

# City of Central Point, Oregon Comprehensive Annual Financial Report For the Year Ended June 30, 2020





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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2020

Prepared by:

Steven Weber, Finance Director

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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JACKSON COUNTY, OREGON**

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JACKSON COUNTY, OREGON**

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August 26, 2021

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, 2020.

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 Gatlin Hawkins, 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, 2020, 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. The global coronavirus pandemic has already had an impact on the City's operating revenues due to the travel restrictions put in place on both a State and Federal level. As a result transient lodging and state gas tax revenues have experienced a sharp decline in a short period of time. This will be closely monitored in the upcoming fiscal year as the travel restrictions continue. Also, to help offset the economic impact to the citizens of Central Point as a result of the pandemic, the City Council approved the staying of fees associated with delinquent utility accounts.

### **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, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. 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**

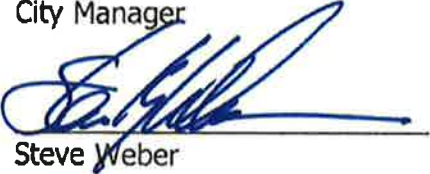
The timely preparation of this report would not have been possible without the efficient and dedicated service of the finance staff. We would like to express our appreciation for their contributions to its preparation.

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.

Respectfully submitted,



Chris Clayton  
City Manager



Steve Weber  
Finance Director

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

**ELECTED OFFICIALS**

June 30, 2020

<u>CITY COUNCIL</u>	<u>TERM EXPIRES</u>
Hank Williams, Mayor	December 31, 2020
Niel Olsen, Ward I	December 31, 2022
Kelley Johnson, Ward II	December 31, 2022
Melody Thueson, Ward III	December 31, 2022
Taneea Browning, Ward IV	December 31, 2020
Michael Parsons, At Large	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**

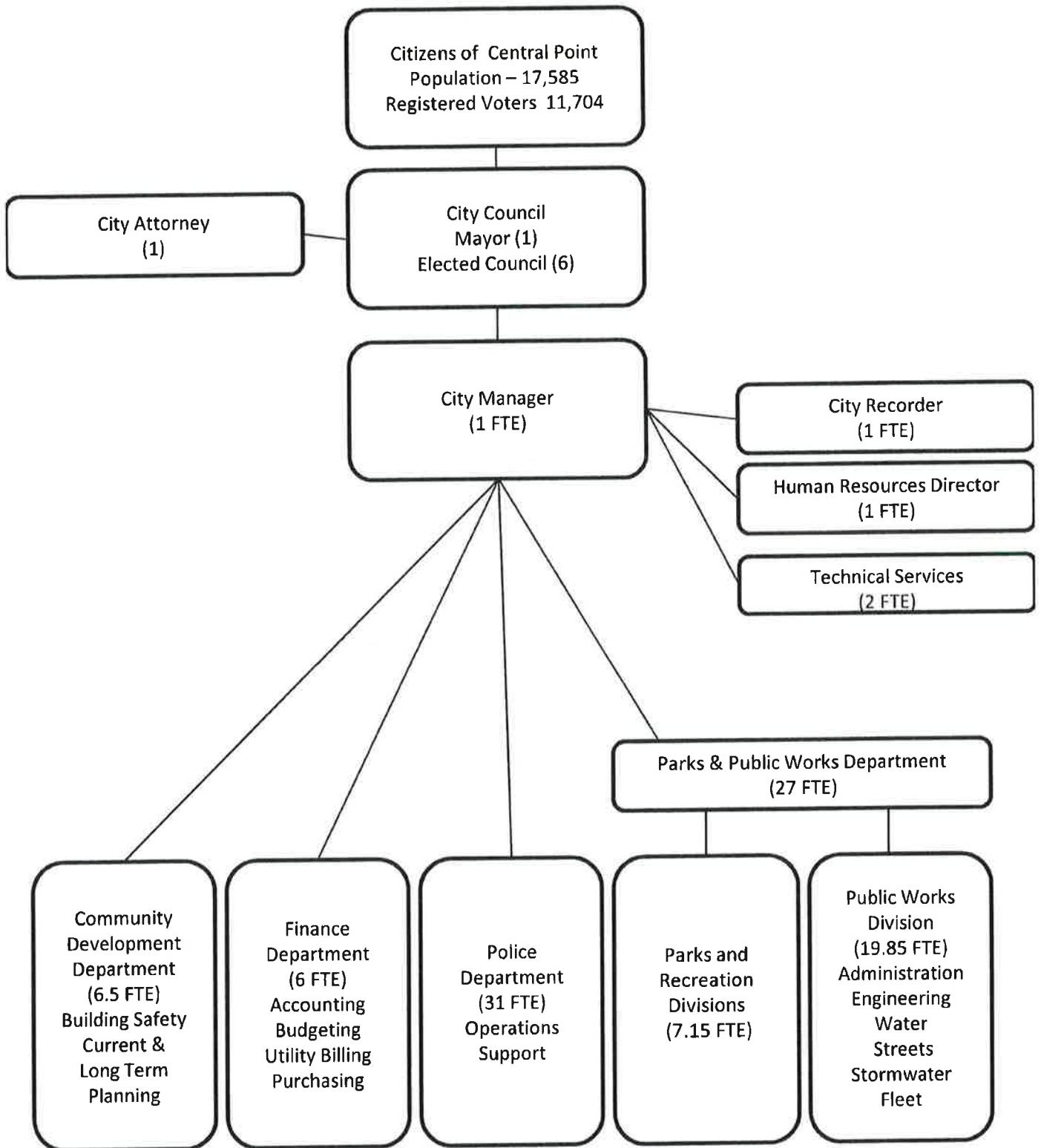
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*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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www.islercpa.com

## 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, 2020, 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, 2020 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 August 26, 2021, 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 "Gatlin C. Hawkins". The signature is written in a cursive style with a large, prominent "C" in the middle.

By: Gatlin Hawkins, CPA, a member of the firm

Eugene, Oregon  
August 26, 2021

**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, 2020. 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 2019-20 fiscal year as reported on the government-wide statements - the Statement of Net Position and the Statement of Activities:

- Total assets and deferred outflows of resources of the City, including both governmental and business-type activities exceeded its total liabilities and deferred inflows of resources at June 30, 2020, the close of the most recent fiscal year, by approximately \$59,029 (net position).
- Total current and other assets, including both governmental and business-type activities, decreased \$4,255 to \$9,429 while total current and other liabilities, including both governmental and business-type activities, increased \$246 to \$1,146.
- Total capital assets increased \$978 due to capital asset purchases and disposals as well as depreciation expense in the current year. This increase consisted of a \$647 increase in governmental activities capital assets and a \$331 increase in business-type capital assets. Capital asset additions during the current year consisted of \$3,751 in government activities, including internal services, and \$1,148 in business-type activities. Depreciation expense consisted of \$2,973 in governmental activities, including internal services, and \$817 in business-type activities.
- The City's total current portion of noncurrent liabilities increased \$96 to \$617. This increase consists of a \$35 increase in the current portion of compensated absences and a \$61 increase in current maturities of long-term debt.
- The City's total deferred outflows, including both governmental and business-type activities, increased \$131 to \$3,399 while total deferred inflows, including both governmental and business-type activities, decreased \$189 to \$663.
- The City's noncurrent portion of long-term liabilities increased \$426 to \$18,685. This increase is due primarily to a \$1,557 increase to the net pension liability and a \$1,205 reduction in existing long-term debt. The final component of the change is an increase of \$73 to the long-term portion of compensated absences.
- 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, 2019 and rolled forward has led to large swings in net pension liability from year to year. For June 30, 2020 the City's net pension liability increased from \$8,171 to \$9,728.
- Overall net position for governmental activities decreased \$3,674 to \$32,575. The decrease consisted of a \$383 increase from operations, a \$2,937 decrease due to depreciation expense and an increase of \$1,205 due to the GASB Statement No. 68 pension reporting. Expenses of governmental activities increased \$2,851 to \$17,817. Revenue increased \$418 to \$14,144.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

- Overall, the net position for business-type activities decreased \$49 to \$26,454. Expenses of the business type activities increased \$423 to \$4,854. Overall revenues of the business-type activities decreased \$105 to \$4,805. Overall program revenues decreased \$85 to \$4,706.
- 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, 2020 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 reduced staffing by 9.0 positions ending with 80.5 employees at June 30, 2020. This current year end employee count compares to 75.0 at June 30, 2017; 73.5 at June 30, 2013, 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

- To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the city's tax base.

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

**Fund financial statements**

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

The City has the following kinds of funds:

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

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

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

By far the largest portion of the City's net position (99%) 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 \$2,122 during the year.

The next portion (1.6%) 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 \$5,228 during the year due to scheduled debt payments, the completion of a major streets project, and reclassifications during the year.

The final portion (-.5%) 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 \$616.

Overall, the City's financial condition deteriorated during the 2019-20 fiscal year as evidenced by the decline in total net position of \$3,722. However, the majority of the governmental activities net position decrease of \$3,673 consisted of \$2,937 depreciation expense, \$383 in operations, and a \$1,205 increase in net pension expenses.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The business-type net position decrease of \$49 includes a combination of \$85 decrease in program revenues and an increase of \$423 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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>ASSETS</b>						
Current and Other Assets	\$ 6,264	\$ 9,942	\$ 3,165	\$ 3,742	\$ 9,429	\$ 13,684
Capital Assets	38,584	37,937	29,140	28,809	67,724	66,746
Net Pension Asset	-	-	-	-	-	-
<b>Total Assets</b>	<b>44,848</b>	<b>47,879</b>	<b>32,305</b>	<b>32,551</b>	<b>77,153</b>	<b>80,430</b>
Deferred Outflows	3,055	2,904	344	364	3,399	3,268
<b>LIABILITIES</b>						
Current Liabilities	734	702	411	198	1,145	900
Long-Term Liabilities	5,255	5,816	4,732	5,207	9,987	11,023
Net Pension Liability	8,743	7,260	985	911	9,728	8,171
<b>Total Liabilities</b>	<b>14,732</b>	<b>13,778</b>	<b>6,128</b>	<b>6,316</b>	<b>20,860</b>	<b>20,094</b>
Deferred Inflows	596	758	67	95	663	853
<b>NET POSITION</b>						
Net Investment in						
Capital Assets	33,885	32,576	24,469	23,656	58,354	56,232
Restricted Assets	961	6,189	-	-	961	6,189
Unrestricted Assets	(2,271)	(2,517)	1,985	2,847	(286)	330
<b>Total Net Position</b>	<b>\$ 32,575</b>	<b>\$ 36,248</b>	<b>\$ 26,454</b>	<b>\$ 26,503</b>	<b>\$ 59,029</b>	<b>\$ 62,751</b>

**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	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<b>REVENUES</b>						
Program Revenues:						
Charges For Services	\$ 2,353	\$ 2,996	\$ 4,549	\$ 4,454	\$ 6,902	\$ 7,450
Grants and Contributions					-	-
Operating	1,951	1,960	-	-	1,951	1,960
Capital	939	-	157	166	1,096	166
General Revenues:						
Property Taxes	6,332	6,013	-	-	6,332	6,013
Franchise Taxes	1,272	1,275	-	-	1,272	1,275
Hotel/Motel Taxes	370	492	-	-	370	492
Interest	152	253	60	74	212	327
Gain on capital asset sale	-	18	-	-	-	18
Miscellaneous	775	719	39	5	814	724
<b>Total Revenues</b>	<b>14,144</b>	<b>13,726</b>	<b>4,805</b>	<b>4,699</b>	<b>18,949</b>	<b>18,425</b>
<b>EXPENSES</b>						
Functions:						
General Government	5,117	4,351	-	-	5,117	4,351
Public Safety	7,068	6,123	-	-	7,068	6,123
Highways and Streets	3,260	2,605	-	-	3,260	2,605
Parks and Recreation	1,996	1,679	-	-	1,996	1,679
Community development	40	21	-	-	40	21
Interest	336	187	-	-	336	187
Water Services	-	-	3,607	3,315	3,607	3,315
Stormwater Services	-	-	918	893	918	893
Building Services	-	-	329	223	329	223
<b>Total Expenses</b>	<b>17,817</b>	<b>14,966</b>	<b>4,854</b>	<b>4,431</b>	<b>22,671</b>	<b>19,397</b>
Excess (deficiency) before transfers	(3,673)	(1,240)	(49)	268	(3,722)	(972)
Transfers	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<b>(3,673)</b>	<b>(1,240)</b>	<b>(49)</b>	<b>268</b>	<b>(3,722)</b>	<b>(972)</b>
<b>BEGINNING NET POSITION</b>	<b>36,248</b>	<b>37,676</b>	<b>26,503</b>	<b>26,235</b>	<b>62,751</b>	<b>63,911</b>
<b>RESTATEMENT</b>	<b>-</b>	<b>(188)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(188)</b>
<b>AS RESTATED</b>	<b>36,248</b>	<b>37,488</b>	<b>26,503</b>	<b>26,235</b>	<b>62,751</b>	<b>63,723</b>
<b>ENDING NET POSITION</b>	<b>\$ 32,575</b>	<b>\$ 36,248</b>	<b>\$ 26,454</b>	<b>\$ 26,503</b>	<b>\$ 59,029</b>	<b>\$ 62,751</b>

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, 2020, the fund balance for the General Fund was \$3,262, a decrease of \$742 from the previous year. Fund balance components include \$78 non-spendable relating to prepaid items and \$3,184 that is unassigned. In total, fund balance represents approximately 30% of the 2019-20 total general fund expenditures. While revenues increased \$723 - about 12.5%, expenditures increased \$1,482 - about 15.8%. Interfund transfers out were increased to \$671 from \$50 in order to pay off the Key Government debt. Debt proceeds of \$618 were also received in the current year to finance vehicle leases. Current year results provided an anticipated decrease in General Fund carryover of \$827. 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 2021-23 biennial budget.
- **Street Fund:** At June 30, 2020, the fund balance of the Street Fund consisted of a restricted amount of \$323 from state shared gas taxes and system development charges. Compared to last year, revenues decreased \$348 due to state gas tax revenues decreasing (\$63) due to the coronavirus pandemic and a local developer's contribution in the prior year to a major street project (\$500). Expenditures increased by \$1,363 primarily due to Crater Rail Crossing infrastructure project (\$1,833). These changes caused fund balance to decrease by \$2,402 to \$323. 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, 2020, the fund balance of the Economic Development Fund primarily consisted of an unassigned deficit amount of \$2,928. Compared to last year, revenues increased \$89. Expenditures increased by \$122.
- **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 \$236 to \$3,228. The ending fund balance is primarily composed of nonspendable assets and a deficit unassigned fund balance representing resources owed to other funds.

