payment relating to a prior joint city/state construction project, a share of the City's monthly utility fees, assessments received from special assessment payments of property owners benefited by past water construction projects and transfers from the General, Street and Capital Improvement funds. These activities resulted in a decrease to ending fund balance of \$110 to \$3.584. Of the ending fund balance \$52 is restricted to future debt service payments.

Water Fund: At June 30, 2018, the net position of the Water Fund reports an increase of \$44 from operations and a decrease of \$9 in other operating areas, resulting in an ending net position of \$16,998. Water utility operations were as planned and budgeted and improving because of a new service rate schedule in effect. Operating revenue increased \$51 to \$3,339 due to fewer foreclosed or abandoned homes, and high water usage in the summer months due to warmer weather. Operating expenses of \$3,295 reflected an increase of \$70 over the prior year. Operating income was \$44 compared to \$63 for the prior year. Non-operating activity for the year consisted of investment earnings of \$38 and interest expense of \$132. Last year's non-operating activity included investment earnings of \$19 and interest expense of \$264. SDCs were \$84 in the current year compared to \$76 in the previous year - an increase of \$8. These changes resulted in a \$34 decrease in net position at year end

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Stormwater Fund: At June 30, 2018, the net position of the Stormwater Fund reports an decrease of \$118 from operations and an increase of \$64 from other operating areas, resulting in an ending net position of \$8,750. Stormwater utility operations were as planned and budgeted. Operating revenue increased \$119 to \$969 primarily due to the new service utility rate schedule. Operating expenses decreased \$34 to \$851. Operating income of \$118 was realized compared to an operating loss of \$35 in the previous year. Non-operating income from investment earnings increased \$11 to \$20 and system development charges decreased \$92 to \$44. These changes resulted in a \$182 increase in net position at year end.

- **Internal Services Fund:** At June 30, 2018, the net position of the Internal Services Fund was \$419, having declined \$104 from the 2016-17 fiscal year. This decline was caused by a new fleet lease and facility improvements, while operations provided an increase of \$335. Interfund revenues increased \$19 to \$1,316 and operating expenses increased \$74 to \$1,400. Operating loss was \$84 and non-operating income was \$6. Transfers out were \$25. Combined this resulted in a \$103 decrease in net position. The Internal Service Fund revenues consist primarily of rental and overhead fees charged to City departments. Fluctuations in revenues and expenses over the years in this fund are generally caused by either fleet or facility projects requiring capital asset purchases.

General Fund budgetary highlights

The expenditures and revenues of the General Fund are well matched and there were only two significant variances from the original budget. The City approved supplemental budgets via resolution in March and April 2018 primarily for the receipt and corresponding expenditure of an unanticipated revenue received for the City to add a police officer position as well as the purchase and clean-up of a blighted, chronic nuisance property. 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, 2018, amounts to \$67,387 (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 2017-18, approximately \$4,867 of capital asset additions relating to the City's buildings, equipment, computers and software, and streets and utility infrastructure were added, \$34 were deleted, and depreciation expense totaled \$3,690. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

Long term debt

At June 30, 2018, the City had \$11,643 of long-term debt compared to \$12,373 the previous year end. This amount includes \$11,138 of bonds and notes payable and \$505 of compensated absences payable. Principal debt repayment of the City's bonds and notes payable during the year totaled \$796, including scheduled maturities of \$767 and \$29 of SDC obligations were paid as expected or expired. The City's compensated absences increased \$207 by employee service and declined \$141 as employees took time off for a net increase of \$66. More detailed information about the City's long-term debt is presented in the Notes 5 and 6 to the financial statements.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic factors and the new year budget

The governmental funds' largest revenue sources are property taxes, franchise fees, fees for charges and services, and state shared revenues. The State does not have a sales tax, resulting in local government's heavy reliance on property taxes and other self-generated revenues including franchise fees, business licenses, permits, etc. The State of Oregon moved from a tax base system to a tax rate system in the 1990's. In 2018, the City's assessed value increased by 6.00%, double the 3% allowed under Oregon statute. This shows a strengthening of the housing market within the City.

The City, along with other local governments across the State, continues to pay a larger portion of employee retirement costs of the State-run pension fund. The Oregon Public Employees Retirement System (PERS) sets the contribution rates biannually. Fiscal year 2017-18 was the first year of the new biennium rates. In September 2018, the PERS Board released fiscal year 2019-20 and 2020-21 rates. The rates for the current biennium and following biennium are as follows, respectively: Tier I/II employee at 20.60% (increasing to 24.86% on July 1, 2019), Oregon Public Service Retirement Plan (OPSRP) general employees at 13.01% (increasing to 17.54% on July 1, 2019) and OPSRP Police/Fire employees at 17.78% (increasing to 22.17% on July 1, 2019). These sharp PERS rate increases are forecasted to occur in each of the next 2 biennium (2021-23, and 2023-25) as well.

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

In the budget process and throughout the year, City staff carefully considered many options and made appropriate financial and operating decisions in an effort to retain sufficient carryover to continue current service levels as long as possible. City Council and staff are always evaluating new revenue streams as a way to improve and stabilize the City's economic health and provide for needed maintenance and capital project funding.

Contacting the City's financial management

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

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

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF NET POSITION
June 30, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 9,645,396	\$ 3,844,364	\$ 13,489,760
Receivables			
Taxes	407,673	-	407,673
Accounts	702,801	545,786	1,248,587
Interest	38,878	-	38,878
Prepaid expenses	20,804	249	21,053
Supply inventory	-	97,843	97,843
Capital assets			
Capital assets not being depreciated	11,409,147	4,707,722	16,116,869
Capital assets, net of accumulated depreciation	<u>27,682,468</u>	<u>23,587,242</u>	<u>51,269,710</u>
Total Assets	<u>49,907,167</u>	<u>32,783,206</u>	<u>82,690,373</u>
Deferred outflows of resources			
Deferred outflow of resources related to pensions	<u>2,438,761</u>	<u>317,903</u>	<u>2,756,664</u>
Liabilities:			
Accounts payable	324,694	759,153	1,083,847
Accrued payroll	351,524	-	351,524
Unearned revenue	500,000	-	500,000
Accrued interest	14,398	11,167	25,565
Deposits	-	54,994	54,994
Noncurrent liabilities			
Compensated absences			
Due within one year	228,488	24,057	252,545
Due in more than one year	228,488	24,057	252,545
Long-term debt			
Due within one year	551,095	261,413	812,508
Due in more than one year	5,502,563	4,823,226	10,325,789
Net pension liability	<u>6,372,683</u>	<u>830,707</u>	<u>7,203,390</u>
Total liabilities	<u>14,073,933</u>	<u>6,788,774</u>	<u>20,862,707</u>
Deferred inflows of resources			
Deferred inflow of resources related to pensions	<u>595,652</u>	<u>77,646</u>	<u>673,298</u>
Net position:			
Net investment in capital assets	33,037,957	23,210,325	56,248,282
Restricted for:			
Debt service	52,097	-	52,097
Utility systems enhancements (Gas tax and SDCs)	3,413,801	533,792	3,947,593
Unrestricted	<u>1,172,488</u>	<u>2,490,572</u>	<u>3,663,060</u>
Total net position	<u>\$ 37,676,343</u>	<u>\$ 26,234,689</u>	<u>\$ 63,911,032</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, 2018**

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 4,390,089	\$ 1,729,342	\$ 658,730	\$ 49,972	\$ (1,952,045)	\$ -	\$ (1,952,045)
Public safety	5,878,264	-	-	-	(5,878,264)	-	(5,878,264)
Highways and streets	2,292,286	86,176	1,204,893	-	(1,001,217)	-	(1,001,217)
Parks and recreation	1,570,767	-	-	-	(1,570,767)	-	(1,570,767)
Community development	85,703	-	-	-	(85,703)	-	(85,703)
Interest on long-term debt	250,939	-	-	-	(250,939)	-	(250,939)
Total governmental activities	<u>14,468,048</u>	<u>1,815,518</u>	<u>1,863,623</u>	<u>49,972</u>	<u>(10,738,935)</u>	<u>-</u>	<u>(10,738,935)</u>
Business-type activities							
Water services	3,427,413	3,333,368	-	84,183	-	(9,862)	(9,862)
Stormwater services	851,030	969,422	-	43,901	-	162,293	162,293
Building services	196,186	358,907	-	-	-	162,721	162,721
Total business-type activities	<u>4,474,629</u>	<u>4,661,697</u>	<u>-</u>	<u>128,084</u>	<u>-</u>	<u>315,152</u>	<u>315,152</u>
Total primary government	<u>\$ 18,942,677</u>	<u>\$ 6,477,215</u>	<u>\$ 1,863,623</u>	<u>\$ 178,056</u>	<u>(10,738,935)</u>	<u>315,152</u>	<u>(10,423,783)</u>
General revenues							
Property taxes					6,357,400	-	6,357,400
Franchise taxes					1,269,259	-	1,269,259
Hotel/Motel taxes					495,046	-	495,046
Interest					287,702	68,472	356,174
Miscellaneous					121,309	6,455	127,764
Total general revenues					8,530,716	74,927	8,605,643
Change in net position					(2,208,219)	390,079	(1,818,140)
Beginning net position					<u>39,884,562</u>	<u>25,844,610</u>	<u>65,729,172</u>
Ending net position					<u>\$ 37,676,343</u>	<u>\$ 26,234,689</u>	<u>\$ 63,911,032</u>

See accompanying notes to the basic financial statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018**

	GENERAL FUND	STREET FUND	ECONOMIC DEVELOPMENT COMMISSION	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL
ASSETS						
Cash and investments	\$ 4,060,756	\$ 3,665,271	\$ 287,115	\$ 52,097	\$ 1,235,569	\$ 9,300,808
Receivables:						
Taxes	391,375	-	16,298	-	-	407,673
Accounts receivable	407,750	295,051	-	-	-	702,801
Interest Receivable	38,878	-	-	-	-	38,878
Prepaid items	18,073	1,493	-	-	-	19,566
Advance to other funds	-	-	-	3,532,000	-	3,532,000
Total assets	\$ 4,916,832	\$ 3,961,815	\$ 303,413	\$ 3,584,097	\$ 1,235,569	\$ 14,001,726
LIABILITIES						
Accounts payable	237,986	46,521	-	-	-	284,507
Payroll taxes and salaries	351,524	-	-	-	-	351,524
Unearned revenue	-	500,000	-	-	-	500,000
Advance from other funds	-	-	3,532,000	-	-	3,532,000
Total liabilities	589,510	546,521	3,532,000	-	-	4,668,031
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	328,148	-	12,663	-	-	340,811
Unavailable notes and accounts receivable	16,189	-	-	-	-	16,189
Total deferred inflows of resources	344,337	-	12,663	-	-	357,000
FUND BALANCE						
Nonspendable	18,073	1,493	-	3,532,000	-	3,551,566
Restricted	-	3,413,801	-	52,097	-	3,465,898
Committed	-	-	-	-	1,235,569	1,235,569
Assigned	3,870,668	-	-	-	-	3,870,668
Unassigned	94,244	-	(3,241,250)	-	-	(3,147,006)
Total fund balances	3,982,985	3,415,294	(3,241,250)	3,584,097	1,235,569	8,976,695
Total liabilities, deferred inflows of resources and fund balances	\$ 4,916,832	\$ 3,961,815	\$ 303,413	\$ 3,584,097	\$ 1,235,569	\$ 14,001,726