**Water Fund:** At June 30, 2020, the net position of the Water Fund reports a decrease of \$164 resulting in an ending net position of \$17,030. Operating revenue decreased \$43 to \$3,321 due to the coronavirus pandemic. Operating expenses of \$3,485 reflected an increase of \$301 over the prior year as the City began work on integrating to an automated metering system. Operating loss was \$164 compared to \$180 operating income for the prior year. Non-operating activity for the year consisted of investment earnings of \$9 and interest expense of \$122. Last year's non-operating activity included investment earnings of \$18 and interest expense of \$131. SDCs were \$113 in the current year compared to \$128 in the previous year - a decrease of \$15. These changes resulted in a \$164 decrease in net position at year end.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Stormwater Fund:** At June 30, 2020, the net position of the Stormwater Fund reports a decrease of \$22 from operations and an increase of \$66 from other operating areas, resulting in an ending net position of \$8,859. Stormwater utility operations were as planned and budgeted. Operating revenue increased \$2 to \$886. Operating expenses increased \$27 to \$907. Operating loss of \$22 was realized compared to operating income of \$4 in the previous year. Non-operating income from investment earnings decreased \$4 to \$33 and system development charges increased \$6 to \$44. These changes resulted in a \$44 increase in net position at year end.

- **Internal Services Fund:** At June 30, 2020, the net deficit of the Internal Services Fund was \$105 having declined \$299 from the 2018-19 fiscal year. This decline was caused by a new fleet lease and facility improvements. Interfund revenues increased \$80 to \$1,448 and operating expenses increased \$288 to \$1,738. Operating loss was \$291 and non-operating income was \$17. Transfers out were \$25. Combined this resulted in a \$299 decrease in net position. The Internal Service Fund revenues consist primarily of rental and overhead fees charged to City departments.

**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. 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, 2020, amounts to \$67,724 (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 2019-20, approximately \$5,047 of capital asset additions relating to the City's buildings, equipment, computers and software, and streets and utility infrastructure were added, \$345 were deleted, and depreciation expense totaled \$3,906. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

**Long term debt**

At June 30, 2020, the City had \$9,987 of long-term debt compared to \$11,023 the previous year end. This amount includes \$9,369 of bonds and notes payable and \$617 of compensated absences payable. Principal debt repayment of the City's bonds and notes payable during the year totaled \$1,760, including scheduled maturities of \$665, a loan payoff of \$1,015 and \$80 of SDC obligations were paid as expected or expired. The City's compensated absences increased \$279 by employee service and declined \$172 as employees took time off for a net increase of \$107. More detailed information about the City's long-term debt is presented in the Notes 5 and 6 to the financial statements.

**Economic factors and the new year budget**

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 2019, the City's assessed value increased by 3.33%, which shows a stabilizing housing market within the City compared with much higher increases in assessed values in recent years.

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 2018-19 was the last 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



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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). Lastly, just last month the PERS Board released potential new rates for the 2021-23 biennium which shows Tier I/II employee increasing to 27.20%, OPSRP general employee increasing to 21.79% and OPSRP Police/Fire employees to 26.16%. Final contribution rates for the 2021-23 biennium will not be voted on by the PERS Board until November 2020 but the City will continue to monitor any interim information released by the PERS Board to determine the exact impact on the City's budget moving forward.

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.

The impact of the global coronavirus pandemic has been felt by the operations City through a reduction in transient lodging taxes, state gas taxes and the City Council's adoption of a staying of fees associated with delinquent utility accounts. The impact from the pandemic will be closely monitored in the upcoming year.

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](http://www.centralpointoregon.gov). Our address is: 140 South Third St, Central Point, Oregon 97502.

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

**CITY OF CENTRAL POINT  
JACKSON COUNTY, OREGON  
STATEMENT OF NET POSITION  
June 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 5,227,387	\$ 2,642,990	\$ 7,870,377
Receivables			
Taxes	363,019	-	363,019
Accounts	595,619	521,998	1,117,617
Prepaid expenses	78,109	-	78,109
Supply inventory	-	-	-
Capital assets			
Capital assets not being depreciated	10,557,589	3,769,056	14,326,645
Capital assets, net of accumulated depreciation	<u>28,026,242</u>	<u>25,370,721</u>	<u>53,396,963</u>
Total Assets	<u>44,847,965</u>	<u>32,304,765</u>	<u>77,152,730</u>
<b>Deferred outflows of resources:</b>			
Deferred outflow of resources related to pensions	<u>3,055,233</u>	<u>344,265</u>	<u>3,399,498</u>
<b>Liabilities:</b>			
Accounts payable	356,888	285,874	642,762
Accrued payroll	366,306	-	366,306
Accrued interest	11,904	20,642	32,546
Deposits	-	104,533	104,533
Noncurrent liabilities			
Compensated absences			
Due within one year	175,948	30,335	206,283
Due in more than one year	380,381	30,335	410,716
Long-term debt			
Due within one year	389,798	257,594	647,392
Due in more than one year	4,308,698	4,413,266	8,721,964
Net pension liability	<u>8,742,538</u>	<u>985,111</u>	<u>9,727,649</u>
Total liabilities	<u>14,732,461</u>	<u>6,127,690</u>	<u>20,860,151</u>
<b>Deferred inflows of resources:</b>			
Deferred inflow of resources related to pensions	<u>595,912</u>	<u>67,148</u>	<u>663,060</u>
<b>Net position:</b>			
Net investment in capital assets	33,885,335	24,468,917	58,354,252
Restricted for:			
Utility systems enhancements (Gas tax and SDCs)	961,052	-	961,052
Unrestricted	<u>(2,271,562)</u>	<u>1,985,275</u>	<u>(286,287)</u>
Total net position	<u>\$ 32,574,825</u>	<u>\$ 26,454,192</u>	<u>\$ 59,029,017</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, 2020**

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expenses) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government</b>							
Governmental activities							
General government	\$ 5,116,462	\$ 1,702,875	\$ 642,632	\$ -	\$ (2,770,955)	\$ -	\$ (2,770,955)
Public safety	7,068,155	-	-	-	(7,068,155)	-	(7,068,155)
Highways and streets	3,260,203	649,823	1,308,227	485,281	(816,872)	-	(816,872)
Parks and recreation	1,996,183	-	-	453,403	(1,542,780)	-	(1,542,780)
Community development	40,203	-	-	-	(40,203)	-	(40,203)
Interest on long-term debt	335,760	-	-	-	(335,760)	-	(335,760)
<b>Total governmental activities</b>	<b>17,816,966</b>	<b>2,352,698</b>	<b>1,950,859</b>	<b>938,684</b>	<b>(12,574,725)</b>	<b>-</b>	<b>(12,574,725)</b>
Business-type activities							
Water services	3,607,364	3,283,833	-	113,229	-	(210,302)	(210,302)
Stormwater services	917,892	884,052	-	44,145	-	10,305	10,305
Building services	329,112	380,716	-	-	-	51,604	51,604
<b>Total business-type activities</b>	<b>4,854,368</b>	<b>4,548,601</b>	<b>-</b>	<b>157,374</b>	<b>-</b>	<b>(148,393)</b>	<b>(148,393)</b>
<b>Total primary government</b>	<b>\$ 22,671,334</b>	<b>\$ 6,901,299</b>	<b>\$ 1,950,859</b>	<b>\$ 1,096,058</b>	<b>(12,574,725)</b>	<b>(148,393)</b>	<b>(12,723,118)</b>
<b>General revenues</b>							
Property taxes					6,331,653	-	6,331,653
Franchise taxes					1,272,157	-	1,272,157
Hotel/Motel taxes					370,100	-	370,100
Interest					151,633	60,587	212,220
Loss on capital asset disposal					(271)	-	(271)
Miscellaneous					775,808	38,895	814,703
<b>Total general revenues</b>					<b>8,901,080</b>	<b>99,482</b>	<b>9,000,562</b>
<b>Change in net position</b>					<b>(3,673,645)</b>	<b>(48,911)</b>	<b>(3,722,556)</b>
<b>Beginning net position</b>					<b>36,248,470</b>	<b>26,503,103</b>	<b>62,751,573</b>
<b>Ending net position</b>					<b>\$ 32,574,825</b>	<b>\$ 26,454,192</b>	<b>\$ 59,029,017</b>

See accompanying notes to the basic financial statements

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020**

	GENERAL FUND	STREET FUND	ECONOMIC DEVELOPMENT COMMISSION	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL
<b>ASSETS</b>						
Cash and investments	\$ 3,299,597	\$ 177,573	\$ 619,458	\$ -	\$ 1,052,108	\$ 5,148,736
Receivables:						
Taxes	342,397	-	20,622	-	-	363,019
Accounts receivable	337,466	258,153	-	-	-	595,619
Due from Other Funds	43,858	-	-	-	-	43,858
Prepaid items	78,109	-	-	-	-	78,109
Advance to other funds	-	-	-	3,272,000	-	3,272,000
Total assets	<u>\$ 4,101,427</u>	<u>\$ 435,726</u>	<u>\$ 640,080</u>	<u>\$ 3,272,000</u>	<u>\$ 1,052,108</u>	<u>\$ 9,501,341</u>
<b>LIABILITIES</b>						
Accounts payable	181,761	113,107	-	-	41,841	336,709
Payroll taxes and salaries	366,306	-	-	-	-	366,306
Due to Other Funds	-	-	-	43,858	-	43,858
Advance from other funds	-	-	3,272,000	-	-	3,272,000
Total liabilities	<u>548,067</u>	<u>113,107</u>	<u>3,272,000</u>	<u>43,858</u>	<u>41,841</u>	<u>4,018,873</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	291,344	-	16,409	-	-	307,753
Unavailable notes and accounts receivable	-	-	-	-	-	-
Total deferred inflows of resources	<u>291,344</u>	<u>-</u>	<u>16,409</u>	<u>-</u>	<u>-</u>	<u>307,753</u>
<b>FUND BALANCE</b>						
Nonspendable	78,109	-	-	3,272,000	-	3,350,109
Restricted	-	322,619	-	-	638,433	961,052
Committed	-	-	-	-	371,834	371,834
Unassigned	3,183,907	-	(2,648,329)	(43,858)	-	491,720
Total fund balances	<u>3,262,016</u>	<u>322,619</u>	<u>(2,648,329)</u>	<u>3,228,142</u>	<u>1,010,267</u>	<u>5,174,715</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,101,427</u>	<u>\$ 435,726</u>	<u>\$ 640,080</u>	<u>\$ 3,272,000</u>	<u>\$ 1,052,108</u>	<u>\$ 9,501,341</u>

See accompanying notes to the basic financial statements

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

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO STATEMENT OF NET POSITION  
June 30, 2020**

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

<b>Total fund balances - governmental funds</b>	\$	5,174,715
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.		38,101,113
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets.		
Accrued interest	\$ (11,243)	
Long-term debt	<u>(4,650,655)</u>	(4,661,898)
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(511,081)
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.		
Net pension liability	(7,973,714)	
Deferred outflow of resources related to pensions	2,786,554	
Deferred inflow of resources related to pensions	<u>(543,507)</u>	(5,730,667)
Unavailable revenues are not earned in the current period and therefore are not reported as revenues in the funds		
Unavailable revenue		
Property taxes levied but not collected		307,754
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.		<u>(105,111)</u>
<b>Total net position - governmental activities</b>	<b>\$</b>	<b><u>32,574,825</u></b>

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, 2020**

	GENERAL FUND	STREET FUND	ECONOMIC DEVELOPMENT COMMISSION	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL
<b>REVENUES</b>						
Taxes	\$ 7,281,232	\$ 177,000	\$ 521,959	\$ -	\$ -	\$ 7,980,191
Licenses and permits	193,500	-	-	-	-	193,500
Intergovernmental	642,632	1,308,227	-	-	168,000	2,118,859
Charges for services	1,159,266	1,135,104	-	280,295	285,403	2,860,068
Fines and forfeitures	69,814	-	-	-	-	69,814
Investment earnings	84,976	27,797	11,438	667	22,086	146,964
Miscellaneous	754,857	10,051	-	-	9,985	774,893
Total revenues	<u>10,186,277</u>	<u>2,658,179</u>	<u>533,397</u>	<u>280,962</u>	<u>485,474</u>	<u>14,144,289</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,370,505	-	-	-	-	3,370,505
Public safety	5,171,151	-	-	-	-	5,171,151
Highways and streets	-	2,206,478	-	-	-	2,206,478
Parks and recreation	1,407,988	-	-	-	-	1,407,988
Community Development	-	-	33,519	-	-	33,519
Capital Outlay	924,538	2,777,469	6,684	-	871,031	4,579,722
Debt service:						
Principal	-	-	-	1,215,662	-	1,215,662
Interest	-	-	213,295	121,008	-	334,303
Total expenditures	<u>10,874,182</u>	<u>4,983,947</u>	<u>253,498</u>	<u>1,336,670</u>	<u>871,031</u>	<u>18,319,328</u>
Excess of revenues over (under) expenditures	<u>(687,905)</u>	<u>(2,325,768)</u>	<u>279,899</u>	<u>(1,055,708)</u>	<u>(385,557)</u>	<u>(4,175,039)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt proceeds	617,738	-	-	-	-	617,738
Transfers in	-	-	-	819,235	25,000	844,235
Transfers out	(671,485)	(76,000)	-	-	(71,750)	(819,235)
Total	<u>(53,747)</u>	<u>(76,000)</u>	<u>-</u>	<u>819,235</u>	<u>(46,750)</u>	<u>642,738</u>
Net change in fund balance	(741,652)	(2,401,768)	279,899	(236,473)	(432,307)	(3,532,301)
Beginning fund balance	4,003,668	2,724,387	(2,928,228)	3,464,615	1,442,574	8,707,016
Ending fund balance	<u>\$ 3,262,016</u>	<u>\$ 322,619</u>	<u>\$ (2,648,329)</u>	<u>\$ 3,228,142</u>	<u>\$ 1,010,267</u>	<u>\$ 5,174,715</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, 2020**

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** \$ (3,532,301)

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

Capitalized expenditures	\$	3,682,839	
Book value of capital asset disposal		(15,691)	
Depreciation expense		<u>(2,973,701)</u>	
Net adjustment			693,447

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		1,542	
Compensated absences		<u>(96,239)</u>	(94,697)

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.

Debt proceeds		(617,738)	
Bond and notes payable principal payments		<u>1,233,913</u>	616,175

Expenses related to pension obligations not using current resources (1,051,402)

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

Property taxes			(6,281)
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Internal service funds are used by the City to account for the fleet operations, public works administration and engineering services that are provided to the other departments on a cost reimbursement basis. The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities.

Internal service fund change in net position			<u>(298,586)</u>
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**Change in net position - governmental activities** \$ (3,673,645)

See accompanying notes to the basic financial statements



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

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2020**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICES FUND
<b>ASSETS</b>					
Current assets					
Cash and investments	\$ 26,065	\$ 1,681,945	\$ 934,980	\$ 2,642,990	\$ 78,651
Accounts receivable	441,519	80,479	-	521,998	-
Supply inventory	-	-	-	-	-
Total current assets	<u>467,584</u>	<u>1,762,424</u>	<u>934,980</u>	<u>3,164,988</u>	<u>78,651</u>
Noncurrent assets					
Capital assets not being depreciated	3,091,641	677,415	-	3,769,056	6,430
Capital assets being depreciated, net	<u>18,629,842</u>	<u>6,740,879</u>	<u>-</u>	<u>25,370,721</u>	<u>476,288</u>
Total noncurrent assets	<u>21,721,483</u>	<u>7,418,294</u>	<u>-</u>	<u>29,139,777</u>	<u>482,718</u>
Total assets	<u>22,189,067</u>	<u>9,180,718</u>	<u>934,980</u>	<u>32,304,765</u>	<u>561,369</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources related to pensions	<u>215,743</u>	<u>49,561</u>	<u>78,961</u>	<u>344,265</u>	<u>268,679</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	178,014	20,749	87,111	285,874	20,180
Developer and customer deposits	-	-	104,533	104,533	-
Accrued interest	9,889	10,753	-	20,642	661
Current portion of long-term debt					
Financing agreements	-	-	-	-	47,841
Notes payable	257,594	-	-	257,594	-
Compensated absences	<u>16,356</u>	<u>5,828</u>	<u>8,151</u>	<u>30,335</u>	<u>22,624</u>
Total current portion of long-term debt	<u>273,950</u>	<u>5,828</u>	<u>8,151</u>	<u>287,929</u>	<u>70,465</u>
Total current liabilities	<u>461,853</u>	<u>37,330</u>	<u>199,795</u>	<u>698,978</u>	<u>91,306</u>
Noncurrent liabilities					
Notes payable	4,237,406	-	-	4,237,406	-
Financing agreements	-	175,860	-	175,860	-
Compensated absences	16,355	5,829	8,151	30,335	22,624
Net pension liability	<u>617,347</u>	<u>141,818</u>	<u>225,946</u>	<u>985,111</u>	<u>768,824</u>
Total long-term liabilities	<u>4,871,108</u>	<u>323,507</u>	<u>234,097</u>	<u>5,428,712</u>	<u>791,448</u>
Total liabilities	<u>5,332,961</u>	<u>360,837</u>	<u>433,892</u>	<u>6,127,690</u>	<u>882,754</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources related to pensions	<u>42,080</u>	<u>9,667</u>	<u>15,401</u>	<u>67,148</u>	<u>52,405</u>
<b>NET POSITION</b>					
Net investment in capital assets	17,226,483	7,242,434	-	24,468,917	434,877
Unrestricted	<u>(196,714)</u>	<u>1,617,341</u>	<u>564,648</u>	<u>1,985,275</u>	<u>(539,988)</u>
Total net position	<u>\$ 17,029,769</u>	<u>\$ 8,859,775</u>	<u>\$ 564,648</u>	<u>\$ 26,454,192</u>	<u>\$ (105,111)</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, 2020**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICES FUND
<b>OPERATING REVENUES</b>					
Charges for services	\$ 3,283,833	\$ 884,052	\$ 380,716	\$ 4,548,601	\$ 1,446,815
Miscellaneous	37,041	1,479	375	38,895	915
Total operating revenues	<u>3,320,874</u>	<u>885,531</u>	<u>381,091</u>	<u>4,587,496</u>	<u>1,447,730</u>
<b>OPERATING EXPENSES</b>					
Public works equipment rental operations	-	-	-	-	1,622,872
Utility operations	2,944,390	630,783	-	3,575,173	-
Building inspection services	-	-	329,112	329,112	-
Depreciation	540,786	276,356	-	817,142	115,534
Total operating expenses	<u>3,485,176</u>	<u>907,139</u>	<u>329,112</u>	<u>4,721,427</u>	<u>1,738,406</u>
Operating income (loss)	<u>(164,302)</u>	<u>(21,608)</u>	<u>51,979</u>	<u>(133,931)</u>	<u>(290,676)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest expense	(122,188)	(10,753)	-	(132,941)	(2,999)
Investment earnings	9,306	32,963	18,318	60,587	4,669
Gain/loss on assets	-	-	-	-	15,420
Total nonoperating revenues (expenses)	<u>(112,882)</u>	<u>22,210</u>	<u>18,318</u>	<u>(72,354)</u>	<u>17,090</u>
Income (loss) before contributions and transfers	(277,184)	602	70,297	(206,285)	(273,586)
System development charges capital contributions	113,229	44,145	-	157,374	-
Transfers out	-	-	-	-	(25,000)
Total contributions and transfers	<u>113,229</u>	<u>44,145</u>	<u>-</u>	<u>157,374</u>	<u>(25,000)</u>
Change in net position	(163,955)	44,747	70,297	(48,911)	(298,586)
Beginning net position	17,193,724	8,815,028	494,351	26,503,103	193,475
Ending net position	<u>\$ 17,029,769</u>	<u>\$ 8,859,775</u>	<u>\$ 564,648</u>	<u>\$ 26,454,192</u>	<u>\$ (105,111)</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, 2020**

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL
	WATER FUND	STORMWATER FUND	NONMAJOR BUILDING FUND	TOTAL	INTERNAL SERVICE FUND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from customers	\$ 3,371,340	\$ 884,903	\$ 363,193	\$ 4,619,436	\$ -
Received from interfund services provided	-	-	-	-	1,447,730
Paid for interfund services provided	(814,500)	(354,000)	-	(1,168,500)	-
Paid to suppliers	(1,231,493)	(139,427)	(8,633)	(1,379,553)	(1,008,427)
Paid to employees	(708,750)	(109,555)	(204,084)	(1,022,389)	(595,108)
Net cash provided by operating activities	<u>616,597</u>	<u>281,921</u>	<u>150,476</u>	<u>1,048,994</u>	<u>(155,805)</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Transfers to other funds	-	-	-	-	(25,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
SDC fees received	113,229	44,145	-	157,374	-
Purchase of capital assets	(962,852)	(185,295)	-	(1,148,147)	(68,632)
Proceeds of sale of capital assets	-	-	-	-	15,420
Interest paid on capital debt	(122,892)	(14,049)	-	(136,941)	(3,644)
Long-term debt principal payments	(320,000)	(161,816)	-	(481,816)	(46,679)
Net cash provided (used) by capital and related financing activities	<u>(1,292,515)</u>	<u>(317,015)</u>	<u>-</u>	<u>(1,609,530)</u>	<u>(103,535)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	<u>9,306</u>	<u>32,963</u>	<u>18,318</u>	<u>60,587</u>	<u>4,669</u>
<b>Net increase in cash and investments</b>	(666,612)	(2,131)	168,794	(499,949)	(279,671)
<b>Cash and investments</b>					
<b>Beginning of year</b>	<u>692,677</u>	<u>1,684,076</u>	<u>766,186</u>	<u>3,142,939</u>	<u>358,322</u>
<b>End of Year</b>	<u>\$ 26,065</u>	<u>\$ 1,681,945</u>	<u>\$ 934,980</u>	<u>\$ 2,642,990</u>	<u>\$ 78,651</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>					
Operating income (loss)	\$ (164,302)	\$ (21,608)	\$ 51,979	\$ (133,931)	\$ (290,676)
Depreciation and amortization	540,786	276,356	-	817,142	115,534
Net change in expense under GASB 68	4,782	18,393	43,513	66,688	118,314
(Increase) decrease in customer deposits	-	-	(17,898)	(17,898)	-
(Increase) decrease in inventory	26,661	-	-	26,661	-
(Increase) decrease in receivables	50,466	(628)	-	49,838	-
Increase (decrease) in payables	161,456	5,387	67,586	234,429	(104,558)
Increase (decrease) in compensated absences	(3,252)	4,021	5,296	6,065	5,581
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 616,597</u>	<u>\$ 281,921</u>	<u>\$ 150,476</u>	<u>\$ 1,048,994</u>	<u>\$ (155,805)</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:

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

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

The government reports the following major proprietary funds:

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

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

The government also reports the following proprietary funds:

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

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

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

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

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, 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.

**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

**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.

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

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

**Compensated Absences**

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

	<b>2020</b>
Petty cash	\$ 1,150
Demand deposits	1,061,520
Deposits - FSA	5,000
LGIP	6,802,707
Total	\$ 7,870,377

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

The Oregon Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any public funds. The Office of the State Treasurer (OST) manages the LGIP. The LGIP is commingled with other State funds in the Oregon Short-Term Fund (OSTF). The OSTF is not managed as a stable net asset value fund; therefore, the preservation of principal is not assured. The LGIP is not rated by a national rating service. Additional information about the OSTF can be obtained at [www.ost.state.or.us](http://www.ost.state.or.us) and [www.oregon.gov/treasurer](http://www.oregon.gov/treasurer). 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, 2020, 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, 2020 are as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>Governmental Activities:</b>				
<b>Not being depreciated</b>				
Land	\$ 5,678,271	\$ 573,874	\$ -	\$ 6,252,145
Work in process	2,359,365	-	-	2,359,365
Land use rights	42,815	1,959,392	(62,558)	1,939,649
Total	<u>8,080,451</u>	<u>2,533,266</u>	<u>(62,558)</u>	<u>10,551,159</u>
<b>Being depreciated</b>				
Buildings	5,136,526	85,767	-	5,222,293
Computers	561,029	14,727	(23,664)	552,092
Equipment	522,263	624,708	(46,418)	1,100,553
Infrastructure	91,452,854	474,429	(54,632)	91,872,651
Total	<u>97,672,672</u>	<u>1,199,631</u>	<u>(124,714)</u>	<u>98,747,589</u>
<b>Accumulated depreciation</b>				
Buildings	(2,251,678)	(121,606)	-	(2,373,284)
Computers	(459,892)	(39,120)	20,473	(478,539)
Equipment	(423,413)	(111,320)	46,418	(488,315)
Infrastructure	(65,210,474)	(2,701,655)	54,632	(67,857,497)
Total	<u>(68,345,457)</u>	<u>(2,973,701)</u>	<u>121,523</u>	<u>(71,197,635)</u>
<b>Governmental capital assets, net</b>	<u>\$ 37,407,666</u>	<u>\$ 759,196</u>	<u>\$ (65,749)</u>	<u>\$ 38,101,113</u>
	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>Internal Service Fund:</b>				
<b>Not being depreciated</b>				
Work in process	\$ 6,430	\$ -	\$ -	\$ 6,430
<b>Being depreciated</b>				
Buildings	267,912	-	-	267,912
Computers	7,033	-	-	7,033
Equipment and vehicles	1,454,383	68,632	(30,568)	1,492,447
Infrastructure	18,000	-	-	18,000
Total	<u>1,747,328</u>	<u>68,632</u>	<u>(30,568)</u>	<u>1,785,392</u>
<b>Accumulated depreciation</b>				
Buildings	(145,889)	(8,177)	-	(154,066)
Computers	(7,033)	-	-	(7,033)
Equipment and vehicles	(1,065,996)	(106,997)	30,568	(1,142,425)
Infrastructure	(5,220)	(360)	-	(5,580)
Total	<u>(1,224,138)</u>	<u>(115,534)</u>	<u>30,568</u>	<u>(1,309,104)</u>
<b>Internal service fund capital assets, net</b>	<u>\$ 529,620</u>	<u>\$ (46,902)</u>	<u>\$ -</u>	<u>\$ 482,718</u>

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

**4. CAPITAL ASSETS, continued**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>Business-type Activities:</b>				
<b>Not being depreciated</b>				
Land	\$ 1,943,024	\$ 427,428	\$ -	\$ 2,370,452
Work in process	492,052	732,917	(127,031)	1,097,938
Land use rights	300,666	-	-	300,666
Total	<u>2,735,742</u>	<u>1,160,345</u>	<u>(127,031)</u>	<u>3,769,056</u>
<b>Being depreciated</b>				
Equipment and vehicles	616,878	39,999	-	656,877
Infrastructure	39,482,862	74,834	-	39,557,696
Total	<u>40,099,740</u>	<u>114,833</u>	<u>-</u>	<u>40,214,573</u>
<b>Accumulated depreciation</b>				
Equipment and vehicles	(100,903)	(64,353)	-	(165,256)
Infrastructure	(13,925,807)	(752,789)	-	(14,678,596)
Total	<u>(14,026,710)</u>	<u>(817,142)</u>	<u>-</u>	<u>(14,843,852)</u>
<b>Business-type capital assets, net</b>	<u>\$ 28,808,772</u>	<u>\$ 458,036</u>	<u>\$ (127,031)</u>	<u>\$ 29,139,777</u>

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

<u>Function/Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General Government	\$ 981,098	\$ -
Public Safety	1,218,561	-
Highways and Streets	416,510	-
Parks and Recreation	357,532	-
Internal Service Fund - charged to various functions based on usage	115,534	-
Water	-	540,786
Stormwater	-	276,356
Total	<u>\$ 3,089,235</u>	<u>\$ 817,142</u>

**5. LONG-TERM DEBT**

At June 30, 2020, 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 caassified as a direct borrowing. 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. In the event of a payment default of more than 90 days, the interest rate shall be increased by 4% on all outstanding balances until the payment default is cured.