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, 2018**

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

Total fund balances - governmental funds	\$	8,976,695
<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>		
		38,550,888
<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	\$ (14,398)	
Long-term debt	<u>(6,053,658)</u>	(6,068,056)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>		
		(419,992)
<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 liability	(5,823,779)	
Deferred outflow of resources related to pensions	2,228,701	
Deferred inflow of resources related to pensions	<u>(544,346)</u>	(4,139,424)
<p>Unavailable revenues are not earned in the current period and therefore are not reported as revenues in the funds</p>		
Unavailable revenue		
Property taxes levied but not collected	340,811	
Long term notes and accounts receivable	<u>16,189</u>	357,000
<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>419,232</u>
Total net position - governmental activities	\$	<u>37,676,343</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, 2018**

	GENERAL FUND	STREET FUND	ECONOMIC DEVELOPMENT COMMISSION	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL
REVENUES						
Taxes	\$ 6,884,528	\$ 177,000	\$ 330,388	\$ -	\$ -	\$ 7,391,916
Licenses and permits	155,315	-	-	-	-	155,315
Intergovernmental	658,730	1,204,893	-	-	49,972	1,913,595
Charges for services	1,090,733	861,746	-	286,591	155,916	2,394,986
Fines and forfeitures	76,226	-	-	-	-	76,226
Investment earnings	92,441	62,945	31,327	3,598	17,391	207,702
Miscellaneous	108,371	12,938	-	-	-	121,309
Total revenues	<u>9,066,344</u>	<u>2,319,522</u>	<u>361,715</u>	<u>290,189</u>	<u>223,279</u>	<u>12,261,049</u>
EXPENDITURES						
Current:						
General government	3,099,548	-	-	-	-	3,099,548
Public safety	4,469,313	-	-	-	-	4,469,313
Highways and streets	-	3,123,313	-	-	-	3,123,313
Parks and recreation	1,213,782	-	-	-	48,720	1,262,502
Community Development	-	-	3,556,901	-	-	3,556,901
Debt service:						
Principal	-	-	-	441,079	-	441,079
Interest	-	-	97,091	153,543	-	250,634
Total expenditures	<u>8,782,643</u>	<u>3,123,313</u>	<u>3,653,992</u>	<u>594,622</u>	<u>48,720</u>	<u>16,203,290</u>
Excess of revenues over (under) expenditures	<u>283,701</u>	<u>(803,791)</u>	<u>(3,292,277)</u>	<u>(304,433)</u>	<u>174,559</u>	<u>(3,942,241)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	150,000	-	194,065	103,842	447,907
Transfers out	(196,165)	(76,000)	-	-	(150,742)	(422,907)
Total	<u>(196,165)</u>	<u>74,000</u>	<u>-</u>	<u>194,065</u>	<u>(46,900)</u>	<u>25,000</u>
Net change in fund balance	87,536	(729,791)	(3,292,277)	(110,368)	127,659	(3,917,241)
Beginning fund balance	<u>3,895,449</u>	<u>4,145,085</u>	<u>51,027</u>	<u>3,694,465</u>	<u>1,107,910</u>	<u>12,893,936</u>
Ending fund balance	<u>\$ 3,982,985</u>	<u>\$ 3,415,294</u>	<u>\$ (3,241,250)</u>	<u>\$ 3,584,097</u>	<u>\$ 1,235,569</u>	<u>\$ 8,976,695</u>

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, 2018

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 \$ (3,917,241)

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

Capitalized expenditures	\$	4,781,372	
Depreciation expense		<u>(2,857,074)</u>	
Net adjustment			1,924,298

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

Accrued interest		(305)	
Compensated absences		<u>(59,916)</u>	(60,221)

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

Expiration of SDC Credits		-	
Debt proceeds		-	
Bond and notes payable principal payments		<u>405,640</u>	405,640

Expenses related to pension obligations not using current resources (467,949)

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

Special assessments		-	
Property taxes		(36)	
Long term notes and accounts receivable		<u>10,739</u>	10,703

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

Internal service fund change in net position			<u>(103,449)</u>
--	--	--	------------------

Change in net position - governmental activities **\$ (2,208,219)**

See accompanying notes to the basic financial statements

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

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICES FUND
ASSETS					
Current assets					
Cash and investments	\$ 1,684,667	\$ 1,477,225	\$ 682,472	\$ 3,844,364	\$ 344,588
Accounts receivable	475,482	70,304	-	545,786	-
Prepaid items	178	71	-	249	1,238
Supply inventory	97,843	-	-	97,843	-
Total current assets	<u>2,258,170</u>	<u>1,547,600</u>	<u>682,472</u>	<u>4,488,242</u>	<u>345,826</u>
Noncurrent assets					
Capital assets not being depreciated	3,881,527	826,196	-	4,707,723	6,430
Capital assets being depreciated, net	17,099,589	6,487,652	-	23,587,241	534,297
Total noncurrent assets	<u>20,981,116</u>	<u>7,313,848</u>	<u>-</u>	<u>28,294,964</u>	<u>540,727</u>
Total assets	<u>23,239,286</u>	<u>8,861,448</u>	<u>682,472</u>	<u>32,783,206</u>	<u>886,553</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pensions	<u>212,905</u>	<u>46,159</u>	<u>58,839</u>	<u>317,903</u>	<u>210,060</u>
LIABILITIES					
Current liabilities					
Accounts payable	723,767	11,211	24,175	759,153	40,187
Due to Other Funds	-	-	-	-	-
Developer and customer deposits	-	-	54,994	54,994	-
Accrued interest	11,167	-	-	11,167	-
Current portion of long-term debt					
SDC obligations	-	3,819	-	3,819	-
Notes payable	257,594	-	-	257,594	-
Series 2014 bonds	-	-	-	-	-
Compensated absences	16,313	4,413	3,331	24,057	18,492
Total current portion of long-term debt	<u>273,907</u>	<u>8,232</u>	<u>3,331</u>	<u>285,470</u>	<u>18,492</u>
Total current liabilities	<u>1,008,841</u>	<u>19,443</u>	<u>82,500</u>	<u>1,110,784</u>	<u>58,679</u>
Noncurrent liabilities					
SDC obligations	-	2,041	-	2,041	-
Notes payable	4,821,185	-	-	4,821,185	-
Compensated absences	16,313	4,413	3,331	24,057	18,492
Net pension liability	556,339	120,617	153,751	830,707	548,904
Total long-term liabilities	<u>5,393,837</u>	<u>127,071</u>	<u>157,082</u>	<u>5,677,990</u>	<u>567,396</u>
Total liabilities	<u>6,402,678</u>	<u>146,514</u>	<u>239,582</u>	<u>6,788,774</u>	<u>626,075</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pensions	<u>52,001</u>	<u>11,274</u>	<u>14,371</u>	<u>77,646</u>	<u>51,306</u>
NET POSITION					
Net investment in capital assets	15,902,337	7,307,988	-	23,210,325	540,727
Restricted for:					
Utility system enhancements (SDCs)	388,619	145,173	-	533,792	-
Unrestricted	<u>706,556</u>	<u>1,296,658</u>	<u>487,358</u>	<u>2,490,572</u>	<u>(121,495)</u>
Total net position	<u>\$ 16,997,512</u>	<u>\$ 8,749,819</u>	<u>\$ 487,358</u>	<u>\$ 26,234,689</u>	<u>\$ 419,232</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, 2018**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICES FUND
OPERATING REVENUES					
Charges for services	\$ 3,333,368	\$ 969,422	\$ 358,907	\$ 4,661,697	\$ 1,298,152
Miscellaneous	5,855	-	600	6,455	17,551
Total operating revenues	<u>3,339,223</u>	<u>969,422</u>	<u>359,507</u>	<u>4,668,152</u>	<u>1,315,703</u>
OPERATING EXPENSES					
Public works equipment rental operations	-	-	-	-	1,282,199
Utility operations	2,800,554	624,804	-	3,425,358	-
Building inspection services	-	-	196,186	196,186	-
Depreciation	494,919	226,226	-	721,145	117,918
Total operating expenses	<u>3,295,473</u>	<u>851,030</u>	<u>196,186</u>	<u>4,342,689</u>	<u>1,400,117</u>
Operating income (loss)	<u>43,750</u>	<u>118,392</u>	<u>163,321</u>	<u>325,463</u>	<u>(84,414)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest expense	(131,940)	-	-	(131,940)	-
Investment earnings	38,375	20,094	10,003	68,472	5,965
Gain/loss on assets	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>(93,565)</u>	<u>20,094</u>	<u>10,003</u>	<u>(63,468)</u>	<u>5,965</u>
Income (loss) before contributions and transfers	(49,815)	138,486	173,324	261,995	(78,449)
System development charges capital contributions	84,183	43,901	-	128,084	-
Transfers out	-	-	-	-	(25,000)
Total contributions and transfers	<u>84,183</u>	<u>43,901</u>	<u>-</u>	<u>128,084</u>	<u>(25,000)</u>
Change in net position	34,368	182,387	173,324	390,079	(103,449)
Beginning net position	<u>16,963,144</u>	<u>8,567,432</u>	<u>314,034</u>	<u>25,844,610</u>	<u>522,681</u>
Ending net position	<u>\$ 16,997,512</u>	<u>\$ 8,749,819</u>	<u>\$ 487,358</u>	<u>\$ 26,234,689</u>	<u>\$ 419,232</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, 2018**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ 3,336,003	\$ 969,475	\$ 305,370	\$ 4,610,848	\$ -
Received from interfund services provided	-	-	-	-	1,315,704
Paid for interfund services provided	(758,620)	(307,000)	-	(1,065,620)	-
Paid to suppliers	(724,637)	(169,983)	(91,540)	(986,160)	(707,097)
Paid to employees	(628,725)	(160,521)	(148,846)	(938,092)	(485,943)
Net cash provided by operating activities	<u>1,224,021</u>	<u>331,971</u>	<u>64,984</u>	<u>1,620,976</u>	<u>122,664</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
Change in due to other funds	(11,510)	-	-	(11,510)	-
Transfers to other funds	-	-	-	-	(25,000)
Net cash provided (used) by noncapital and related financing activities	<u>(11,510)</u>	<u>-</u>	<u>-</u>	<u>(11,510)</u>	<u>(25,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
SDC fees received	84,183	43,901	-	128,084	-
Purchase of capital assets	(1,456,715)	(76,531)	-	(1,533,246)	(85,936)
Interest paid on capital debt	(135,201)	-	-	(135,201)	-
Long-term debt principal payments	(389,622)	-	-	(389,622)	-
Net cash provided (used) by capital and related financing activities	<u>(1,897,355)</u>	<u>(32,630)</u>	<u>-</u>	<u>(1,929,985)</u>	<u>(85,936)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	38,375	20,094	10,003	68,472	5,965
Net increase in cash and investments	(646,469)	319,435	74,987	(252,047)	17,693
Cash and investments					
Beginning of year	<u>2,331,136</u>	<u>1,157,790</u>	<u>607,485</u>	<u>4,096,411</u>	<u>326,895</u>
End of Year	<u>\$ 1,684,667</u>	<u>\$ 1,477,225</u>	<u>\$ 682,472</u>	<u>\$ 3,844,364</u>	<u>\$ 344,588</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 43,750	\$ 118,392	\$ 163,321	\$ 325,463	\$ (84,414)
Depreciation and amortization	494,919	226,226	-	721,145	117,918
Net change in expense under GASB 68	45,281	(15,094)	219	30,406	71,590
(Increase) decrease in prepaid expenses	3,959	282	325	4,566	(371)
(Increase) decrease in customer deposits	-	-	(54,137)	(54,137)	-
(Increase) decrease in inventory	73,411	-	-	73,411	-
(Increase) decrease in receivables	(3,220)	53	-	(3,167)	-
Increase (decrease) in payables	563,813	1,208	(41,696)	523,325	12,113
Increase (decrease) in compensated absences	2,108	904	(3,048)	(36)	5,828
Net Cash Provided by Operating Activities	<u>\$ 1,224,021</u>	<u>\$ 331,971</u>	<u>\$ 64,984</u>	<u>\$ 1,620,976</u>	<u>\$ 122,664</u>

See accompanying notes to the basic financial statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

THE FINANCIAL REPORTING ENTITY

The City of Central Point is a municipal corporation governed by an elected mayor and six-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable, as defined under GASB Statement 39.

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government and its component units. For the most part, interfund services provided and used are eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Basis of accounting refers to when revenues, expenditures, expenses, transfers, assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recognized in the accounts and reported in the financial statements.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

The government reports the following major governmental funds:

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

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

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

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

The government reports the following nonmajor governmental funds:

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

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

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

The government reports the following major proprietary funds:

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

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

The government also reports the following proprietary funds:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

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

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

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

BUDGETS

The City budgets all funds as required by Oregon State Budget Law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Expenditure budgets for the Reserve Fund, Debt Service Fund, Building Fund, and Economic Development Commission are appropriated at object levels of personal services, materials and services, capital outlay, debt service, interfund transactions and contingency. All other funds, including the General, Street, High Tech Crime Unit Fund, Capital Improvement, Water, Stormwater and Internal Service funds are appropriated by total budget at the division level. Unexpected additional resources or appropriations may be added to the budget through the use of a supplemental budget. Original and supplemental budgets require hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by passing a Council resolution authorizing the transfer.

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

ESTIMATES

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Cash and Investments

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

Receivables and Payables

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

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

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

Interfund Activities

Interfund activities include charges for services and operating transfers

Supplies Inventories

Supply inventory in the proprietary fund types are stated at the lower of cost or market, using the first-in/first-out method .

Prepaid Expenses

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

Capital Assets

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Grants

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

Compensated Absences

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

Deferred Outflow / Inflow of Resources

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

Long-term Obligations

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

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

Net Position

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

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

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

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

Unrestricted net position - all other net position.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fund Balances

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

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

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

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

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

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

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

Statement of Cash Flows

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

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

2. CASH AND INVESTMENTS

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

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

	2018
Petty cash	\$ 1,150
Demand deposits	1,474,124
Deposits - FSA	5,000
LGIP	12,009,486
Total	<u>\$ 13,489,760</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 investment in LGIP is stated at the value of the City's share in the pool, which approximates fair value.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage are held with institutions participating in the Oregon Public Funds Collateralization Program. In the event of bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposit of public funds of government entities. As of June 30, 2018, none of the City's bank balances were exposed to credit risk.

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

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

3. RECEIVABLES

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

4. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2018 are as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Governmental Activities:				
Not being depreciated				
Land	\$ 5,606,180	\$ 72,091	\$ -	\$ 5,678,271
Work in process	1,111,067	4,576,320	(5,756)	5,681,631
Land use rights	42,815	-	-	42,815
Total	<u>6,760,062</u>	<u>4,648,411</u>	<u>(5,756)</u>	<u>11,402,717</u>
Being depreciated				
Buildings	5,136,526	-	-	5,136,526
Computers	490,068	43,187	-	533,255
Equipment	494,623	37,290	(15,000)	516,913
Infrastructure	86,384,576	58,240	-	86,442,816
Total	<u>92,505,793</u>	<u>138,717</u>	<u>(15,000)</u>	<u>92,629,510</u>
Accumulated depreciation				
Buildings	(2,011,509)	(120,085)	-	(2,131,594)
Computers	(347,711)	(62,572)	-	(410,283)
Equipment	(405,023)	(15,216)	15,000	(405,239)
Infrastructure	(59,875,022)	(2,659,201)	-	(62,534,223)
Total	<u>(62,639,265)</u>	<u>(2,857,074)</u>	<u>15,000</u>	<u>(65,481,339)</u>
Governmental capital assets, net	<u>\$ 36,626,590</u>	<u>\$ 1,930,054</u>	<u>\$ (5,756)</u>	<u>\$ 38,550,888</u>

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

4. CAPITAL ASSETS, continued

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Internal Service Fund:				
Not being depreciated				
Work in process	\$ -	\$ 6,430	\$ -	\$ 6,430
Being depreciated				
Buildings	267,912	-	-	267,912
Computers	7,033	-	-	7,033
Equipment and vehicles	1,320,625	79,507	(18,853)	1,381,279
Infrastructure	18,000	-	-	18,000
Total	<u>1,613,570</u>	<u>79,507</u>	<u>(18,853)</u>	<u>1,674,224</u>
Accumulated depreciation				
Buildings	(127,669)	(9,110)	-	(136,779)
Computers	(7,033)	-	-	(7,033)
Equipment and vehicles	(901,660)	(108,448)	18,853	(991,255)
Infrastructure	(4,500)	(360)	-	(4,860)
Total	<u>(1,040,862)</u>	<u>(117,918)</u>	<u>18,853</u>	<u>(1,139,927)</u>
Internal service fund capital assets, net	<u>\$ 572,708</u>	<u>\$ (31,981)</u>	<u>\$ -</u>	<u>\$ 540,727</u>

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Business-type Activities:				
Not being depreciated				
Land	\$ 1,943,024	\$ -	\$ -	\$ 1,943,024
Work in process	930,785	1,533,247	-	2,464,032
Land use rights	300,666	-	-	300,666
Total	<u>3,174,475</u>	<u>1,533,247</u>	<u>-</u>	<u>4,707,722</u>
Being depreciated				
Equipment and vehicles	132,738	-	-	132,738
Infrastructure	36,707,666	-	-	36,707,666
Total	<u>36,840,404</u>	<u>-</u>	<u>-</u>	<u>36,840,404</u>
Accumulated depreciation				
Equipment and vehicles	(50,594)	(12,812)	-	(63,406)
Infrastructure	(12,481,423)	(708,333)	-	(13,189,756)
Total	<u>(12,532,017)</u>	<u>(721,145)</u>	<u>-</u>	<u>(13,253,162)</u>
Business-type capital assets, net	<u>\$ 27,482,862</u>	<u>\$ 812,102</u>	<u>\$ -</u>	<u>\$ 28,294,964</u>

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

4. CAPITAL ASSETS, continued

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

<u>Function/Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General Government	\$ 942,620	\$ -
Public Safety	1,170,770	-
Highways and Streets	400,174	-
Parks and Recreation	343,510	-
Internal Service Fund - charged to various functions based on usage	117,918	-
Water	-	494,919
Stormwater	-	226,226
Total	<u>\$ 2,974,992</u>	<u>\$ 721,145</u>

5. LONG-TERM DEBT

At June 30, 2018, the City's long-term financed debt consists of the following:

Series 2014: During 2014-15 the City refinanced the 2004, 2007, and 2008 issued debt with the proceeds of a Series 2014 issue in October 2014. This bond is 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 was to make annual payments of \$384,045, including interest at 3.4%, for approximately 20 years. Repayment was guaranteed by the United States government. The final payment was made in December 2017.

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.

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

All outstanding long-term debt at June 30, 2018 is related to capital assets.

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

5. LONG-TERM DEBT, continued

Changes in the City's long-term debt during the fiscal year ending June 30, 2018:

	<u>Balance 7/1/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2018</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
Governmental Activities						
Series 2014	\$ 1,584,261	\$ -	\$ (279,079)	\$ 1,305,182	\$ 289,946	\$ 1,015,236
Series 2017	4,546,782	-	(126,561)	4,420,221	224,406	4,195,815
SDC obligations	<u>328,255</u>	-	-	<u>328,255</u>	<u>36,743</u>	<u>291,512</u>
Total	<u>\$ 6,459,298</u>	<u>\$ -</u>	<u>\$ (405,640)</u>	<u>\$ 6,053,658</u>	<u>\$ 551,095</u>	<u>\$ 5,502,563</u>
Business-type Activities						
Water Reservoir	\$ 220,670	\$ -	\$ (220,670)	\$ -	\$ -	\$ -
Series 2017	5,219,218	-	(140,439)	5,078,779	257,594	4,821,185
SDC obligations	<u>34,373</u>	-	<u>(28,513)</u>	<u>5,860</u>	<u>3,819</u>	<u>2,041</u>
Total	<u>\$ 5,474,261</u>	<u>\$ -</u>	<u>\$ (389,622)</u>	<u>\$ 5,084,639</u>	<u>\$ 261,413</u>	<u>\$ 4,823,226</u>

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

Years Ending June 30,	Series 2014 Bonds		Series 2017 Agreement		SDC Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 289,946	\$ 28,889	\$ 224,406	\$ 113,791	\$ 36,743	\$ -
2020	157,399	23,319	242,563	107,627	36,743	-
2021	160,354	19,363	263,049	100,953	36,743	-
2022	167,668	15,280	282,137	93,757	36,743	-
2023	170,025	11,075	300,760	86,062	36,743	-
2024 to 2028	359,790	9,038	1,760,796	320,485	144,540	-
2029 to 2033	-	-	1,346,510	63,981	-	-
Total	<u>\$ 1,305,182</u>	<u>\$ 106,964</u>	<u>\$ 4,420,221</u>	<u>\$ 886,656</u>	<u>\$ 328,255</u>	<u>\$ -</u>
Years Ending June 30, Total Governmental Activities						
	Principal	Interest				
2019	\$ 551,095	\$ 142,680				
2020	436,705	130,946				
2021	460,146	120,316				
2022	486,548	109,037				
2023	507,528	97,137				
2024 to 2028	2,265,126	329,523				
2029 to 2033	1,346,510	1,346,510				
Total	<u>\$ 6,053,658</u>	<u>\$ 2,276,149</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,	Series 2017 Agreement		SDC Obligations	
	Principal	Interest	Principal	Interest
2019	\$ 257,594	\$ 130,620	\$ 3,819	\$ -
2020	278,437	123,544	2,041	-
2021	301,951	115,883	-	-
2022	323,863	107,623	-	-
2023	345,240	98,790	-	-
2024 to 2028	2,021,204	341,534	-	-
2029 to 2033	1,550,490	73,444	-	-
Total	\$ 5,078,779	\$ 991,438	\$ 5,860	\$ -

**Total Business-Type
Activities**

	Principal	Interest
2018-19	\$ 261,413	\$ 130,620
2019-20	280,478	123,544
2020-21	301,951	115,883
2021-22	323,863	107,623
2022-23	345,240	98,790
2024 to 2028	2,021,204	341,534
2029 to 2033	1,550,490	73,444
2034 to 2038	-	-
Total	\$ 5,084,639	\$ 991,438

6. COMPENSATED ABSENCES

During the year ended June 30, 2018 the changes in the City's vested compensated absences obligation to employees were as follows:

	Balance 7/1/17	Additions	Deletions	Balance 7/1/18	Due Within One Year	Long-Term Portion
Governmental Activities						
Governmental Funds	\$ 360,076	\$ 173,700	\$ (113,784)	\$ 419,992	\$ 209,996	\$ 209,996
Internal Service Fund	31,156	15,928	(10,100)	36,984	18,492	18,492
Total	\$ 391,232	\$ 189,628	\$ (123,884)	\$ 456,976	\$ 228,488	\$ 228,488
Business-Type Activities						
Proprietary Funds	\$ 48,150	\$ 16,961	\$ (16,997)	\$ 48,114	\$ 24,057	\$ 24,057