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

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

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 credits are classified as direct borrowings. 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. No specific provisions exist.

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. This agreement is classified as a direct borrowing. 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. In the event that the City is determined to be in default, the Lender may elect to increase the interest rate by 3%.

Financing Agreements: The City has entered into several financing agreements, all classified as direct borrowings, to purchase police and street maintenance vehicles.

In the 2016-2017 fiscal year, the City entered into a 5 year financing agreement in the amount of \$233,535 to purchase a street sweeper. This financing agreement has an interest rate of 4.98% and payments of principal and interest are made annually. These vehicles were recorded as a capital asset with a historical cost of \$233,535.

In the 2017-2018 fiscal year, the City entered into a 3 year financing agreement in the amount of \$53,100 to purchase a police vehicle. This financing agreement has an interest rate of 6.36% and payments of principal and interest are made annually.

In the 2018-2019 fiscal year, the City entered into a 5 year financing agreement in the amount of \$431,249 to purchase a vacuum truck used for storm drain maintenance. This financing agreement has an interest rate of 8.49% and payments of principal and interest are made annually.

In the 2019-2020 fiscal year, the City entered into a 5 year financing agreement in the amount of \$617,739 to purchase police vehicles. This financing agreement has an interest rate of 8.49% and payments of principal and interest are made annually.

Vehicles acquired through the leases described above have been capitalized as equipment at a historical cost of \$1,335,623 in governmental activities; at June 30, 2020 accumulated depreciation on leased vehicles was \$502,244. Depreciation expense on leased assets is reported with depreciation expense for other capital assets.

For all leases described above, in the event of default the lender has the option to declare all amounts outstanding as immediately due and payable, and may also repossess the financed equipment, using any proceeds from sale to satisfy all or a portion of the the liability. The City would continue to be liable for any remaining balance owed.

All outstanding long-term debt at June 30, 2020 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, 2020:

	<u>Balance 7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2020</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<b>Governmental Activities</b>						
Financing agreements	\$ 112,196	\$ 617,739	\$ (64,356)	\$ 665,579	\$ 188,798	\$ 476,781
Series 2014	1,015,236	-	(1,015,236)	-	-	-
Series 2017	4,202,000	-	(201,000)	4,001,000	201,000	3,800,000
SDC obligations	31,917	80,257	(80,257)	31,917	-	31,917
<b>Total</b>	<u>\$ 5,361,349</u>	<u>\$ 697,996</u>	<u>\$(1,360,849)</u>	<u>\$ 4,698,496</u>	<u>\$ 389,798</u>	<u>\$ 4,308,698</u>
<b>Business-type Activities</b>						
Financing agreements	\$ 337,676	\$ -	\$ (161,816)	\$ 175,860	\$ -	\$ 175,860
Series 2017	4,815,000	-	(320,000)	4,495,000	257,594	4,237,406
<b>Total</b>	<u>\$ 5,152,676</u>	<u>\$ -</u>	<u>\$(481,816)</u>	<u>\$ 4,670,860</u>	<u>\$ 257,594</u>	<u>\$ 4,413,266</u>

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

<u>Years Ending June 30,</u>	<u>Series 2017 Agreement</u>		<u>SDC Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 237,000	\$ 102,498	\$ 3,192	\$ -
2022	269,000	95,819	3,192	-
2023	300,000	88,308	3,192	-
2024	336,000	79,913	3,192	-
2025	367,000	37,739	3,192	-
2026 to 2030	2,040,000	195,096	15,957	-
2031 to 2035	452,000	6,574	-	-
<b>Total</b>	<u>\$ 4,001,000</u>	<u>\$ 605,947</u>	<u>\$ 31,917</u>	<u>\$ -</u>

<u>Years Ending June 30,</u>	<u>Financing Agreements</u>		<u>Total Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 188,798	\$ 25,235	\$ 428,990	\$ 127,733
2022	146,443	18,557	418,635	114,376
2023	152,143	12,857	455,335	101,165
2024	93,064	6,936	432,256	86,849
2025	85,131	3,314	455,323	41,053
2026 to 2030	-	-	2,055,957	195,096
2031 to 2035	-	-	452,000	452,000
<b>Total</b>	<u>\$ 665,579</u>	<u>\$ 66,899</u>	<u>\$ 4,698,496</u>	<u>\$ 1,118,272</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,	Financing Agreement		Series 2017 Agreement		Total Business-type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ -	\$ -	\$ 328,000	\$ 114,338	\$ 328,000	\$ 114,338
2022	86,101	7,472	337,000	105,560	423,101	113,032
2023	89,759	3,814	346,000	96,545	435,759	100,359
2024	-	-	355,000	87,292	355,000	87,292
2025	-	-	364,000	77,801	364,000	77,801
2026 to 2030	-	-	1,961,000	238,247	1,961,000	238,247
2031 to 2035	-	-	804,000	20,935	804,000	20,935
<b>Total</b>	<b>\$ 175,860</b>	<b>\$ 11,286</b>	<b>\$ 4,495,000</b>	<b>\$ 740,718</b>	<b>\$ 4,670,860</b>	<b>\$ 752,004</b>

**6. COMPENSATED ABSENCES**

During the year ended June 30, 2020 the changes in the City's vested compensated absences obligation to employees were as follows:

	Balance 7/1/19	Additions	Deletions	Balance 7/1/20	Due Within One Year	Long-Term Portion
<b>Governmental Activities</b>						
Governmental Funds	\$ 414,843	\$ 220,691	\$ (124,453)	\$ 511,081	\$ 153,324	\$ 357,757
Internal Service Fund	39,667	25,415	(19,834)	45,248	22,624	22,624
<b>Total</b>	<b>\$ 454,510</b>	<b>\$ 246,106</b>	<b>\$ (144,287)</b>	<b>\$ 556,329</b>	<b>\$ 175,948</b>	<b>\$ 380,381</b>
<b>Business-Type Activities</b>						
Proprietary Funds	\$ 54,604	\$ 33,368	\$ (27,302)	\$ 60,670	\$ 30,335	\$ 30,335

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.

**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:

	Transfer In		
	Debt Service Fund	Nonmajor Governmental Funds	Total
<b>Transfer Out</b>			
General Fund	\$ 671,485	\$ -	\$ 671,485
Street Fund	76,000	-	76,000
Nonmajor governmental funds	71,750	-	71,750
Internal Service Fund	-	25,000	25,000
<b>Total</b>	<b>\$ 819,235</b>	<b>\$ 25,000</b>	<b>\$ 844,235</b>

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

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

**7. INTERFUND ACTIVITY, continued**

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

As part of the 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, 2020 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>3,417,000</u>	\$ <u>-</u>	\$ <u>(145,000)</u>	\$ <u>3,272,000</u>

**8. GOVERNMENTAL FUND BALANCES**

Governmental fund balance components at June 30, 2020 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	\$ 78,109	\$ -	\$ -	\$ -	\$ -	\$ 78,109
Advance to other funds	-	-	-	3,272,000	-	3,272,000
Total	<u>78,109</u>	<u>-</u>	<u>-</u>	<u>3,272,000</u>	<u>-</u>	<u>3,350,109</u>
Restricted:						
State Law - Gas Tax and SDCs	-	322,619	-	-	638,433	961,052
Committed:						
Council resolution/ordinances: Future capital assets	-	-	-	-	371,834	371,834
Assigned:						
Unassigned	<u>3,183,907</u>	<u>-</u>	<u>(2,648,329)</u>	<u>(43,858)</u>	<u>-</u>	<u>491,720</u>
Total fund balance	<u>\$ 3,262,016</u>	<u>\$ 322,619</u>	<u>\$ (2,648,329)</u>	<u>\$ 3,228,142</u>	<u>\$ 1,010,267</u>	<u>\$ 5,174,715</u>

**9. RISK MANAGEMENT**

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

**10. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM**

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



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

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

**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 (age 45 for police and fire employees). General service employees are eligible to retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

*Death Benefits*

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

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

*Disability Benefits*

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

*Benefit Changes After Retirement*

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

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

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

the following formula for members who attain normal retirement age:

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

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

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

*Death Benefits*

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

*Disability Benefits*

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

*Benefit Changes After Retirement*

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

**3. OPSRP Individual Account Program (OPSRP IAP)**

*Pension Benefits*

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

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

*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**

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

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

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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2020 were \$1,189,584 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2020 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, 2020, the City's proportionate share of the net pension liability is \$9,727,649. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. 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, 2019, the City's proportion was 0.056237 percent, which changed from its proportion of 0.053935 measured as of June 30, 2018.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 536,451	\$ -
Change in assumptions	1,319,667	-
Net difference between projected and actual earnings on pension plan investments	-	275,769
Changes in proportionate share	260,160	295,884
Differences between City contributions and proportionate share of contributions	<u>109,427</u>	<u>91,406</u>
Subtotal before post-measurement date contributions	2,225,705	663,059
City contributions subsequent to the measurement date	<u>1,173,793</u>	<u>-</u>
Total	<u>\$ 3,399,498</u>	<u>\$ 663,059</u>

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

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

Deferred outflows of resources related to pensions of \$1,173,793 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, 2021. Net deferred outflows (inflows) of resources of \$1,562,646 will be recognized in pension expense as follows:

Year Ended June 30,		
2021	\$	868,024
2022		69,332
2023		328,009
2024		273,319
2025		<u>23,962</u>
Total	\$	<u>1,562,646</u>

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	7.2 percent
Projected Salary Increases	3.5%
Mortality	<p>Healthy retirees and beneficiaries: RP-2014 sex-distinct, generational with unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: RP-2014 sex-distinct, generational with unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 sex-distinct, generational with unisex, Social Security Data Scale.</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 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

**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: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

**Discount Rate**

The discount rate used to measure the total pension liability was 7.2 percent for the Defined Benefit Pension Plan.

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

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

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 7.2 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 (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
Proportionate share of net pension liability (asset)	\$ 4,831,739	\$ 9,727,649	\$ 15,577,967

**Changes in Assumptions and Other Inputs**

Changes in actuarial methods and assumptions since the December 31, 2016 valuation are described in the 2016 Experience Study at <https://www.oregon.gov/pers/Documents/2016ExpStudy.pdf>

Changes in assumptions from that Study are reported in the table of actuarial methods and assumptions, modifications to the allocation of actuarial accrued liabilities, administrative expense assumptions, healthcare cost inflation, and mortality tables can be found at:

<http://www.oregon.gov/PERS/Pages/Financials/ActuarialPresentationsandReports.aspx>.

**11. PROPERTY TAX LIMITATIONS**

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

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

**12. BUDEGETARY NONCOMPLIANCE**

For the year ended June 30, 2020, the Capital Improvement fund's actual expenditures of \$620,565 for SDC capital projects on a budgetary basis exceeded the authorized appropriations of \$335,000.

**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, 2020**

**Schedule of the Proportionate Share of the Net Pension Liability  
Oregon Public Employees Retirement System <sup>(1) (2)</sup>**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.056237 %	0.053935 %	0.053437 %	0.059213 %	0.064537 %	0.058290 %
Proportionate share of the net pension liability (asset)	\$ 9,727,649	\$ 8,170,507	\$ 7,203,390	\$ 8,889,239	\$ 3,705,167	\$ (1,321,278)
Covered payroll	\$ 5,178,366	\$ 4,771,542	\$ 4,719,630	\$ 3,926,697	\$ 3,889,464	\$ 3,883,345
Proportionate share of the pension liability (asset) as a percentage of its covered payroll	187.85 %	171.23 %	152.63 %	226.38 %	95.26 %	(33.65)%
Plan net position as a percentage of the total pension liability	80.23 %	82.07 %	83.10 %	80.50 %	91.88 %	103.59 %

**Schedule of Pension Contributions  
Oregon Public Employees Retirement System <sup>(1)</sup>**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,524,978	\$ 1,189,584	\$ 1,122,600	\$ 952,125	\$ 930,357	\$ 851,622
Contributions in relation to the contractually required contribution	<u>1,524,978</u>	<u>1,189,584</u>	<u>1,122,600</u>	<u>952,125</u>	<u>930,357</u>	<u>851,622</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,539,283	\$ 5,178,366	\$ 4,771,542	\$ 4,719,630	\$ 3,926,697	\$ 3,889,464
Contributions as a percentage of covered payroll	27.53 %	22.97 %	23.53 %	20.17 %	23.69 %	21.90 %