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

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

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>Total</u>
	<u>Street Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds Reserve Fund</u>	
Transfer Out				
General Fund	\$ 150,000	\$ 46,165	\$ -	\$ 196,165
Street Fund	-	76,000	-	76,000
Nonmajor governmental funds	-	71,900	78,842	150,742
Internal Service Fund	-	-	25,000	25,000
Total	<u>\$ 150,000</u>	<u>\$ 194,065</u>	<u>\$ 103,842</u>	<u>\$ 447,907</u>

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

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

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

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>
Advance to Economic Development Commission from Debt Service Fund	\$ <u>3,634,000</u>	\$ <u>-</u>	\$ <u>(102,000)</u>	\$ <u>3,532,000</u>

8. GOVERNMENTAL FUND BALANCES

Governmental fund balance components at June 30, 2018 are:

<u>Fund Balance Components</u>	<u>General Fund</u>	<u>Street Fund</u>	<u>Economic Development Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable						
Prepaid items	\$ 18,073	\$ 1,493	\$ -	\$ -	\$ -	\$ 19,566
Advance to other funds	-	-	-	3,532,000	-	3,532,000
Total	<u>18,073</u>	<u>1,493</u>	<u>-</u>	<u>3,532,000</u>	<u>-</u>	<u>3,551,566</u>
Restricted:						
Community Development	-	-	-	52,097	-	52,097
State Law - Gas Tax and SDCs	-	3,413,801	-	-	-	3,413,801
Total	<u>-</u>	<u>3,413,801</u>	<u>-</u>	<u>52,097</u>	<u>-</u>	<u>3,465,898</u>
Committed:						
Council resolution/ordinances:						
Future capital assets	-	-	-	-	1,235,569	1,235,569
Assigned:						
2017-19 Budget	3,870,668	-	-	-	-	3,870,668
Unassigned	94,244	-	(3,241,250)	-	-	(3,147,006)
Total fund balance	<u>\$ 3,982,985</u>	<u>\$ 3,415,294</u>	<u>\$ (3,241,250)</u>	<u>\$ 3,584,097</u>	<u>\$ 1,235,569</u>	<u>\$ 8,976,695</u>

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

9. RISK MANAGEMENT

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM

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

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

Benefits Provided

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

Pension Benefits

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. 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

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit

Benefit Changes After Retirement

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

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

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits.

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

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

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.

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015. The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2018 were \$1,123,121 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2018 were 20.60 percent for Tier One/Tier Two Members, 13.01 percent for OPSRP Pension Program General Service Members, 17.78 percent for OPSRP Pension Program Police and Fire Members, and 6 percent for OPSRP Individual Account Program.

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

At June 30, 2018, the City's proportionate share of the net pension liability is \$7,203,390. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the City's proportion was 0.05343 percent, which changed from its proportion of 0.05921 measured as of June 30, 2016.

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 348,359	\$ -
Change in assumptions	1,313,049	-
Net difference between projected and actual earnings on pension plan investments	74,212	-
Changes in proportionate share	58,498	611,135
Differences between City contributions and proportionate share of contributions	<u>116,879</u>	<u>62,163</u>
Subtotal before post-measurement date contributions	1,910,997	673,298
City contributions subsequent to the measurement date	<u>845,667</u>	-
Total	<u>\$ 2,756,664</u>	<u>\$ 673,298</u>

Deferred outflows of resources related to pensions of \$845,667 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2019. Net deferred outflows (inflows) of resources of \$1,237,699 will be recognized in pension expense as follows:

Year Ended June 30,	
2019	\$ 216,026
2020	798,265
2021	496,049
2022	(260,930)
2023	<u>(11,711)</u>
Total	<u>\$ 1,237,699</u>

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:

Actuarial Cost Method	Entry Age normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization based over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.5 percent
Investment Rate of return	7.5 percent
Projected Salary Increases	3.5% overall payroll growth, salaries for individuals are assumed to grow 3.5% plus assumed rates of merit / longevity increases based on service.
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table..</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: http://www.oregon.gov/pers/docs/financial_reports/2016_cafr.pdf

Discount Rate

The discount rate used to measure the total pension liability was 7.5 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

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

10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM, continued

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability (asset)	\$ 12,275,891	\$ 7,203,390	\$ 2,961,839

Changes in Plan Provisions Subsequent to Measurement Date

The PERS Board lowered the Assumed Rate of Return from 7.5% to 7.2% on July 28, 2017. This change is effective January 1, 2018 and will increase the net pension liability in future periods.

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

**REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2018**

Schedule of the Proportionate Share of the Net Pension Liability
Oregon Public Employees Retirement System ^{(1) (2)}

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.053430 %	0.059213 %	0.064537 %	0.058290 %
Proportionate share of the net pension liability (asset)	\$ 7,203,390	\$ 8,889,239	\$ 3,705,167	\$ (1,321,278)
Covered payroll	\$ 4,771,542	\$ 4,719,630	\$ 3,926,697	\$ 3,889,464
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	150.97 %	188.35 %	94.36 %	(33.65)%
Plan net position as a percentage of the total pension liability	83.10 %	80.50 %	91.88 %	103.59 %

Schedule of Pension Contributions

Oregon Public Employees Retirement System ⁽¹⁾

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,123,121	\$ 952,125	\$ 930,357	\$ 851,622
Contributions in relation to the contractually required contribution	<u>1,123,121</u>	<u>952,125</u>	<u>930,357</u>	<u>851,622</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 4,720,162	\$ 4,771,542	\$ 4,719,630	\$ 3,926,697
Contributions as a percentage of covered payroll	23.79 %	19.95 %	19.71 %	21.69 %

Notes to Required Supplementary Information

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

(2) Amounts presented are for the measurement period reported during the fiscal year, which for FY 2018 is July 1, 2016- June 30, 2017.

Changes of Assumptions

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability, which contributes to the net pension liability reported by the City for fiscal year 2017. The changes include the lowering of the long-term expected rate of return to 7.50 percent and lowering the assumed inflation to 2.50 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

Actuarial Assumptions and Methods Used to Actuarially Determine Contributions:

	December 31, 2015 July 2017 - June 2019	December 31, 2013 July 2015 - June 2017
Actuarial Valuation Effective	Entry Age Normal	Entry Age Normal
Actuarial cost method:	Market Value	Market Value
Actuarial valuation method:		
Actuarial assumption:		
Inflation rate	2.5 percent	2.75 percent
Projected salary increases	3.5 percent	3.75 percent
Investment rate of return	7.5 percent	7.75 percent

**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, 2018**

	<u>BIENNIUM BUDGET</u>		FIRST YEAR ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Taxes	\$ 13,993,000	\$ 13,993,000	\$ 6,884,528	\$ (7,108,472)
Licenses and permits	293,000	293,000	155,315	(137,685)
Intergovernmental	1,177,340	1,229,660	658,730	(570,930)
Charges for services	2,232,000	2,232,000	1,090,733	(1,141,267)
Fines and forfeitures	167,000	167,000	76,226	(90,774)
Investment earnings	73,000	73,000	92,441	19,441
Miscellaneous	<u>250,000</u>	<u>335,000</u>	<u>108,372</u>	<u>(226,628)</u>
Total revenues	<u>18,185,340</u>	<u>18,322,660</u>	<u>9,066,345</u>	<u>(9,256,315)</u>
Expenditures:				
Mayor & Council	130,000	130,000	61,564	68,436
Administration	1,564,835	1,577,835	707,897	869,938
Technical services	1,224,130	1,224,130	592,429	631,701
City enhancement	373,000	409,000	184,093	224,907
Finance	1,620,539	1,620,539	777,730	842,809
Interdepartmental	2,821,102	2,893,102	207,557	2,685,545
Parks and recreation - parks	2,159,402	2,159,402	850,741	1,308,661
Parks and recreation - recreation	1,004,180	1,004,180	363,041	641,139
Planning	1,250,530	1,250,530	568,277	682,253
Police	9,482,190	9,580,335	4,469,313	5,111,022
Contingency	<u>180,000</u>	<u>180,000</u>	<u>-</u>	<u>180,000</u>
Total expenditures	<u>21,809,908</u>	<u>22,029,053</u>	<u>8,782,642</u>	<u>13,246,411</u>
Excess of revenues over (under) expenditures	(3,624,568)	(3,706,393)	283,703	3,990,096
Other financing sources (uses):				
Transfers out	<u>(246,100)</u>	<u>(246,100)</u>	<u>(196,165)</u>	<u>49,935</u>
Net change in fund balance	(3,870,668)	(3,952,493)	87,538	4,040,031
Beginning fund balance	<u>3,870,668</u>	<u>3,952,493</u>	<u>3,895,449</u>	<u>(57,044)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,982,987</u>	<u>\$ 3,982,987</u>

**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, 2018**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Taxes	\$ 354,000	\$ 354,000	\$ 177,000	\$ (177,000)
Intergovernmental	2,270,960	2,490,960	1,204,893	(1,286,067)
Charges for services	2,741,660	2,741,660	861,746	(1,879,914)
Investment earnings	28,620	28,620	62,945	34,325
Miscellaneous	<u>536,000</u>	<u>536,000</u>	<u>12,938</u>	<u>(523,062)</u>
Total revenues	<u>5,931,240</u>	<u>6,151,240</u>	<u>2,319,522</u>	<u>(3,831,718)</u>
Expenditures:				
Street operations	4,105,309	5,154,856	1,997,590	3,157,266
SDC streets	915,000	2,073,000	1,125,723	947,277
Interdepartmental	975,098	975,098	-	975,098
Contingency	<u>157,000</u>	<u>157,000</u>	<u>-</u>	<u>157,000</u>
Total expenditures	<u>6,152,407</u>	<u>8,359,954</u>	<u>3,123,313</u>	<u>5,236,641</u>
Excess of revenues over (under) expenditures	<u>(221,167)</u>	<u>(2,208,714)</u>	<u>(803,791)</u>	<u>1,404,923</u>
Other financing sources (uses):				
Transfers in	150,000	150,000	150,000	-
Transfers out	<u>(152,000)</u>	<u>(152,000)</u>	<u>(76,000)</u>	<u>76,000</u>
Total other financing sources (uses)	<u>(2,000)</u>	<u>(2,000)</u>	<u>74,000</u>	<u>(76,000)</u>
Net change in fund balance	<u>(223,167)</u>	<u>(2,210,714)</u>	<u>(729,791)</u>	<u>1,480,923</u>
Beginning fund balance	<u>1,605,860</u>	<u>2,210,714</u>	<u>4,145,085</u>	<u>1,934,371</u>
Ending fund balance	<u>\$ 1,382,693</u>	<u>\$ -</u>	<u>\$ 3,415,294</u>	<u>\$ 3,415,294</u>

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

**ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2018

	ORIGINAL Budget	FINAL Budget	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
Revenues:				
Taxes	\$ 242,500	\$ 242,500	\$ 330,388	\$ 87,888
Investment earnings	2,700	2,700	31,327	28,627
Total revenues	245,200	245,200	361,715	(116,515)
Expenditures:				
Capital outlay	3,564,000	3,564,000	3,549,520	14,480
Materials and services	63,800	63,800	7,381	56,419
Debt service	207,400	207,400	199,091	8,309
Contingency	50,000	50,000	-	50,000
Total expenditures	3,885,200	3,885,200	3,755,992	129,208
Net change in fund balance	(3,640,000)	(3,640,000)	(3,394,277)	245,723
Beginning fund balance	3,640,000	3,640,000	3,685,027	45,027
Ending fund balance	\$ -	\$ -	290,750	\$ 290,750
Reconciliation to fund balance:				
Advance from City			(3,532,000)	
Total			\$ (3,241,250)	

**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, 2018**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Charges for services	\$ 794,670	\$ 794,670	\$ 388,591	\$ (406,079)
Assessments	44,000	44,000	-	(44,000)
Investment earnings	<u>2,000</u>	<u>2,000</u>	<u>3,598</u>	<u>1,598</u>
Total revenues	<u>840,670</u>	<u>840,670</u>	<u>392,189</u>	<u>(448,481)</u>
Expenditures:				
Debt service				
Principal	936,870	936,870	441,079	495,791
Interest	<u>305,123</u>	<u>305,123</u>	<u>153,543</u>	<u>151,580</u>
Total expenditures	<u>1,241,993</u>	<u>1,241,993</u>	<u>594,622</u>	<u>647,371</u>
Excess of revenues over (under) expenditures	(401,323)	(401,323)	(202,433)	198,890
Other financing sources (uses):				
Transfers in	<u>391,900</u>	<u>391,900</u>	<u>194,065</u>	<u>197,835</u>
Net change in fund balance	(9,423)	(9,423)	(8,368)	396,725
Beginning fund balance	<u>101,336</u>	<u>101,336</u>	<u>60,465</u>	<u>(40,871)</u>
Ending fund balance	<u>\$ 91,913</u>	<u>\$ 91,913</u>	52,097	<u>\$ 355,854</u>
GAAP Basis Presentation				
Advance to Economic Development Commission			<u>3,532,000</u>	
Ending fund balance GAAP basis			<u>\$ 3,584,097</u>	

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

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2018**

	High Tech Crime Unit Fund	Reserve Fund	Capital Improvement Fund	Total
Assets:				
Cash and investments	\$ <u> </u> -	\$ <u> 804,204</u>	\$ <u> 431,365</u>	\$ <u> 1,235,569</u>
 Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Fund balances:				
Committed	<u> </u> -	<u> 804,204</u>	<u> 431,365</u>	<u> 1,235,569</u>
Total liabilities and fund balances	<u>\$ <u> </u> -</u>	<u>\$ <u> 804,204</u></u>	<u>\$ <u> 431,365</u></u>	<u>\$ <u> 1,235,569</u></u>

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

**NONMAJOR GOVERNMENTAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2018**

	High Tech Crime Unit Fund	Reserve Fund	Capital Improvement Fund	Total
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 49,972	\$ 49,972
Charges for services	-	-	155,916	155,916
Investment earnings	-	10,744	6,647	17,391
Miscellaneous	-	-	-	-
Total revenues:	-	10,744	212,535	223,279
EXPENDITURES:				
Current:				
Parks and recreation	-	-	48,720	48,720
Excess of revenues over (under) expenditures	-	10,744	163,815	174,559
Other Financing Sources (Uses)				
Transfers in	-	103,842	-	103,842
Transfers out	(78,842)	-	(71,900)	(150,742)
Total	(78,842)	103,842	(71,900)	(46,900)
Net change in fund balance	(78,842)	114,586	91,915	127,659
Beginning fund balance	78,842	689,618	339,450	1,107,910
Ending fund balance	<u>\$ -</u>	<u>\$ 804,204</u>	<u>\$ 431,365</u>	<u>\$ 1,235,569</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, 2018**

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

**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, 2018**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Investment earnings	\$ 6,000	\$ 6,000	\$ 10,744	\$ 4,744
Expenditures:				
Interdepartmental	766,046	766,046	-	766,046
Other financing sources (uses):				
Transfers in	<u>128,842</u>	<u>128,842</u>	<u>103,842</u>	<u>25,000</u>
Net change in fund balance	(631,204)	(631,204)	114,586	745,790
Beginning fund balance	<u>631,204</u>	<u>631,204</u>	<u>689,618</u>	<u>58,414</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 804,204</u>	<u>\$ 804,204</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, 2018**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 49,972	\$ (100,028)
Charges for services	705,000	705,000	155,916	(549,084)
Investment earnings	<u>4,000</u>	<u>4,000</u>	<u>6,647</u>	<u>2,647</u>
Total revenues	859,000	859,000	212,535	(646,465)
Expenditures:				
SDC capital projects	<u>664,000</u>	<u>664,000</u>	<u>48,720</u>	<u>615,280</u>
Excess of revenues over (under) expenditures	195,000	195,000	163,815	(31,185)
Other financing sources (uses):				
Transfers out	<u>(143,800)</u>	<u>(143,800)</u>	<u>(71,900)</u>	<u>(71,900)</u>
Net Change in fund balance	51,200	51,200	91,915	(103,085)
Beginning fund balance	<u>360,462</u>	<u>360,462</u>	<u>339,450</u>	<u>(21,012)</u>
Ending fund balance	<u>\$ 411,662</u>	<u>\$ 411,662</u>	<u>\$ 431,365</u>	<u>\$ (124,097)</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, 2018**

	BIENNIUM BUDGET		FIRST YEAR ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Charges for services	\$ 6,024,000	\$ 6,963,030	\$ 3,417,551	\$ (3,545,479)
Investment earnings	32,764	32,764	38,375	5,611
Miscellaneous	-	-	5,855	5,855
Total revenues	<u>6,056,764</u>	<u>6,995,794</u>	<u>3,461,781</u>	<u>(3,534,013)</u>
Expenditures:				
Operations	6,371,450	7,376,891	4,706,191	2,670,700
SDC water improvements	370,000	370,000	28,513	341,487
Contingency	<u>151,100</u>	<u>151,100</u>	-	<u>151,100</u>
Total expenditures	<u>6,892,550</u>	<u>7,897,991</u>	<u>4,734,704</u>	<u>3,163,287</u>
Net change in fund balance	(835,786)	(902,197)	(1,272,923)	(370,726)
Beginning fund balance	<u>1,660,995</u>	<u>2,502,253</u>	<u>2,807,325</u>	<u>305,072</u>
Ending fund balance	<u>\$ 825,209</u>	<u>\$ 1,600,056</u>	1,534,402	<u>\$ (65,654)</u>

Reconciliation to Proprietary Net Position:

Accrued interest	(11,167)
Capital assets, net of depreciation	20,981,116
Deferred outflow of resources	212,905
Net pension liability	(556,339)
Compensated absences	
Current portion	(16,313)
Noncurrent portion	(16,313)
Long-term debt:	
Current portion	(257,594)
Noncurrent portion	(4,821,185)
Deferred inflow of resources	<u>(52,001)</u>
Total	<u>\$ 16,997,511</u>

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

**STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2018**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Charges for services	\$ 1,809,206	\$ 1,809,206	\$ 1,013,323	\$ (795,883)
Investment earnings	<u>15,894</u>	<u>15,894</u>	<u>20,094</u>	<u>4,200</u>
Total revenues	<u>1,825,100</u>	<u>1,825,100</u>	<u>1,033,417</u>	<u>(791,683)</u>
Expenditures:				
Operations	1,402,961	1,402,961	648,453	754,508
Stormwater quality	191,000	191,000	67,072	123,928
SDC stormwater improvements	8,000	8,000	-	8,000
Contingency	<u>46,500</u>	<u>46,500</u>	<u>-</u>	<u>46,500</u>
Total expenditures	<u>1,648,461</u>	<u>1,648,461</u>	<u>715,525</u>	<u>932,936</u>
Net change in fund balance	176,639	176,639	317,892	141,253
Beginning fund balance	<u>1,099,275</u>	<u>1,099,275</u>	<u>1,218,497</u>	<u>119,222</u>
Ending fund balance	<u>\$ 1,275,914</u>	<u>\$ 1,275,914</u>	1,536,389	<u>\$ 260,475</u>

Reconciliation to Proprietary Net Position:

Capital assets, net of depreciation	7,313,848
Deferred outflow of resources	46,159
Net pension liability	(120,617)
Compensated absences	(4,413)
Noncurrent portion	(4,413)
Long-term debt	(5,860)
Deferred inflow of resources	<u>(11,274)</u>
Total	<u>\$ 8,749,819</u>

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

**NONMAJOR BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2018**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Charges for services	\$ 551,000	\$ 551,000	\$ 358,907	\$ (192,093)
Investment earnings	6,000	6,000	10,004	4,004
Miscellaneous	-	-	600	600
Total revenues	<u>557,000</u>	<u>557,000</u>	<u>369,511</u>	<u>(187,489)</u>
Expenditures:				
Personal services	438,275	438,275	146,605	291,670
Materials and services	104,900	104,900	52,411	52,489
Contingency	<u>5,560</u>	<u>5,560</u>	-	<u>5,560</u>
Total expenditures	<u>548,735</u>	<u>548,735</u>	<u>199,016</u>	<u>349,719</u>
Net change in fund balance	8,265	8,265	170,495	162,230
Beginning fund balance	<u>408,782</u>	<u>408,782</u>	<u>432,808</u>	<u>24,026</u>
Ending fund balance	<u>\$ 417,047</u>	<u>\$ 417,047</u>	603,303	<u>\$ 186,256</u>
Reconciliation to proprietary net position:				
Deferred outflow of resources			58,839	
Net pension liability			(153,751)	
Compensated absences			(6,662)	
Deferred inflow of resources			<u>(14,371)</u>	
Total			<u>\$ 487,358</u>	

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

**INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2018**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Revenues:				
Charges for service	\$ 2,634,400	\$ 2,634,400	\$ 1,298,152	\$ (1,336,248)
Investment earnings	5,000	5,000	5,965	965
Miscellaneous	6,000	6,000	17,551	11,551
Gain/loss on assets	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Total revenues	<u>2,647,400</u>	<u>2,647,400</u>	<u>1,321,668</u>	<u>(1,325,732)</u>
Expenditures:				
Administration	1,322,619	1,322,619	647,100	675,519
Facilities maintenance	652,000	652,000	251,106	400,894
Fleet maintenance	<u>812,940</u>	<u>812,940</u>	<u>392,511</u>	<u>420,429</u>
Total expenditures	<u>2,787,559</u>	<u>2,787,559</u>	<u>1,290,717</u>	<u>1,496,842</u>
Excess of revenues over (under) expenditures	(140,159)	(140,159)	30,951	171,110
Other financing sources (uses):				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>
Net change in fund balance	(190,159)	(190,159)	5,951	146,110
Beginning fund balance	<u>354,607</u>	<u>354,607</u>	<u>299,687</u>	<u>(54,920)</u>
Ending fund balance	<u>\$ 164,448</u>	<u>\$ 164,448</u>	305,638	<u>\$ 91,190</u>
Reconciliation to proprietary net position:				
Capital assets, net of depreciation			540,727	
Deferred outflow of resources			210,060	
Net pension liability			(548,904)	
Compensated absences			(36,983)	
Deferred inflow of resources			<u>(51,306)</u>	
Total			<u>\$ 419,232</u>	