**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 2020 is July 1, 2018- June 30, 2019.

**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, 2020**

	<u>BIENNIUM BUDGET</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>FIRST YEAR ACTUAL</u>	
<b>Revenues:</b>				
Taxes	\$ 15,864,500	\$ 15,674,500	\$ 7,281,232	\$ (8,393,268)
Licenses and permits	160,020	350,020	193,500	(156,520)
Intergovernmental	1,378,920	1,378,920	642,632	(736,288)
Charges for services	2,491,600	2,491,600	1,159,266	(1,332,334)
Fines and forfeitures	172,000	172,000	69,814	(102,186)
Investment earnings	174,500	174,500	84,976	(89,524)
Miscellaneous	425,000	425,000	754,857	329,857
<b>Total revenues</b>	<b><u>20,666,540</u></b>	<b><u>20,666,540</u></b>	<b><u>10,186,277</u></b>	<b><u>(10,480,263)</u></b>
<b>Expenditures:</b>				
Mayor & Council	183,780	183,780	67,071	116,709
Administration	1,728,290	1,728,290	820,079	908,211
Technical services	1,279,910	1,279,910	693,666	586,244
City enhancement	422,000	422,000	221,065	200,935
Finance	1,733,050	1,733,050	859,563	873,487
Interdepartmental	4,408,000	4,408,000	273,901	4,134,099
Parks and recreation - parks	2,109,300	2,109,300	1,048,188	1,061,112
Parks and recreation - recreation	1,066,140	1,066,140	482,578	583,562
Planning	1,395,060	1,395,060	619,181	775,879
Police	10,614,360	10,614,360	5,171,152	5,443,208
Contingency	4,180,000	4,180,000	-	4,180,000
<b>Total expenditures</b>	<b><u>29,119,890</u></b>	<b><u>29,119,890</u></b>	<b><u>10,256,444</u></b>	<b><u>18,863,446</u></b>
Excess of revenues over (under) expenditures	(8,453,350)	(8,453,350)	(70,167)	8,383,183
<b>Other financing sources (uses):</b>				
Debt proceeds	8,000,000	8,000,000	-	(8,000,000)
Transfers out	(671,485)	(671,485)	(671,485)	-
<b>Net change in fund balance</b>	<b>(1,124,835)</b>	<b>(1,124,835)</b>	<b>(741,652)</b>	<b>383,183</b>
Beginning fund balance	4,001,755	4,001,755	4,003,668	1,913
<b>Ending fund balance</b>	<b><u>\$ 2,876,920</u></b>	<b><u>\$ 2,876,920</u></b>	<b><u>\$ 3,262,016</u></b>	<b><u>\$ 385,096</u></b>



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

**STREET FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2020**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>Revenues:</b>				
Taxes	\$ 486,000	\$ 354,000	\$ 177,000	\$ (177,000)
Intergovernmental	2,966,640	3,098,640	1,308,227	(1,790,413)
Charges for services	1,593,000	1,593,000	1,135,104	(457,896)
Investment earnings	135,000	135,000	27,797	(107,203)
Miscellaneous	<u>1,002,000</u>	<u>1,002,000</u>	<u>10,051</u>	<u>(991,949)</u>
Total revenues	<u>6,182,640</u>	<u>6,182,640</u>	<u>2,658,179</u>	<u>(3,524,461)</u>
<b>Expenditures:</b>				
Street operations	5,193,470	5,133,470	4,502,554	630,916
SDC streets	767,000	675,000	481,393	193,607
Contingency	<u>700,000</u>	<u>700,000</u>	<u>-</u>	<u>700,000</u>
Total expenditures	<u>6,660,470</u>	<u>6,508,470</u>	<u>4,983,947</u>	<u>1,524,523</u>
Excess of revenues over (under) expenditures	<u>(477,830)</u>	<u>(325,830)</u>	<u>(2,325,768)</u>	<u>(1,999,938)</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(92,000)</u>	<u>(152,000)</u>	<u>(76,000)</u>	<u>76,000</u>
Total other financing sources (uses)	<u>(92,000)</u>	<u>(152,000)</u>	<u>(76,000)</u>	<u>(76,000)</u>
Net change in fund balance	<u>(569,830)</u>	<u>(477,830)</u>	<u>(2,401,768)</u>	<u>(1,923,938)</u>
Beginning fund balance	<u>3,050,000</u>	<u>3,050,000</u>	<u>2,724,387</u>	<u>(325,613)</u>
Ending fund balance	<u>\$ 2,480,170</u>	<u>\$ 2,572,170</u>	<u>\$ 322,619</u>	<u>\$ (2,249,551)</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, 2020**

	ORIGINAL Budget	FINAL Budget	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
<b>Revenues:</b>				
Taxes	\$ 522,900	\$ 522,900	\$ 521,959	\$ (941)
Investment earnings	7,500	7,500	11,438	3,938
Total revenues	530,400	530,400	533,397	(2,997)
<b>Expenditures:</b>				
Capital outlay	185,000	185,000	6,684	178,316
Materials and services	58,150	58,150	33,519	24,631
Debt service	358,295	358,295	358,295	-
Contingency	50,000	50,000	-	50,000
Total expenditures	651,445	651,445	398,498	252,947
Net change in fund balance	(121,045)	(121,045)	134,899	255,944
Beginning fund balance	413,460	413,460	488,772	75,312
Ending fund balance	\$ 292,415	\$ 292,415	623,671	\$ 331,256
 <b>Reconciliation to fund balance:</b>				
Advance from City			(3,272,000)	
Total			\$ (2,648,329)	

**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, 2020**

	<u>BIENNIUM BUDGET</u>		<u>FIRST YEAR ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>Revenues:</b>				
Charges for services	\$ 881,300	\$ 881,300	\$ 425,295	\$ (456,005)
Investment earnings	<u>2,600</u>	<u>2,600</u>	<u>667</u>	<u>(1,933)</u>
Total revenues	<u>883,900</u>	<u>883,900</u>	<u>425,962</u>	<u>(457,938)</u>
<b>Expenditures:</b>				
Debt service				
Principal	1,453,235	1,453,235	1,215,662	237,573
Interest	<u>223,420</u>	<u>223,420</u>	<u>121,008</u>	<u>102,412</u>
Total expenditures	<u>1,676,655</u>	<u>1,676,655</u>	<u>1,336,670</u>	<u>339,985</u>
Excess of revenues over (under) expenditures	(792,755)	(792,755)	(910,708)	(117,953)
<b>Other financing sources (uses):</b>				
Transfers in	<u>966,985</u>	<u>966,985</u>	<u>819,235</u>	<u>147,750</u>
Net change in fund balance	174,230	174,230	(91,473)	29,797
Beginning fund balance	<u>-</u>	<u>-</u>	<u>47,615</u>	<u>47,615</u>
Ending fund balance	<u>\$ 174,230</u>	<u>\$ 174,230</u>	<u>(43,858)</u>	<u>\$ 77,412</u>
 <b>GAAP Basis Presentation</b>				
Advance to Economic Development Commission			<u>3,272,000</u>	
Ending fund balance GAAP basis			<u>\$ 3,228,142</u>	

**CITY OF CENTRAL POINT  
JACKSON COUNTY, OREGON  
**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 June 30, 2020****

	Reserve Fund	Capital Improvement Fund	Total
<b>Assets:</b>			
Cash and investments	\$ <u>638,433</u>	\$ <u>413,675</u>	\$ <u>1,052,108</u>
 <b>Liabilities and Fund Balances:</b>			
Liabilities:			
Accounts payable	\$ -	\$ 41,841	\$ 41,841
Fund balances:			
Restricted	638,433	-	638,433
Committed	<u>-</u>	<u>371,834</u>	<u>371,834</u>
Total fund balances:	<u>638,433</u>	<u>371,834</u>	<u>1,010,267</u>
Total liabilities and fund balances	<u>\$ 638,433</u>	<u>\$ 413,675</u>	<u>\$ 1,052,108</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, 2020**

	Reserve Fund	Capital Improvement Fund	Total
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ 168,000	\$ 168,000
Charges for services	-	285,403	285,403
Investment earnings	14,591	7,495	22,086
Miscellaneous	-	9,985	9,985
	14,591	470,883	485,474
<b>Total revenues:</b>			
	14,591	470,883	485,474
<b>EXPENDITURES:</b>			
Capital Outlay	250,466	620,565	871,031
Excess of revenues over (under) expenditures	(235,875)	(149,682)	(385,557)
<b>Other Financing Sources (Uses)</b>			
Transfers in	25,000	-	25,000
Transfers out	-	(71,750)	(71,750)
<b>Total</b>	25,000	(71,750)	(46,750)
Net change in fund balance	(210,875)	(221,432)	(432,307)
Beginning fund balance	849,308	593,266	1,442,574
Ending fund balance	\$ 638,433	\$ 371,834	\$ 1,010,267

**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, 2020**

	<u>BIENNIUM BUDGET</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	FIRST YEAR <u>ACTUAL</u>	
Revenues:				
Investment earnings	\$ 29,000	\$ 29,000	\$ 14,591	\$ (14,409)
Expenditures:				
Interdepartmental	417,560	417,560	250,466	167,094
Other financing sources (uses):				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>25,000</u>	<u>25,000</u>
Net change in fund balance	(338,560)	(338,560)	(210,875)	628,617
Beginning fund balance	<u>846,725</u>	<u>846,725</u>	<u>849,308</u>	<u>2,583</u>
Ending fund balance	<u>\$ 508,165</u>	<u>\$ 508,165</u>	<u>\$ 638,433</u>	<u>\$ 130,268</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, 2020**

	BIENNIUM BUDGET		FIRST YEAR ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>Revenues:</b>				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 168,000	\$ 18,000
Charges for services	312,500	312,500	285,403	(27,097)
Investment earnings	21,000	21,000	7,495	(13,505)
Miscellaneous	-	-	9,985	9,985
<b>Total revenues</b>	<b>483,500</b>	<b>483,500</b>	<b>470,883</b>	<b>(12,617)</b>
<b>Expenditures:</b>				
Capital projects	150,000	150,000	-	150,000
SDC capital projects	335,000	335,000	620,565	(285,565)
Debt service	32,000	32,000	-	32,000
<b>Excess of revenues over (under) expenditures</b>	<b>(33,500)</b>	<b>(33,500)</b>	<b>(149,682)</b>	<b>(116,182)</b>
<b>Other financing sources (uses):</b>				
Transfers out	(143,500)	(143,500)	(71,750)	(71,750)
<b>Net Change in fund balance</b>	<b>(177,000)</b>	<b>(177,000)</b>	<b>(221,432)</b>	<b>(187,932)</b>
<b>Beginning fund balance</b>	<b>634,150</b>	<b>634,150</b>	<b>593,266</b>	<b>(40,884)</b>
<b>Ending fund balance</b>	<b>\$ 457,150</b>	<b>\$ 457,150</b>	<b>\$ 371,834</b>	<b>\$ (228,816)</b>



**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, 2020**

	BIENNIUM BUDGET		FIRST YEAR ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>Revenues:</b>				
Charges for services	\$ 8,516,500	\$ 8,516,500	\$ 3,397,062	\$ (5,119,438)
Investment earnings	55,000	55,000	9,306	(45,694)
Miscellaneous	-	-	37,041	37,041
<b>Total revenues</b>	<b>8,571,500</b>	<b>8,571,500</b>	<b>3,443,409</b>	<b>(5,128,091)</b>
<b>Expenditures:</b>				
Operations	8,421,565	8,421,565	4,068,996	4,352,569
SDC water improvements	400,000	400,000	382,998	17,002
Contingency	651,100	651,100	-	651,100
<b>Total expenditures</b>	<b>9,472,665</b>	<b>9,472,665</b>	<b>4,451,994</b>	<b>5,020,671</b>
Debt proceeds	1,000,000	1,000,000	-	(1,000,000)
<b>Net change in fund balance</b>	<b>(901,165)</b>	<b>(901,165)</b>	<b>(1,008,585)</b>	<b>(1,107,420)</b>
Beginning fund balance	2,607,325	2,607,325	1,298,155	(1,309,170)
<b>Ending fund balance</b>	<b>\$ 1,706,160</b>	<b>\$ 1,706,160</b>	<b>289,570</b>	<b>\$ (2,416,590)</b>

Reconciliation to Proprietary Net Position:

Capital assets, net of depreciation	21,721,483
Deferred outflow of resources	215,743
Accrued interest	(9,889)
Net pension liability	(617,347)
Compensated absences	
Current portion	(16,356)
Noncurrent portion	(16,355)
Long-term debt:	
Current portion	(257,594)
Noncurrent portion	(4,237,406)
Deferred inflow of resources	(42,080)
<b>Total</b>	<b>\$ 17,029,769</b>

**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, 2020**

	BIENNIUM BUDGET		FIRST YEAR ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>Revenues:</b>				
Charges for services	\$ 1,915,315	\$ 1,915,315	\$ 928,197	\$ (987,118)
Investment earnings	40,000	40,000	32,963	(7,037)
Miscellaneous	-	-	1,479	1,479
<b>Total revenues</b>	<b>1,955,315</b>	<b>1,955,315</b>	<b>962,639</b>	<b>(992,676)</b>
<b>Expenditures:</b>				
Operations	1,995,670	1,995,670	875,105	1,120,565
Stormwater quality	252,000	252,000	94,424	157,576
Contingency	546,500	546,500	-	546,500
<b>Total expenditures</b>	<b>2,794,170</b>	<b>2,794,170</b>	<b>969,529</b>	<b>1,824,641</b>
Debt proceeds	1,000,000	1,000,000	-	1,000,000
<b>Net change in fund balance</b>	<b>161,145</b>	<b>161,145</b>	<b>(6,890)</b>	<b>1,831,965</b>
<b>Beginning fund balance</b>	<b>1,524,729</b>	<b>1,524,729</b>	<b>1,748,565</b>	<b>223,836</b>
<b>Ending fund balance</b>	<b>\$ 1,685,874</b>	<b>\$ 1,685,874</b>	<b>1,741,675</b>	<b>\$ 2,055,801</b>

**Reconciliation to Proprietary Net Position:**

Capital assets, net of depreciation	7,418,294
Deferred outflow of resources	49,561
Net pension liability	(141,818)
Financing agreement	-
Noncurrent portion	(175,860)
Compensated absences	(5,828)
Noncurrent portion	(5,829)
Accrued interest	(10,753)
Deferred inflow of resources	(9,667)
<b>Total</b>	<b>\$ 8,859,775</b>

**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, 2020**

	BIENNIUM BUDGET		FIRST YEAR ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>Revenues:</b>				
Charges for services	\$ 523,000	\$ 523,000	\$ 380,716	\$ (142,284)
Investment earnings	25,000	25,000	18,318	(6,682)
Miscellaneous	-	-	375	375
<b>Total revenues</b>	<b>548,000</b>	<b>548,000</b>	<b>399,409</b>	<b>(148,591)</b>
<b>Expenditures:</b>				
Personal services	475,390	475,390	201,743	273,647
Materials and services	127,600	127,600	78,560	49,040
Contingency	6,000	6,000	-	6,000
<b>Total expenditures</b>	<b>608,990</b>	<b>608,990</b>	<b>280,303</b>	<b>328,687</b>
Net change in fund balance	(60,990)	(60,990)	119,106	180,096
Beginning fund balance	881,550	881,550	624,230	(257,320)
Ending fund balance	<u>\$ 820,560</u>	<u>\$ 820,560</u>	743,336	<u>\$ (77,224)</u>
<b>Reconciliation to proprietary net position:</b>				
Deferred outflow of resources			78,961	
Net pension liability			(225,946)	
Compensated absences			(16,302)	
Deferred inflow of resources			<u>(15,401)</u>	
<b>Total</b>			<u>\$ 564,648</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, 2020**

	BIENNIUM BUDGET		FIRST YEAR ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>Revenues:</b>				
Charges for service	\$ 2,989,600	\$ 2,905,600	\$ 1,446,815	\$ (1,458,785)
Investment earnings	12,000	12,000	4,669	(7,331)
Miscellaneous	5,000	89,000	915	(88,085)
Gain/loss on assets	-	-	15,420	15,420
<b>Total revenues</b>	<b>3,006,600</b>	<b>3,006,600</b>	<b>1,467,819</b>	<b>(1,538,781)</b>
<b>Expenditures:</b>				
Administration	1,677,840	1,677,840	801,410	876,430
Facilities maintenance	537,350	537,350	246,476	290,874
Fleet maintenance	980,710	980,710	570,046	410,664
<b>Total expenditures</b>	<b>3,195,900</b>	<b>3,195,900</b>	<b>1,617,932</b>	<b>1,577,968</b>
Excess of revenues over (under) expenditures	(189,300)	(189,300)	(150,113)	39,187
<b>Other financing sources (uses):</b>				
Transfers out	(50,000)	(50,000)	(25,000)	(25,000)
<b>Net change in fund balance</b>	<b>(239,300)</b>	<b>(239,300)</b>	<b>(175,113)</b>	<b>14,187</b>
Beginning fund balance	293,645	293,645	233,584	(60,061)
<b>Ending fund balance</b>	<b>\$ 54,345</b>	<b>\$ 54,345</b>	<b>58,471</b>	<b>\$ (45,874)</b>
<b>Reconciliation to proprietary net position:</b>				
Capital assets, net of depreciation			482,718	
Deferred outflow of resources			268,679	
Net pension liability			(768,824)	
Financing agreements			(47,841)	
Accrued interest			(661)	
Compensated absences			(45,248)	
Deferred inflow of resources			(52,405)	
<b>Total</b>			<b>\$ (105,111)</b>	

**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.
- Schedules 11,12,13,14 and 15.

**Demographic and Economic Information**

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

**Operating Information**

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

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 44,500,963	\$ 42,943,618	\$ 41,573,848	\$ 40,358,368	\$ 38,370,480	\$ 36,476,671	\$ 35,286,782	\$ 33,037,957	\$ 32,575,937	\$ 33,885,335
Restricted	1,197,631	2,653,745	2,650,004	2,405,786	2,350,270	2,541,218	4,337,046	3,465,898	6,189,002	961,052
Unrestricted	6,226,634	4,913,618	3,794,933	3,656,848	3,436,470	1,384,357	260,734	1,172,488	(2,194,083)	(2,271,562)
<b>Total governmental activities net assets</b>	<b>51,925,228</b>	<b>50,510,981</b>	<b>48,018,785</b>	<b>46,421,002</b>	<b>44,157,220</b>	<b>40,402,246</b>	<b>39,884,562</b>	<b>37,676,343</b>	<b>36,570,856</b>	<b>32,574,825</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	23,676,805	23,526,895	23,898,684	23,153,266	22,806,927	22,324,662	22,227,820	23,210,325	23,656,096	24,468,917
Restricted	1,816,743	201,433	305,848	554,492	550,129	533,792	533,792	533,792	-	-
Unrestricted	502,475	2,061,984	1,793,428	2,155,003	2,520,830	2,933,593	3,082,998	2,490,572	2,887,438	1,985,275
<b>Total business-type activities net assets</b>	<b>25,996,023</b>	<b>25,790,312</b>	<b>25,997,960</b>	<b>25,862,761</b>	<b>25,877,886</b>	<b>25,792,047</b>	<b>25,844,610</b>	<b>26,234,689</b>	<b>26,543,534</b>	<b>26,454,192</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	68,177,768	66,470,513	65,472,532	63,511,634	61,177,407	58,801,333	57,514,602	56,248,282	56,232,033	58,354,252
Restricted	3,014,374	2,855,178	2,955,852	2,960,278	2,900,399	3,075,010	4,870,838	3,999,690	6,189,002	961,052
Unrestricted	6,729,109	6,975,602	5,588,361	5,811,851	5,957,300	4,317,950	3,343,732	3,663,060	693,355	(286,287)
<b>Total primary government</b>	<b>\$ 77,921,251</b>	<b>\$ 76,301,293</b>	<b>\$ 74,016,745</b>	<b>\$ 72,283,763</b>	<b>\$ 70,035,106</b>	<b>\$ 66,194,293</b>	<b>\$ 65,729,172</b>	<b>\$ 63,911,032</b>	<b>\$ 63,114,390</b>	<b>\$ 59,029,017</b>

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

<u>Fiscal Years Ended June 30,</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>	<u>2019</u>	<u>2020</u>
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 6,408,877	\$ 3,741,404	\$ 4,099,776	\$ 2,753,719	\$ 2,956,023	\$ 4,447,293	\$ 4,087,852	\$ 4,390,089	\$ 4,350,451	\$ 5,116,462
Public safety	3,650,777	3,831,436	4,041,554	3,972,593	4,440,928	6,442,355	5,453,021	5,878,264	6,122,649	7,068,155
Highways and streets	1,223,667	3,644,229	3,975,841	3,726,934	1,709,768	2,128,458	1,678,878	2,292,286	2,805,056	3,260,203
Parks and recreation	1,071,328	1,368,369	1,455,619	1,470,929	1,453,826	1,732,755	1,992,173	1,570,767	1,679,351	1,996,183
Community development	-	-	-	-	-	-	410,464	85,703	20,955	40,203
Interest on long term debt	370,303	203,134	184,837	153,468	108,429	57,243	94,831	250,939	187,329	335,760
<b>Total governmental activities expenses</b>	<b>\$ 12,724,952</b>	<b>\$ 12,788,572</b>	<b>\$ 13,757,627</b>	<b>\$ 12,077,643</b>	<b>\$ 10,668,974</b>	<b>\$ 14,808,104</b>	<b>\$ 13,717,219</b>	<b>\$ 14,468,048</b>	<b>\$ 14,965,791</b>	<b>\$ 17,816,866</b>
<b>Business-type activities</b>										
Water services	\$ 2,438,327	\$ 2,638,689	\$ 2,625,032	\$ 3,132,382	\$ 2,954,133	\$ 3,408,999	\$ 3,489,614	\$ 3,427,413	\$ 3,314,865	\$ 3,607,364
Stormwater services	787,799	712,514	800,860	960,248	842,517	909,940	885,215	851,030	893,686	917,892
Building services	148,381	123,545	119,440	161,975	107,161	241,001	233,027	196,186	222,732	329,112
<b>Total business-type activities expenses</b>	<b>\$ 3,374,507</b>	<b>\$ 3,474,748</b>	<b>\$ 3,545,332</b>	<b>\$ 4,254,605</b>	<b>\$ 3,903,811</b>	<b>\$ 4,559,940</b>	<b>\$ 4,807,856</b>	<b>\$ 4,474,629</b>	<b>\$ 4,431,283</b>	<b>\$ 4,854,368</b>
<b>Program revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services</b>										
General Government	\$ 2,229,797	\$ 2,405,632	\$ 2,464,733	\$ 1,443,604	\$ 1,623,683	\$ 1,736,575	\$ 1,644,179	\$ 1,729,342	\$ 2,119,339	\$ 1,702,875
Public safety	202,034	263,232	185,271	144,779	-	-	38,202	-	-	-
Highways and streets	1,556,713	1,325,656	1,418,101	1,613,409	1,748,276	1,797,416	-	1,291,069	876,984	649,823
Parks and recreation	147,207	117,524	141,549	330,473	185,382	143,578	-	-	-	-
Community development	-	-	-	-	-	-	57,498	-	-	-
Interest on long term debt	370,303	252,253	237,827	-	-	-	-	-	-	-
Operating grants and contributions	5,578	707,451	260,616	126,418	659,623	647,786	3,669,070	658,730	1,959,555	1,950,859
Capital grants and contributions	-	-	265,880	849,326	182,648	221,659	116,349	49,972	-	938,684
<b>Total governmental activities program revenues</b>	<b>\$ 4,511,632</b>	<b>\$ 5,071,748</b>	<b>\$ 4,873,977</b>	<b>\$ 4,508,009</b>	<b>\$ 4,397,612</b>	<b>\$ 4,547,014</b>	<b>\$ 5,525,298</b>	<b>\$ 3,729,113</b>	<b>\$ 4,955,878</b>	<b>\$ 5,242,241</b>
<b>Business-type activities:</b>										
<b>Charges for services</b>										
Water services	\$ 2,353,000	\$ 2,434,016	\$ 2,729,293	\$ 2,887,364	\$ 2,953,854	\$ 3,179,099	\$ 3,262,536	\$ 3,333,368	\$ 3,358,876	\$ 3,283,833
Stormwater services	708,031	720,597	885,834	819,915	830,954	837,245	844,253	969,422	883,500	884,052
Building services	96,372	77,892	108,552	202,163	228,860	243,866	271,103	358,907	211,861	380,716
Capital grants and contributions	-	-	-	165,524	153,426	143,758	212,613	128,084	166,270	157,374
<b>Total business-type activities program revenues</b>	<b>\$ 3,157,403</b>	<b>\$ 3,232,505</b>	<b>\$ 3,723,679</b>	<b>\$ 4,074,966</b>	<b>\$ 4,167,094</b>	<b>\$ 4,403,768</b>	<b>\$ 4,590,505</b>	<b>\$ 4,789,781</b>	<b>\$ 4,620,507</b>	<b>\$ 4,705,975</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (8,213,320)	\$ (7,716,824)	\$ (8,783,650)	\$ (7,569,634)	\$ (6,271,362)	\$ (10,261,090)	\$ (8,191,921)	\$ (10,738,935)	\$ (10,009,913)	\$ (12,574,725)
Business-type activities	(217,104)	(242,243)	178,347	(179,639)	263,283	(156,172)	(17,351)	315,152	189,224	(148,393)
<b>Total primary government net expense</b>	<b>\$ (8,430,424)</b>	<b>\$ (7,959,067)</b>	<b>\$ (8,605,303)</b>	<b>\$ (7,749,273)</b>	<b>\$ (6,008,079)</b>	<b>\$ (10,417,262)</b>	<b>\$ (8,209,272)</b>	<b>\$ (10,423,783)</b>	<b>\$ (9,820,689)</b>	<b>\$ (12,723,118)</b>
<b>General Revenues and Other Changes</b>										
<b>In Net Position</b>										
<b>Governmental activities:</b>										
Property	\$ 4,450,453	\$ 4,510,443	\$ 4,386,671	\$ 4,241,913	\$ 4,737,843	\$ 4,713,874	\$ 5,163,837	\$ 6,357,400	\$ 6,012,942	\$ 6,331,653
Franchise	964,808	1,148,367	1,179,560	1,180,569	1,004,667	1,050,201	1,263,377	1,269,259	1,275,213	1,272,157
Hotel/Motel	304,366	362,446	451,542	373,342	391,491	481,514	440,783	495,046	492,359	370,100
Other	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Interest	25,126	46,674	56,075	45,028	34,819	54,637	45,776	287,702	252,663	151,633
Gain (loss) on capital asset disposal	-	-	-	29,887	(16,199)	9,097	-	-	18,136	(271)
Miscellaneous	397,464	234,647	217,606	148,931	-	-	488,352	121,309	718,700	775,808
Transfers	157,700	-	-	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>\$ 6,289,917</b>	<b>\$ 6,302,577</b>	<b>\$ 6,291,454</b>	<b>\$ 6,019,670</b>	<b>\$ 6,152,621</b>	<b>\$ 6,309,323</b>	<b>\$ 7,402,125</b>	<b>\$ 8,530,716</b>	<b>\$ 8,770,013</b>	<b>\$ 8,901,080</b>
<b>Business-type activities</b>										
Interest	\$ 7,721	\$ 11,116	\$ 13,529	\$ 10,939	\$ 13,540	\$ 18,593	\$ 32,808	\$ 68,472	\$ 73,608	\$ 60,587
Miscellaneous	49,368	25,418	15,772	33,491	34,422	51,740	37,106	6,455	5,582	38,895
Transfers	(157,700)	-	-	-	-	-	-	-	-	-
<b>Total Business-type activities</b>	<b>\$ (100,611)</b>	<b>\$ 36,534</b>	<b>\$ 29,301</b>	<b>\$ 44,430</b>	<b>\$ 47,962</b>	<b>\$ 70,333</b>	<b>\$ 69,914</b>	<b>\$ 74,927</b>	<b>\$ 79,190</b>	<b>\$ 99,482</b>
<b>Change in Net Position</b>										
Governmental activities	\$ (1,913,403)	\$ (1,414,247)	\$ (2,492,196)	\$ (1,549,964)	\$ (118,741)	\$ (3,951,767)	\$ (789,796)	\$ (2,208,219)	\$ (1,239,900)	\$ (3,673,645)
Business-type activities	(317,715)	(205,709)	207,648	(135,209)	311,245	(85,839)	52,563	390,079	268,414	(48,911)
<b>Total primary government</b>	<b>\$ (2,231,118)</b>	<b>\$ (1,619,956)</b>	<b>\$ (2,284,548)</b>	<b>\$ (1,685,173)</b>	<b>\$ 192,504</b>	<b>\$ (4,037,606)</b>	<b>\$ (737,233)</b>	<b>\$ (1,818,140)</b>	<b>\$ (971,486)</b>	<b>\$ (3,722,556)</b>