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

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

- These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.
- 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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 48,417,254	\$ 46,594,689	\$ 44,500,963	\$ 42,943,618	\$ 41,573,848	\$ 40,358,368	\$ 38,370,480	\$ 36,476,671	\$ 35,286,782	\$ 33,037,957
Restricted	4,751,603	4,302,082	1,197,631	2,653,745	2,650,004	2,405,786	2,350,270	2,541,218	4,337,046	3,465,898
Unrestricted	<u>2,507,938</u>	<u>2,904,153</u>	<u>6,226,634</u>	<u>4,913,618</u>	<u>3,794,933</u>	<u>3,656,848</u>	<u>3,436,470</u>	<u>1,384,357</u>	<u>260,734</u>	<u>1,172,488</u>
Total governmental activities net assets	<u>55,676,795</u>	<u>53,800,924</u>	<u>51,925,228</u>	<u>50,510,981</u>	<u>48,018,785</u>	<u>46,421,002</u>	<u>44,157,220</u>	<u>40,402,246</u>	<u>\$ 39,884,562</u>	<u>\$ 37,676,343</u>
Business-type activities										
Invested in capital assets, net of related debt	23,619,580	23,955,986	23,676,805	23,526,895	23,898,684	23,153,266	22,806,927	22,324,662	22,227,820	23,210,325
Restricted	2,354,177	1,816,743	1,816,743	201,433	305,848	554,492	550,129	533,792	533,792	533,792
Unrestricted	<u>956,608</u>	<u>445,095</u>	<u>502,475</u>	<u>2,061,984</u>	<u>1,793,428</u>	<u>2,155,003</u>	<u>2,520,830</u>	<u>2,933,593</u>	<u>3,082,998</u>	<u>2,490,572</u>
Total business-type activities net assets	<u>26,930,365</u>	<u>26,217,824</u>	<u>25,996,023</u>	<u>25,790,312</u>	<u>25,997,960</u>	<u>25,862,761</u>	<u>25,877,886</u>	<u>25,792,047</u>	<u>25,844,610</u>	<u>26,234,689</u>
Primary government										
Invested in capital assets, net of related debt	72,036,834	70,550,675	68,177,768	66,470,513	65,472,532	63,511,634	61,177,407	58,801,333	57,514,602	56,248,282
Restricted	7,105,780	6,118,825	3,014,374	2,855,178	2,955,852	2,960,278	2,900,399	3,075,010	4,870,838	3,999,690
Unrestricted	<u>3,464,546</u>	<u>3,349,248</u>	<u>6,729,109</u>	<u>6,975,602</u>	<u>5,588,361</u>	<u>5,811,851</u>	<u>5,957,300</u>	<u>4,317,950</u>	<u>3,343,732</u>	<u>3,663,060</u>
Total primary government	<u>\$ 82,607,160</u>	<u>\$ 80,018,748</u>	<u>\$ 77,921,251</u>	<u>\$ 76,301,293</u>	<u>\$ 74,016,745</u>	<u>\$ 72,283,763</u>	<u>\$ 70,035,106</u>	<u>\$ 66,194,293</u>	<u>\$ 65,729,172</u>	<u>\$ 63,911,032</u>

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

s Ended June 30,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 3,867,997	\$ 3,818,268	\$ 6,408,877	\$ 3,741,404	\$ 4,099,776	\$ 2,753,719	\$ 2,956,023	\$ 4,447,293	\$ 4,087,852	\$ 4,390,089
Public safety	3,432,492	3,546,951	3,650,777	3,831,436	4,041,554	3,972,593	4,440,928	6,442,355	5,453,021	5,878,264
Highways and streets	2,759,920	3,559,735	1,223,667	3,644,229	3,975,841	3,726,934	1,709,768	2,128,458	1,678,878	2,292,286
Parks and recreation	1,104,629	1,204,106	1,071,328	1,368,369	1,455,619	1,470,929	1,453,826	1,732,755	1,992,173	1,570,767
Community development	-	-	-	-	-	-	-	-	410,464	85,703
Interest on long term debt	174,600	228,498	370,303	203,134	184,837	153,468	108,429	57,243	94,831	250,939
Total governmental activities net assets	\$ 11,339,638	\$ 12,357,558	\$ 12,724,952	\$ 12,788,572	\$ 13,757,627	\$ 12,077,643	\$ 10,668,974	\$ 14,808,104	\$ 13,717,219	\$ 14,468,048
Business-type activities										
Water services	\$ 2,395,403	\$ 2,638,608	\$ 2,438,327	\$ 2,638,689	\$ 2,625,032	\$ 3,132,382	\$ 2,954,133	\$ 3,408,999	\$ 3,489,614	\$ 3,427,413
Stormwater services	613,368	675,609	787,799	712,514	800,860	960,248	842,517	909,940	885,215	851,030
Building services	209,814	153,638	148,381	123,845	119,440	161,975	107,161	241,001	233,027	196,186
Total business-type activities net assets	\$ 3,218,585	\$ 3,467,855	\$ 3,374,507	\$ 3,474,748	\$ 3,545,332	\$ 4,254,605	\$ 3,903,811	\$ 4,559,940	\$ 4,607,856	\$ 4,474,629
Program revenues										
Governmental activities:										
Charges for services										
General Government	\$ 2,649,709	\$ 2,499,067	\$ 2,229,797	\$ 2,405,632	\$ 2,464,733	\$ 1,443,604	\$ 1,623,683	\$ 1,736,575	\$ 1,644,179	\$ 1,729,342
Public safety	156,336	204,673	202,034	263,232	185,271	144,779	-	-	38,202	-
Highways and streets	1,442,138	1,243,122	1,556,713	1,325,656	1,418,101	1,613,409	1,746,276	1,797,416	-	1,291,069
Parks and recreation	329,248	219,162	147,207	117,524	141,549	330,473	185,382	143,578	-	-
Community development	-	-	-	-	-	-	-	-	57,498	-
Interest on long term debt	326,743	260,654	370,303	252,253	237,827	-	-	-	-	-
Operating grants and contributions	14,141	5,691	5,578	707,451	260,616	126,418	659,623	647,786	3,669,070	658,730
Capital grants and contributions	257,900	170,000	-	-	265,880	849,326	182,648	221,659	116,349	49,972
Total governmental activities program revenues	\$ 5,176,215	\$ 4,602,369	\$ 4,511,632	\$ 5,071,748	\$ 4,973,977	\$ 4,508,009	\$ 4,397,612	\$ 4,547,014	\$ 5,525,298	\$ 3,729,113
Business-type activities:										
Charges for services										
Water services	\$ 2,303,604	\$ 2,149,693	\$ 2,353,000	\$ 2,434,016	\$ 2,729,293	\$ 2,887,364	\$ 2,953,854	\$ 3,179,099	\$ 3,262,536	\$ 3,333,368
Stormwater services	588,752	543,537	708,031	720,597	885,834	819,915	830,954	837,245	844,253	969,422
Building services	180,107	54,418	96,372	77,892	108,552	202,163	228,860	243,666	271,103	358,907
Capital grants and contributions	-	9,905	-	-	-	165,524	153,426	143,758	212,613	128,084
Total business-type activities program revenues	\$ 3,072,463	\$ 2,757,553	\$ 3,157,403	\$ 3,232,505	\$ 3,723,679	\$ 4,074,966	\$ 4,167,094	\$ 4,403,768	\$ 4,590,505	\$ 4,789,781
Net (expense)/revenue										
Governmental activities:	\$ (6,163,423)	\$ (7,755,189)	\$ (8,213,320)	\$ (7,716,824)	\$ (8,783,650)	\$ (7,569,634)	\$ (6,271,362)	\$ (10,261,090)	\$ (8,191,921)	\$ (10,738,935)
Business-type activities:	(146,122)	(710,302)	(217,104)	(242,243)	(178,347)	(179,639)	263,283	(156,172)	(17,351)	315,152
Total primary government net expense	\$ (6,309,545)	\$ (8,465,491)	\$ (8,430,424)	\$ (7,959,067)	\$ (8,605,303)	\$ (7,749,273)	\$ (6,008,079)	\$ (10,417,262)	\$ (8,209,272)	\$ (10,423,783)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property	\$ 4,359,832	\$ 4,274,310	\$ 4,450,453	\$ 4,510,443	\$ 4,386,671	\$ 4,241,913	\$ 4,737,843	\$ 4,713,874	\$ 5,163,837	\$ 6,357,400
Franchise	911,080	942,997	964,808	1,148,367	1,179,560	1,180,569	1,004,667	1,050,201	1,263,377	1,269,259
Hotel/Motel	299,009	297,808	304,366	362,446	451,542	373,342	391,491	481,514	440,783	495,046
Other	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Interest	122,221	42,876	25,126	46,674	56,075	45,028	34,819	54,637	45,776	287,702
Gain (loss) on capital asset disposal	-	-	-	-	-	-	29,887	9,097	-	-
Miscellaneous	156,261	278,427	397,464	234,647	217,606	148,931	-	-	488,352	121,309
Transfers	-	41,900	157,700	-	-	-	-	-	-	-
Total governmental activities	\$ 5,848,403	\$ 5,879,318	\$ 6,299,917	\$ 6,302,577	\$ 6,291,454	\$ 6,019,670	\$ 6,152,621	\$ 6,309,323	\$ 7,402,125	\$ 8,530,716
Business-type activities										
Interest	\$ 82,411	\$ 15,409	\$ 7,721	\$ 11,116	\$ 13,529	\$ 10,939	\$ 13,540	\$ 18,593	\$ 32,808	\$ 68,472
Miscellaneous	6,702	24,252	49,368	25,418	15,772	33,491	34,422	51,740	37,106	6,455
Transfers	-	(41,900)	(157,700)	-	-	-	-	-	-	-
Total Business-type activities	\$ 89,113	\$ (2,239)	\$ (100,611)	\$ 36,534	\$ 29,301	\$ 44,430	\$ 47,962	\$ 70,333	\$ 69,914	\$ 74,927
Change in Net Position										
Governmental activities	\$ (315,020)	\$ (1,875,871)	\$ (1,913,403)	\$ (1,414,247)	\$ (2,492,196)	\$ (1,549,964)	\$ (118,741)	\$ (3,951,767)	\$ (789,796)	\$ (2,208,219)
Business-type activities	(57,009)	(712,541)	(317,715)	(205,709)	207,648	(135,209)	311,245	(85,839)	52,563	390,079
Total primary government	\$ (372,029)	\$ (2,588,412)	\$ (2,231,118)	\$ (1,619,956)	\$ (2,284,548)	\$ (1,685,173)	\$ 192,504	\$ (4,037,606)	\$ (737,233)	\$ (1,818,140)

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

<u>Fiscal Years Ended June 30,</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Property taxes	\$ 4,359,832	\$ 4,274,310	\$ 4,450,453	\$ 4,510,443	\$ 4,386,671	\$ 4,241,913	\$ 4,737,843	\$ 4,713,874	\$ 5,079,571	\$ 5,297,222
Franchise taxes	911,080	942,997	964,808	1,148,367	1,179,560	1,180,569	1,004,667	1,050,201	1,171,101	1,170,949
Hotel/Motel taxes	299,009	297,808	304,366	362,446	451,542	373,342	391,491	481,514	440,783	495,047
Other taxes	-	-	-	-	-	-	-	-	-	-
Total	\$ 5,569,921	\$ 5,515,115	\$ 5,719,627	\$ 6,021,256	\$ 6,017,773	\$ 5,795,824	\$ 6,134,001	\$ 6,245,589	\$ 6,691,455	\$ 6,963,218

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund								
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	<u>2,916,709</u>	<u>3,154,369</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total general funds	<u>\$ 2,916,709</u>	<u>\$ 3,154,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All other governmental funds								
Reserved, reported in								
Debt service fund	\$ 98,807	\$ 117,329	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital projects fund	-	-	-	-	-	-	-	-
Unreserved, reported in:								
Special revenue fund	1,871,334	1,757,167	-	-	-	-	-	-
Capital projects fund	<u>161,166</u>	<u>73,379</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total all other governmental funds	<u>\$ 2,131,307</u>	<u>\$ 1,947,875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