**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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Property taxes	\$ 4,450,453	\$ 4,510,443	\$ 4,386,671	\$ 4,241,913	\$ 4,737,843	\$ 4,713,874	\$ 5,163,837	\$ 6,357,400	\$ 6,012,942	\$ 6,331,653
Franchise taxes	964,808	1,148,367	1,179,560	1,180,569	1,004,667	1,050,201	1,171,101	1,269,259	1,275,213	1,272,157
Hotel/Motel taxes	304,366	362,446	451,542	373,342	391,491	481,514	440,783	495,046	492,359	370,100
Other taxes	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 5,719,627</b>	<b>\$ 6,021,256</b>	<b>\$ 6,017,773</b>	<b>\$ 5,795,824</b>	<b>\$ 6,134,001</b>	<b>\$ 6,245,589</b>	<b>\$ 6,775,721</b>	<b>\$ 8,121,705</b>	<b>\$ 7,780,514</b>	<b>\$ 7,973,910</b>



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

<u>Fiscal Years Ended June 30,</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>	<u>2019</u>	<u>2020</u>
<b><u>Using GASB Statement 54 Definitions</u></b>										
<b>General Fund</b>										
Nonspendable	\$ -	\$ 25,249	\$ 19,879	\$ 6,506	\$ 6,896	\$ 10,171	\$ 12,835	\$ 18,073	\$ 13,030	\$ 78,109
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	3,990,638	3,183,907
<b>Total General Fund</b>	<b>3,344,131</b>	<b>3,201,915</b>	<b>2,553,192</b>	<b>2,635,169</b>	<b>2,841,746</b>	<b>3,358,956</b>	<b>3,895,449</b>	<b>3,982,985</b>	<b>4,003,668</b>	<b>3,262,016</b>
<b>All other governmental funds</b>										
Nonspendable	-	672	3,841	483	19	40,647	3,634,353	3,533,493	-	-
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	2,724,387	322,619
Economic development commission	-	-	-	-	-	-	51,027	(3,241,250)	(2,928,228)	(2,648,329)
Debt service fund	7,094	18,040	47,012	41,939	18,486	25,680	60,455	52,097	3,464,615	3,228,142
Capital projects fund	68,167	78,238	117,955	139,393	217,144	290,240	78,842	-	-	638,433
Total Restricted	1,720,062	96,294	1,886,940	1,966,462	2,287,454	2,301,102	4,335,056	224,648	3,260,774	1,540,865
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	1,442,574	371,834
Total Committed	664,430	1,223,036	788,757	703,484	597,500	601,278	1,029,068	1,235,569	1,442,574	371,834
Assigned	-	-	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>2,384,492</b>	<b>1,320,002</b>	<b>2,679,538</b>	<b>2,670,429</b>	<b>2,884,973</b>	<b>2,943,027</b>	<b>8,998,477</b>	<b>4,993,710</b>	<b>4,703,348</b>	<b>1,912,699</b>
<b>Total Fund Balances, Governmental Funds</b>	<b>\$ 5,728,623</b>	<b>\$ 4,521,917</b>	<b>\$ 5,232,730</b>	<b>\$ 5,305,598</b>	<b>\$ 5,726,719</b>	<b>\$ 6,301,983</b>	<b>\$ 12,893,926</b>	<b>\$ 8,976,695</b>	<b>\$ 8,707,016</b>	<b>\$ 5,174,715</b>

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

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

Fiscal Years Ended June 30,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>REVENUES:</b>										
Taxes	\$ 5,678,570	\$ 5,899,946	\$ 5,928,140	\$ 6,100,680	\$ 6,273,085	\$ 6,596,233	\$ 6,980,900	\$ 7,391,916	\$ 7,823,479	\$ 7,980,191
Licenses and permits	52,468	52,726	51,833	55,925	63,355	116,911	146,634	155,315	159,841	193,500
Intergovernmental	1,636,926	2,425,471	2,117,836	2,358,108	1,726,624	1,744,417	1,821,146	1,913,595	1,959,555	2,118,859
Charges for services	1,737,840	1,498,315	1,659,605	1,846,151	2,093,311	2,196,010	3,593,921	2,394,986	2,522,077	2,860,068
Assessments	31,709	59,855	59,364	51,567	34,541	5,180	62,892	-	-	-
Fines and forfeitures	202,034	180,330	181,121	140,096	99,302	84,679	72,908	76,226	68,481	69,814
Investment earnings	23,124	44,945	53,686	44,365	33,257	52,893	105,789	207,702	245,014	146,964
Miscellaneous	303,326	232,963	195,719	262,175	253,432	171,592	545,853	121,309	664,107	774,893
<b>Total Revenues</b>	<b>9,665,997</b>	<b>10,394,551</b>	<b>10,247,304</b>	<b>10,859,067</b>	<b>10,576,907</b>	<b>10,967,915</b>	<b>13,330,043</b>	<b>12,261,049</b>	<b>13,442,554</b>	<b>14,144,289</b>
<b>EXPENDITURES:</b>										
Current										
General government	2,433,392	2,794,613	3,097,111	2,641,291	2,628,067	2,834,006	2,833,867	3,099,548	3,128,730	3,370,505
Public Safety	3,635,189	3,979,123	4,020,160	3,947,264	3,932,240	4,011,459	4,149,175	4,469,313	4,688,711	5,171,151
Highways and streets	1,486,442	1,598,584	2,246,667	2,359,168	1,672,466	1,949,402	1,975,108	3,123,313	3,621,343	2,206,478
Parks and recreation	1,143,584	1,084,081	1,242,721	1,276,485	1,258,999	1,233,021	1,554,684	1,262,502	1,609,917	1,407,988
Community development	-	-	-	-	-	-	410,464	3,556,901	39,644	33,519
Debt service										
Principal	593,702	454,000	457,765	497,000	3,182,604	525,861	575,671	441,079	459,946	1,215,662
Interest	205,009	180,610	162,313	144,991	111,175	60,699	83,016	250,634	188,942	334,303
Capital outlay	-	-	-	-	-	-	-	-	-	4,579,722
<b>Total Expenditures</b>	<b>9,497,318</b>	<b>10,091,011</b>	<b>11,226,737</b>	<b>10,866,199</b>	<b>12,785,551</b>	<b>10,614,448</b>	<b>11,581,985</b>	<b>16,203,290</b>	<b>13,737,233</b>	<b>18,319,328</b>
Excess of revenues over (under) expenditures	168,679	303,540	(979,433)	(7,132)	(2,208,644)	353,467	1,748,058	(3,942,241)	(294,679)	(4,175,039)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	671,746	703,100	497,750	298,800	199,000	278,200	259,050	447,907	222,835	844,235
Transfers out	(214,046)	(523,100)	(497,750)	(218,800)	(199,000)	(253,200)	(234,050)	(422,907)	(197,835)	(819,235)
Long term debt proceeds	-	-	-	-	2,629,766	-	4,546,782	-	-	617,738
<b>Total other financings sources (uses)</b>	<b>457,700</b>	<b>180,000</b>	<b>-</b>	<b>80,000</b>	<b>2,629,766</b>	<b>25,000</b>	<b>4,571,782</b>	<b>25,000</b>	<b>25,000</b>	<b>642,738</b>
<b>Net Change in Fund Balance</b>	<b>626,379</b>	<b>483,540</b>	<b>(979,433)</b>	<b>72,868</b>	<b>421,122</b>	<b>378,467</b>	<b>6,319,840</b>	<b>(3,917,241)</b>	<b>(269,679)</b>	<b>(3,532,301)</b>
<b>Beginning fund balance</b>	<b>5,102,244</b>	<b>5,728,623</b>	<b>6,212,163</b>	<b>5,232,730</b>	<b>5,305,597</b>	<b>5,923,516</b>	<b>6,574,096</b>	<b>12,893,936</b>	<b>8,976,695</b>	<b>8,707,016</b>
<b>Ending fund balance</b>	<b>\$ 5,728,623</b>	<b>\$ 6,212,163</b>	<b>\$ 5,232,730</b>	<b>\$ 5,305,598</b>	<b>\$ 5,726,719</b>	<b>\$ 6,301,983</b>	<b>\$ 12,893,936</b>	<b>\$ 8,976,695</b>	<b>\$ 8,707,016</b>	<b>\$ 5,174,715</b>

**Schedule 5.2**  
**City of Central Point, Oregon**  
**Governmental Funds Debt Service as a Percentage of Total Expenditures**  
**(modified accrual basis of accounting)**  
**Last Ten Fiscal Years**

Fiscal Years Ended June 30,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>EXPENDITURES:</b>										
Current										
General government	\$ 2,433,392	\$ 2,794,613	\$ 3,097,111	\$ 2,641,291	\$ 2,628,067	\$ 2,834,006	\$ 2,833,867	\$ 3,099,548	\$ 3,128,730	\$ 3,370,505
Public Safety	3,635,189	3,979,123	4,020,160	3,947,264	3,932,240	4,011,459	4,149,175	4,469,313	4,688,711	5,171,151
Highways and streets	1,486,442	1,598,584	2,246,667	2,359,168	1,672,466	1,949,402	1,975,108	3,123,313	3,621,343	2,206,478
Parks and recreation	1,143,584	1,084,081	1,242,721	1,276,485	1,258,999	1,233,021	1,554,684	1,262,502	1,609,917	1,407,988
Community development	-	-	-	-	-	-	410,464	3,556,901	39,644	33,519
Debt service										
Principal	593,702	454,000	457,765	497,000	3,182,604 (1)	525,861	575,671	441,079	459,946	1,215,662
Interest	205,009	180,610	162,313	144,991	111,175	60,699	83,016	250,634	188,942	334,303
Capital outlay	1,332,325	-	-	-	-	-	-	-	-	4,579,722
<b>Total Expenditures</b>	<b>\$ 10,829,643</b>	<b>\$ 10,091,011</b>	<b>\$ 11,226,737</b>	<b>\$ 10,866,199</b>	<b>12,785,551</b>	<b>10,614,448</b>	<b>11,581,985</b>	<b>16,203,290</b>	<b>13,737,233</b>	<b>18,319,328</b>
<b>Debt Service Calculations</b>										
<b>Total expenditures</b>	<b>\$ 10,829,643</b>	<b>\$ 10,091,011</b>	<b>\$ 11,226,737</b>	<b>\$ 10,866,199</b>	<b>\$ 12,785,551</b>	<b>\$ 10,614,448</b>	<b>\$ 11,581,985</b>	<b>\$ 16,203,290</b>	<b>\$ 13,737,233</b>	<b>\$ 18,319,328</b>
<b>Debt service</b>										
Principal	\$ 593,702	\$ 454,000	\$ 457,765	\$ 497,000	\$ 3,182,604	\$ 525,861	\$ 575,671	\$ 441,079	\$ 459,946	\$ 1,215,662 (2)
Interest	205,009	180,610	162,313	144,991	111,175	60,699	83,016	250,634	188,942	334,303
<b>Total debt service</b>	<b>\$ 798,711</b>	<b>\$ 634,610</b>	<b>\$ 620,078</b>	<b>\$ 641,991</b>	<b>\$ 3,293,779</b>	<b>\$ 586,560</b>	<b>\$ 658,687</b>	<b>\$ 691,713</b>	<b>\$ 648,888</b>	<b>\$ 1,549,965</b>
<b>Debt service as a percentage of total expenditures</b>	<b>7.38%</b>	<b>6.29%</b>	<b>5.52%</b>	<b>5.91%</b>	<b>25.76%</b>	<b>5.53%</b>	<b>5.69%</b>	<b>4.27%</b>	<b>4.72%</b>	<b>8.46%</b>

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)**

<b>Fiscal Years Ended June 30</b>	<b>Property Taxes</b>	<b>Franchise Taxes</b>	<b>Hotel/Motel Taxes</b>	<b>Other Taxes</b>	<b>Total</b>
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
2019	5,621,509	1,098,213	492,359	-	7,212,081
2020	5,815,975	1,095,157	370,100	-	7,281,232

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

Fiscal Year Ended	Taxable Assessed Value						Total Direct Tax Rate (1) (2) (3)	Real Market Value (4)
	Real Property	Mobile Homes	Personal Property	Utilities	Non-Profit Housing	Total		
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	1,557,602
2019	1,262,816	9,534	23,190	28,343	2,817	1,326,700	4.73	1,792,788
2020	1,206,283	9,466	13,055	29,109	2,989	1,260,902	4.78	1,903,407

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	Urban Renewal			
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	2.17	0.30	0.04	0.66	0.35	3.07	5.46	0.51	0.28	12.56	17.03	
2019	4.38	2.14	0.30	0.04	0.64	0.35	3.06	5.42	0.51	0.35	12.46	17.19	
2020	4.37	2.17	0.30	0.04	0.65	0.34	3.05	5.42	0.51	0.41	12.48	17.26	

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	2019 Assessed Valuation	Percentage of Total Assessed Valuation	2009 Assessed Valuation	Percentage of Total Assessed Valuation
Costco Wholesale Corporation	Retail	\$ 26,858,170	2.14%	\$	0.00%
Avista	Gas Utility	11,168,000	0.89%	3,702,400	0.38%
Smith Crossings LLC	Builder/Developer	9,817,220	0.78%		
USF Reddaway Inc	Distribution	9,599,090	0.76%	6,826,890	0.69%
PC Central Point LLC		9,095,550	0.72%		
Tomchi Oregon LLC		8,887,630	0.71%		0.00%
Ronald Deluca Trustee, et al	Builder/Developer	8,801,110	0.70%		0.00%
Charter Communications	Utility	7,780,500	0.62%		0.00%
Travel Center Develop LLC	Truck Stop/Store	6,751,000	0.54%	3,997,140	0.41%
Twin Creeks Retirement LP	Senior Housing	6,372,970	0.51%	5,134,360	0.52%
Galpin Holdings LLC	Builder/Developer		0.00%	6,607,720	0.67%
Twin Creeks Development LLC	Builder/Developer		0.00%	6,276,561	0.64%
Investors II LLC	Builder/Developer		0.00%	5,678,150	0.58%
STJ 1 LLC Et Al	Shopping Center		0.00%	4,833,930	0.49%
Albertsons	Shopping Center		0.00%	4,671,720	0.47%
Beebe Wood LLC	Builder/Developer		0.00%	3,621,482	0.37%
<b>Total Value Principal Taxpayers</b>		<b>\$ 78,273,070</b>	<b>6.22%</b>	<b>\$ 51,350,353</b>	<b>5.21%</b>
<b>Total Assessed Value all Taxable Property</b>		<b>\$ 1,257,916,442</b>		<b>\$ 985,838,361</b>	

**Total 2020 Assessed Value =** \$1,257,916,442  
**Total 2009 Assessed Value+** \$985,838,361

Source: Jackson County Assessor's Office.