Fiscal Years Ended June 30,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Using GASB Statement 54 Definitions</u>										
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 25,249	\$ 19,879	\$ 6,506	6,896	10,171	12,835	18,073
Assigned			2,824,550	2,988,602	2,518,770	2,098,460	2,501,250	2,501,250	3,870,668	3,870,668
Unassigned			519,581	188,064	14,543	530,203	333,600	847,535	11,946	94,244
Total General Fund	-	-	3,344,131	3,201,915	2,553,192	2,635,169	2,841,746	3,358,956	3,895,449	3,982,985
All other governmental funds										
Nonspendable										
Special revenue fund			-	672	3,841	483	19	40,647	3,634,353	3,533,493
Restricted										
Special revenue funds			1,644,801	16	1,721,973	1,785,130	2,051,824	1,985,182	4,144,732	3,413,801
Economic development commission			-	-	-	-	-	-	51,027	(3,241,250)
Debt service fund			7,094	18,040	47,012	41,939	18,486	25,680	60,455	50,097
Capital projects fund			68,167	78,238	117,955	139,393	217,144	290,240	78,842	
Total Restricted			1,720,062	96,294	1,886,940	1,966,462	2,287,454	2,301,102	4,335,056	222,648
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	601,278	1,029,068	1,235,569
Total Committed			664,430	1,223,036	788,757	703,484	597,500	601,278	1,029,068	1,235,569
Assigned										
Debt service fund			-	-	-	-	-	-	-	-
Total all other governmental funds	-	-	2,384,492	1,320,002	2,679,538	2,670,429	2,884,973	2,943,027	8,998,477	4,991,710
Total Fund Balances, Governmental Funds	\$ -	\$ -	\$ 5,728,623	\$ 4,521,917	\$ 5,232,730	\$ 5,305,598	5,726,719	6,301,983	12,893,926	8,974,695

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,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES:										
Taxes	\$ 5,270,507	\$ 5,492,186	\$ 5,678,570	\$ 5,899,946	\$ 5,928,140	\$ 6,100,680	\$ 6,273,085	\$ 6,596,233	\$ 6,980,900	\$ 7,391,916
Licenses and permits	58,990	53,128	52,468	52,726	51,833	55,925	63,355	116,911	146,634	155,315
Intergovernmental	1,523,005	1,585,932	1,636,926	2,425,471	2,117,836	2,358,108	1,726,624	1,744,417	1,821,146	1,913,595
Charges for services	2,194,384	1,697,673	1,737,840	1,498,315	1,659,605	1,846,151	2,093,311	2,196,010	3,593,921	2,394,986
Assessments	82,875	83,145	31,709	59,855	59,364	51,567	34,541	5,180	62,892	-
Fines and forfeitures	156,336	204,673	202,034	180,330	181,121	140,096	99,302	84,679	72,908	76,226
Investment earnings	109,949	38,568	23,124	44,945	53,686	44,365	33,257	52,893	105,789	207,702
Miscellaneous	106,849	197,012	303,326	232,963	195,719	262,175	253,432	171,592	545,853	121,309
Total Revenues	9,502,895	9,352,317	9,665,997	10,394,551	10,247,304	10,859,067	10,576,907	10,967,915	13,330,043	12,261,049
EXPENDITURES:										
Current										
General government	1,772,998	1,426,625	2,433,392	2,794,613	3,097,111	2,641,291	2,628,067	2,834,006	2,833,867	3,099,548
Public Safety	3,275,750	3,485,011	3,635,189	3,979,123	4,020,160	3,947,264	3,932,240	4,011,459	4,149,175	4,469,313
Highways and streets	1,135,045	1,220,863	1,486,442	1,598,584	2,246,667	2,359,168	1,672,466	1,949,402	1,975,108	3,123,313
Parks and recreation	1,029,186	1,191,358	1,143,584	1,084,081	1,242,721	1,276,485	1,258,999	1,233,021	1,554,684	1,262,502
Community development	-	-	-	-	-	-	-	-	410,464	3,556,901
Personal services	-	-	-	-	-	-	-	-	-	-
Materials and services	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	499,342	488,355	593,702	454,000	457,765	497,000	3,182,604	525,861	575,671	441,079
Interest	180,764	223,265	205,009	180,610	162,313	144,991	111,175	60,699	83,016	250,634
Capital outlay	2,878,934	1,332,325	-	-	-	-	-	-	-	-
Total Expenditures	10,772,019	9,367,802	9,497,318	10,091,011	11,226,737	10,866,199	12,785,551	10,614,448	11,581,985	16,203,290
Excess of revenues over (under) expenditures	(1,269,124)	(15,485)	168,679	303,540	(979,433)	(7,132)	(2,208,644)	353,467	1,748,058	(3,942,241)
OTHER FINANCING SOURCES (USES)										
Transfers in	62,500	274,639	671,746	703,100	497,750	298,800	199,000	278,200	259,050	447,907
Transfers out	(62,500)	(232,739)	(214,046)	(523,100)	(497,750)	(218,800)	(199,000)	(253,200)	(234,050)	(422,907)
State capital grants	-	-	-	-	-	-	-	-	-	-
Long term debt proceeds	1,409,496	27,815	-	-	-	-	2,629,766	-	4,546,782	-
Total other financing sources (uses)	1,409,496	69,715	457,700	180,000	-	80,000	2,629,766	25,000	4,571,782	25,000
Net Change in Fund Balance	140,372	54,230	626,379	483,540	(979,433)	72,868	421,122	378,467	6,319,840	(3,917,241)
Beginning fund balance	4,907,645	5,048,015	5,102,244	5,728,623	6,212,163	5,232,730	5,305,597	5,923,516	6,574,096	12,893,936
Ending fund balance	\$ 5,048,016	\$ 5,102,245	\$ 5,728,623	\$ 6,212,163	\$ 5,232,730	\$ 5,305,598	\$ 5,726,719	\$ 6,301,983	\$ 12,893,936	\$ 8,976,695

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,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXPENDITURES:										
Current										
General government	\$ 1,772,998	\$ 1,426,625	\$ 2,433,392	\$ 2,794,613	\$ 3,097,111	\$ 2,641,291	\$ 2,628,067	\$ 2,834,006	\$ 2,833,867	\$ 3,099,548
Public Safety	3,275,750	3,485,011	3,635,189	3,979,123	4,020,160	3,947,264	3,932,240	4,011,459	4,149,175	4,469,313
Highways and streets	1,135,045	1,220,863	1,486,442	1,598,584	2,246,667	2,359,168	1,672,466	1,949,402	1,975,108	3,123,313
Parks and recreation	1,029,186	1,191,358	1,143,584	1,084,081	1,242,721	1,276,485	1,258,999	1,233,021	1,554,684	1,262,502
Community development	-	-	-	-	-	-	-	-	410,464	3,556,901
Personal services	-	-	-	-	-	-	-	-	-	-
Materials and services	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	499,342	488,355	593,702	454,000	457,765	497,000	3,182,604	525,861	575,671	441,079
Interest	180,764	223,265	205,009	180,610	162,313	144,991	111,175	60,699	83,016	250,634
Capital outlay	2,878,934	1,332,325	-	-	-	-	-	-	-	-
Total Expenditures	\$ 10,772,019	\$ 9,367,802	\$ 9,497,318	\$ 10,091,011	\$ 11,226,737	\$ 10,866,199	\$ 12,785,551	\$ 10,614,448	\$ 11,581,985	\$ 16,203,290
 Debt service as a percentage of non-capital expenditures										
Debt Service Calculations										
Total Expenditures	\$ 10,772,019	\$ 9,367,803	\$ 9,497,318	\$ 10,091,011	\$ 11,226,737	\$ 10,866,199	\$ 12,785,551	\$ 10,614,448	\$ 11,581,985	\$ 16,203,290
Less capitalized expenditures	2,303,916	397,024	365,286	782,987	888,948	1,153,556	408,633	459,430	1,979,416	1,688,461
Non-capital expenditures	\$ 8,468,103	\$ 8,970,779	\$ 9,132,032	\$ 9,308,024	\$ 10,337,789	\$ 9,712,643	\$ 12,376,918	\$ 10,155,018	\$ 9,602,569	\$ 14,514,829
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	499,342	488,355	593,702	454,000	457,765	497,000	3,182,604	525,861	575,671	441,079
Interest	180,764	223,265	205,009	180,610	162,313	144,991	111,175	60,699	83,016	250,634
Total debt service	\$ 680,106	\$ 711,620	\$ 798,711	\$ 634,610	\$ 620,078	\$ 641,991	\$ 3,293,779	\$ 586,560	\$ 658,687	\$ 691,713
 Debt service as a percentage of non-capital expenditures	 8.03%	 7.93%	 8.75%	 6.82%	 6.00%	 6.61%	 26.61%	 5.78%	 6.86%	 4.77%

Note:

(1) Issued 2014 Series Refunding Bond.

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

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

Fiscal Years Ended June 30	Property Taxes	Franchise Taxes	Hotel/Motel Taxes	Other Taxes	Total
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
2016	4,713,874	1,050,201	481,514	-	6,245,589
2017	5,163,837	1,050,201	440,783	-	6,654,821
2018	5,297,222	1,092,259	495,047	-	6,884,528

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)
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	1,196,042
2013	960,102	8,901	16,277	16,364	2,359	1,004,003	4.47	1,124,216
2014	983,026	8,971	18,458	21,211	2,430	1,034,096	4.47	1,136,873
2015	1,050,103	9,188	17,958	19,704	2,504	1,099,457	4.47	1,286,534
2016	1,094,275	8,950	16,376	21,305	2,579	1,143,485	4.47	1,387,363
2017	1,146,662	9,621	16,300	20,808	2,655	1,196,046	4.47	1,476,000
2018	1,043,621	9,336	9,614	21,171	2,735	1,086,477	4.47	1,366,485

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 than derived through maximum tax rate requires local voter approval.*
- (3) *The City of Central Point does not levy the maximum approved tax rate per \$1,000 of Taxable Assessed Value.*
- (4) *"Real Market Value" is the descriptive term contained in Oregon law that means "Estimated Actual Value of Taxable Property".*

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

Fiscal Year Ended	Direct	Overlapping									Total	Combined
	City of Central Point	Jackson County	Transit District	Vector Control District	Rogue Comm. College	Educ. Service District	Fire District #3	School District #6/549C	Library District			
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	
2016	4.47	2.22	0.18	0.04	0.62	0.35	3.12	5.55	0.52	12.60	17.07	
2017	4.47	2.23	0.31	0.04	0.67	0.35	3.12	5.56	0.52	12.79	17.26	
2018	4.47	2.41	0.30	0.04	0.66	0.35	3.07	5.46	0.51	12.80	17.27	

Source:

Jackson County Tax Assessor for Tax Area 0602.

Notes:

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

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

Taxpayers	Type of Business	2018	Percentage of	2008	Percentage of
		Assessed Valuation	Total Assessed Valuation	Assessed Valuation	Total Assessed Valuation
USF Reddaway Inc	Distribution	\$ 8,793,110	0.71%	\$ 7,389,740	0.88%
Avista	Gas Utility	8,566,200	0.69%	\$3,519,600	0.42%
Berdan Federal Wall LLC		8,133,450	0.65%		0.00%
Ronald Deluca Trustee, et al	Builder/Developer	8,054,813	0.65%		
Charter Communications	Utility	7,153,100	0.58%		0.00%
Travel Center Develop LLC	Truck Stop/Store	5,955,180	0.48%	3,767,730	0.45%
Twin Creeks Retirement LP	Senior Housing	5,832,180	0.47%		
Twin Creeks Development LLC	Builder/Developer	4,300,090	0.35%	3,304,841	0.39%
STJ 1 LLC Et Al	Shopping Center	4,276,840	0.34%		
DATAAR LLC	Motel	4,031,990	0.32%	3,000,220	0.36%
Investors II LLC	Builder/Developer		0.00%	2,946,380	0.35%
Carrico Family Foundation	Builder/Developer		0.00%		
Albertsons	Shopping Center			4,403,560	0.52%
Galpin Holdings LLC	Builder/Developer			3,718,380	0.44%
Mountain View Plaza LLC	Shopping Center			3,700,010	0.44%
Beebe Wood LLC	Builder/Developer			3,467,060	0.41%
Total Value Principal Taxpayers		\$ 65,096,953	5.23%	\$ 39,217,521	4.68%
Total Assessed Value all Taxable Property		\$ 1,031,250,541		\$ 838,821,584	

Total 2018 Assessed Value = \$1,243,929,544

Total 2008 Assessed Value+ \$838,821,584

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
		Current Tax Collections	Percentage of Net Tax Levy	Delinq. Tax Collections				
2009	\$ 4,244,501	\$ 3,943,985	92.9%	\$ 298,140	\$ 4,242,125	99.9%	\$ 2,376	
2010	4,425,222	4,082,008	92.2%	340,299	4,422,307	99.9%	2,915	
2011	4,566,195	4,338,021	95.0%	224,264	4,562,285	99.9%	3,910	
2012	4,630,906	4,420,826	95.5%	192,719	4,613,545	99.6%	17,361	
2013	4,500,231	4,304,723	95.7%	169,297	4,474,020	99.4%	26,211	
2014	4,610,815	4,434,322	96.2%	126,861	4,561,183	98.9%	49,632	
2015	4,820,942	4,546,455	94.3%	197,239	4,743,694	98.4%	77,248	
2016	5,015,104	4,747,053	94.7%	163,855	4,882,000	97.3%	133,104	
2017	5,015,104	4,912,032	97.9%	167,539	4,883,050	97.4%	132,054	
2018	5,457,980 (5)	5,120,817 (1) (2) (3) (4)	93.8%	176,405	5,347,509	98.0%	110,471	

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.

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

Fiscal Year Ended	Governmental Activities									
	SDC Obligations	Financing Agreement	Capital Leases	Notes Payable	Limited Tax Improvement Bonds	Tax Exempt Financing Note	Certificates of Participation	Series 2014	Series 2017	Total
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
2016	444,585	-	-	-	71,660	-	-	2,088,291	-	2,604,536
2017	328,255	-	-	-	-	-	-	1,584,261	4,546,782	6,459,298
2018	328,255	-	-	-	-	-	-	1,305,182	4,420,221	6,053,658

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
\$	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%	17,235	344
	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	426,249,330	2.01%	17,485	491
	21,098	-	5,107,682	30,970	5,159,750	7,764,286	432,678,925	1.79%	17,585	442
	34,373	-	5,439,888	-	5,474,261	11,933,559	396,137,295	3.01%	17,700	674
	5,860	-	5,078,779	-	5,084,639	11,138,297	432,057,000	2.58%	17,700	629

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
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	1,286,533,591	0.01%	17,485	6.15
2016	71,660	1,387,362,586	0.01%	17,585	4.08
2017	-	1,475,999,730	0.00%	17,585	-
2018	-	1,226,268,279	0.00%	17,700	-

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, 2018

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	\$ 6,053,658	100.00%	\$ 6,053,658
<u>Overlapping Debt</u>			
Jackson County School District 6			
General Obligation Bonds	8,685,290	44.38%	3,854,532
Jackson County School District 549C			
General Obligation Bonds	170,370,000	1.11%	1,891,107
Total Overlapping Debt	179,055,290		5,745,639
Total Direct and Overlapping Debt	\$ 185,108,948		\$ 11,799,297

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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 48,638,213	\$ 42,860,002	\$ 37,780,856	\$ 35,881,230	\$ 33,726,450
Total net debt applicable to debt limit	-	-	-	-	-
Available debt limit	<u>\$ 48,638,213</u>	<u>\$ 42,860,002</u>	<u>\$ 37,780,856</u>	<u>\$ 35,881,230</u>	<u>\$ 33,726,450</u>
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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 34,106,190	\$ 38,596,008	\$ 41,620,878	\$ 44,279,992	\$ 48,267,685
Total net debt applicable to debt limit	-	-	-	-	-
Available debt limit	<u>\$ 34,106,190</u>	<u>\$ 38,596,008</u>	<u>\$ 41,620,878</u>	<u>\$ 44,279,992</u>	<u>\$ 48,267,685</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>2018</u>
True Cash Value (1)	\$ 1,608,922,845
Debt Limit at 3% of True Cash Value (2)	48,267,685
Amount of Debt Applicable to Debt Limit:	
Total bonded debt	
Tax Obligation Bonds	\$ -
Less: Deductions allowed by law (3)	-
Tax Obligation Bonds	<u>\$ -</u>
Legal Debt Margin	<u>\$ 48,267,685</u>

Notes:

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

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

Utility System Revenue Notes (1)

Fiscal	Operating	Plus: Interest	Net Available For Debt	Debt Service Requirements	Coverage	
2009	\$ 2,377,591	\$ 7,374	\$ 2,384,965	\$ - \$ 7,374	322	
2010	2,173,483	6,824	\$ 2,180,307	-	6,824	319
2011	2,353,000	6,824	\$ 2,359,824	127,896	6,824	345
2012	2,434,016	-	\$ 2,434,016	-	-	-
2013	2,729,293	-	\$ 2,729,293	-	-	-
2014	3,000,054	-	\$ 3,000,054	-	-	-
2015	2,981,420	-	\$ 2,981,420	-	-	-
2016	3,227,478	-	\$ 3,227,478	-	-	-
2017	3,288,531	-	\$ 3,288,531	-	-	-
2018	3,339,223	-	\$ 3,339,223	-	-	-

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)
2009	17,025	\$ 34,314	\$ 586,630,392	34	89%	29%	4,664	13.4
2010	17,160	34,168	596,365,470	34	89%	29%	4,567	12.0
2011	17,169	34,602	594,081,738	37	89%	29%	4,434	12.8
2012	17,235	36,000	620,460,000	38	89%	29%	4,468	10.7
2013	17,235	36,881	635,644,035	38	89%	29%	4,436	9.8
2014	17,275	24,378	422,105,700	41	90%	19%	4,336	8.6
2015	17,485	24,378	426,249,330	41	89%	25%	4,413	7.1
2016	17,585	24,605	432,678,925	38	89%	26%	4,471	6.2
2017	17,700	22,527	398,727,900	38	87%	19%	4,497	4.6
2018	17,700	24,410	432,057,000	43	89%	26%	4,690	4.4

Source:

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

Note:

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

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

<u>Employer</u>	<u>Fiscal Year 2017/18</u>			<u>Fiscal Year 2007/08</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	672	3.80%	1	600	3.52%	1
Costco	385	2.18%	2	-	-	-
Knife River Materials	142	0.80%	3	-	-	-
Pilot Travel Center	140	0.79%	4	-	-	-
USF Reddaway	110	0.62%	5	120	0.70%	2
So. Ore. Veterinary	100	0.56%	6	-	-	-
Albertsons	90	0.51%	7	80	0.47%	4
Knife River	81	0.46%	8	-	-	-
Quality Fence	75	0.42%	9	45	0.26%	9
City of Central Point	73	0.41%	10	110	0.65%	3
McDonalds	-	-	-	75	0.44%	5
Grange Co-op	-	-	-	70	0.41%	6
Rays Food Place	-	-	-	53	0.31%	7
Providence Medical Group	-	-	-	46	0.27%	8
Shari's	-	-	-	44	0.26%	10
Total	1,868	10.55%		1,243	7.29%	

Source: City of Central Point Finance Department

Note:

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
<i>Administration</i>	3.25	4.00	5.50	5.50	5.50	5.50	4.50	4.50	4.00	4.50
<i>Finance</i>	8.00	7.50	7.50	7.00	7.00	7.00	6.00	6.00	6.00	6.00
<i>Human Resources</i>	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<i>Community Development</i>	5.50	4.50	4.50	3.00	3.50	3.00	3.00	4.50	4.50	4.50
<i>Police</i>	28.25	28.50	28.50	28.50	28.50	29.50	30.00	31.00	31.00	31.00
Physical Environment										
<i>Building</i>	2.50	1.50	1.50	1.50	1.50	1.50	1.50	2.00	1.00	1.00
<i>Public Works</i>	18.50	17.25	12.75	12.00	14.50	14.85	14.85	14.85	14.00	14.00
Transportation										
<i>Streets & Fleet</i>	6.00	6.00	8.00	7.00	6.00	6.00	6.00	6.00	5.00	8.00
Culture/Recreation										
<i>Parks</i>	3.00	5.00	3.50	3.75	2.65	3.50	3.65	3.65	3.00	3.00
<i>Recreation</i>	4.50	2.00	2.50	2.75	3.65	2.50	2.50	2.50	2.00	2.00
Total	80.50	77.25	75.25	72.00	73.80	74.35	73.00	76.00	71.50	75.00

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Building Inspections										
Building Permits Issued	57	28	30	45	70	84	120	61	52	31
Finance										
Accounts Payable Checks Processed	3,548	1,513	1,604	1,366	1,249	1,672	1,455	1,602	1311	1751
Business Licenses	882	913	978	972	950	931	971	982	895	922
Average Number Utility Accounts	6,044	6,128	6,079	6,100	6,158	6,409	6,505	6,587	6637	6669
Public Works - Street Division										
Streets Cleaned (Miles)	800	800	800	800	800	2,000	7,696	5,751	6289	5756
Man Holes Inspected	198	198	198	198	198	350	175	175	5	7
Curb Inlets & Catch Basins Inspected	583	583	583	583	583	750	300	360	73	23
Water/Storm										
Fire Hydrants Flushed & Serviced	215	215	215	218	218	218	107	125	127	214
Water Valve Actuations	620	620	620	620	620	620	136	540	421	625
Water Meters Read	73,049	73,279	73,512	73,764	73,892	73,892	78,054	79,044	79,638	80,026
Blow-off Valves Flushed	18	18	18	18	18	18	162	18	92	113
Stormdrains Flushed & Cleaned (Miles)	16	16	16	16	16	16	16	-	-	3

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
<i>Police Stations</i>	1	1	1	1	1	1	1	1	1	1
<i>Police Sub Station</i>	1	2	2	2	2	1	1	1	1	1
Other Public Works										
<i>Miles of Streets</i>	71	71	71	71	71	71	71	71	71	72
Parks and Recreation										
<i>Park acreage</i>	186.48	187.93	189.73	192.73	192.73	192.73	192.73	192.73	192.73	192.73
<i>Number of community parks</i>	16	17	17	17	17	17	17	17	17	17
<i>Number of neighborhood parks</i>	5	5	6	6	6	6	6	6	6	6
Water										
<i>Water Mains (miles)</i>	86	89.7	89.7	90	91	91	91	91	91	93
<i>Maximum Plant Capacity (MPG)</i>					6700	6700	6700	6700	6700	6700
<i>Fire Hydrants</i>	904	913	913	913	925	925	925	929	947	968

Source: City of Central Point Finance Department

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

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

INDEPENDENT AUDITOR'S COMPLIANCE REPORT



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

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

We have audited the basic financial statements of the City of Central Point, Oregon ("City") as of and for the year ended June 30, 2018, and have issued our report thereon dated February 8, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

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

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

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

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

ISLER CPA

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, 2019