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

Fiscal Year Ended	Net Tax Levy	Collected Within The Fiscal Year Of The Levy		Subsequent Years		Total Current & Delinquent Collections	Percent of Total Tax Collected To Net Tax Levy (5)	Out-standing Delinquent Taxes	Percent of Delinquent Tax to Net Tax Levy
		Current Tax Collections	Percentage of Net Tax Levy	Delinq. Tax Collections					
2010	\$ 4,425,222	\$ 4,082,008	92.2%	\$ 340,299	\$ 4,422,307	99.9%	\$ 2,915	0.1%	
2011	4,566,195	4,338,021	95.0%	224,264	4,562,285	99.9%	3,910	0.1%	
2012	4,630,906	4,420,826	95.5%	192,719	4,613,545	99.6%	17,361	0.4%	
2013	4,500,231	4,304,723	95.7%	169,297	4,474,020	99.4%	26,211	0.6%	
2014	4,610,815	4,434,322	96.2%	126,861	4,561,183	98.9%	49,632	1.1%	
2015	4,820,942	4,546,455	94.3%	197,239	4,743,694	98.4%	77,248	1.6%	
2016	5,015,104	4,747,053	94.7%	134,947	4,882,000	97.3%	133,104	2.7%	
2017	5,214,023	4,912,032	94.2%	169,937	5,081,969	97.5%	132,054	2.5%	
2018	5,457,980	5,120,817	93.8%	226,692	5,347,509	98.0%	110,471	2.0%	
2019	5,798,417	5,434,403	93.7%	237,980	5,672,383	97.8%	126,034	2.2%	
2020	5,976,810	5,645,973	94.5%	207,180	5,853,153	97.9%	123,657	2.1%	
	(5)	(1) (2) (3) (4)							

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

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



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

<b>Governmental Activities</b>										
<b>Fiscal Year Ended</b>	<b>SDC Obligations</b>	<b>Financing Agreement</b>	<b>Capital Leases</b>	<b>Notes Payable</b>	<b>Limited Tax Improvement Bonds</b>	<b>Tax Exempt Financing Note</b>	<b>Certificates of Participation</b>	<b>Series 2014</b>	<b>Series 2017</b>	<b>Total</b>
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	187,973	-	-	-	-	-	1,305,182	4,420,221	6,241,631
2019	31,917	112,196	-	-	-	-	-	1,015,236	4,202,000	5,361,349
2020	31,917	665,579	-	-	-	-	-	-	4,001,000	4,698,496

<b>Business-type Activities</b>										
<b>Fiscal Year Ended</b>	<b>SDC Obligations</b>	<b>Financing Agreement</b>	<b>Notes Payable</b>	<b>Series 2014</b>	<b>Total</b>	<b>Primary Government</b>	<b>Personal Income</b>	<b>% Personal Income</b>	<b>Population</b>	<b>Debt Per Capita</b>
2011	\$ 17,315	\$ 135,147	\$ 601,015	\$ -	\$ 753,477	\$ 5,933,120	\$ 596,365,470	0.99%	17,235	\$ 344
2012	16,202	112,622	3,702,678	-	3,831,502	8,565,846	620,460,000	1.38%	17,235	497
2013	7,551	90,098	5,507,924	-	5,605,573	9,873,967	637,119,275	1.55%	17,275	572
2014	4,848	84,332	5,507,924	-	5,597,104	9,335,422	422,105,070	2.21%	17,315	539
2015	26,443	-	5,311,148	61,940	5,399,531	8,585,011	426,249,330	2.01%	17,485	491
2016	21,098	-	5,107,682	30,970	5,159,750	7,764,286	432,678,925	1.79%	17,585	442
2017	34,373	-	5,439,888	-	5,474,261	11,933,559	396,137,295	3.01%	17,700	674
2018	5,860	-	5,078,779	-	5,084,639	11,326,270	432,057,000	2.62%	17,700	640
2019	-	337,676	4,815,000	-	5,152,676	10,514,025	454,464,216	2.31%	18,234	577
2020	-	258,451	4,495,000	-	4,753,451	9,451,947	476,642,070	1.98%	18,365	515

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

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

<b>Fiscal Year Ended</b>	<b>Limited Tax Bonds</b>	<b>Estimated Real Market Value (RMV) Of Taxable Property</b>	<b>%of RMV</b>	<b>Population</b>	<b>Debt Per Capita</b>
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	-
2019	-	1,792,788,294	0.00%	18,234	-
2020	-	1,903,407,686	0.00%	18,951	-

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, 2019**

<b>Jurisdiction</b>	<b>Net Debt Outstanding (1)</b>	<b>Direct Debt and Overlapping Debt Applicable within City of Central Point (2)</b>	<b>Amount Applicable Within City of Central Point</b>
<b><u>Total Direct Debt</u></b>			
City of Central Point	\$ 9,353,826	100.00%	\$ 9,353,826
<b><u>Overlapping Debt</u></b>			
Jackson County School District 6			
General Obligation Bonds	85,763,063	43.51%	37,315,509
Jackson County School District 549C			
General Obligation Bonds	152,790,000	1.31%	2,001,549
<b>Total Overlapping Debt</b>	<b>238,553,063</b>		<b>39,317,058</b>
<b>Total Direct and Overlapping Debt</b>	<b>\$ 247,906,889</b>		<b>\$ 48,670,884</b>

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 37,780,856	\$ 35,881,230	\$ 33,726,450	\$ 34,106,190	\$ 38,596,008
Total net debt applicable to debt limit	-	-	-	-	-
Available debt limit	<u>\$ 37,780,856</u>	<u>\$ 35,881,230</u>	<u>\$ 33,726,450</u>	<u>\$ 34,106,190</u>	<u>\$ 38,596,008</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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 41,620,878	\$ 44,279,992	\$ 48,267,685	\$ 53,783,640	\$ 57,102,231
Total net debt applicable to debt limit	-	-	-	-	-
Available debt limit	<u>\$ 41,620,878</u>	<u>\$ 44,279,992</u>	<u>\$ 48,267,685</u>	<u>\$ 53,783,640</u>	<u>\$ 57,102,231</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>2020</u>
True Cash Value (1)	\$ 1,903,407,686
Debt Limit at 3% of True Cash Value (2)	57,102,231
Amount of Debt Applicable to Debt Limit:	
Total bonded debt	
Tax Obligation Bonds	\$ -
Less: Deductions allowed by law (3)	-
Tax Obligation Bonds	<u>\$ -</u>
<b>Legal Debt Margin</b>	<b><u>\$ 57,102,231</u></b>

*Notes:*

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

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

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

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

**Utility System Revenue Notes (1)**

Fiscal	Operating	Plus: Interest	Net Available For Debt	Debt Service Requirements		Coverage
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	-	-	-
2019	3,364,458	-	\$ 3,364,458	-	-	-
2020	3,320,874	-	\$ 3,320,874	-	-	-

**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**

<b>Fiscal Year Ended</b>	<b>Population (1)</b>	<b>Per Capita Income (\$) (2)</b>	<b>Personal Income</b>	<b>Median Age (4)</b>	<b>Education Level In Formal Schooling High School/College (4)</b>	<b>School Enrollment Average Daily Members (3)</b>	<b>Unemployment Rate (%) (Jackson Co.) (2)</b>
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	421,129,950	41	90% 19%	4,336	8.6
2015	17,485	24,378	422,105,700	41	89% 25%	4,413	7.1
2016	17,585	24,605	426,249,330	38	89% 26%	4,471	6.2
2017	17,700	22,527	432,678,925	38	87% 19%	4,497	4.6
2018	17,700	24,410	432,057,000	43	89% 26%	4,690	4.4
2019	18,234	24,924	454,464,216	38	87% 19%	4,701	4.6
2020	18,951	30,258	573,419,358	44	86% 25%	4,822	11.9

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 Nine Years Ago**

<u>Employer</u>	<u>Fiscal Year 2019/20</u>			<u>Fiscal Year 2010/11</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	673	3.80%	1	458	2.67%	1
Costco	384	2.17%	2	-	-	-
Knife River Materials	142	0.80%	3	-	-	-
Pilot Travel Center	110	0.62%	4	28	0.16%	11
USF Reddaway	110	0.62%	5	76	0.44%	3
So. Ore. Veterinary	110	0.62%	6	-	-	-
Albertsons	100	0.56%	7	86	0.50%	2
City of Central Point	75	0.42%	10	73	0.43%	4
McDonalds	48	0.27%	-	45	0.26%	8
Grange Co-op	-	-	-	61	0.36%	5
Rays Food Place	-	-	-	57	0.33%	7
Providence Medical Group	-	-	-	60	0.35%	6
Quality Fence	-	-	9	40	0.23%	9
Shari's	-	-	-	35	0.20%	10
<b>Total</b>	<b>1,752</b>	<b>9.90%</b>		<b>1,019</b>	<b>5.93%</b>	

Source: City of Central Point Finance Department

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Government</b>										
<i>Administration</i>	5.50	5.50	5.50	5.50	4.50	4.50	4.00	4.50	4.00	4.00
<i>Finance</i>	7.50	7.00	7.00	7.00	6.00	6.00	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	1.50	1.50
<i>Community Development</i>	4.50	3.00	3.50	3.00	3.00	4.50	4.50	4.50	5.00	6.00
<i>Police</i>	28.50	28.50	28.50	29.50	30.00	31.00	31.00	31.00	31.00	34.00
<b>Physical Environment</b>										
<i>Building</i>	1.50	1.50	1.50	1.50	1.50	2.00	1.00	1.00	1.00	1.00
<i>Public Works</i>	12.75	12.00	14.50	14.85	14.85	14.85	14.00	14.00	11.85	13.85
<b>Transportation</b>										
<i>Streets &amp; Fleet</i>	8.00	7.00	6.00	6.00	6.00	6.00	5.00	8.00	8.00	8.00
<b>Culture/Recreation</b>										
<i>Parks</i>	3.50	3.75	2.65	3.50	3.65	3.65	3.00	3.00	2.00	2.00
<i>Recreation</i>	2.50	2.75	3.65	2.50	2.50	2.50	2.00	2.00	5.15	5.15
<b>Total</b>	<b>75.25</b>	<b>72.00</b>	<b>73.80</b>	<b>74.35</b>	<b>73.00</b>	<b>76.00</b>	<b>71.50</b>	<b>75.00</b>	<b>75.50</b>	<b>81.50</b>

Source: City of Central Point Finance Department payroll records



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Building Inspections</b>										
Building Permits Issued	30	45	70	84	120	61	52	31	40	31
<b>Finance</b>										
Accounts Payable Checks Processed	1,604	1,366	1,249	1,672	1,455	1,602	1,311	1,751	1,146	1,839
Business Licenses	978	972	950	931	971	982	895	922	896	1,304
Average Number Utility Accounts	6,079	6,100	6,158	6,409	6,505	6,587	6,637	6,669	6,697	6,733
<b>Public Works - Street Division</b>										
Streets Cleaned (Miles)	800	800	800	2,000	7,696	5,751	6,289	5,756	3,067	2,858
Man Holes Inspected	198	198	198	350	175	175	5	7	2	19
Curb Inlets & Catch Basins Inspected	583	583	583	750	300	360	73	23	2	73
<b>Water/Storm</b>										
Fire Hydrants Flushed & Serviced	215	218	218	218	107	125	127	214	217	316
Water Valve Actuations	620	620	620	620	136	540	421	625	496	600
Water Meters Read	73,512	73,764	73,892	73,892	78,054	79,044	79,638	80,026	80,367	80,804
Blow-off Valves Flushed	18	18	18	18	162	18	92	113	222	298
Stormdrains Flushed & Cleaned (Miles)	16	16	16	16	16	-	-	3	658	16

Source: City of Central Point Records

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Public Safety</b>										
<i>Police Stations</i>	1	1	1	1	1	1	1	1	1	1
<i>Police Sub Station</i>	2	2	2	1	1	1	1	1	1	1
<b>Other Public Works</b>										
<i>Miles of Streets</i>	71	71	71	71	71	71	71	72	72.8	73
<b>Parks and Recreation</b>										
<i>Park acreage</i>	189.73	192.73	192.73	192.73	192.73	192.73	192.73	192.73	192.73	194.67
<i>Number of community parks</i>	17	17	17	17	17	17	17	17	17	17
<i>Number of neighborhood parks</i>	6	6	6	6	6	6	6	6	6	7
<b>Water</b>										
<i>Water Mains (miles)</i>	89.7	90	91	91	91	91	91	93	93.8	93.97
<i>Maximum Plant Capacity (MPG)</i>			6,700	6,700	6,700	6,700	6,700	6,700	6,700	6,700
<i>Fire Hydrants</i>	913	913	925	925	925	929	947	968	995	1,006

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.



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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, 2020, and have issued our report thereon dated August 26, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

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

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

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

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

1. As described in Note 12 of the City's financial statements, the results of testing indicated one instance of non-compliance related to excess expenditures over appropriations.
2. A significant deficiency in internal controls was noted as a result of audit procedures performed.

**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. We noted one significant deficiency as a result of our testing. Additional information regarding this matter will be communicated to the management of the City and the Mayor and City Council in a management letter issued in accordance with AU-C 265 *Communicating Internal Control Related Matters Identified in an Audit*.

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**



by: Gatlin Hawkins, CPA, a member of the firm

Eugene, Oregon  
August 26, 2021